

SIRC Newsletter

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



3RD METRO CONFERENCE OF SIRC OF ICAI - JAN. 29 & 30, 2016, KOCHI - HOST: ERNAKULAM BRANCH



Honorable Judge of High Court of Kerala Mr. Justice Dama Sheshadri Naidu inaugurating in the presence of SIRC Chairman CA. P.R. Aruloli, ICAI CCM CA. Babu Abraham Kallivayalil, SIRC Vice-Chairman CA. V.X. Jose, SIRC RCM CA. Jomon K. George, SIRC Past Chairman CA. M.C. Joseph, Resource Person CA. Venugopal C. Govind, Kochi, Ernakulam Br. Chairman CA. R. Balagopal, Office Bearers and Managing Committee Members.

GMCS BATCH INAUGURATION - JAN. 19, 2016, CHENNAI



SIRC Chairman CA. P.R. Aruloli honouring the Chief Guest and Former Chief Secretary, Government of Tamil Nadu Shri Debendranath Sarangi, IAS with a Memento in the presence of ICAI BOS Chairman CA. V. Murali and Shri G. Viswanathan, Assistant Secretary, ICAI & SRO Regional Head.

AN UPDATE ON COMPANIES ACT, 2013 – JAN. 29, 2016, CHENNAI Organised by ICAI CL&CG Committee – Host: SIRC



ICAI CL&CG Committee Chairman CA. S. Santhana Krishnan inaugurating in the presence of ICAI CL&CG Committee Vice-Chairman CA. Tarun Jamnadas Ghia, ICAI CCMs CA. Atul Gupta and CA. G. Sekar

REPUBLIC DAY CELEBRATIONS - JANUARY 26, 2016, ICAI BHAWAN, CHENNAI



SIRC Chairman CA. P.R. Aruloli and ICAI CCM CA. G. Sekar garlanding the bust of ICAI First President CA. G.P. Kapadia.



SIRC Chairman CA. P.R. Aruloli hoisted the National Flag in the presence of ICAI CCMs CA. V. Murali and CA. G. Sekar.

TRAINING PROG. FOR PEER REVIEWERS – JAN. 29, 2016, CHENNAI Organised by ICAI Peer Review Board – Host: SIRC



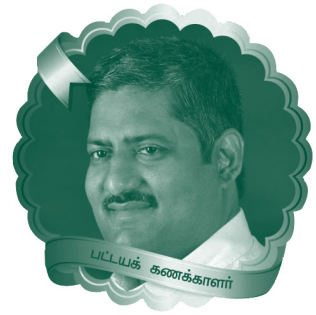
ICAI Peer Review Board Chairman CA. Shyam Lal Agarwal delivering inaugural address. Seated (L-R): CA. M.P. Vijayakumar, Chennai, ICAI CCMs CA. S. Santhana Krishnan and CA. G. Sekar and SIRC RCM CA. K. Sripriya.

MONDAY MARVEL MEETING - JAN. 4, 2016, CHENNAI



CA. Anil Khicha, Chennai delivering lecture on "Gita for Chartered Accountants". CA. Raj Kapoor, Chennai co-ordinator of the meeting looks on..

Chairman Writes...



My Dear Professional Colleagues,

Vanakkam,

My previous communication was in the month of September 2015 and the members were kept updated of the happenings and developments at SIRC through the column "Regional Council Writes" on account of Election Code of Conduct.

I congratulate the Members Elected to Twenty Third Council from Southern Region and Members Elected to Twenty Second Southern India Regional Council and wish them all the very best in their tenure in service to the profession. The Twenty Third Council would be taking over during second week of this month and the Twenty Second Southern India Regional Council would be taking over during the last week of this month.

His Excellency Governor of Tamil Nadu Dr. K. Rosaiah was the Chief Guest at the ICAI Convocation 2015-16 held on January 24, 2016 at Chennai. His Excellency inaugurated the Convocation and presented the Certificates to the Rank Holders. ICAI President CA. Manoj Fadnis and ICAI Vice-President CA. M. Devaraja Reddy addressed the gathering through video-conferencing. All the ICAI Central Council Members from Chennai CA. S. Santhana Krishnan, CA. V. Murali, CA. G. Sekar and myself addressed the gathering. SIRC of ICAI congratulates **All India 1st Rank holder Mr. James John Britto** in the November 2015 CA Final Examinations. SIRC of ICAI also congratulates all the Rank Holders from the Southern Region in the November 2015 CA Final & Intermediate (IPC) Examinations and December 2015 CPT Examinations.

January 2016 witnessed three major National level CPE Programmes hosted by SIRC of ICAI viz. National Seminar by ICAI Professional Development Committee, Training Programme for Peer Reviewers by ICAI Peer Review Board and An update on Companies Act, 2013 by ICAI Corporate Laws & Corporate Governance Committee. Metro Conference third in a row was organized by SIRC at Kochi on January 29, 2016. **Honorable Judge of High Court of Kerala Mr. Justice Dama Sheshadri Naidu** inaugurated the Metro Conference and Ernakulam Branch played the host. SIRC celebrated Republic Day with fervour. Monday Marvel Meeting was held on January 4, 2016 and CA. Anil Khicha, Chennai delivered lecture on 'Gita for Chartered Accountants'. All the above programmes including weekly CPE Study Circle Meetings were well attended by members. SIRC also hosted the All India Elocution and Quiz Contest held on January 28, 2016 organised by ICAI Board of Studies. **Former DGP Tamil Nadu & Chairman, TNPSCThiru R. Nataraj, IPS** was the Chief Guest and **TAFE Group Director CA. P.B. Sampath** was the Guest of Honour at the Inaugural function of the Contest.

Chief Guest ICAI Vice-President **CA. M. Devaraja Reddy** inaugurated the Second Floor at the premises of the Pondicherry Branch of SIRC on January 26, 2016. I had the privilege of being with the Vice-President and inaugurate the Lift in his presence. ICAI Central Council Member CA. G. Sekar inaugurated the

Information kiosk at the Branch premises. Incidentally, I wish to inform that 41 Branches of SIRC of ICAI have been provided with Information Kiosks during the year 2015-16 for the benefit of members and students visiting the Branch premises.

Salem Branch of SIRC has been conducting Annual Seminar every year. I was one of the Guest of Honours for their 10th Annual Seminar held on January 30, 2016 at Salem. Chief Guest **Principal Commissioner of Income Tax Salem Thiru M. Tirumala Kumar, IRS** inaugurated the Seminar and **Repco Bank Executive Director Smt. R.S. Isabella** was the Guest of Honour. Commencing such an annual event, sustaining it and organizing continuously for a decade now shows their commitment to serve the members and students of the Branch. My Kudos to Chairman CA. A. Sowkath Ali, Office-Bearers and Managing Committee Members of the Salem Branch.

Nellore Branch of SIRC along with Nellore SICASA celebrated its 9th Anniversary on January 31, 2016 with a day-long programme for the members and their family. SIRC Secretary CA. E. Phalgun Kumar and myself attended the Valedictory Session and distributed the prizes to winners and participants. I congratulate the Chairman CA. P.V. Rama Raghava Rao, Office Bearers and Managing Committee Members of Nellore Branch for celebrating the Anniversary of the Branch and provide opportunity for the members and their family to get together.

Future Programmes

A two day National Conference, a two day Workshop on Service Tax, Live Webcast on Union Budget and regular weekly CPE Study Circle Meetings will be held during February 2016. CPE Seminar on Central Statutory Audit of Banks, Public & CPE programmes on Union Budget will be held during March 2016. Please see the SIRC Calendar February - March 2016 published in this newsletter for brief about the programmes. SIRC requests all the members to actively participate in all the programmes.

