



46TH REGIONAL CONFERENCE OF SIRC OF ICAI ON DECEMBER 12 & 13, 2014 AT MADURAI



CA. K. Raghu, President, ICAI being honoured by CA. P.V. Rajarajeswaran, Chairman, SIRC. CA. Naresh Chandra Gelli V, Vice-Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC and CA. Adusumilli Venkateswara Rao, Treasurer, SIRC are also seen in the picture.

ICAI INTERNATIONAL CONFERENCE 2015 ON JANUARY 29-31, 2015 AT BENGALURU



CA. Suresh Prabhu, Hon'ble Union Minister of Railways inaugurated. CA. K. Rahman Khan, Hon'ble Member of Parliament & Former Union Minister, CA. K. Raghu, President, ICAI, CA. Manoj Fadnis, Vice President, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Babu K. Thevar, Chairman, Bangalore Branch of SIRC and Shri V. Sagar, Acting Secretary, ICAI are also seen in the picture.

Interactive Voice Response (IVR)



40th Year of
Publication

GLIMPSES OF 2014 PROGRAMMES



1st Metro Conference of SIRC on February 6 & 7, 2014 at Chennai



Seminar on Bank Audit on March 15, 2014 at Chennai



Regional Residential Course on April 25-27, 2014 at Yercaud



Regional Residential Course on May 10 & 11, 2014 at Yelagiri



Regional Residential Course on June 27-29 at Pondicherry



Residential Course on October 12-14, 2014 at Tirupati



Programme on Companies Act 2013 jointly organised by SIRC of ICAI and SIRC of ICSI on July 25, 2014 at Chennai



1st Sub Regional Conference of SIRC of ICAI on August 21, 2014 at Belgaum



2nd Sub Regional Conference of SIRC on August 30, 2014 at Trivandrum



3rd Sub Regional Conference of SIRC on October 18, 2014 at Guntur



4th Sub Regional Conference of SIRC on October 18, 2014 at Erode



5th Sub Regional Conference of SIRC on November 12, 2014 at Karimnagar

P
H
O
T
O
G
A
L
L
E
R
Y

PHOTO GALLERY



6th Sub Regional Conference of SIRC on November 16, 2014 at Pondicherry



S. Vaidyanath Aiyar Memorial Lecture on October 30, 2014 at Chennai



7th V. Sankar Aiyar Memorial Lecture on November 22, 2014 at Chennai



International Conference for CA Students on December 27 & 28, 2014 at Bangalore

SCORE' 15 - INTENSIFIED CPE PROGRAMME ON COMPANIES ACT AT CHENNAI

12.01.2015



CA. P.R. Suresh
Bangalore



CA. Gopal Krishna Raju
Chennai



CA. K. Sripriya
Chennai



CS. S. Dhanapal
Chennai

13.01.2015



CA. K. Vidyadharan
Chennai



CA. Dayaniwas Sharma
Hyderabad



CA. Ganapathy Subramanian
Chennai



CA. L. Muralidharan
Chennai

19.01.2015

20.01.2015



CA. N. Srinivasan
Chennai



CA. B. Sekkizhar
Secunderabad



Shri. B.K. Bansal
Regional Director, MCA
Chennai



CS. Smitha Chirimar
Bangalore

26.01.2015

27.01.2015

CPE STUDY CIRCLE MEETINGS - JANUARY 2015

07.01.2015

21.01.2015

21.01.2015

28.01.2015



CA. Ananthi Amarnath
Chennai



CA. K. Sripriya
Chennai



CA. Chinnsamy Ganesan
Chennai



CA. S. Ramamoorthy
Madurai

INAUGURATION OF READING ROOM AT NAMAKKAL (SALEM BRANCH) ON JANUARY 31, 2015



INAUGURATION OF ICAI BHAWAN AUDITORIUM OF TIRUPUR BRANCH OF SIRC ON JANUARY 23, 2015 AT TIRUPUR



CA. P.V. Rajarajeswaran, Chairman, SIRC along with CA. Cotha S. Srinivas, Secretary, SIRC, CA. Gopal Krishna Raju, RCM, CA. Babu Abraham Kallivayalil, CCM, ICAI, CA. G. Sekar, CCM, ICAI, CA. N. Sivachalam, Chairman, Tirupur Branch, CA. S. Venkatesan, Secretary, Tirupur Branch, CA. M. Kandasami, Past Chairman, SIRC and CA. A. Selvaraj, Past Chairman, Tirupur Branch are also seen in the picture.

INAUGURATION OF SPORTS MEET ON JANUARY 31, 2015 AT SALEM



CA. P.V. Rajarajeswaran, Chairman, SIRC inaugurating. CA. P.R. Aruloli, CA. V. Jayaprakash, Chairman, Salem Branch, CA. Sowkath Ali, Vice Chairman, Salem Branch, CA. Arun, Member, Salem Branch and CA. N. Natarajan, Correspondent, PAVAI Institution, also seen in the picture.

REPUBLIC DAY CELEBRATIONS ON JANUARY 26, 2015 AT CHENNAI



CA. P.V. Rajarajeswaran, Chairman, SIRC hoisted the National Flag.

ICAI PRESIDENT VISIT TO MANGALORE BRANCH ON JANUARY 5, 2015

CA. K. Raghu, President, ICAI seen with CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. Babu Abraham Kallivayalil, CCM, ICAI, CA. A.K. Shyamala Shenoy, Chairperson, Mangalore Branch, Members of the Managing Committee of Mangalore Branch and Past Chairmen of Mangalore Branch.

NATIONAL CONCLAVE FOR CA STUDENTS ON JANUARY 5, 2015 AT UDUPI

CA. K. Raghu, President, ICAI inaugurated. CA. M. Devaraja Reddy, Chairman, BoS, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. Gopal Krishna Raju, RCM, CA. Babu Abraham Kallivayalil, CCM, ICAI, CA. G. Sekar, CCM, ICAI, CA. Ammunje Venkatesh Nayak, Chairman, Udupi Branch, CA. Prashantha Holla T, Secretary, Udupi Branch, CA. Rekha Devanand, Chairperson-SICASA and other Managing Committee Members of Udupi Branch of SIRC and SICASA are also seen in the picture.

FOUNDATION STONE LAYING CERMONY OF ICAI BHAWAN ON JANUARY 10, 2015 AT KANNUR

Shri K.C. Joseph, Minister for Rural Development, Planning and Culture, Govt. of Kerala laying the Foundation Stone in the presence of CA. K. Raghu, President, ICAI, CA. Babu Abraham Kallivayalil, CCM, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. V.X. Jose, RCM, CA. Jomon K. George, RCM, CA. U. Mohanan, Chairman, Kannur Branch, Members of the Managing Committee of Kannur Branch and other invitees are seen in the picture.

GMCS INAUGURATION ON JANUARY 07, 2015 AT CHENNAI

Chief Guest Mr. Vivek Harinarain, IAS, Former Information Secretary, Govt of Tamil Nadu, along with Guest of Honour CA. N. Sukumar, Hon. Consul for Republic of Zambia being honoured by CA. P.R. Aruloli, RCM in the presence of CA. V. Murali, CCM, ICAI.

ICAI PRESIDENT VISIT TO CALICUT BRANCH ON JANUARY 10, 2015

CA. K. Raghu, President, ICAI with CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. Cotha S. Srinivas, Secretary, SIRC, CA. V.X. Jose, RCM, CA. Jomon K. George, RCM, CA. T.N. Sujith Kumar, Chairman, Calicut Branch, Members of the Managing Committee of Calicut Branch and other invitees.

TWO DAY CA STUDENTS MEGA CONFERENCE ON JANUARY 10 & 11, 2015 AT PONDICHERY

Thiru N. Rangasamy, Hon'ble Chief Minister of Pondicherry lighting the traditional lamp. CA. P.R. Aruloli, RCM, CA. Vijaykumar N. Modi, Chairman, Pondicherry Branch, CA. V. Prabagarane, Secretary, Pondicherry Branch, CA. M.S. Ravichandran, Chairman, SICASA, Pondicherry Branch and other functionaries are seen in the picture.

CONVOCATION ON JANUARY 11, 2015 AT BANGALORE

CA. K. Raghu, President, ICAI along with CA. M. Devaraja Reddy, Chairman, Board of Studies, CA. V. Murali, CCM, ICAI, CA. P.V. Rajarajeswaran, Chairman, SIRC, CA. M. Nithin, RCM, CA. Babu K. Thevar, Chairman, Bangalore Branch and CA. B.E. Pampanna., Secretary, Bangalore Branch of SIRC.

9TH ANNUAL CONFERENCE OF SALEM BRANCH OF SIRC ON JANUARY 24, 2015 AT SALEM

CA. P.V. Rajarajeswaran, Chairman, SIRC inaugurated. CA. Babu Abraham Kallivayalil, CCM, ICAI, CA. G. Sekar, CCM, ICAI, CA. K. SriPriya, RCM, CA. V. Jayaprakash, Chairman, Salem Branch, Chairmen of Coimbatore, Erode, Salem, Tirupur and Palghat Branches of SIRC and other Managing Committee Members of Salem Branch of SIRC are also seen in the picture.



Chairman writes...

My dear Professional Colleagues, Bidding Adieu:

The last 12 months in office as the Chairman of the Southern India Regional Council has given me an opportunity to serve our profession to a greater extent. I am deeply indebted to my colleagues in the Regional Council and the other members of our professional fraternity in Southern Region for bestowing on me this prestigious and challenging position and for the support and guidance extended to me in the discharge of my duties as the Chairman of SIRC.

“Every person that you meet knows something you don't; learn from them”. - H. Jackson Brown Jr.

True to the saying, my meeting with the members and students in the last 12 months has been a great learning experience for me. My interaction with the members widened the horizon of understanding the needs of members and the possible scope for extending the services to the professional fraternity. My interaction with the students was very lively and I am extremely happy that they have embarked on the course with confidence and to become future members of our profession.

As this being the last interaction through this column with you, I would like to share with you my good wishes and greetings to you and to your family for a happy and successful professional career and growth.

Visits to Branches:

I visited Udipi branch on 5th January 2015 to attend the National Conclave for CA Students organized by the Board of Studies and on the same day I visited Mangalore Branch along with the President CA K Raghu. At Udipi, though a small branch I could see the motivation of the Students. At Mangalore it was members' meet. The infrastructure at Mangalore is very nice and clean. I visited Kannur branch to participate in the Boomi Pooja ceremony. The Bhoomi Pooja for the new building for Kannur Branch was performed in the gracious presence of our beloved President CA. K. Raghu and Shri K.C. Joseph, Minister for Rural Development, Planning and Culture, Govt. of Kerala and Shri K.P. Mohanan, Minister for Agriculture, Govt. of Kerala. The branch honoured four citizens of Kannur who served for the society. This is a very good gesture and a commendable one. At Calicut I participated along with our beloved President CA. K. Raghu in the Seminar on Domestic Transfer Pricing organized by the Branch. Mr. M.B. Shayam Bharath a student of Calicut presented a photo being the image of our President CA. K. Raghu, which exhibits the talent of the student.

