



“Tell me and I forget, teach me and I may remember, involve me and I learn.”
? Benjamin Franklin

FROM THE CHAIRMAN DESK



Dear Members,

Let me first congratulate CA. Uday Jayaswal and his team for restarting the process of e-newsletter of Ranchi Branch of CIRC of ICAI. Now, it is our duty to help him to continue this e-newsletter through sharing our thoughts/views/opinions with all in the shape of articles, write-ups, etc. in the newsletter. Newsletter of Ranchi Branch can be a good tool to sharpen our skill, form some opinion on a particular issue, share our knowledge etc.

New government in country and state is bringing some important changes in various Acts forcing us to update ourselves. To cope up with such changes and sharpen our skills managing committee of Ranchi Branch is trying to conduct various courses and seminars. We are in touch with some central sub-committees for conducting such programs.

During chairman meet at Agra many issues related to branch functioning and challenges faced by our profession were raised and discussed.

Your Ranchi Branch also raised issues regarding question of audit fee in government work, fake audit reports and financial statement of accounts. Though no concrete solutions/answers were given but I am sure our council is working hard to rectify these issues.

Once again I thank Newsletter Sub-Committee for giving me chance to share my views with all of you.

Thanks & Regards.

Yours faithfully
CA. Dharmendra Kumar Sinha
Chairman
Ranchi Branch of CIRC of ICAI



Dear members,

FROM THE EDITOR DESK

Warm Greetings!

It is pleasure time communicating with you. Back to the new job- Ensuring your newsletter should carry valuable piece of information and reaching you right on time. I would like to thank my colleague in the managing committee for entrusting me with the task.

At the outset, I would like to wish you all a pink of health and blessings of the almighty. Lets pray a moment for our neighbors continually being shaken up and succumbing to the god's wishes.

Coming to the job, our newsletter committee feels to invite your participation in making this newsletter a marvelous one and a worthy reading material for our members. At this point, I would like to appreciate contributions from our many senior fellow members who very often are coming to our various seminars, group discussions, etc. to share their long acquired professional wisdom for the benefit of others. In the process they are acting as a mentor not only impacting the thinking and the learning of other members and students but also developing an inter-dependent relationship, influencing, and getting influenced by the others. We need more mentors so to interact with large numbers of members and students helping them to find well thought and designed path to their career and to ensure excellence in whatever job they chose to as a qualified Chartered Accountant. We are sure that compared to non-mentored students and budding CAs, those who would be mentored shall be better at problem solving, decision making, goal setting, making an effective transition to workplace, and overall they shall be happier with their educational and job experiences.

We all are differently capable and enjoying uniqueness but working in fragmented way. We have not been able to recognize the benefits of knowledge that secretly imbibes upon to self while mentoring other. We invite all for a thinking on it as you could be referred to as coaches, a mixture of good fathers and friends. You are also invited otherwise to reciprocate so to include your voice for discussion in the matter of mentoring.

Thanks & regards.

CA. Uday Jayaswal
Chairman - Newsletter Sub-committee
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Newsletter Sub-Committee for 2015-16

1. CA. Uday Jayaswal - Chairman
2. CA. Vinay Goenka - Member
3. CA. Arun Kr. Jajodia - Member
4. CA. Uttam Jain - Member
5. CA. Dharmendra Kr. Sinha - Ex-Officio Member
6. CA. Manish Jain -Ex-Officio Member

INCOME TAX CASE LAWS – SNAPSHOT

Rental income taxable as business income if main object of Co. as per MOA is to earn income by letting out properties
May 1, 2015[2015] 56 taxmann.com 456 (SC)

IT : Where in terms of memorandum of association, main object of assessee company was to acquire properties and earn income by letting out same, said income was to be brought to tax as business income and not as income from house property

Voltage Stabilizer is an energy saving device; entitled to higher rate of depreciation
May 1, 2015[2015] 56 taxmann.com 337 (Madras)

IT: In case of assessee, engaged in manufacturing automobile components, depreciation was to be allowed at rate of 100 per cent in respect of micro processor based pressure indicating system and voltage stabilizer as said items were covered under Entry III(3)(iii)(B)(c) and Entry III(3)(iii)(E)(c) of Appendix - I relating to depreciation

IT: Question as to whether expenditure incurred on replacement of plant and machinery would be revenue expenditure or capital expenditure, was to be remanded back to Commissioner (Appeals) for disposal afresh

CIT (TDS) vs. Maharashtra State Electricity Distribution Co Ltd (Bombay High Court)

S. 194-I/ 194-J: Meaning of expression "rent" and "fees for technical services" explained in the context of transmission & wheeling charges paid by electricity company

The expression rent would also entail an element of possession. In each of the instances contemplated by the explanation to Section 194-I, we see in them an element of possession, be it land, building (including factory building), land appertaining to a building, plant, equipment, furniture or fittings. The person using it has some degree of possessory control, at least momentarily, although it cannot entrust the user title to the subject matter of the charge. Even the mere right to "use" is vested with an element of possessory control over the subject matter

ITAT affirms claim of deprecation on leasehold land acquired from State Government
May 6, 2015[2015] 56 taxmann.com 396 (Hyderabad - Trib.)