Bidding Adieu

I deem it a great honour and privilege bestowed on me by the Members of the Southern Region having elected me thrice as the Member to the Southern India Regional Council to serve the profession, members, students and the stakeholders. I sign off as Chairman of SIRC of ICAI acknowledging the guidance, support and encouragement of Members at large from the Southern Region, ICAI President CA. Manoj Fadnis, ICAI Vice-President CA. M. Devaraja Reddy, ICAI Central Council Members, ICAI Past Presidents, SIRC Past Chairmen, Chairman of other Regions, my colleagues in the Executive Committee and Regional

Contact: Mr. R. Rajendran, Assistant Secretary, ICAI – Phone: 044 – 30210320 / 321 – 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 3, 2016 Wednesday	CPE Study Circle Meeting on Prevention of Money Laundering	CS. Babu Sankara Subramanian , Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
2	February 10, 2016 Wednesday	CPE Study Circle Meeting on FCRA Renewal	CA. Abraham Zachariah Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
3	Feb. 16 & 17, 2016 Tues. & Wednesday	Two Day Mentor Development Programme	Details Inside	9.30 am to 5.15 pm	P. Brahmayya Memorial Hall	-	1000		5
4	February 17, 2016 Wednesday	CPE Study Circle Meeting on CAs Role in Startup	CA. M. Sathya Kumar Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
5	Feb. 18 & 19, 2016 Thursday & Friday	Two Day Workshop on Service Tax	Details Inside	10.00 am to 5.00 pm	P. Brahmayya Memorial Hall	12	1800	2000	5
6	February 24, 2016 Wednesday	CPE Study Circle Meeting on Service Tax	CA. V. Rajalakshmi Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
7	February 29, 2016 Monday	Live Telecast of Union Budget 2016	-	11.00 am	P. Brahmayya Memorial Hall	-	-	-	-
8	February 29, 2016 Monday	Panel Discussion on Union Budget 2016	CA. T. Banusekar , Chennai & Adv. K. Vaitheeswaran , Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	No Delegate fee		-
9	March 3, 2016 Thursday	Public Meeting on Union Budget 2016	Details Inside	6.00 pm to 8.00 pm	Karnatak Sangha Hr. Sec. School	-	No Delegate fee		5
10	March 5, 2016 Saturday	CPE Seminar on Central Statutory Audit of Banks	Details will be hosted in www.sircoficai.org	10.00 am to 5.00 pm	Hotel Hyatt Regency	6	2500	-	-
11	March 12, 2016 Saturday	CPE Seminar on Bank Branch Audit	Details will be hosted in www.sircoficai.org	10.00 am to 5.00 pm	Hotel Hyatt Regency	6	2000	-	-

***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 - 600034. Phone: 044-30210320; Fax: 044-30210355; Email: sirc@icai.in sufficiently in advance. Members are requested to avoid SPOT Registration.

Chairman writes (contd...)

Council, Chairman, Office-Bearers and Managing Committee Members of 43 Branches of SIRC, Convenors and Deputy Convenors of CPE Study Circles, Chapters, and Study Groups of SIRC and staff of ICAI Head Quarters, SIRC and SRO lead by Thiru R. Rajendran and Thiru G. Viswanathan.

அருள் உறின் எல்லாம் ஆகும் ஈது உண்மை

அருள் உற முயல்க.

Warm Regards

Yours in professional service

CA. P.R. ARULOLI

chairmansirc@gmail.com

Two Day CPE Workshop on Service Tax Law

CPE Credit
12
HRS

Thursday & Friday - February 18 & 19, 2016

P. Brahmayya Memorial Hall ICAI Bhawan, Chennai.

Topic	Resource Person
Day-1 - 18/02/2016 (Thursday)	
Definition of Service and its taxability "Declared Service" & Place of Provision of Service	CA. V. Prasanna Krishnan , Chennai
Negative List and Exemptions	CA. V. Alagappan , Trichy
Provisions and Rules relating to Construction & Works Contract	CA. Ganesh Prabhu , Chennai
Point of Taxation Rules	CA. J. Purusothaman , Chennai
Day-2 - 19/02/2016 (Friday)	
Valuation Rules	CA. G. Saravana Kumar , Madurai
Reverse Charge, Joint Charge and their Taxability	CA. J. Balasubramanian , Madurai
CENVAT Credit Rules, 2014 relating to Service Tax	CA. P. Sankaran , Chennai
Statutory compliance like Registration, Issues of Invoice, Payment of Tax, Adjustment of Excess Payment of Tax: Filing of Periodical Returns, Refund of Service Tax etc	CA. V. Ramkumar , Trichy
DELEGATE FEE : Member - Rs.2000/-	
Delegate fee by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai shall be sent to SIRC of ICAI, ICAI Bhawan, No.122, Mhatma Gandhi Road, Nungambakkam, Chennai – 600034. Phone: 044-30210320; Fax: 044-30210355 ; Email: sirc@icai.in. For Online Registration, please visit SIRC Website www.sircoficai.org	
CA. P.R. Aruloli Chairman, SIRC of ICAI	CA. E. Phalgun Kumar Secretary, SIRC of ICAI

PUBLIC MEETING ON UNION BUDGET

Thursday, March 3, 2016

6.00 p.m. to 8.00 p.m.

Rama Rao Kalamandap, Karnataka Sangha
New No.111, Habibullah Road, T Nagar, Chennai

Topics	Resource Persons
Direct Taxes	CA. R Bupathy , Chennai
Indirect Taxes	CA. V Prasanna Krishnan , Chennai

NO DELEGATE FEE - ALL ARE WELCOME

CA.P.R. Aruloli, Chairman, SIRC

CA. E. Phalgun Kumar, Secretary, SIRC

Two Day Mentor Development Programme

To Facilitate CAs to help Clients in Setting up Startups under the PMs Start up Initiative.

Tuesday & Wednesday - February 16 & 17, 2016

9.30 a.m. to 5.15 p.m.

P. Brahmayya Memorial Hall ICAI Bhawan, Chennai.

Session Details	Resource Person
Day-1 - 16/02/2016 (Tuesday)	
Inaugural Session	
Mentoring Introduction and Overview & Mentoring Qualities	Mr. Swaminathan BYST Senior Mentor Director MIPP International
Skills of Mentor & Mentor Mentee Relationship	Mr. Sachin Adsare Regional Coordinator BYST Secretariat
Mentoring Process & Business Life cycle	Mr. Prince Nehemiah Project Head, BYST Mentor Development Programme
Day-2 - 17/02/2016 (Wednesday)	
Unit Visit to Startup Entrepreneurs (supported by BYST, CII)	BYST Secretariat
Practical Exercises: Counselling Entrepreneurs	BYST Trainers
Practical Exercises: Technical Evaluation & One-to-one Mentoring	BYST Trainers
Valedictory Session	Mr. Swaminathan BYST Senior Mentor Director MIPP International
DELEGATE FEE : Rs.1000/-	
Registration on First cum First Serve Basis and Limited to 100 only	
Delegate fee by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai shall be sent to SIRC of ICAI, ICAI Bhawan, No.122, Mhatma Gandhi Road, Nungambakkam, Chennai – 600034. Phone: 044-30210320; Fax: 044-30210355 ; Email: sirc@icai.in. For Online Registration, please visit SIRC Website www.sircoficai.org	
CA. P.R. Aruloli Chairman, SIRC of ICAI	CA. E. Phalgun Kumar Secretary, SIRC of ICAI



Highlights of activities of SIRC of ICAI in line with the Action Plan of ICAI and Action Plan of SIRC for the year 2015