On 23rd January 2015 I visited Tirupur Branch, to inaugurate the New auditorium, along with CA Babu Abraham, CCM. On the 24th January 2015, I participated in the 9th Annual Seminar organized by Salem Branch at Salem. The Seminar was well-organized and well-attended. The ITT Lab and a reading room was inaugurated at Salem Branch. On 31st January 2015, a reading room was inaugurated at Namakkal, which is the second reading room of the Salem Branch.

I congratulate CA. Amunje Venkatesh Nayak, Chairman, Udipi Branch, CA. A.K. Shyamala Shenoy, Chairperson, Mangalore Branch, CA. T.N. Sujith Kumar, Chariman, Calicut Branch, CA. U. Mohanan, Kannur Branch of SIRC, CA. N. Sivachalam,

Chairman, Tirupur Branch and CA. V. Jayaprakash, Chairman, Salem Branch of SIRC and their vibrant team for having successfully organized the events in a befitting manner

I participated in the convocation conducted at Bangalore on 11th January 2015 with our President and Vice President. During this year the Chairman of BOS CA. M. Devaraja Reddy conducted many programs for the students.

SIRC Action Plan of 2014-15:

SIRC chalked out its Action Plan of 2014-15 and I am happy to share that the objectives outlined in the Action Plan were closely followed and accomplished to the extent possible and feasible.

International Conference:

Under the dynamic leadership of our President CA. K. Raghu, ICAI organized the International Conference of Chartered Accountants from 29th to 31st January 2015 at Bangalore. The highlight of the Conference was the gracious presence of CA. Suresh Prabhu, Hon'ble Union Minister of Railways and CA. Rahman Khan, Member of Parliament at the inaugural session of the Conference. I had the privilege of participating in the Conference with my colleagues in SIRC. The entire proceedings of the Conference were highly applauded by the participants.

A Brief of Programmes held in January 2015:

During January 2015, SIRC continued its activities with more vigor and conducted programmes covering many areas of professional interest to members, viz., on Companies Act, Concurrent Audit, Information Technology, NPOs, Service Tax, CPE Study Circle Meetings, besides a non-conventional subject on Stress Management, Republic Day Celebrations and Blood Donation Camp as part of its duty to social responsibility. SIRC thanks all the resource persons and co-ordinators of these programmes for their involvement and support.

Besides the CPE Study Circle Meetings held on conventional subjects, we had a unique programme on “Experience Sharing by a Successful (CA) CEO and Stress Management. CA. A.V. Dharmakrishnan, CEO of M/s. Ramco Cements Ltd made a spectacular presentation how technology can be effectively used to get online information on various functions of the business. It was an exceptional and extraordinary presentation. Varalotti Rengasamy alias CA. R. Sridharan extolled the subject on Stress Management with lucid and insightful presentation.

Future Programmes of SIRC:

Our members will be agog with the bank audit during the months of March and April. SIRC, as in the past, would be conducting the Seminars on Central Statutory Audit of Banks and Bank Branch Audit of Banks. The details would be hosted in the SIRC Website and communicated to members through mass mail and SMS once the structure of the programme is finalized by SIRC.

The Union Budget 2015 is to be presented on 28th February 2015 and SIRC would come out with its programmes on Live Telecast and Panel Discussion on 28th February 2015, Public Meeting and Clause by Clause Analysis in the month of March 2015, the details of which would be shared in due course.

SIRC requests members to participate in all the programmes in large numbers.

Contact: Dr. T. Paramasivan, Joint Director, ICAI – Phone: 044 – 30230361 / 320 – E-mail: sirc@icai.in

Sl. No	Programme Date	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fee*		Page No.	
							For Pre-Regn.	For Spot Regn.		
1	February 7, 2015 Saturday	One Day CPE Conference Organised by CPE Committee of ICAI jointly with CPE Committee of SIRC of ICAI Convenor: CA. V. Murali , Chairman, CPE Committee, ICAI				6	No Delegate Fee		For Details visit SIRC Website	
2	February 9, 2015 Monday	SCORE 15 – CPE Programme on Companies Act 2013 - Private Limited Companies	CA. K. Sripriya Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	
3	February 10, 2015 Tuesday	SCORE 15 – CPE Programme on Companies Act 2013 - Share Capital, Prospectus	CA. S. Sathiyarayanan Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	
4	February 11, 2015 Wednesday	CPE Study Circle Meeting on Issues in Survey and Search Assessment	CA. S. Srivatsan Tiruchirapalli	06.15 pm to 08.30 pm	P. Brahmayya Memorial Hall	2	180	200	-	
5	February 14, 2015 Saturday	A Practical Approach with test Data Using Excel in Bank Audits - A Practical Approach with Test Data (Participants to come with laptops - Limited Seats 75 only)			09.30 pm to 05.30 pm	SIRC Premises	6	675	750	-
6	February 16, 2015 Monday	SCORE 15 – CPE Programme on Companies Act - Company Audit Procedures for FY 2014-2015 - Practical Issues	CA. Sriraman Parthasarathy Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	
7	February 17, 2015 Tuesday	SCORE 15 – CPE Programme on Companies Act- Appointment, Qualifications of Directors, Meetings of Board	CA. Bhavani Balasubramanian Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	
8	February 18, 2015 Wednesday	Panel Discussion on FAQ's on Companies Act – Part II			06.15 pm to 08.30 pm	P. Brahmayya Memorial Hall	2	No Delegate Fee		-
9	February 21, 2015 Saturday	A Practical Approach with test Data Using Excel in Bank Audits - A Practical Approach with Test Data (Participants to come with laptops - Limited Seats 75 only)			09.30 pm to 05.30 pm	SIRC Premises	6	675	750	-
10	February 23, 2015 Monday	SCORE 15 – CPE Programme on Companies Act-Internal Controls over Financial Reporting	CA. K. Sairam Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	
11	February 24, 2015 Tuesday	SCORE 15 – CPE Programme on Companies Act - Related Party Transactions, Standards, Disclosures - Case Studies	CA. M.P. Vijay Kumar Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-	

12	February 25, 2015 Wednesday	CPE Study Circle Meeting on Detection of Documentation Frauds	Adv. G. Shyam Sundar Chennai	05.00 pm to 08.00 pm	P. Brahmayya Memorial Hall	3	270	300	-
13	February 26, 2015 Thursday	CPE Study Circle Meeting on Financing and Funding for NPOs	CA. S.N. Babu Govindaraj Chennai	05.30 pm to 07.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
14	February 27, 2015 Friday	CPE Study Circle Meeting on Value Investing and Contrarian Mind	CA. Lalit Kumar Rathi Chennai	05.30 pm to 07.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
15	February 28, 2015 Saturday	Live Telecast on Union Budget - 2015		11.00 am	SIRC Premises	Nil	<i>No Delegate Fee</i>		-
16	February 28, 2015 Saturday	Panel Discussion on Union Budget - 2015		06.00 pm	P. Brahmayya Memorial Hall	2	<i>No Delegate Fee</i>		-
17	March 2, 2015 Monday	SCORE 15 – CPE Programme on Companies Act - Depreciation - Practical Case Studies	CA. Chinnsamy Ganesan Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-
18	March 3, 2015 Tuesday	SCORE 15 – CPE Programme on Companies Act - CSR - Committee, Policy, Rules, Implementation - Practical Issues	CS. B.Ravi Raju Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-
19	March 4, 2015 Wednesday	CPE Study Circle Meeting on International Taxation	CA. D. Sree Lakshmi Valli Chennai	06.15 pm to 08.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
20	March 8, 2015 Sunday	CPE Programme coinciding with International Women's Day		10.30 am to 02.00 pm	P. Brahmayya Memorial Hall	3	270	300	For Details visit SIRC Website
21	March 9, 2015 Monday	SCORE 15 – CPE Programme on Companies Act - Audit & Auditors - Chapter X - Practical Case Studies	CA. Jomon K George Kochi	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-
22	March 10, 2015 Tuesday	SCORE 15 – CPE Programme on Companies Act - CSR - Committee, Policy, Rules, Implementation - Practical Issues	CA. Copal Krishna Raju Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-
23	March 16, 2015 Monday	SCORE 15 – CPE Programme on Companies Act - Enforcement Mechanism under Companies Act	Adv. P.H. Arvind Pandian Chennai	05.30 pm to 08.30 pm	P. Brahmayya Memorial Hall	3	270	300	-
Details of Public Meeting on Union Budget - 2015 and Seminar on Clause by Clause Analysis will be hosted in SIRC Website www.sircoficai.org.									

Delegate Fee : Pre-regn. will be considered upto immediate preceding day of the programme only.

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: 044-30230320; Fax: 044-30230355; Email: sirc@icai.in sufficiently in advance. Members are requested to avoid SPOT Registration.

CHAIRMAN WRITES (Contd..)**Names of Universities recognizing CA Qualification as equivalent to Post Graduate Course for pursuing Ph.D:**

SIRC is happy to inform members that the Institute has been pursuing with all the Universities to permit our members to pursue Ph.D and presently the Association of Indian Universities and 103 Universities, 19 from Western Region, 31 from Southern Region, 13 from Eastern Region, 26 from Central Region and 14 from Northern Region have recognized our qualification as equivalent to Post Graduate for pursuing Ph.D. SIRC has also been following with 36 other Universities in Southern Region for the recognition.

SIRC desires that our members take the opportunity of the recognition and pursue Ph.D in their preferred fields and acquire Doctorate in the near future. A list of such Universities recognized in Southern Region is published in Page No. 21 in this Newsletter. For details of Universities in other Regions, you may visit the ICAI website www.icaai.org. Members desirous of pursuing Ph.D may get in touch with SIRC and/or SRO Head for basic guidance.

Congratulations:

SIRC congratulates the students who have passed the CPT Course and welcome them to this prestigious CA course and the students who have passed the Final Course and welcome them to our professional fraternity. SIRC wishes them all the best in their career.

I am extremely happy to share with the members that SIRC organized numerous programmes in the last one year and took many initiatives and broadened its activities. A glance of the above is given below and I should record here that these were all possible only with the support of the members of the Region.