- ❑ 47th Regional Conference of SIRC of ICAI was held at Mahabalipuram with a participation of more than 1500 delegates.
- ❑ Action Plan of SIRC of ICAI 2015-16 unveiled and steps taken during the year to fulfil the objectives given therein.
- ❑ To commemorate the 66th Year of the Institute, initially SIRC had planned to display the 66km long banner which will carry information of our profession and create awareness amongst students and the general public. Later, the 66 km Banner display was hosted by SIRC of ICAI on behalf of the Career Counselling Committee of ICAI. However, the Banner which was displayed on August 22, 2015 at Mahabalipuram measured 63.7 km which is the longest ever in the world of its kind.
- ❑ Displayed Career Awareness Banner and organised Career Awareness Programmes at Eluru, Erode, Kumbakonam, Nagercoil, Pondicherry, Sivakasi, Tirupur, Tiruchirapalli and Warangal.
- ❑ Mega Exhibition on Career Counselling was held at ICAI Bhawan, Chennai on August 22 & 23, 2015.
- ❑ Besides Chartered Accountants Day Celebration on July 1, 2015, SIRC has organised several specified activities in a structured manner during CA Month (30 days - 30 programmes).
- ❑ Distributed Literacy kits and organised Clean India Programme at various schools.
- ❑ Since ICAI has been nominated by the Hon'ble Prime Minister of India Shri. Narendra Modi to the Clean India Campaign, SIRC took up the cleanliness drive on March 23, 2015 at Marina Beach.
- ❑ Organised Blood Donation and Eye Donation Camp during CA month celebrations.
- ❑ Provided fresh vegetables to various schools towards supplementing Noon Meal Scheme.
- ❑ Planted and distributed saplings at various branches and other places.
- ❑ 3rd Metro Conference of SIRC of ICAI held on January 29 & 30, 2016 at Kochi.
- ❑ 6 Sub-Regional Conferences were held at Mysore, Visakhapatnam, Pondicherry, Ernakulam, Tiruchirapalli and Hyderabad.
- ❑ 5th All Region Joint Conference organized by SIRC jointly with WIRC, EIRC, CIRC & NIRC held on June 19 & 20, 2015.
- ❑ 6 Regional Residential Courses were held at Yercaud, Munnar, Guruvayur, Goa, Courtallam and Araku.
- ❑ Special Seminar coinciding with International Women Day Celebrations was held on March 8, 2015.
- ❑ During the year, SIRC took a new initiative by organising Monday Marvel programmes to stress on the importance of Make in India, Clean India, Financial Inclusion, Investor Awareness and Corporate Social Responsibility.
- ❑ Orientation Programme for Chairmen and Secretaries of branches of SIRC of ICAI held on April 26 & 27, 2015 at Pondicherry.
- ❑ Organised C.B. Joseph Memorial Lecture on September 4, 2015.
- ❑ Organised V. Sankar Aiyar Memorial Lecture on October 23, 2015.
- ❑ Organised S. Vaidyanath Aiyar Memorial Lecture on December 29, 2015.
- ❑ Chairman, SIRC participated and deliberated at the Regional Chairmen Meet held on March 12, 2015 at New Delhi.
- ❑ SICASA Day celebrated on December 16, 2015 in a befitting manner.
- ❑ As the Goods & Service Tax is set to be implemented from the next financial year, SIRC conducted various Seminars on GST during the year for the benefit of the members.
- ❑ The 42nd Branch of SIRC of ICAI – Kalaburgi (Gulbarga) Branch and the 43rd Branch of SIRC of ICAI – West Godavari District Branch were inaugurated during the year on August 2, 2015 and August 28, 2015 respectively.
- ❑ Online Payment for CPE Programmes, GMCS and Coaching classes popularised.
- ❑ An improved Interactive Voice Response system has been implemented for the benefit of students and members.
- ❑ Facilitation Counter has been set up to address the queries of the members and students.
- ❑ Several steps have been taken by SIRC to propagate the CABF & CASBF Scheme by hosting the same in the SIRC website and publishing in the SIRC Newsletter.
- ❑ Indirect Taxes Committee of ICAI conducted series of training programmes for the officials of National Academy of Customs Excise and Narcotics (NACEN), wherein SIRC provided the logistic support and had the pleasure of participating in many programmes.
- ❑ Republic Day and Independence Day celebrated in a befitting manner.
- ❑ Kiosks have been installed at SIRC Premises and all the branches of SIRC except newly formed branches, whereby the students can get the details required by them instantly.
- ❑ Organised training programme for the employees of Chennai Office on RTI Act.
- ❑ All India Mega National Convention for CA Students held on August 3 & 4, 2015 at Chennai.
- ❑ Branches of SIRC hosted National Conventions for CA Students organised by Board of Studies and SIRC provided logistic support and advice.
- ❑ Branch level, Regional level and All India level Elocution and Quiz Contest for CA students were held in Chennai.
- ❑ Branch level and Regional level Debate Competition for School students were held at Chennai.

Updates

Direct Taxes

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

- 1. Rule 17 substituted for furnishing notice of non-receipt of income and electronic filing of Forms 9A and 10:** The CBDT in exercise of the powers under section 295 has substituted rule 17 w.e.f. 01.04.2016. Now Form No.9A is to be furnished before the 'due date' for filing the return of income specified in section 139(1) for reasons such as non-receipt of income during the previous year or the receipt of income at the end of the year or any other reason. Also, Form No.9A and Form No.10 (meant for accumulation of income under section 11(2)) as the case may be, is to be furnished electronically either under digital signature or electronic verification code.
- 2. Expanded coverage of Annual Information Return (AIR):** The CBDT has substituted rule 114E w.e.f. 01.04.2016 meant for filing annual information report to be furnished under section 285BA (1). It has expanded the coverage of AIR. Some of the significant aspects are (i) any person who is liable for tax audit under section 44AB has to furnish receipt of cash payment exceeding Rs.2 lakh for sale, by any person, of goods or services of any nature except those which are covered specifically in the said rule; (ii) cash deposits or cash withdrawals (including through bearer's cheque) aggregating to Rs.50 lakhs or more in a financial year, in or from one or more current account of a person is to be reported by the banking companies to whom Banking Regulation Act, 1949 applies; and (iii) one or more time deposits (other than renewal of deposits) of a person aggregating to Rs.10 lakhs or more in a financial year.
- 3. Instructions relating to scope of scrutiny assessment:** The CBDT vide Instruction No.20/2015 dated 29.12.2015 has given some clarifications explaining the scope of scrutiny assessment. It made reference to its Instruction No.7/2014 and clarified that it is applicable only in respect of cases selected for scrutiny through CASS -2014. The said instruction is applicable only in respect of cases selected for scrutiny under CASS on the parameters of AIR /CIB /26AS data. Wider scrutiny in those cases can only be conducted as per the guidelines and procedures stated in Instruction No.7/2014. In cases of scrutiny for verification of AIR / CIB / 26AS data, the Assessing Officer has to intimate the reason for selection of case for scrutiny to the assessee concerned.

As regards scrutiny through CASS – 2015, there are two types of cases which are selected viz. 'Limited Scrutiny' and 'Complete Scrutiny'. In respect of 'Limited Scrutiny' cases the reasons / issues have to be communicated to the assessee concerned. The questionnaire must be confined to 'Limited Scrutiny' issues. These shall be completed expeditiously in a limited number of hearings. However, during the course of 'Limited Scrutiny' if the Assessing Officer comes to the notice of potential escapement of income exceeding Rs.5 lakhs (for metro charges, the monetary limit shall be Rs.10 lakhs) the case may be taken up for 'Complete Scrutiny' with the approval of Pr.CIT / CIT concerned. 'Metro charges' would mean Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad and Ahmedabad. ■

Tamil Nadu VAT

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

Clarification: The clarification issued by the Commissioner, in exercise of his powers under section 28A of the Act, was not at the instance of the dealer; therefore, such clarification could not be automatically made applicable to the dealer, that too, proposing to revise the already finalised assessment. [2015] 84 VST 212 (Mad) **Venkateswara Industries v. Special Commissioner and Commissioner of Commercial Taxes, Chepauk, Chennai and Another.**

Cross Examination: Every dealer registered under the Act shall have to file return, in the prescribed form showing the total and taxable turnover within the prescribed period in the prescribed manner, along with proof of payment of tax. On the ground that the petitioner-dealer had contravened the relevant provision, the AC assessed the dealer under section 22(4) of the Act. The dealer submitted a detailed petition and prayed that the four persons mentioned in the notice be examined: However, the authority stated that the dealer had not filed any reply or any valid documents in support of its business transactions and that the dealers reply was carefully considered and the objections were overruled and the authority also stated that the dealer simply filed its objections in writing but had not produced documents. The Court held that there were inconsistent versions of the authority, which clearly showed non-application of mind. That apart, when a specific request had been made, more particularly when the authority proceeded against the dealer under section 22 of the Act, in terms of section 22(4) of the Act, an enquiry or personal hearing was a must and the dealer would be entitled to cross-examine the persons as in terms of section 81 of the Act. [2015] 84 VST 219 (Mad) **Sri Lakshmi Granites and Tiles v. Assistant Commissioner (CT) (FAC), Bhavani Assessment Circle, Bhavani.**

Stock Transfer: The goods had moved with reference to the firm purchase order placed by the buyers specifying the quantity and variety of cotton. On these facts the Tribunal held that the Federation moved the goods from Maharashtra to Tamil Nadu only in pursuance of that contract and that the transactions fell under section 3(a) of the Central Sales Tax Act, 1956 and that the transaction could not be considered a local sale. In view of this the Court held that the findings rendered by the Tribunal being based on material facts and supportive documents and sustained by sufficient reasoning, there was no reason to interfere with the order of the Tribunal. [2015] 83 VST 536 (Mad) **State Of Tamil Nadu Vs Annamalaiar Mills Ltd.** ■

Andhra Pradesh VAT

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

GOs issued

- G.O.Ms. No.544 dt. 23.12.15 of Industries and Commerce (P&I) Dept – Rexam HTW Beverages - Reimbursement of 75 % VAT for a period of (7) years or 100% fixed capital investment, (ii) Reimbursement of 50 % cost of Waste Water Treatment Plant cost or Rs. (50) Crore (iii) Reimbursement of Training cost @ Rs.10,000/- per person for (750) persons (iv) All other benefits as per Industrial Development Policy (IDP) 2015-20.
- G.O.Ms. No.128 dt. 24.12.15 of Industries and Commerce (Progr.III) Dept –Britannia Industries – (i) 100% VAT&CST reimbursement for a period of (7) years or up to 150% of the investment (ii) other incentives as per Food Processing Policy 2015-20.

Commissioner's Circulars

1. CCT's Ref. No. CCW/CS(1)/238 /2015 dt. 22-12-15 - Filing of monthly VAT 200 for November 2015 – Extension of time till 05-01-2016 – Taxes to be paid by 20th December, 15.
2. CCT's Ref. No. CCW CS(1)/ 92 /2015, date 02.01.16 - Cancellation of e-Way Bills – Pending tasks misuse of cancellation facility – further instructions issued allowing 3% cancellation of 3% e-way bills generated in 30 days – Regarding.
3. CCT's Ref. No. CCW/152/2015 dt. 19.1.16 - e-CST Way bills to be generated for commodities figured in the CST RC and for Sensitive commodities figured in VAT RC- Time allowed to add sensitive commodities by the dealers in CST RC up to 31-01-2016.

ADC Orders

Durga Dairy - VJA.I/36/2015-16 dt. 19.1.16 – confirmed the penalty at 10% on reduction of ITC available treating it as undeclared tax – arguable case exists.

Supreme Court

Sodexo SVC India – AC 4385-4386/15 dt. 9.12.15 - Sodexo Meal Vouchers are 'goods' liable for Local Bodies Tax – reversed Bombay HC judgment.

Calcutta High Court

Nagarjuna Construction – WP 1053 of 2009 dt. 7.3.14 – Works contractors eligible to use C forms – directed registration authorities to include the equipment, plant and other in CST Certificate.

Orissa High Court

Odisha Power Generation Corporation- WPC 17017/2014 dt. 30.3.15(27 STJ 482 (Orissa) - Assessing authority without considering the submissions of the petitioners relying SC HC Judgment passed order raising demand for huge tax and penalty. Held complete non application of mind- amounted to judicial indiscipline and impropriety.

Delhi High Court

1. *Jagriti Plastics Ltd ST.APPL 5/2015 dt. 1-10-2015 (2015-TIOL-2332-HC-DEL-VAT)* - taxpayer was eligible for credit of Value Added Tax paid on purchase of Duty Entitlement Passbook ('DEPB') scrip against output Delhi VAT liability on sale of imported goods in the State of Delhi. (Input Tax credit is available as per Circular CCT's Ref. AIII(2)/91/2011 dt. 08.6.2011 in AP).
2. *Citi Bank ST Ref 1/2013 dt. 14.12.15 [2015-TIOL-2842-HC-DELCT]* held that the sale of repossessed cars to realize its dues was incidental or ancillary to its main banking business and qualifies as "Business" under Delhi Sales Tax Act and was liable to sales tax.

Punjab and Haryana HC

Samsung India Electronics CWP No.11165 of 2015 (O&M) dt. 2.11.15 [2015-TIOL-2720-HC-P&H-VAT] mobile battery charger was not a part of mobile phone but an accessory and accordingly to be taxed at the rate applicable on accessories of mobile phones following SC judgment in the case Nokia India in Civil Appeal Nos.11486-11487 of 2014.

Rajasthan HC

1. *Swastik Agencies STR 297/11 dt. 16.10.15 [2015-TIOL-2567-HC-RAJ-VAT]* - batteries and their parts could be used in motor cars and for other purposes – rates applicable to batteries and not for the parts of motor cars.
2. *Taluka Tent Decorators STR 134/2009 dt. 27.2.15 (81 VST 258)* Transfer of right to use goods, it was immaterial whether the buyer carries the goods for use or was transported by seller – lessor following SC judgment in Agarwal Brothers 113 STC 317.

3. *Gora Mal Hari – STR 296/2011 dt. 23.1.15* – upheld the assessment of penalty for incorrect particulars and non filing particulars in transport documents specifying intention to evade tax following SC Judgment in the case of Guljag Industries 9 VST 1.

CESTAT Mumbai

Automotive Manufacturers - Appeal No. ST/260/2009-MUM. dt. 16.1.15 – Freight paid as part of sales price and VAT charged on the freight not liable for Service Tax.

Delhi VAT Notification affecting stock transfer from the STATE

Department of Trade and Taxes has vide notification dated 10.09.2015 notified an online Form Delhi Sugam 2 (in short DS2) for providing information to the Department in respect of goods purchased or received as stock transfer or received on consignment agreement basis from outside Delhi by all the registered dealers of Delhi.

Telangana VAT

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

GOs Issued

1. G.O.RT. No: 3225, dt.19-10-2015 for collection of TCS @ 5% on all Government Contracts on the criterion and to be deducted at the time of payment of the respective bill.
2. G.O. RT. No. 11 dt. 05/01/2016 - decided to appoint the Principal Secretary, Revenue (CT & Ex.) as State Level Nodal Officer and the Joint Collectors in the State (except twin cities of Hyderabad) as District Nodal Officers and the Police Commissioners of Hyderabad/ Cyberabad as Nodal Officers of twin cities of Hyderabad, for effective implementation of digitisation of Cable TV networks in all urban areas.
3. G.O.Ms.No.10 & 11 dt. 08-01-16 – adoption of Andhra Pradesh Tax on Entry of Motor Vehicles into Local Areas Act, 1996 / Rules with substitution of Telangana in the place of AP.
4. G.O.Ms.No.12 & 13 dt. 08-01-16 – adoption of Andhra Pradesh Rural Development Cess Act, 1996 / Rules with substitution of Telangana in the place of AP.
5. G.O.Ms.No.15 & 16 dt. 12-01-16 – Amendments to Telangana Tax on Luxuries Act, 1987/ Rules – registration procedure for tobacconist, hotels and hospitals - Form R to DCTO, hotels and hospitals in Form H to ACTO.

Commissioner Circulars

1. CCT's Ref. Enft/D2/723/2005 dt.16-12-15 – CCT under sub-rule (2) of Rule 55; has notified 27 Goods as Sensitive Commodities and any dealer purchasing from other States issue of Advance CST Ways Bill is mandatory for bringing Sensitive Commodities into the State of Telangana.