- 46th Regional Conference of SIRC of ICAI held at Madurai on 12th and 13th December 2014.
- 6 Sub-Regional Conferences held at Belgaum, Trivandrum, Guntur, Erode, Karimnagar and Pondicherry.
- 2nd Annual Regional Residential Course on International Taxation on 31st October, 1st and 2nd November 2014.
- 6 Regional Residential Courses at Trivandrum, Courtallam, Tirupati, Srisailam, Kolli Hills (Salem) and Yelagiri Hills.
- 90 Hours Workshop on Direct Taxes and 20 Days Workshop (2 Hours Each) on Companies Act, 2013 at Chennai.
- Companies Act – 2013 – Series of Programmes held at SIRC and Branches of SIRC and SIRC supported Branches by providing resource persons.

New Initiatives:

- “ARANGAM” – Cultural Competition for members introduced this year.
- Launched the Integrated Voice Response (IVR) Facility – Phone No. -044-39893989
- KIOSKS installed at the portico of the main building for members and students to access and get details required by them.

Other Programmes and Activities of SIRC:

- Action Plan of SIRC of ICAI 2014-15 unveiled and steps taken during the year to fulfill the objectives given therein.
- First Floor of ICAI Bhawan at Trichur inaugurated on 22nd January 2014.
- 1st Metro Conference held at Chennai on 6th and 7th February 2014.
- Organized International Tour to Thailand between 12th and 17th February 2014 with 30 participants.
- Inauguration of ICAI Bhawan at Mangalore on 16th February 2014.
- Organized Family Get-together of Officers and Staff of ICAI to

Tirupati in February 2014.

- Orientation Programme held at Kodaikanal on 27th and 28th March 2014 for Chairmen and Secretaries of Branches of SIRC of ICAI.
- AARAMBH – Women Conference on 12th March 2014.
- 40th Year of Publication of SIRC Newsletter (Started in July 1975) – Commemorative issue brought in July 2014 and will continue upto June 2015.
- Chartered Accountants Day celebrated on 1st July 2014 in a befitting manner.
- 4th ICAI All Region Joint Conference on 8th and 9th August 2014 at Kolkata organized by WIRC, SIRC, EIRC, CIRC and NIRC.
- 1st Joint ICAI Officers’ and Employees’ Association, Chennai held on 8th August 2014.
- Represented to Govt. of Tamil Nadu for deciding the quantum of Property and Municipal Tax at concessional rates and Chairman met the officials of Govt. of Tamil Nadu on the assessment of Property Tax on 18th September 2014.
- Chairman met the Chief Secretary, Govt. of Tamil Nadu, Officials of RBI and Senior Officials of NBFC Companies on 10th September 2014.
- Joint Regional Residential Course at Goa with WIRC from 10th to 12th October 2014.
- Organized Swachh Bharat Abhiyan (Clean India Campaign) on October 2, 2014 at Hubli. All the Branches have been exhorted to be part of the Swachh Bharat Abhiyan.
- Organized 35th S. Vaidyanath Aiyar Memorial Lecture on 30th October 2014
- Organized Training Programme for Finance Personnel in Tamil Nadu State Public Sector Undertakings & Statutory Bodies on Companies Act on 11th October 2014.
- Organized 7th V. Sankar Aiyar Memorial Lecture on 22nd November 2014
- Organized Training Programme for the Officials of C&AG on Companies Act, 2013 on 19-21, November 2014.
- CA. Women Conference on 15th November 2014 (as part of Women Empowerment).
- Kottayam Branch Building inaugurated on 21st December 2014.
- Organized P.P. Gururaja Upadhyaya Memorial Lecture on 29th December 2014.
- During the year five new Branches of SIRC were formed at Anantapur, Karimnagar, Kurnool, Ongole and Warangal.
- Members from the Southern Region contributed to the Chartered Accountants Benevolent Fund to the tune of Rs. 97.70 lakhs.
- Tirupur and Tuticorin Branches celebrated their Silver Jubilee Celebrations (Formed in the year 1990).
- SICASA Day celebrated on 1st December 2014 with cultural and sports activities showcasing the talents of students.
- Organized Blood Donation Camp four times during the year, thrice by SIRC and once by SICASA on 1st and 2nd February, 2014, 30th June and 1st July 2014, 1st December 2014 and 26th January 2015.
- Online Payment for CPE Programmes, GMCS and Coaching Classes popularized.
- Branches of SIRC hosted National Conventions for CA Students organized by Board of Studies and SIRC provided logistic support and advice.
- Sent suggestions to Central Council through personal interactions and through meetings on the CRET Report (New Curriculum for CA Course).
- Invited dignitaries from Government (Union Ministers, State Ministers, Secretaries to Government, Senior Officials of Department) as part of “Partners in Nation Building”.
- Branch and Regional Level Elocution and Quiz Contest for CA

Students and Debate Competition for School Students held.

- Republic Day and Independence Day Celebrated in a befitting manner.

SIRC acknowledges:

It is my bounden duty to express and record our sincere thanks to each one of them who were instrumental and for guiding me to go forward in the pursuit of SIRC to provide fruitful, purposeful, informative, impressive and enlightening programmes throughout our term of office in this year 2014-15. Our President CA. K. Raghu and CA. Manoj Fadnis who propelled our enthusiasm with their guidance and support, the members of SIRC who stood by me with their unstinted co-operation, the Chairmen and Members of Branches who took forward the initiatives of SIRC and all others needs special mention.

- * Dignitaries from Government
- * Senior Officials of Departments
- * Central Council Members of ICAI
- * Members of SIRC
- * Members of the Executive Committee of SIRC
- * Chairmen and Members of the Managing Committee of 41 Branches
- * Convenors of CPE Study Circles, CPE Chapters, CPE Study Groups and CPE Study Circle for Members in Industry
- * Chairmen and Members of the Southern India Chartered Accountants Students' Association and its Branches
- * Past Presidents of ICAI from Southern Region, Past Chairmen of SIRC, Past Members of Central and Regional Council from Southern Region
- * Chairmen and Members of Western, Eastern, Central and Northern Regional Councils
- * All Members of Southern Region
- * Resource Persons of Programmes of SIRC
- * Contributors of Updates for the SIRC Newsletter
- * Sponsors and Advertisers for the Programmes of SIRC and SIRC Newsletter
- * Press and Media
- * Officers and Staff of ICAI, New Delhi and
- * Officers and Staff of SIRC and DCO-Chennai

The new team of office-bearers will continue to guide the affairs of SIRC and I wish them all success and offer my support in all their endeavours. SIRC looks forward to your continued patronage and participation in all our programmes and your encouragement would be vital for the successful functioning of SIRC always.

I take this opportunity to express my continued commitment to our profession and re-dedicate myself to the service of the Institute and would continue to pursue the path of service to the profession.

With warm regards

Yours in professional service



CA. P.V. RAJARAJESWARAN
chairmansirc@icai.in

REVISED STIPEND RATES FOR ARTICLED ASSISTANTS w.e.f 23.01.2015

Classification of the normal place of service of the articled assistant	During the 1 st year of training	During the 2 nd year of training	During the remaining period of training
(1)	(2)	(3)	(4)
Cities/towns having a population of twenty lakhs and above	₹ 2000/-	₹ 2500/-	₹ 3000/-
Cities/towns having a population of four lakhs and above but less than twenty lakhs	₹ 1500/-	₹ 2000/-	₹ 2500/-
Cities/towns having a population of less than four lakhs	₹ 1000/-	₹ 1500/-	₹ 2000/-

CPE PROGRAMME ON THE COMPANIES ACT, 2013 - PRACTICAL ISSUES ON JANUARY 3, 2015 AT CHENNAI



CA. Gopal Krishna Raju
Chennai



CA. Chinnsamy Ganesan
Chennai



CA. B. Sekkizhar
Secunderabad

Campus Placement Programme for the Newly Qualified Chartered Accountants February-March, 2015

The Committee for Members in Industry of the Institute of Chartered Accountants of India organises Campus Placement Programme for the newly qualified Chartered Accountants at various centres all over India.

Sl. No.	Centre	Dates
1.	Baroda, Coimbatore, Ernakulam & Vasai	12 th - 13 th February, 2015
2.	Bhubaneswar, Chandigarh & Kanpur	13 th - 14 th February, 2015
3.	Indore, Nagpur, Navi Mumbai & Thane	16 th - 17 th February, 2015
4.	Ahmedabad & Jaipur	18 th - 19 th February, 2015
5.	Pune	19 th - 20 th February, 2015
6.	Mumbai & New Delhi	16 th , 17 th , 18 th , 19 th , 20 th , 21 st & 23 rd March, 2015
7.	Bangalore, Chennai & Kolkata	18 th , 19 th , 20 th , 21 st , 23 rd & 24 th March, 2015
8.	Hyderabad	19 th , 20 th , 21 st , 23 rd & 24 th March, 2015

For Details, the organisations/CA Firms may contact Committee for Members in Industry Secretariat, Indraprastha Marg, New Delhi - 110002, Tel. No. (011) 30110491/548/549 Email: campus@icai.in, placements@icai.in log on to www.placement.icai.org or http://www.icai.org .

CA. Tarun Jamnadas Ghia, Chairman
Committee for Members in Industry of ICAI

Updates

Direct Taxes

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

- 1. Circular issued for deduction of tax at source on salary for the financial year 2014-15:** In Circular No.17 of 2014 dated 10.12.2014 the CBDT has issued its annual exhaustive circular with regard to deduction of tax at source on salary income. Some of the features are (a) employees can furnish a simple statement of particulars of income other than salaries for enabling the employer to consider the same for deducting tax at source. However, loss under any head other than income under the head 'house property' will not be considered for tax deduction under section 192; (b) when salary is paid in foreign currency the value in rupees shall be calculated at the telegraphic transfer buying rate as on the date on which tax is required to be deducted at source; (c) where salary includes pension, tax at source will have to be deducted from pension also, unless otherwise so required. However, no tax is required to be deducted from the commuted portion of pension to the extent it is exempt under section 10 (10A); (d) family pension is chargeable to tax under head "Income from other sources" and not under the head "Salaries", therefore, provisions of section 192 are not applicable; (e) where interest on loan taken for residential house property is deductible under section 80EE and the amount claimed during the assessment year 2014-15 is less than ` 1 lakh, the balance amount is allowable in the assessment year 2015-16; and (f) deduction under section 80GG is allowed to employees who do not receive any house rent allowance but who pay house rent for their residence.
- 2. Clarification regarding processing of return with refund claims when selected for scrutiny:** Section 143(1D) provides that where a notice has been issued to a taxpayer under section 143(2), it shall not be necessary to process such return. The expression "shall not be necessary" created doubt as to whether the provision permits processing of returns having refund claims, when notice under section 143(2) has been issued. The CBDT in its Instruction No.01/2015 dated 13.01.2015 has clarified that when an unprocessed return is selected for scrutiny such return is not to be processed under section 143(1), if a notice under section 143(2) has already been issued. It has expressed that it is desirable that such scrutiny assessments are completed expeditiously.
- 3. Percentage of Government grant for the purpose of section 10(23C)(iiiab) and (iiiac) prescribed:** Any university or other educational institution or hospital substantially financed by the Government for any previous year is eligible for blanket tax exemption in view of sub-clauses (iiiab) and (iiiac) of clause (23C) of section 10. The CBDT vide Notification No.79/2014 dated 12.12.2014 has inserted rule 2BBA to Income-tax rules and has specified that if the Government grant exceeds 50% of the total receipts (including any voluntary contributions) received by such recipient institution during the relevant previous year, it shall be eligible for the said tax exemption. Thus the percentage of Government grants on the total receipts is now specifically given in the rules for grant of tax exemption. ■

Tamil Nadu VAT

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

Personal hearing: Even if any statute does not specifically provide for an opportunity of personal hearing or issuance of show-cause notice, there is no error on the part of the designated authority to afford an opportunity of personal hearing so as to ensure fairness and transparency in procedure and also to satisfy the cardinal rule, Audi alteram partem. **M/s CHERAN CEMENTS LIMITED Vs THE JOINT COMMISSIONER (CT) - TRICHY DIVISION [2014] (MAD) W.P.(MD) No.5638 of 2014 DATED: 3rd September 2014**

Rectification of the defects: If the designated authority, of the Tamil Nadu Sales Tax (Settlement of Arrears) Rules, 2011, finds any defect or omission in the applications, he shall return such applications for rectification of the defects within ten days from the date of receipt of the said application. When the first respondent, did not do so, but, without considering the said provision, had passed the impugned order and the learned Judge had also confirmed the same. Though the appellant was denied to rectify the same, the learned Judge had not considered the same and rejected the writ petition, which was interfered by the Bench. **M/s.CHETAK TIMBER PRODUCTS (P) LTD Vs THE JOINT COMMISSIONER (CT), TRICHY DIVISION W.A.(MD) No.977 of 2014 DATED: 12.08.2014.**

Advance rulings: When the petitioners themselves went to the Authority for Clarification and Advance Ruling, they cannot now turn back and say that the clarification is not binding on them as long as the clarification or reviewed by the Authority. **STAR MARKETING Vs THE ASSISTANT COMMISSIONER, KARUR (SOUTH) ASSESSMENT CIRCLE W.P.(MD) Nos.12508 of 2014 DATED: 01.08.2014** ■

Andhra Pradesh VAT

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

ADC Orders

1. Rastriya Ispath Nigam Limited - VSP/VAT/072/13-14 dated 2.1.15 – construction equipment purchased and classified as Motor Vehicles – entry tax upheld by ADC

High Court

1. S.P. Bailing Press – assessment completed on Xerox copies of C form – contrary to legal position – dealer has to submit the original of duplicate copy C form for verification and necessary action.
2. Om Laminate Agencies 59 APSTJ 51 – False declaration U/s 8(4) – penalty U/s 10A – 53(3) should not be invoked specifically excluded by Section 9(2A).
3. Sai Sri Industries - (2014) 59 APSTJ 75 – Tribunal decided the appeal on the basis of HC Judgment – HC need not admit revision petition just because of SLP pending against HC decision
4. SBI, Suryapet- 59 APSTJ 96 – tax liability of dealer U/s 16C of APGST Act prevails over secured Debts.

Rajasthan Case

1. Rohit Industries 76 VST 489 – packing material to be taxed at the rate of content – plastic bags purchased free of tax and

used in packing not taxable to Rajasthan Sales Tax, S.4(2) and S.8 as per Notification No. F4(21)FDE/Gr.IV/78-7(S.O.193) dt 6.3.78. ■

Telangana VAT

Contributed by: **CA. Satish Saraf**
Hyderabad
satish.saraf@icai.org

GOs issued

1. G.O.Ms.No.3 dt 16.1.2015 – amending column 4 of VI – (1) petrol – existing rate 31% - amended provision 31% + ` 2 per Liter – (2) diesel – existing rate 22.25% - amended rate 22.25% + ` 2 per Liter

Advance Rulings

1. Achala Enterprises - T.S./A.R.Com/28/2014 dt 12.1.15 - all bags used for carrying, storing and packing including school and college bags - classified as packing material falling under entry 90 in Schedule IV liable to be taxed at 5% following advance ruling in A.R.Com/137/2006, Dt. 25-11-2006 in the case of R.K. Trading Company

Commissioner's Orders

1. Noorie Engineers - CCT's Ref, .No.LIII(2)/137/2014 dt 5.1.15 – revising orders forfeiting refund claim of TDS

ADC orders

1. Manasa Agencies - N/23/2014-2015-VAT – dt 6.1.15 – Stock variation 2% permitted keeping the G.O.Ms No.26 dated 11-05-2009 issued under Andhra Pradesh Scheduled Commodities dealers (Licensing, storage and regulation) Order 2008 on essential commodities

High court

1. SUSHEE INFRA - WP No: 30076 of 2014 has directed the Department to give credit of the Input Tax for the month of May 2014 in the month of June, 2014
2. ABB India Limited - (2014) 24 APSTJ 59 HC – Turnover of Transit covered by C forms not by E1 or EII forms to be taxed at 2% and not at 12.5% / 14.5%.
3. Vignesh Agency 59 APSTJ – Collection of tax and penalty without passing the order in violation of natural justice and illegal.
4. Velankani Matha Cotton Industries, (2014) 59 APSTJ – service of order on non-authorized person – improper service (APHC specified same in the case of Jayalakshmi Cloth Stores - 132 ITR 764)
5. Neeraj Kumar Vishal Kumar (2014) 59 APSTJ - Section 45(7) (a mandate to issue show cause notice goods carried without payment of tax or proper documents
6. Suchir India Developers (P) Limited (2014)59 APSTJ 87 – direction given by ADC is binding on AA if appeal orders are revised by higher authorities specified
7. Smt. V.Rekha 59 APSTJ 55 – suppressed turnover – alleged invoices issued – AA on demand should provide the information of alleged invoices issued by the dealer
8. Showtech Stone International (2014) 59 APSTJ 105 - Interpretation must depend on the text and the context on all the concerned provisions including earlier enactment in necessary circumstance.
9. Katta Mallaiah Gari Radhaiah 59 APSTJ 66 – Section 51(1) does not provide any discretion power to AA to waive penalty for belated payment.
10. Showtech Stone International 59 APSTJ 105 – Court should not substitute deficiencies in the statute – vacuum to be replied

in favour of the assessee (APHC in Gouri Shankar Modern Rice Mill and Others - 147 STC 370 had given judgment in identical language) ■

Kerala VAT

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

- ❖ Procedure and documents to be insisted from persons other than registered dealers for transporting goods into the State for own use / consumption in the State has been modified. The modified procedure is laid down in Circular 3 of 2015. As per the new system, Form NO.16 along with the Form No. 8F declaration has to be e-generated by the person bringing goods from outside the State. This system is mandatory only if the value of the consignment exceeds ` 20, 000/-. For movements within the State and in cases where the value is less than ` 20, 000/-, existing procedure of filing a hard copy of Form 16 is sufficient. However, for transporting goods like marble slabs and tiles, granite slabs and tiles, vitrified and ceramic tiles, timber, glass and cement from outside the State, application for Form 16 has to be made electronically and got approved by the Inspecting Assistant Commissioner having jurisdiction over the area to which the materials are to be transported. (Circular 3 of 2015).
- ❖ By SRO 796 of 2014, the Government has exempted Natural Rubber and its variants from levy of VAT for the period from 20/02/2014 to 31/03/2015.
- ❖ By its order No.C3/3308/14/CT dated 29/11/2014, Authority for Clarification has ordered that Cool Cane, a Juice extracted from sugar cane and mixed with natural lemon extract / juice would fall under Entry 71(2) of S.R.O. No. 82/2006 and hence is taxable at 14.5%.
- ❖ By its Order no. C 3/4078/14/ct dated 9/1/2015, Authority for Clarification has ordered that the commodity Narrow Woven Fabrics which includes Hook and Loop Tape Fasteners, Elastic Tapes, Webbing Tapes, Ribbons etc., are classifiable under the HSN 5806 of the Customs Tariff Act and hence would be exempt from tax by virtue of Entry 51(8)(f) of the First Schedule to the Kerala Value Added Tax Act, 2003. ■

Karnataka VAT

Contributed by: **CA. C.R. Dhavalagi**
Hubli
cr_dhavalagi@rediffmail.com

Notification No. CCW/CR.8/2015

In supersession of this office notification of even number dated 09.09.2014 and in exercise of the powers under sub-rule (aaaa) of Rule 6 of the Central Sales Tax (Karnataka) Rules, 1957 it is hereby notified that every dealer registered under the provisions of the Central Sales Tax Act, 1956, and who has electronically filed return for any month or quarter commencing from 1st day of January, 2013, shall after end of the relevant tax period (month or quarter), apply for obtaining a declaration in Form 'C' to be furnished for any purchase of goods in such month or quarter and a single declaration form covering all transactions of purchases which took place in a month of a financial year between two dealers, be issued in the following manner:-