Advance Rulings

1. Indian Timber Products - A.R.Com/39/2015 dt. 31.12.15 (AR 1) (following APHC judgment in the case of Larsen & Toubro Ltd and Another 148 STC 616) clarified that when the main contractor M/s Matri Developers (P) Ltd and M/s Lodha Healthy Constructions and Developers Pvt. Ltd., opted to pay under Section 4(7)(d) of the VAT act, the applicant who is sub contractor not required to pay any tax on the transactions of their supply of Doors & Windows and also on the installation of those goods in the contract work.
2. B.L Kashyap & Sons Ltd, A.R.Com/34/2015 dt. 28-12-15 (AR208) - applicant can pass VAT exemption to their suppliers and contractors in SEZ subject to the following conditions that "the dealer shall obtain and furnishes a certificate in the form I

declaring that the goods purchased are being used only for the purposes so declared”.

- Vidya Medical & Surgical Agencies - A.R.Com/67/2015 18-12-15 (AR27) – in the invoice and tax invoice - not mandatory to mention the purchase order.

High Court

Siemens Limited – TRC 62/2002 dt. 23-06-15 (86 VST 353) - Tribunal had considered various aspects on record and gave the last finding which is not challenged before this court. Tribunal, last finding authority and in the absence of such conclusive findings being challenged raising a specific question of perversity – no substantial question of law in the present case. ■

Kerala VAT

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

- v Commissioner of Commercial Taxes has disposed off an appeal under RTI Act, (order number KI-24488/15/(appeal)/CT dated 07/08/2015) in the matter of additional court fee payable for appeal. The question raised in the application was whether additional court fee is to be paid for the amount of interest disputed in appeal. It is held by the Commissioner that additional court fee need be paid only on the amount of tax disputed in the appeal.
- v In OT 39 of 2013, Honourable High Court of Kerala was considering an assessment under section 25 of the Act wherein the benefit of credit for input tax and special rebate was denied to a dealer paying tax under section 6 (5) of the Act. The issue arose in the background of insertion of section 25 (C) by the Kerala Finance Act, 2014. Honourable High Court held that the dealer is entitled to the benefit of input tax and special rebate, subject to verification of invoices.
- v OT. Rev. No. 178 of 2014 also involved an assessment of a dealer paying tax under section 6 (5) of the KVAT Act, 2003.

At para 23 of the judgment, the Honourable High Court held that **“... Section 25C of the Act will not in any manner absolve any dealer paying presumptive tax, against whom any assessment or other proceeding are initiated by the assessing authority denying the eligibility to pay presumptive tax for the violation of conditions enumerated in sub-section (5) of section 6, from being assessed for payment of tax as a normal dealer or from imposing any penalty under Sub-section (7) of Section 22 of the Act. It only enables such dealers to claim input tax credit on the turnover in excess of 60 lakh rupees, or to claim special rebate, as the case may be”.**

In para 24 of the judgment, Honourable Court directed that **“... entitlement of the assessee for input tax credit for the period in dispute, on the turnover in excess of 60 lakh rupees, requires to be considered by the assessing authority, in terms of Section 25C of the Act”.** ■

Karnataka VAT

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

A. Notification No. FD 125 CSL2014 dated 17/12/2015

Sub-section (1) of section 5 of the Karnataka Value Added Tax Act, 2003 exempts the tax payable under the said Act on the sale of Application Forms, Prospectus and Brochures by Education Institutions funded by the State or Central Government with funding not less than 50% of their annual income.

B. Commissioner of commercial taxes Circulars No: 17/2015-16 dated 04.12.2015

Refund of input tax paid on purchase of inputs by a registered dealer who is a co-developer of Special Economic Zone (SEZ).

Tax paid under this Act on purchase of inputs by a registered dealer who is a developer of any special economic zone or an unit located in any special economic zone established under authorization by the authorities specified by the Central Govt. in this behalf, shall be refunded or deducted from the output tax payable by such dealer, subject to such conditions and in the manner as may be prescribed.

C. Notification No. EGI.CR-30/2014-15 dated 06.01.2016

Under sub-section (5) of Section 9 –A of the KVAT read with rule 44 of KVAT Rules, 2005 tax deducting authorities of the Central Government Departments, State Government Department, State Government Departments Industrial, Commercial and Trading Undertakings of central Government or of any State, or any such Undertaking in Joint Sector who are registered as the dealer under Kvat Act 2003 as mentioned Annexure-1 of notification and who are not registered as the Dealer as mentioned in the Annexure -2 of the Notification are notified to submit every month to the jurisdictional Local VAT Officer (LVO) or Vat Sub Officer a statement in Form vat -125 containing particulars of tax deducted during preceding month electronically with effect from the tax period of December 2015 and to pay fl amount of tax so deducted by it electronically or in any other form as applicable. Procedure for filing is as under:

- Every tax deducting authority who is registered dealer under the provisions of the KVAT Act 2003 has been assigned with a Tax Payer's Identification Number (TIN) and for other authority, DAIN has been assigned and all such authorities have been provided with the username and password by the jurisdictional LVO or VSO.
- If No username and password have been received by any authority having DAIN, such authority may collect the same from concerned LVO or VSO.
- Such tax deducting authority shall on to the website <http://vat.kar.nic.in> and proceed to prepare and submit the statement in Form Vat 125 and pay fu amount of tax so deducted by it electronically or in any other form as applicable to such authorities as per the instructions contained in the user manual hosted onto the said website available under “Report and Help”.

Banking and Insurance

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

With banks becoming major provider of long term capital for large industrial and infrastructure projects, liquidity framework has assumed importance. In 2007, it was noticed that even well capitalized banks experienced difficulties due to poor liquidity management. This has led to the introduction of two minimum standards for funding liquidity namely Liquidity Coverage ratio and Net Stable Funding Ratio. Liquidity Coverage ratio was intended to bolster up short term resilience to withstand liquidity disruptions. Under its framework, banks are expected to have an adequate asset back up to withstand a 30 day liquidity shock. Net Stable Funding Ratio supplements such efforts. Statutory Liquidity Ratio which formed the main weapon in liquidity management meant impounding of funds by channelizing them mainly into government securities. LCR on the other hand allows room for securities other than G-Sec and is expected to deepen the bond market in the days to come.

The introduction of LCR is essentially to converge with global standards. Sovereign Debt securities in the context of Basel Standard are not accorded the status of Level 1 HQLA (High Quality Liquid

assets). Presently banks maintain LCR around 60% and SLR around 21.5% of NDTL (Net Demand and Term Liabilities). The concept of Net Stable Funding Ratio is expected to make the banks seek stable funding and not to seek cheap short term alternates.

A year from now, India is expected to see a number of Payment banks getting established. While a number of industrial houses have evinced interest, interestingly the only public sector establishment in the fray is the Indian Postal Department. With nearly 1.54 lakh touch points to its credit, Indian Postal Department offers an attractive wide reach to its suitors who include several multinational financial giants.

Reserve Bank of India recently lifted the restriction on non-constituent borrowers of a bank from seeking non-fund based facilities such as letters of credit, guarantees etc. The Regulator feels that systems and processes are quite robust in the Indian banking scenario to handle such cases. The regulator requires a board approved policy on the matter. Such facilities are to be extended only after due credit appraisal and due diligence. The requirement to keep informed Credit Information Centre of such facilities being extended is to be adhered to. However banks are cautioned not to negotiate unrestricted Letters of Credit of non-constituents.

As regards the aspect of negotiating bills drawn under LC the regulator had the following to say:

“In cases where negotiation of bills drawn under LC is restricted to a particular bank and the beneficiary of the LC is not a constituent of that bank, the bank shall have the option to negotiate such LCs, subject to the condition that the proceeds are remitted to the regular banker of the beneficiary”.

FEMA

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

I. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2015

Notification No.FEMA.359/2015-RB dated December 02, 2015 has amended the regulations to delegate the powers to RBI, for the matters related to FCCBs and FCEBs.