1. Every such dealer shall log on to the website <http://vat.kar.nic.in/>.
2. Using the user name and password communicated to him by this office or from the jurisdictional Local VAT Officer (LVO) or VAT Sub Officer (VSO), every such dealer shall proceed to submit the return/returns for the tax period of January 2013 and onwards declaring gross value of goods inclusive of tax and other charges if any, purchased in the course of inter-State trade or commerce against declaration in Form 'C' in the specified box and obtain acknowledgement after successful submission.
3. The dealers who require the declaration in Form 'C' against the value of purchase effected in the course of second and subsequent interstate trade or commerce (sales in transit) shall be included in the specified box of the return for interstate purchases against C form only.
4. Such dealer shall upload the details of purchases in the course of inter-State trade or commerce for the tax period of April 2014 and earlier, after logging into the website <http://vat.kar.nic.in/> using the path **Interstate Purchases (Up to Tax Period of April 2014)** from the main menu. The details of such purchase for the tax periods of May 2014 and onwards shall be uploaded by the dealers using the path **Purchase Statement –Interstate** available in the main menu itself.
5. On filing all the returns due and uploading of details of purchases in the course of inter-State trade or commerce for the relevant tax period (month or quarter), the dealer shall be allowed to generate declaration in Form 'C' by the system by following the procedure described in the said website. Declaration in Form 'C' so generated shall be for all the invoices of a selling dealer (TIN) for specified month and invoice value shall be inclusive of tax and other charges based on information submitted by the dealer for the month of January 2013 to April 2014 or for any subsequent tax period in compliance to the notification number CCW/CR-44/2013-14 dated 29-04-2014.
6. The dealers who require the declaration in Form 'C' and whose total annual turnover for the year ending 31-03-2014 or in any subsequent tax period is less than fifty lakh rupees and not coming under the purview of notification number CCW/CR-44/2013-14 dated 29.04.2014, shall also follow the procedure specified in clause (2) to (4) above.
7. The total value of the declaration in 'C' forms that can be generated for any tax period shall be equal to or less than the value declared in the specified box of the return of the tax period. If the value of the goods uploaded for any tax period is more than the value declared in the specified box of the return of that tax period, the declaration in Form 'C' shall be restricted to the value declared in the specified box of the return.
8. If the invoice belonging to any tax period is accounted for in the books of account in the subsequent tax period (subject to six months from the tax period of the invoice), even then the declaration in Form 'C' form shall be generated for the tax period relating to the invoice date by following the procedure described in the said website.
9. Such dealers shall not be entitled to generate the declaration in Form 'C' for any tax period (month or quarter) until all the returns due are filed, tax admitted thereon is paid and the details of purchases in the course of inter-state trade or commerce are submitted electronically for all the months.
10. After generating the declaration in Form 'C', the dealer can print the declaration in Form 'C' in triplicate on A-4 size paper of not less than 75 gsm. Each declaration form so printed will have a unique number assigned on it. After

printing, the dealer, if he so desires, may have the seal of Department of Commercial Taxes affixed by producing it before the LVO or VSO concerned. ■

Banking and Insurance

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

Total capital of banks in India as at 31 March, 2014 stood at ` 7278 billion. The quantum of gross NPAs, on the other hand, stood at ` 2511 billion. Restructured assets stood at ` 3579 billion on the same date. Thus against a gross advance level of ` 61018 billion, gross NPAs and restructured assets together stood at ` 6090 billion, almost at 10 %.

It is against this background, one should view the ability of the Indian banking industry to meet the capital requirements under BASEL III norms.

To combat the problem of NPAs, the regulator has started drawing the contours of a non-cooperative borrower. He has been defined to be one who does not engage constructively with his lenders in timely repayment of dues and who in effect deliberately stonewalls legitimate efforts of lenders to recover their dues.

Stable net Interest Income and gains from treasury are expected to keep the profitability of the banks attractive in the December quarter. However, concerns over asset quality continue to cause worry. It should be noted that the returns are expected from the treasury and not from the core activity of lending, which indicates that credit off take is yet to gather momentum. With the relaxation in asset classification norm for restructured assets coming to an end by March 2015, restructuring exercise is expected to accelerate further.

Bond issues with higher card rates are expected in the last quarter to enable banks to conform to BASEL III requirements.

Interestingly while Indian banks are looking to grow globally, banks in United Kingdom seem to be looking to scale back geographically looking to generate better returns domestically.

In the case of Insurance industry, laws have been amended to allow overseas shareholding up to 49%. To prevent possible misuse, no insurer is allowed to hold more than 5 % in the promoting company. However, the 10% cap which hitherto existed for an equity stake in other companies has been done away with and this is expected to boost the capital market,

IRDA noted that the industry really required about ` 60000 cr to make an effective penetration.

Life Insurers reported a fall in income by about 2 % in the first half of 2014-15. The premium collected in this period amounted to ` 49179 cr.

RBI, in a recent circular, permitted banks to undertake insurance business by setting up a subsidiary/joint venture, as well as undertake insurance broking/ insurance agency/either departmentally or through a subsidiary subject to certain conditions. However, RBI indicated that if a bank or its group entities, including subsidiaries, undertake insurance distribution through either broking or corporate agency mode, the bank/ other group entities would not be permitted to undertake insurance distribution activities, ie, only one entity in the group can undertake insurance distribution by either one of the two modes mentioned.

Some of the conditions stipulated for those banks which intend taking up Insurance business through a subsidiary or through a

JV include

- The net worth of the bank should not be less than ` 1000 crore;
- The CRAR of the bank should not be less than 10 per cent;
- The level of net non-performing assets should be not more than 3 percent.
- The bank should have made a net profit for the last three continuous years;
- The track record of the performance of the subsidiaries, if any, of the concerned bank should be satisfactory.

Existence of good corporate governance and maintenance of an arm's length relationship with the insurance outfit are a couple of other requisites.

For banks to undertake insurance broking through a subsidiary or through a JV, the stipulations include

- The net worth of the bank should not be less than ` 500 crore after investing in the equity of such company;
- The CRAR of the bank should not be less than 10 per cent;
- The level of net non-performing assets should be not more than 3 per cent.
- The bank should have made a net profit for the last three continuous years;

To act as corporate agents on fee basis (without risk participation) and to undertake insurance broking departmentally, banks need not seek prior approval from RBI. They would have to however satisfy the stipulated conditions and would be bound by the IRDA Regulations. In terms of IRDA (Sharing of Database for Distribution of Insurance Products) Regulations 2010, no bank is presently eligible to conduct insurance referral business. ■

FEMA

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

1. External

1. Foreign Direct Investment (FDI) in India - Review of FDI policy -Sector Specific conditions:

RBI vide A.P. (DIR Series) Circular No.45 dated 8th December, 2014 has reviewed the Annex B of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified by the Reserve Bank vide Notification No. FEMA. 20/2000-RB dated 3rd May 2000, as amended from time to time whereby description of sectors/activities wherein the entry norms, sectoral cap and other conditions for sectors/activities in which FDI is permitted under Government route and Automatic route are specified. RBI has further reviewed the Annex to A.P. (DIR Series) Circular No. 44 dated September 13, 2013.

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has been updating/notifying the FDI policy through issue of Consolidated FDI Policy Circular. Accordingly, Government has notified the latest FDI policy changes vide Consolidated FDI Policy Circular of 2014 dated April 17, 2014 and the same is available at Government website www.dipp.gov.in. In order to bring uniformity in the sectoral classification/conditionalities for FDI/foreign investment as notified under the Consolidated FDI Policy Circular with the FEMA Regulations, the position on Annex B of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd

May 2000, as amended from time to time, has been suitably revised by amending the Notification No. FEMA 20 and the changes in the existing entries in Annexure B to Schedule 1 to Notification No. FEMA 20 has been annexed to the A. P. (DIR Series) Circular No.45 dated December 8, 2014 and the same is available at <http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9390&Mode=0>

Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Tenth Amendment) Regulations, 2014 notified vide Notification No. FEMA. 312/2014-RB dated July 2, 2014, c.f. G.S.R. No. 798(E) dated November 13, 2014.

2. Foreign Direct Investment (FDI) in India - Review of FDI policy -Sector Specific conditions-Defence:

RBI vide A.P. (DIR Series) Circular No.46 dated 8th December, 2014 has reviewed the Regulation 14 and Annex B of Schedule 1 to 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 26 percent is permitted under Government route in Defence industry subject to license under the Industries (Development & Regulation) Act, 1951. Proposals for FDI above 26 percent would be subject to approval of Cabinet Committee on Security on case to case basis, wherever it is likely to result in access to modern and 'state-of-art' technology in the country.

The extant FDI policy for defence sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now provided a list of defence items as finalised by Department of Defence Production, Ministry of Defence and has clarified that items not in the list would not require industrial license for defence purposes. Dual use items, having military as well as civilian applications, other than those specially mentioned in the list, would also not require Industrial License from Defence angle. Department of Defence Production, Ministry of Defence, has finalised the 'Security Manual for Licensed Defence Industry'.

Further, on a review, effective from August 26, 2014, foreign investment i.e. FDI, FIIs, RFPIs, NRIs, FVCIs and QFIs upto 49% under government route shall be permitted in defence sector subject to the conditions specified in the Press Note 7 (2014 Series) dated August 26, 2014. Portfolio investment (RFPI/FII/NRI/QFI) and FVCI investment will not exceed 24% of the total equity of the investee company. Portfolio investment will be under automatic route.

The listed investee company engaged in defence sector, in accordance with the guidance provided by the Press Note 7 (2014 Series), shall immediately allocate limits for portfolio investment for RFPI (including QFI and FII), NRI (not exceeding 10%) and FVCI within the default portfolio investment limit of 24% being permitted now and approach Reserve Bank, Central Office, Foreign Investment Division, Mumbai so that allocated limits can be monitored by the Reserve Bank.

3. Foreign Direct Investment (FDI) in India - Review of FDI policy - Sector Specific conditions- Railway Infrastructure

RBI vide A.P. (DIR Series) Circular No.47 dated 8th December, 2014 has reviewed Annex A and Annex B of Schedule 1 to 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 Annex A of Schedule 1 to the Notification *ibid*, Foreign Direct Investment (FDI) is prohibited in activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

The extant Foreign Direct Investment (FDI) policy for railways sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now permitted 100% FDI in railway Infrastructure sector under automatic route subject to conditions.

Accordingly, it has been decided to permit FDI in the following activities of the Railway Transport sector:

“Construction, operation and maintenance of the following:

(i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signalling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and (x) Mass Rapid Transport Systems. Further, FDI beyond 49 of the equity of the investee company in sensitive areas from security point of view will be brought before the Cabinet Committee on Security (CCS) for consideration on a case to case basis.”

Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourteenth Amendment) Regulations, 2014 notified vide Notification No. FEMA.320/2014-RB dated September 5, 2014, c.f. G.S.R. No. 800(E) dated November 13, 2014

4. Overseas Investments by Alternative Investment Funds (AIF)

RBI vide A.P. (DIR Series) Circular No.48 dated 9th December, 2014 has reviewed the Regulation 26 of Notification No. FEMA.120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the provisions under A.P.(DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively.

On a review, it has been decided to permit an Indian Alternative Investment Fund (AIF), registered with Securities and Exchange Board of India (SEBI), to invest overseas in terms of the provisions issued under the A.P. (DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively.

Necessary amendments to the Notification *ibid* has been issued vide Notification No. FEMA.326/RB-2014 dated November 12, 2014 and effective from the date of publication in the Gazette i.e. November 21, 2014.

5. Overseas Direct Investments by Indian Party - Rationalization / Liberalization:

RBI vide A.P. (DIR Series) Circular No.54 dated 29th December, 2014 has reviewed the Regulation 18 and 18A of Notification No. FEMA.120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the provisions under A.P. (DIR Series) Circular No. 96 dated March 28, 2012. ■

Corporate Laws

Contributed by: **Dr. P.T. Giridharan**
Joint Director & Regional Head (SRO), ICAI, Chennai
giridharan@icai.in

1. MCA in News on “Good Governance”(Significant initiatives and Salient achievements)

▪ The Companies Act, 2013

- 40 clarifications/elaborations have been made so far in the form of circulars
- 15 amendments in various Rules carried out
- 7 statutory orders have been issued to remove difficulties
- New items included in CSR funding/spending

▪ Clarity to Act, 2013 for doing ease of business

- No minimum capital and No company common seal
- Simpler approval for related party transactions without affecting minority interest
- Penalties for failure to honour T & C of deposits
- Retain stringent bail provisions for serious offences
- Rationalise procedural aspects to deal with frauds

▪ Simplification for forms and procedure for easy compliance

- 4 prescribed Forms discontinued by substitution of simpler declaration
- Procedure for Foreign nationals to be directors in Indian companies drastically reduced
- Integration of name availability, allotment of DIBN, company incorporation and commencement of business with unified e-portal of Ministry of Industries and Commerce
- Fee for small companies reduced
- To enable Indian companies follow IndAS (compatible with IFRS) completed

▪ Dealing with corporate delinquency

- SIFO completed the investigations in the affairs of 17 chit fund companies. Evidence shared with CBI
- To cause for merger of NSEL with Financial Technologies (India) Limited
- Investigation in serious cases of online fraud completed
- Lessons from investigations to act as a positive role in check of frauds

▪ Investor Education initiatives

- 1380 programmes were conducted for small investors

2. Amendments to the Companies (Cost Records & Audit) Rules, 2014

According to the notification, which came into effect from the date of notification i.e. 31st December, 2014 and as per the amended Rules, companies to:

- Maintain Cost Records: If the turnover of the companies exceeds ` 35 crores or more during the immediately preceding financial year in respect of specified products and services, they are required to maintain cost records.
- Cost Audit: is applicable for companies specified in item (A) of rule 3 if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees fifty crore or more and the aggregate turnover of the individual product or products or services or services for which the cost records are required to be maintained under rule 3 is rupees

twenty five crore or more. In respect of other companies specified in item (B) of rule 3, it shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product(s) or services(s) is rupees thirty five crore or more. The cost audit shall not apply to a company which is covered in rule 3 and whose revenue from exports, in foreign exchange, exceeds seventy five per cent of its total revenue or which is operating from special economic zone.

3. Amendment to Rule 16 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (now called as Amendment Rules, 2015)

According to the new proviso in rule 16, where in case a company which has already filed Form DIR-12 with the Registrar under rule 15, a foreign director of such company resigning from his office may authorise in writing a practising chartered accountant or cost accountant in practice or company secretary in practice or any other resident director of the company to sign Form DIR-11 and file the same on his behalf intimating the reasons for the resignation.

4. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2015:

MCA has expanded the list of entities through which companies can undertake CSR activities. Accordingly, companies can now carry on CSR activities through Section 8 (Association Not for Profit) company not only which is established in association with its holding or subsidiary or associate company but also with any other company and its group companies. However, participation of the company in establishment of such section 8 company is essential, which was not the position earlier. Companies may also conduct its CSR activities through unrelated Section 8 companies, provided such company shall have an established track record of 3 years.

5. Companies (Accounts) Amendment Rules, 2015: (New Rule 2A) (Notification dt 16th January, 2015):

- Notice of address at which books of account are to be maintained may be kept in Form AOC-5.
- Consolidation of financial statements by a company having subsidiary or subsidiaries incorporated outside India is not necessary for the financial year coming on or after 1st April, 2014. ■

SEBI

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

(i) Creation of charge on shares of JV / WOS / step down subsidiary (SDS) in favour of domestic / overseas lender

In terms of the extant FEMA provisions, creation of charge (pledge) on the shares of an JV / WOS of an Indian party in favour of domestic / overseas lender for the purpose of availing facilities (funded or non-funded) by the Indian party and / or the concerned JV / WOS is under the automatic route.

It has been decided that the designated AD bank may permit creation of charge / pledge on the shares of the JV / WOS / SDS (irrespective of the level) of an Indian party in favour of a domestic or overseas lender for securing the funded and / or non-funded facility to be availed of by the Indian party or by its group companies / sister concerns / associate concerns or by

any of its JV / WOS / SDS (irrespective of the level) under the automatic route subject to the following:

- The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification ibid for undertaking financial commitment;
 - Compliance to the provisions under Regulation 18 of the Notification ibid;
 - The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
 - The loan / facility availed by the JV / WOS / SDS from the domestic / overseas lender shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
 - A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / facility availed by the JV / WOS / SDS has not been utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
 - The invocation of charge resulting into the domestic lender acquiring the shares of the overseas JV / WOS / step down subsidiary shall be governed by the extant FEMA provisions / regulations issued by the Reserve Bank from time to time;
 - The facilities (funded or non-funded) extended by the domestic lender to the Indian party or to its group / sister / associate concern or to any of its overseas JV / WOS / SDS shall also be governed by the prudential norms and other guidelines issued by the Department of Banking Regulation (DBR, the erstwhile DBOD), Reserve Bank of India from time to time; and
 - The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.
- (ii) Creation of charge on the domestic assets in favour of overseas lenders to the JV / WOS / step down subsidiary

As per the extant FEMA provisions, creation of charge on the domestic assets (movable / immovable / financial / other) of an Indian party (or its group / sister / associate concern including the individual promoter / director) in favour of an overseas lender to the JV / WOS / step down subsidiary (SDS) requires prior approval of the Reserve Bank.

It has been decided that the designated AD bank may permit creation of charge (by way of pledge, hypothecation, mortgage, or otherwise) on the domestic assets of an Indian party (or its group companies / sister concerns / associate concerns including the individual promoters / directors) in favour of an overseas lender for securing the funded and / or non-funded facility to be availed of by the JV / WOS / SDS (irrespective of the level) of the Indian party under the automatic route subject to the following:

- The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification ibid for undertaking the financial commitment;
- Compliance to the provisions under Regulation 18A(1) of the Notification ibid;

- The domestic assets, on which charge is being created, are not securitized;
 - The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
 - The loan / funds raised overseas by the JV / WOS / SDS shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
 - A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / funds raised overseas by the JV / WOS / SDS has not been utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
 - The overseas lender undertakes that, in the event of enforcement of charge, they shall transfer the domestic assets by way of sale to a resident only;
 - In case of invocation of charge, the resultant remittance of the proceeds exceeding the prescribed limit of the financial commitment of the Indian party (prevailed at the time of creation of charge) shall require prior approval of the Reserve Bank;
 - Wherever creation of charge involves pledge of shares of an Indian company, the pledge shall also be governed by the extant FEMA provisions / regulations issued by the Reserve Bank and the consolidated Foreign Direct Investment (FDI) policy issued by the Government of India from time to time; and
 - The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.
- (iii) Creation of charge on overseas assets in favour of domestic lender
- Creation of charge on the overseas assets of JV / WOS / SDS of an Indian party in favour of a domestic lender to the Indian party or to its group / sister / associate concern or to any of its overseas JV / WOS / SDS requires prior approval of the Reserve Bank.
- It has been decided that the designated AD bank may permit creation of charge (by way of hypothecation, mortgage, or otherwise) on the overseas assets (excluding the shares) of the JV / WOS / SDS (irrespective of the level) of an Indian party in favour of a domestic lender for securing the funded and / or non-funded facility to be availed of by the Indian party or by its group companies / sister concerns / associate concerns or by any of its overseas JV / WOS / SDS (irrespective of the level) under the automatic route subject to the following:
- The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification *ibid* for undertaking financial commitment;
 - Compliance to the provisions under Regulation 18A(2) of the Notification *ibid*;
 - The overseas assets, on which charge is being created, are not securitized;
 - The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
 - The loan / facility availed by the JV / WOS / SDS from the domestic lender shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
 - A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / facility availed by the JV / WOS / SDS has not been utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
 - The invocation of charge resulting into the domestic lender acquiring the overseas assets shall require prior approval of the Reserve Bank; and
 - The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.
- Notification NO. RBI/2014-15/371, December 29, 2014,
A.P. (DIR Series) Circular No.54

International Taxation

Contributed by: **CA. Mohan R. Lavi**
Bangalore
mohan.lavi@gmail.com

1. **Wrigley India Pvt Ltd vs Assistant Commissioner of Income-tax, Circle 18(1), New Delhi [2015] 53 taxmann.com 16 (Delhi - Trib.)**
The Transfer Pricing Study chose the Transactional Net Margin Method (TNMM) as the appropriate method to determine the Arms Length price (ALP). In the Transfer Pricing Report, brief reasons were given as to why the other methods such as CUP, PSM or Cost+ were deemed not appropriate. The Tribunal found the rejection of the cost+ method a bit puzzling since Wrigley was using this method to invoice its associated enterprises. This approach to benchmarking the assessee's transactions with the AEs, however, did not find favour with the Transfer Pricing Officer. He rejected this analysis for the short reason that the TNMM requires comparison of net margin realized by the assessee with the net margin realized by the comparables, and that the comparison of budgeted margins with actual margins of the comparables was not permissible. The TPO adopted Cost Plus Method, with gross mark up on costs as the profit level indicator, and adopted the internal comparable as gross mark up realized on the domestic sales. In other words, what the TPO held was that the arm's length price products exported to the AEs can be arrived at by adopting the same mark up on costs of such products, as was achieved on the domestic sales. It was noted that the assessee had achieved 41.29% of mark upon costs so far as its domestic sales was concerned, and, accordingly, the arm's length price of the products exported to AEs should also have been cost plus 41.29%. It was on this basis that an ALP adjustment of Rs. 2,71,55,592 was recommended in the TPO's order. Similar ALP adjustment, based on the same reasoning and on materially similar facts-barring the variations in figures, were also required by the TPO's orders for the assessment years 2004-05 and 2005-06. Appeals filed by the assessee were rejected which forced Wrigley to approach the Tribunal. The Delhi Tribunal ruled that TNMM was the best method and referred the case back for remedial measures.
2. **IFFCO Tokio General Insurance Company Ltd. vs Assistant Commissioner of Income-tax, Circle 11 (1), New Delhi [2015] 53 taxmann.com 361 (Delhi - Trib.)**

Computation of arm's length price (others) for the Assessment year 2006-07. Assessee-company received certain commissions from AEs on account of reinsurance business which included treaty and facultative reinsurance. TPO made adjustment on ground that commission earned by assessee from its AE on account of facultative reinsurance was at lower side in comparison to commission received from treaty reinsurance. Revenue gave reason to arrive at said conclusion that a comparison of a risk profile of a facultative reinsurance business could not be established on basis of documents in comparison to treaty reinsurance. The assessee argued that since they were not provided an opportunity to furnish requisite evidence before TPO and they furnished additional evidence necessary in comparative analysis of risk factor in said reinsurance, issue was to be remitted to Assessing Officer. The Delhi Tribunal agreed with the assessee and asked that the case be remitted to the Assessing Officer.