Reserve Bank has the power to do so, in consultation with the Government of India.

II. Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Amendment) Regulations, 2015

RBI vide Notification No.FEMA.358/2015-RB dated December 02, 2015 has amended the regulations to delegate the powers to RBI, for the matters related to ECB under automatic and approval route.

Reserve Bank has the power to do so, in consultation with the Government of India.

III. Following list of Master Directions were issued by RBI for FEMA, 1999 on December 04, 2016

1. Compounding of Contraventions under FEMA, 1999.
2. Borrowing and Lending Transactions in Indian Rupee between Persons Resident in India and Non-Resident Indians/ Persons of Indian Origin].
3. Liberalised Remittance Scheme (LRS).
4. Other Remittance Facilities.
5. Insurance.
6. Establishment of Liaison/ Branch/ Project Offices in India by Foreign Entities.
7. Acquisition and Transfer of Immovable Property under Foreign Exchange Management Act, 1999.
8. Remittance of Assets.
9. Deposits and Accounts.

10. Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad.
11. Export of Goods and Services.
12. Import of Goods and Services.
13. Reporting under Foreign Exchange Management Act, 1999.
14. Miscellaneous.
15. External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers.
16. Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses.
17. Money Changing Activities.

IV. Investment by Foreign Portfolio investors (FPI) in Corporate Bonds

1. RBI vide A.P. (DIR Series) Circular No. 31 dated November 26, 2015 has invited the attention of the AD Category-I banks to Schedule 5 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 and to A.P. (DIR Series) Circular No. 71 dated February 3, 2015 and A. P. (DIR Series) Circular No.73 dated February 6, 2015 in terms of which all future investments by Foreign Portfolio Investors (FPI) in NCDs/bonds shall be required to be made in securities with a minimum residual maturity of three years.
2. On a review, it has been decided to permit FPI to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond. The revised maturity period of such NCDs/bonds, restructured based on negotiations with the issuing Indian company, should be three years or more.
3. The FPI which propose to acquire such NCDs/bonds under default should disclose to the Debenture Trustees the terms of their offer to the existing debenture holders / beneficial owners from whom they are acquiring. Such investment should be within the overall limit prescribed for corporate debt from time to time (currently Rs. 2443.23 billion). All other existing conditions for investment by FPIs in the debt market remain unchanged.

Corporate Laws

Contributed by: **Dr. P.T. Girdharan**
Joint Director, Board of Studies, ICAI, New Delhi
girdharan@icai.in

1. **On IEPF:** Section 125 of the Companies Act, 2013 deals with the Investor Education and Protection Fund. Sub-section (5) relates to the constitution by way of notification by the Central Government an authority for administration of the Fund, sub-section (6) relates to the manner of administration of the Fund, appointment of chairperson, members, etc. as may be prescribed by the Rules and sub-section (7) relates to the authority to such employees and officers as may be prescribed by the Rules. As per the MCA Notification dated 13th January, 2016, these sub-sections, names sub-sections (5), (6) [except with respect to the manner of administration of the IEPF] and (7) of section 125 shall come into force with effect from 13th January, 2016. Further, the MCA has also published the rules called the IEPF (Appointment of Chairperson and Members, holding of meetings and provision for offices and officers) Rules, 2016.
2. **FAQ's on CSR:** Section 135 of the Companies Act, 2013 and Schedule VII of the Act deals with Corporate Social Responsibility and also there are relevant Rules on Companies CSR Policy, 2014. These provide the broad contour within which the eligible companies are required to formulate their CSR

policies including activities to be undertaken and implement the same in the right earnest. In order to facilitate effective implementation of CSR, the MCA by way of its General Circular No.01/2016 has published a set (23) of Frequently Asked Questions (FAQ's) along with its response.

3. According to MCA General Circular No.2/2016, dt. 15th January, 2016, it has been clarified that as per section 5 of LLP Act, 2008 only an individual or body corporate may be a partner in a Limited Liability Partnership. A HUF cannot be treated as a body corporate for the purposes of LLP Act, 2008. Therefore, a HUF or its Karta cannot become partner or designated partner in LLP. ■

SEBI

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

Frequently Asked Questions

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. Definitions

- Q1. Regulation 2(1)(b) of LR defines an 'associate company' to mean any entity which is an associate under the Companies Act, 2013 or under the applicable accounting standards. Whether both conditions have to be met or either of the two?

Answer: The definition of associate company should be viewed under the Companies Act, 2013 as well as Accounting Standards. If the condition is met under either of the two, then such entity should be classified as an associate company.

- Q2. Regulation 2(1)(zb) of LR defines the term 'Related party' to mean related party under the Companies Act, 2013 or under the applicable Accounting Standards. Whether both conditions have to be met or either of the two?

Answer: The definition of related party should be viewed under the Companies Act, 2013 as well as Accounting Standards. If the condition is met under either of the two, then such party should be classified as a related party.

B. Corporate Governance

- Q3. Regulation 17(8) of LR requires a compliance certificate to the Board of directors by Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Whether the Managing Director or Whole Time Director may certify the compliance certificate, when the company has not designated a CEO?

Answer: Such certificates may be signed by the officials who hold powers, duties and responsibilities of a CEO/ CFO irrespective of their designations.

- Q4. Regulation 23 (4) provides that all material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. In this regard, whether only those related parties who are related to the concerned transaction/ contract should abstain from voting or whether related parties should altogether abstain from voting?

Answer: The requirement under Regulation 23(4), is applicable for listed entities subject to the provisions of Regulation 15. Hence, for applicable entities, the regulations clearly provide that all material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party for the particular transaction or not.

- Q5. Regulation 24 (1) prescribes having at least one independent director of the listed entity as a director on the board of directors of 'unlisted material subsidiary, incorporated in India'.

Sub-regulations (2), (3) and (4) to the same regulation refer to 'unlisted subsidiary'. Whether such sub-regulations (2), (3) and (4) are applicable to all unlisted subsidiaries or only material unlisted subsidiaries incorporated in India?

Answer: Listed entities may be guided by the provisions of Regulation 24. Wherever 'unlisted material subsidiary' and 'unlisted subsidiary' have been distinctly mentioned in a particular sub-regulation, such sub-regulation shall be applicable to material unlisted subsidiaries or all unlisted subsidiaries as the case may be.

C. Disclosure of Events or Information

- Q6. Regulation 30(8) of LR requires posting of disclosures on the listed entity's website for a minimum period of five years. Whether the said provision is prospective from December 1, 2015 and pertains to disclosures relating to events happening thereafter?

Answer: The disclosures made under Regulation 30(8) shall be made w.e.f. December 01, 2015, i.e., the listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation on or after the said date, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years from the date of disclosure to the stock exchange.

- Q7. Regulation 30(9) of LR requires disclosure of all events and information with respect to subsidiaries which are material. If both parent and subsidiary are listed entities, would it be sufficient compliance if the listed subsidiary has made a disclosure or whether same disclosure be made by the parent listed entity also?

Answer: Both the parent and material subsidiary in their own right as Listed Entities have to make disclosure separately as applicable under Listing Regulations.

- Q8. Regulation 16(1)(c) defines material subsidiary as - "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year." The Explanation to Regulation 16(1)(c) states that the listed entity shall formulate a policy for determining material subsidiary. Can the listed entity adopt different criteria for determining material subsidiary for the purpose of Regulation 30(9)?

Answer: The definition of 'material subsidiary' under regulation 16(1)(c) defines a subsidiary that is material to the listed entity. Further, the explanation to the aforesaid provision allows the listed entity to formulate a policy for the same, i.e., a listed entity can develop criteria that are stricter than what has been provided in the Regulations.

Regulation 30(9) requires the listed entity to disclose all events or information with respect to subsidiaries which are material for the listed entity. The said sub-regulation places stress on materiality of the events or information. Therefore, disclosure would be required in cases where the event or information originating from a subsidiary is material to the listed entity, irrespective of whether such a subsidiary is material or not as per the definition provided at regulation 16(1)(c).