3. Assistant Commissioner of Income-tax, 8 (1), Mumbai v. Cherokee India (P) Ltd. [2014] 52 taxmann.com 476 (Mumbai - Trib.)

The Commissioner (Appeals) while calculating TP adjustment for purpose of calculating 6 per cent mark up excluded value of raw material supplied to assessee free of cost by AE. The question arose whether since Commissioner (Appeals) had calculated TP adjustment in accordance with course of action adopted by Department in respect of immediate preceding year i.e. for assessment year 2007-08, same was to be upheld. The Mumbai Tribunal did not find any reason to disagree with the logic and ruled that the value of raw material supplied free of cost had to be excluded as was done in the previous year.

4. Assistant Commissioner of Income-tax, Circle 3 (1), New Delhi v. Convergys India Service (P) Ltd [2014] 52 taxmann.com 396 (Delhi - Trib.)

The assessee calculated unadjusted operating profit/total cost of companies and detailed calculation was given to Transfer Pricing Officer. However, without adversely commenting on such calculation, Transfer Pricing Officer included different percentages while calculating arithmetic mean of operating profit/total cost of comparable companies. The Commissioner (Appeals) substituted correct operating profit/total Cost as was given to Transfer Pricing Officer. The brief question before the Delhi Tribunal was whether there was no admission of any additional evidence at Commissioner (Appeals)'s end in contravention of rule 46A(3). The Delhi Tribunal agreed that there was no admission of any additional evidence at Commissioner (Appeals)'s end in contravention of rule 46A(3) ■

- i) In order to facilitate seamless verification of the deposits at the time of processing the refund claims made in case of favorable order from the Appellate Authority, the Commissionerates are required to maintain a database of the record of deposits made. Following pro forma has been prescribed to maintain the separate database (e-register preferably) in respect of appeals before CESTAT and Commissioner (Appeals):

Sl. No.	Name of the Appellant/ Party	Details of duty paying document viz Challan etc.	Amount of pre-deposit paid	Order No and date of the order of Commissioner (A) / Tribunal
---------	------------------------------	--	----------------------------	---

- i) In order to process the refund claims quickly, the Tribunal Registry (where appeal memo is received)/ Commissioner (Appeals) must send a copy of the appeal memo to the Commissionerate concerned immediately after receipt in lines with Rule 17 of the CESTAT (procedure) Rules, 1982.
- ii) The amended provisions regarding filing of appeal along with stipulated percentage of pre-deposit shall apply to all appeals filed on or after 6th August, 2014.
- iii) Drawback, like rebate in Central Excise, is refund of duty suffered on the export goods. Mandatory pre-deposit would be payable in cases of demand of drawback as the new section 129E would apply to such cases.
- iv) Mandatory pre-deposit would be required to be paid in cases of drawback, rebate and baggage at the first stage appeal before Commissioner (Appeals). However, no pre-deposit would be payable in such cases where the appeal is filed before the Joint Secretary (Revision Application) because the ambit of the Section 129E of the Customs Act, 1962 does not extend to appeals under section 129DD in the legislation.

[Circular No. 993/17/2014-CX., Dated: January 05, 2015]

Monetary limit for filing appeal in the Tribunal/Courts

Instruction F.No.390/Misc./163/2010-JC dated 17.8.2011 dealt with reduction of Government litigation by providing monetary limits of ` 5 lakhs/ ` 10 lakhs/ ` 25 lakhs for filing appeals by the Department before CESTAT/High Courts and Supreme Court respectively. CBEC vide Instruction F.No. 390/Misc/163/2010-JC Dated: December 26, 2014 has clarified that monetary limits would also be applicable to cases of recurring nature and no appeal can be filed except for the cases where the constitutional validity of the provisions of an Act or Rule is under challenge or Notification/ Instruction/ Order or Circular has been held illegal or ultra vires.

[Instruction F.No. 390/Misc/163/2010-JC Dated: December 26, 2014]

Guideline for issuing the summon

The following guidelines are being issued to be followed in both Central Excise and Service Tax matters: -

- (i) Power to issue summons are generally exercised by Superintendents, though higher officers also issue summons. Summons by Superintendents should be issued after obtaining prior written permission from an officer not below the rank of Assistant Commissioner with the reasons for issuance of summons to be recorded in writing;
- (ii) where for operational reasons it is not possible to obtain such prior written permission, oral/telephonic permission from such officer must be obtained and the same should be

Central Excise and Service Tax

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

EXCISE

Clarifications regarding Mandatory pre-deposit of duty or penalty for filing appeal

Section 35FF of the Central Excise Act, 1944 and Section 129EE of the Customs Act, 1962 prescribe mandatory pre-deposit as a percentage of the duty demanded where duty demanded is in dispute or where duty demanded and penalty levied are in dispute. In this regard, CBEC vide Circular No. 993/17/2014-CX., Dated: January 05, 2015 has provided the following:

reduced to writing and intimated to the officer according such permission at the earliest opportunity;

- (iii) In all cases, where summons are issued, the officer issuing summons should submit a report or should record a brief of the proceedings in the case file and submit the same to the officer who had authorised the issue of summons.
- (iv) Further, senior management officials such as CEO, CFO, General Managers of a large company or a PSU should not generally be issued summons at the first instance. They should be summoned only when there are indications in the investigation of their involvement in the decision making process which led to loss of revenue. ■

ANNOUNCEMENT

GENERAL AMNESTY SCHEME FOR RETROSPECTIVE RESTORATION OF MEMBERSHIP (ONE TIME DISPENSATION).

With a view to mitigate the hardships being faced by members whose names stand removed as on date due to non-payment of membership fee, the Council has decided to give an opportunity by way of General Amnesty Scheme one time dispensation for restoration of their names retrospectively.

Continuation of membership entitles a member to designate himself as 'CA' and also other benefits of monthly Journal of the Institute, Newsletters of Regional Councils & Branches of the Institute, participation in the conferences, seminars and other programmes organized by the Institute, Regional Councils and/or Branches; regular update on programs being organized and initiatives taken for the benefit of the profession and members; emerging professional opportunities, practice area development, publications of the Institute etc.

This is an excellent opportunity to get name restored with retrospective effect. The benefit of the scheme may be availed by submitting the prescribed application in Form 9 on or before 31st March, 2015 alongwith the outstanding fee for the intervening period of name removal and restoration fee of ` 1200/-.

The above Amnesty Scheme for retrospective restoration of membership will remain in force up to 5:30 pm till 31st March 2015 and shall stand withdrawn automatically thereafter.

The complete details of General Amnesty Scheme are hosted in the ICAI Website www.icaai.org

CONGRATULATIONS

SIRC of ICAI congratulates CA. P. Vishu Kumar and CA. R. Krishna Moorthy of Tirunelveli Branch on their appointment as Functional Directors of the Urban Co-operative Banks in their Region.

DISCLAIMER

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

CONGRATULATIONS



SIRC of ICAI congratulates CA. T V Mohandas Pai, Chairman of Manipal Global Education and a Member from Southern Region who has been chosen for the Padma Shri award by the Government of India, one of the highest civilian honours of the country in the trade and industry category.

SIRC wishes him to achieve many more laurels.

FOR INFORMATION OF THE MEMBERS

Extension of last date "for complying with the CPE hours requirement for the Calendar Year 2014" from 31st December, 2014 to 31st March, 2015

This is for kind information of the members that it has been decided to extend the last date for complying with the CPE hours requirement for the Calendar Year 2014 - from 31st December, 2014 to 31st March, 2015

CA. V. MURALI

Chairman

CPE Committee of ICAI

SOUTHERN INDIA REGIONAL COUNCIL THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

TEMPLE OF CA LEARNING SINCE 1952

All Courses of Board of Studies of ICAI and Coaching within one Campus

- Renowned Faculty
- Reading Room Facility
- Affordable fees
- Revision classes for all subjects
- Doubt clearing sessions
- Mock Tests

COACHING CLASSES AT SIRC CAMPUS

CPT	INTERMEDIATE (IPCC)	FINAL
FEES: ` 4000 For all Subjects	One Group: ` 2500 (For all Group Papers)	One Group: ` 3000 (For all 4 Papers)
	Both Group: ` 5000 (For all 7 Papers)	Both Group: ` 6000 (For all 8 Papers)

ENTER SIRC PREMISES AS A STUDENT & EXIT AS A MEMBER

For further information and registration please contact SIRC Office.

Phone : 044-30210322

Email-id : sircclasses@icai.in

Website : www.sircoficai.org

Editorial Board

Editor : CA. Rajarajeswaran P V

Members :

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

WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on 25/01/2015 is as under:

Particulars	Disposal of records received upto 25/01/2015
Members	
Enrolment of Members	20.01.2015
Fellow Admission	19.01.2015
Grant of COP	23.01.2015
Restoration of Name	23.01.2015
Constitution of Firms	20.01.2015
Reconstitution of Firms	23.01.2015
Paid Assistant	20.01.2015
Change of Address – Members	23.01.2015
Change of Address – Firms	23.01.2015
Students	
Registration of Articles	19.01.2015
Re-registration of Articles	16.01.2015
Industrial Training	23.01.2015
Termination of Articles	16.01.2015
Completion of Articles	23.01.2015
Permission to pursue Other Courses	19.01.2015
Despatch of Materials – CPT	01.01.2015
Despatch of Materials – IPCC	31.12.2014
Despatch of Materials – ATC	31.12.2014
Despatch of Materials – Final	31.12.2014
Despatch of Materials - ITT	31.12.2014

RESTORATION OF MEMBERSHIP & CERTIFICATE OF PRACTICE

The names members who have not paid their Membership fee and/or Certificate of Practice fee for the year 2014-15 on or before 30.09.2014 were removed w.e.f. 01.10.2014 in the Register of Members. The notifications in regard to removal of membership and cancellation of Certificate of Practice w.e.f. 01.10.2014 are under issue.

Regulations provide for retrospective restoration of Membership and Certificate of Practice provided the application in the prescribed Form 9 (available on the website www.icaai.org) complete in all respects, together with restoration fees of ₹ 1,200/- is received by the Institute on or before 31.03.2015.

Those members who have paid the Membership Fee but not remitted the Certificate of Practice Fee on or before 30th September 2014 should send Form No. 101 (available on the website www.icaai.org) along with the prescribed Certificate of Practice Fee so as to reach on or before 31.03.2015 for retrospective restoration of their Certificate of Practice.

Members falling within the jurisdiction of Southern Region should send their application to the Joint Director, The Institute of Chartered Accountants of India, ICAI Bhawan, No.122 M. G. Road, Nungambakkam, Chennai – 600034.

AVAILABLE

A Chartered Accountant, CISA Qualified, with over four decades of overall corporate experience with emphasis on Internal Audit. Extensive Internal Audit experience in Steel, Oil, Power, Shipping/Ship-building, Light/Heavy Engineering, Auto Components, FMCG, Tea Estates, etc. Preferred location: Chennai

Those interested may contact
(shreyas_narendra@yahoo.com Mob: 9003070589)

Advt.

LIST OF UNIVERSITIES WHICH HAVE RECOGNISED CA QUALIFICATION FOR PURSUING Ph.D - SOUTHERN REGION

1. Alagappa University, Algappa Nagar, Karaikudi 623 003
2. Annamalai University, Annamalinagar 608002, TN
3. Bangalore University, Jnana Bharathi, Bangalore 560 056
4. Bharathidasan University, Palkalai Perur, Tiruchirappalli 620 024
5. Bharathiar University, Coimbatore 641 046
6. Calicut University, Thenhipalam, Malappuram Dist. - 673 635
7. Cochin University of Science & Technology, Kochi 682 022
8. Dr. B.R.Ambedkar Open University, Prof. G. Ram Reddy Marg, Road No.46, Jubilee Hills, Hyderabad-500 033
9. University of Hyderabad, P.O. Central University, Hyderabad 500 046
10. Indian Institute of Management, Bannerghatta Road Bangalore 560 076
11. Kakatiya University, Vidyananyapuri, Warangal-506 009
12. Karnatak University, Pavate Nagar, Dharwad 580 003
13. University of Kerala, Thiruvananthapuram 695 034
14. Kuwempu University, Gnanasahyadri, Shankaraghatta 577 451. Dist. Shimoga (Karnataka)
15. Mangalore University, New Administrative Building, Mangalagangothri, Mangalore 574 199
16. University of Mysore, Crawford Hall, Mysore 570 005
17. Mahatma Gandhi University, PO Priyadarshini Hills, Kottayam 686 560
18. University of Madras, Chepauk, Chennai 600 005
19. Madurai Kamaraj University, Madurai 625 021
20. Osmania University, Hyderabad 500 007
21. Pondicherry University, RV Nagar, Kalapet Pondicherry 605 014
22. Sri Krishnadevaraya University, Anantapur 515 003
23. Sri Venkateswara University, Tirupati-517 502
24. Periyar University, Salem
25. Indian Institute of Management, Kozhikode
26. National Law School of Indian University, Bangalore
27. Christ University, Bangalore
28. Sri Sathya Sai Institute of Higher Learning, Anantapur 515 134,
29. Manipal University, Manipal- 576104, Karnataka
30. Avinashilingam Institute For Home Science And Higher Education For Women, Mettupalayam Road, Bharathi Park Road, Coimbatore -641 043
31. Indian Institute of Technology Madras, Chennai – 600 036

For information of names of Universities in other Regions, please visit ICAI Website www.icaai.org

OBITUARY

CA. RAMESHWAR THAKUR
Past President, ICAI (1966-1967)

With profound grief, SIRC informs that CA. Rameshwar Thakur, Past President, ICAI (1966-1967) left for heavenly abode on 15th January 2015.

CA. Rameshwar Thakur was Governor of Odisha (2004-2006), Andhra Pradesh (2006-2007), Karnataka (2007-2009) and Madhya Pradesh (2009-2011), He was also the Union Minister of State for Finance (Revenue), Rural Development and Parliamentary Affairs (June 1991 to December 1994).

SIRC expresses its heartfelt condolences to the bereaved family.
May his soul rest in peace.



Grow your practice and work effectively with clients

Intuit QuickBooks is an online software for accountants and tax consultants, engineered to organize clients' business finances in one place and fulfill their accounting requirements. Built for the internet and all devices - Intuit QuickBooks is simple, intuitive and lightning fast. Watch your practice grow with the power of real-time client collaboration and better client service.

Anytime, Anywhere Access	Online Banking and Auto Reconciliation	60+ Instant Reports	Accountant Directory Listing	Secure Data and Automatic Backup	Priority Training and Support
Across devices with cloud based access to your clients' data	Save substantial time from manual data entry of bank statements	Access key reports like P&L, Balance Sheet etc. and customize MIS reports	Expand your reach to clients worldwide who require QuickBooks expertise	Bank like security and protection from sudden data loss	A host of free training modules and support from QuickBooks experts

Now, Payroll is integrated with Intuit Quickbooks

Manage payroll of all your clients in minutes!

- Single Login to Payroll & Accounting
- Accurate Salary Outputs and Pay Slips
- Leave and Expense Management
- Attendance Management

Visit Accountants section on www.intuit.in

Or call 1800-102-5599 (Toll free. Dial 3 on IVR)



Scan this code to understand how to start with QuickBooks

ONE DAY TRAINING PROGRAMME FOR PEER REVIEWERS ON JANUARY 3, 2015 AT CHENNAI



CA. S. Santhanakrishnan, CCM, ICAI being honoured in the presence of CA.V. Murali, CCM, ICAI and CA. Naveen Gupta, CCM, ICAI.

HALF-A-DAY SEMINAR ON CONCURRENT AUDIT ON JANUARY 10, 2015 AT CHENNAI



CA. Dayaniwas Sharma
Hyderabad



CA. T.G. Sukumaran
Chennai



Shri. Pawan Yaul
Official of Intuit

HANDS ON TRAINING LEADING TO CERTIFICATION ON CLOUD COMPUTING ON JANUARY 12 & 24, 2015 AT CHENNAI

SEMINAR ON TAXATION ON CONSTRUCTION INDUSTRY AND REAL ESTATE TRANSACTIONS ON JANUARY 18, 2015 AT HYDERABAD



CA. Naresh Chandra Gelli V, Vice-Chairman, SIRC, CA. Adusumilli Venkateswara Rao, Treasurer, SIRC, CA. J. Venkateswarlu, CCM, ICAI, CA. K. Mathesh Reddy, Chairman, Hyderabad Branch, CA. Prakash Chokda, Secretary, Hyderabad Branch and other Managing Committee Members of Hyderabad Branch of SIRC are also seen in the picture.

GMCS INAUGURATION ON JANUARY 07, 2015 AT CHENNAI



Mr. R. Koteeswaran, CEO & Managing Director of Indian Overseas Bank being presented with a memento by CA. V. Murali, CCM, ICAI, CA. P.R. Aruloli, RCM looks on.

MEMBERS MEETING ON STRESS MANAGEMENT AND EXPERIENCE SHARING BY A SUCCESSFUL (CA) CHIEF EXECUTIVE OFFICER ON JANUARY 17, 2014 AT CHENNAI

GMCS VALEDICTORY ON JANUARY 14, 2015 AT CHENNAI



Mr. Naresh Gupta, IAS, Member, Central Administrative Tribunal presenting GMCS Certificate CA. V. Murali, CCM, ICAI, CA. P. R. Aruloli, RCM, CA. Gopal Krishna Raju, RCM are also seen in the picture



CA. P.V. Rajarajeswaran, Chairman, SIRC along with CA. Cotha S. Srinivas, Secretary, SIRC, CA. A.V. Dharmakrishnan, CEO, Ramco Cements, CA. R. Sridhar, Madurai, Resource Persons, CA. M.S. Kandavel, Co-opted Member, Editorial Board, SIRC are also seen in the picture.

GMCS VALEDICTORY ON JANUARY 27, 2015 AT CHENNAI



CA. V. Murali, CCM, ICAI honouring CA. K. Rahman Khan, Member of Parliament and Former Union Minister.

CPE PROGRAMME ON FORMATION AND REGISTRATION OF NPOs ON JANUARY 22, 2015 AT CHENNAI



CA. Abraham Zachariah
Chennai



CA. Uma Kalyani
Chennai



CA. D. Venkataraman
Salem

ADVANCED EXCEL (NO MACROS) PROGRAMME ON JANUARY 25, 2015 AT CHENNAI

PROGRAMME ON SERVICE TAX LAWS ON JANUARY 23 & 24, 2015 AT CHENNAI



CA. Atul Kumar Gupta
New Delhi



CA. V. Alagappan
Tiruchirappalli



CA. P. Sankaran
Chennai



CA. V.P. Manavalan
Chennai



CA. J. Balasubramanian
Madurai



CA. G. Saravana Kumar
Madurai



CA. J. Purushothaman
Chennai



CA. Vijay Anand
Chennai

HOW SECURE IS YOUR RETIREMENT PLAN?



Select the boxes below

SMART PENSION

SMART INVESTMENTS

SMART HEALTHCARE

SMART LIVING

SMART INSURANCE

Presenting Parkside Homes at Brigade Orchards, where retirement means to live carefree. Located in Bangalore's first smart township, the **130 acre Brigade Orchards**, Parkside Homes come with thoughtfully designed assisted living facilities, specialized medical services, fitness and entertainment activities and acres of nature to breathe in. After all, life begins at retirement. Make it worth the wait.

Smart Solutions for Smart Retirement

SMART FEATURES

Grab bars in bathrooms, anti-skid flooring, non-glare light sources, seating in hallways and more

SMART CARE

24x7 medical help, assisted living facilities and more

SMART COMMUTING

Eco-friendly vehicles for commutes within the enclave, and transport to the city

SMART RECREATION

8000 sq m Signature Club, organised activities, health and fitness

SMART TOWNSHIP

Green cover, water, energy resource management, smart app, cashless transactions



PARKSIDE
- Retirement Homes at Brigade Orchards -

*Conditions Apply. All illustrations are artist's impressions. Project features & specifications subject to change. Some of the facilities mentioned are part of the larger campus. (1 square meter = 10,764 square feet)

VISIT US AT THE EXPERIENCE CENTRE, GROUND LEVEL, WORLD TRADE CENTER!

BCV Developers Pvt. Ltd., 29th Floor,
World Trade Center, Brigade Gateway Campus,
26/1 Dr Rajkumar Road, Bangalore - 560 055.

Call 1800 102 9977

salesenquiry@brigadegroup.com
BrigadeOrchards.com



BCV Developers Pvt. Ltd. A Joint Venture of Brigade Enterprises Ltd with &

Advt.