- Q9. Schedule III Part A, Para A, Clause 1(ii)(a) requires disclosures on acquisition or agreements to acquire shares or voting rights in a company, whether directly or indirectly, such that the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company. Whether the disclosure is with respect to acquisition of shares or voting rights when the target company is a listed entity only or whether it is applicable to unlisted entities also?

Answer: The Schedule refers to the listed entity's acquisition of shares or voting rights in the company. Such target company can be listed or unlisted.

D. Other Clarifications

Q10. Under Regulation 33(3), for submission of financial results for the last quarter, whether Unaudited Results can be submitted to the Exchanges?

Answer: Regulation (33)(3)(d) clearly states that the listed entity shall file audited annual results in 60 days from the end of the last quarter. Therefore, the financial statements for the last quarter shall necessarily be audited. The said provision was also there in the erstwhile Listing Agreement. ■

Central Excise and Service Tax

Contributed by: **CA. G. Saravana Kumar**
Madurai
casaravanan.82@gmail.com

1. Imposition of cost by CESTAT on grounds of quality of adjudication order - F. No.390/CESTAT/69/2014-JC dated 22/12/2015

Above internal circular has been issued by CBEC (Judicial cell) stressing the importance of qualitative adjudication orders. Circular says in the recent past, there have been certain decisions of the CESTAT wherein cost was imposed either on the department or on the adjudication officers / appellate officers due to the reason that following grounds are ignored in the adjudication orders / appellate orders passed.

- the directions and principles laid down made de novo order while Hon'ble Tribunal directing the original adjudicating authority to re-examine the duty liability only;
- Principles of natural justice;
- The pleadings and evidences on record before deciding the matter; or
- Non-application of mind.

Even though provisions are there already for examination of all the order-in-original passed by the adjudication officers, it has been experienced that only such orders which are passed in favour of assessee are subject to rigorous scrutiny and whenever the reviewing are of the considered view that orders were not in conformity with the law, such orders are appealed against where as the orders passed in favour of Revenue are accepted without any critical examination as to whether such orders are legal and proper. Therefore there is a need to examine critically the orders passed in favour of department also by the same standards. Hence it is insisted in the circular that uniform stand is adopted and quality orders are passed, such imposition of cost by tribunal can be avoided. Also To address the issue, the Principal Chief Commissioners/ Chief Commissioners (under whose jurisdiction orders imposing costs have been passed by the Tribunal) may kindly send a report after examining such cases of the last two years regarding the feasibility for challenging before the Hon'ble High Court /Supreme Court by way of Writ Petition or Special Leave Petition.

- A Tariff Conference of Central Excise on technical matters was organized by the Board this year on 28th and 29th October 2015. Several issues were clarified by the board. Based on the minutes of the said conference, few clarifications given by the board are published for the benefit of the members. (Source: Letter F.No. 96/85/2015-CX.I, dated 07-12-2015).

Issue: Consequent upon grant of exemption from EC/SHEC, there is issue of utilization of the accumulated credit of the past. It is suggested that an amendment to sub-rule 7(b) of rule 3 of Cenvat Credit Rules may be made to allow the utilization of balance EC/SHEC towards payment of ED or service tax.

Clarification: It was Government's conscious policy to withdraw EC/SHEC. It is a policy decision not to allow utilization of accumulated credit of EC/SHEC. As these cesses have been phased out and no new liability to pay such cess arises, no vested right can be said to exist in relation to the accumulated credit of the past. The rule and notifications as they exist need to be followed and do not need any amendment. ■

Members Elected to the Twenty Third Council of ICAI (Southern India Regional Constituency)

Sl. No.	Names	M. No.	Place
1.	CA. Babu Abraham Kallivayalil, FCA	026973	Kochi
2.	CA. Devaraja Reddy M., FCA	026202	Hyderabad
3.	CA. Madhukar Narayan Hiregange, FCA	027409	Bengaluru
4.	CA. Sekar G., FCA	025533	Chennai
5.	CA. Sripriya K. (Ms.), FCA	205829	Chennai
6.	CA. Vijay Kumar M. P., FCA	201797	Chennai

Members Elected to the Twenty Second Regional Councils of ICAI (Southern India Regional Council)

Sl. No.	Names	M. No.	Place
1.	CA. Abhishek M., ACA	226622	Chennai
2.	CA. Adusumilli Venkateswara Rao, FCA	200732	Hyderabad
3.	CA. Babu K. Thevar, FCA	212793	Bengaluru
4.	CA. China Masthan Thalakyala, FCA	218549	Hyderabad
5.	CA. Cotha S. Srinivas, FCA	205804	Bengaluru
6.	CA. Dungar Chand U., FCA	215625	Madurai
7.	CA. Gopal Krishna Raju, FCA	205929	Chennai
8.	CA. Hemavathi R. (Ms.) FCA	210180	Chennai
9.	CA. Jalapathi K., FCA	214823	Coimbatore
10.	CA. Jomon K. George, FCA	202144	Kochi
11.	CA. Panna Raj S., FCA	026366	Ballari
12.	CA. Phalgun Kumar E., FCA	020278	Tirupati
13.	CA. Ritesh Mittal, FCA	214155	Hyderabad

WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on 25.01.2016 is as under:

Particulars	Disposal of records received upto 25.01.2016
Members	
Enrolment of Members	13.01.2016
Fellow Admission	20.01.2016
Grant of COP	19.01.2016
Restoration of Name	20.01.2016
Constitution of Firms	20.01.2016
Reconstitution of Firms	20.01.2016
Paid Assistant	20.01.2016
Change of Address – Members	22.01.2016
Change of Address – Firms	20.01.2016
Students	
Registration of Articles	14.01.2016
Re-registration of Articles	14.01.2016
Industrial Training	12.01.2016
Termination of Articles	16.01.2016
Completion of Articles	08.01.2016
Permission to pursue Other Courses	20.01.2016
Despatch of Materials – CPT	04.01.2016
Despatch of Materials – IPCC	30.11.2015
Despatch of Materials – ATC	30.11.2015
Despatch of Materials – Final	30.09.2015
Despatch of Materials – ITT	20.12.2015

Crash Course at SIRC for IPCC & Final Students

Crash Course for IPCC & FINAL for May 2016 Examination will be conducted at SIRC from **March 11, 2016**. Requisite form and Bank challan for payment of fees are available in the SIRC office. Faculty details for the Crash Course is available in the SIRC Website.

For further information please visit our website (or) contact Office. Phone: 044-30210322 - Email-id: sircclasses@icai.in Website: www.sircoficai.org

ANNOUNCEMENT – GMCS BATCHES

The Next **GMCS -I (1 Batch)** and **GMCS - II (2 Batches)** commences on **February 10, 2016** (Wednesday) at SIRC, Chennai. For Registration, please logon to http://www.icaionlineregistrtrtion.org/Admin_Module/login.aspx (For further details, visit www.sircoficai.org under the caption students). Fees can be remitted by way of DD only in favour of "SIRC of ICAI" payable at Chennai.

Restoration of Membership & Certificate Practice

The names of members who have not paid their Membership fee and/or Certificate of Practice fee for the year 2015-16 on or before 30.09.2015 were removed w.e.f. 01.10.2015 in the Register of Members. The notifications in regard to removal of membership and cancellation of Certificate of Practice w.e.f. 01.10.2015 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.icai.org) complete in all respects, together with restoration fees of Rs. 1200/- is received by the Institute on or before 31.03.2016.

Those members who have paid the Membership Fee but not remitted the Certificate of Practice Fee on or before 30th September 2015 should send Form No. 101 (available on the website www.icai.org) along with the prescribed Certificate of Practice Fee so as to reach on or before 31.03.2016 for retrospective restoration of their Certificate of Practice.

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

COACHING CLASSES AT SIRC FOR IPCC STUDENTS FOR NOVEMBER, 2016 EXAMINATIONS

The next batch of Coaching Classes for IPCC Students appearing for **November, 2016 Examinations** will commence on **February 22, 2016**. The duration of the coaching classes will be four months.

CLASS TIMINGS (There is no weekend batch)

Timings	Group-I	Group-II
Monday to Saturday	6.30 a.m. to 9.30 a.m.	5.30 p.m to 8.30 p.m
Sunday	Between 7.00 a.m. to 5.00 p.m.	

FEES

Both Groups	-	Rs.5,000/-
One Group	-	Rs.2,500/-

Highlights

- Renowned Faculty
- Affordable fees
- Doubt clearing sessions
- Mock Tests
- Reading Room Facility
- World class Library support
- Special attention for weak students
- Classes are conducted since 1965

Hurry ! Limited Seats !!

The registration will be on 'first come first served' basis

Registration through online:

<http://sircoficai.org/Batches/batches.aspx>

Last Date : February 18, 2016.

For further information please visit our website (or) contact SIRC Office. Phone: 044-30210322

Email-id: sircclasses@icai.in Website: www.sircoficai.org

CA. P. R. Aruloli Chairman SIRC	CA. Adusumilli Venkateswara Rao Chairman Students Committee, SIRC	CA. E Phalgun Kumar Secretary SIRC
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DISCLAIMER

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

OBITUARY

S.No.	MRN	Name	Status	Place	Date of Death
1	007447	Mr. Rajendran Unni A	FCA	Bengaluru	25-02-2015
2	026034	Mr. Gulechha Heera Chand	FCA	Bengaluru	27-02-2015
3	010906	Mr. Venkataramanan A N	FCA	Bengaluru	12-03-2015
4	022686	Mr. Raghavendran R	FCA	Bengaluru	15-06-2015
5	200650	Mr. Sundar A Rodriguez	FCA	Chennai	26-09-2015
6	008710	Mr. Ghewarchand B Jain	FCA	Chennai	10-10-2015
7	020188	Mr. Kamalakara Rao R B	FCA	Hyderabad	21-10-2015
8	008489	Mr. Vijayaraghavan Ramanujam	FCA	Chennai	28-11-2015

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

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E-mail : sircnewsltr@icai.in /
sirc@icai.in
Website : www.sircoficai.org

Resource Persons at CPE National Seminar, Training Programme for Peer Reviewers, 3rd Metro Conference, An update on Companies Act, 2013 by ICAI CLCG Committee and Study Circle Meetings – January 2016

Jan. 6, 2016



CA. Dr. Paul Jayakar
Chennai

Jan. 13, 2016



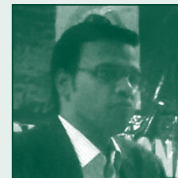
CA. S.B. Balachandra Prabhu
Kochi

Jan. 20, 2016



CA. V. Sathyarayanan
Kochi

Jan. 27, 2016



CA. K. Raghuram
Chennai

Jan. 29, 2016



CA. P. Anand
Chennai

Jan. 29, 2016



CA. R.S. Sivaraman
Chennai

Jan. 29, 2016



CA. P. Sankaran
Chennai

Jan. 29, 2016



CA. Shyam Lal Agarwal
Chairman
ICAI Peer Review Board

Jan. 29, 2016



CA. Vimal Chopra
Jaipur

Jan. 29, 2016



CA. R. Sivakumar
Chennai

Jan. 29, 2016



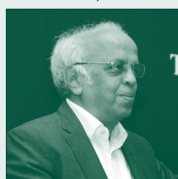
CA. Bhavani
Balasubramanian
Chennai

Jan. 29, 2016



CA. Shankar Raman
Chennai

Jan. 29, 2016



CA.S. Santhana Krishnan
Chairman, ICAI
CL&CG Committee

Jan. 29, 2016



CA. TarunJamnadas Ghia
Vice-Chairman, ICAI
CL&CG Committee

Jan. 29, 2016



CA. Atul Kumar Gupta
New Delhi

Jan. 29, 2016



CA. G. Sekar
Chennai



Chief Guest Former DGP Tamil Nadu & TNPSC Chairman Thiru R. Nataraj, IPS addressing the Contestants at the inaugural Session. Seated (L-R): SIRC Chairman CA. P.R. Aruloli, TAFE Group Director CA. P.B.Sampath, ICAI BOS Chairman CA. V. Murali and ICAI Additional Secretary, BOS CA. Vandana D. Nagpal..

TRAINING PROGRAMME ORGANISED BY ICAI INDIRECT TAX COMMITTEE & HOST: SIRC - JAN. 21, 2016, CHENNAI



SIRC Chairman CA. P.R. Aruloli addressing the participants of the Training Programme on Accounting and Auditing Aspect involved in the Service Tax Law for the Officers of Service Tax II Commissionerate. (L-R): Addl. Commissioners Shri Parmod Kumar & Shri D. Venkateswara Reddy, Shri G. Ravindranath, Commissioner and Shri P.V.K. Rajasekhar, Deputy Director, NACEN, Chennai.

CERTIFICATE COURSE ON FORENSIC ACCOUNTING & FRAUD PREVENTION - JAN. 16 TO FEB. 14, 2016, CHENNAI



SIRC Chairman CA. P.R. Aruloli, Faculty CA. Ritesh Aggarwal, Participant-Monitors CA. Madan Gopal Narayanan & CA. G.K. Jayachandran, Chennai and participants of the Course at the Inaugural Session..

CONDOLENCE MEETING ON THE DEMISE OF CA. K. ANANTHACHARI, PAST CHAIRMAN, SIRC - JAN. 18, 2016, CHENNAI



SIRC Chairman CA. P.R. Aruloli, ICAI sharing his association with CA. K. Ananthachari. Seated (L-R): CA. Anusha Sreenivasan, Chennai (daughter), ICAI CCM CA. V. Murali, ICAI Past President CA. R. Balakrishnan, ICAI Past CCM CA. G. Narayanaswamy and CA. V.J. Santhanam, Chennai.

Pondicherry Branch – Inauguration of 'Jagruti' Hall, Lift and Information Kiosk - Jan. 26, 2016, Puducherry



Top: Pondicherry Branch Chairman CA. K. Kumaraguru honouring ICAI Vice-President CA. M. Devaraja Reddy in the presence of Dignitaries, Office-Bearers, Managing Committee Members and Members of Pondicherry Branch.. **Bottom:** SIRC Chairman CA. P.R. Aruloli addressing the gathering. Seated (L-R): SIRC Treasurer CA. B. Sekkizhar, ICAI CCM CA. G. Sekar, Pondicherry Branch Chairman CA. K. Kumaraguru, ICAI Vice-President CA. M. Devaraja Reddy and Pondicherry Branch Secretary CA. M.S. Ravichandran.

Salem Branch – 10th Annual Seminar – Jan. 30, 2016, Salem



SIRC Chairman CA. P.R. Aruloli addressing the delegates at the Inaugural Session. Seated on the dais (L-R): SIRC Secretary CA. E. Phalgun Kumar, Repco Bank Executive Director Smt. R.S. Isabella, Principal Commissioner of Income Tax Salem Thiru M. Tirumala Kumar, IRS and Salem Br. Chairman CA. A. Sowkath Ali. Row2: Salem Br. Secretary CA. R. Raveendran and Vice-Chairman CA. A.V. Arun.

Nellore Branch – 9th Anniversary – Jan. 31, 2016, Nellore



SIRC Chairman CA. P.R. Aruloli addressing the members and their family members at the Valedictory Session. Seated on the dais (L-R): SIRC Secretary CA. E. Phalgun Kumar and Nellore Branch Chairman CA. P.V. Rama Raghava Rao.



Above: Nellore Branch Chairman CA. P.V. Rama Raghava Rao honouring SIRC Chairman CA. P.R. Aruloli and Secretary CA. E. Phalgun Kumar in the presence of Office-Bearers, Managing Committee Members, Members and their family members of Nellore Branch. **Right:** SIRC Chairman CA. P.R. Aruloli planting a tree on the occasion.