IT : Where assessee, engaged in mineral exploration, claimed deduction of provision for mine closure obligation, Commissioner (Appeals) rightly directed Assessing Officer to ascertain amount of year wise mining and allow mine closure obligation to extent mining was done corresponding to current year

IT : Assessee's claim for depreciation in respect of leasehold land acquired from State Governments which could be used over a certain period of time, was to be allowed

IT : Stamp duty paid for renewal of mining lease was allowable as revenue expenditure

IT : Assessee's claim for deduction towards amount spent on corporate social responsibility such as payment made towards flood relief work, construction of musical fountain etc. was to be allowed as deduction

IT : Where preoperative expenses incurred by assessee were certified as capital expenditure by auditors, assessee could not claim deduction of same as revenue expenditure without providing any details or reasons in support thereof

IT : Where assessee made only ad hoc provision for PF, revenue authorities were justified in disallowing same in terms of section 43B

To Be Continued.....

INCOME TAX CASE LAWS – SNAPSHOT

Reassessment was void if CIT sanctioned initiation of reassessment without recording his satisfaction
May 2, 2015[2015] 56 taxmann.com 199 (Mumbai - Trib.)

IT : Where Commissioner simply put 'approved' and signed report thereby giving sanction to Assessing Officer to reopen assessment, it did not amount to recording of proper satisfaction in terms of section 151(1)

IT : Where Assessing Officer having rejected assessee's objections seeking to reopen assessment, passed assessment order within four weeks from date of rejection of objections, order so passed being invalid, was to be set aside

Depreciation available on machinery even if it is installed for trial run and not for production of goods
May 4, 2015[2015] 56 taxmann.com 333 (Delhi)

IT : Even though machinery was installed before end of financial year and used only for trial run and not for production, depreciation on machinery would be allowed

Commerciality test can't determine genuineness of charitable nature of educational institution u/s 2(15)
May 1, 2015[2015] 56 taxmann.com 363 (Delhi)

IT : Commerciality is not a test to determine genuineness of charitable nature of education activities of a trust or institution under amended provision of section 2(15)

No penalty on distributing gifts without tax deduction due to bona-fide belief that they weren't in nature of salaries
May 1, 2015[2015] 56 taxmann.com 334 (Gujarat)

IT: Where assessee-corporation acted under bona fide belief that gift coupons being in nature of mementos to commemorate conferment of awards to assessee, were not in nature of salary liable to TDS, penalty for short deduction of tax in respect of gift was not justified

Discrepancies in book of accounts should cause addition to income of assessee and not its rejection
May 5, 2015[2015] 56 taxmann.com 388 (Mumbai - Trib.)

IT : Where in case of assessee engaged in business of readymade garments, liability towards creditors remained in existence for a long time and, moreover, assessee failed to establish genuineness of those liabilities by producing supporting evidence, addition made by authorities below under section 41(1) was to be confirmed

IT : In case of carried forward credit, provisions of section 68 cannot be applied

IT : Once books of account of assessee are produced before lower authorities and if there is certain discrepancy, authorities are free to make addition to said extent of discrepancies, however, in such a case, rejection of books of account is not justified

INC-29 FEATURES

New features/ Options of e-form INC-29 introduced by Ministry

(In pursuance of sections 4,7,12,152 and 153 of the Companies Act, 2013 read with rules made there under)

The Ministry of Corporate Affairs has introduced a new integrated "e-form INC-29" w.e.f. 1st May, 2015. INC-29 will provide applicants a facility to avail of the following services through a single e-form.

[A.] Allotment of Director Identification No. (DIN) (Max. 3 Directors)

[B.] Name of a Company; and

[C.] Incorporation of Company.

**** SECTION-8 COMPANY CAN'T INCORPORATED BY INC-29.**

INFORMATION REQUIRED TO BE MENTION IN FORM INC-29: -

1. Main division of industrial activity of the company
2. Authorized Capital of Company
3. No. of Shares
4. Amount per shares
5. Subscribe Capital of Company
6. No. of Shares
7. Amount per shares
8. Correspondence address of Company (This address may be registered office address or not).

Particular of Proposed Name of Company

1. Proposed Name
2. Significant of abbreviated or coined word in the proposed name
3. Number of first subscriber(s) to MOA and directors of the company
4. Detail of Total No. of Directors
5. No. of Directors having DIN
6. No. of Directors Not having DIN
7. Detail of Total No. of Subscribers
8. No. of Subscribers having DIN
9. No. of Subscribers **Not having DIN**
10. If Director/Subscriber having DIN
11. DIN
12. Designation & Category
13. Email ID
14. No. of Share Subscribe
15. Directorship in other companies
16. No. of Subscriber Shares

If Director/Subscriber NOT having DIN (DIN will also generate by these Information)

- | | |
|--|--|
| 1. Name & Father Name of Person | 9. Designation & Category |
| 2. Date of Birth & Place of Birth | 10. Attachments: |
| 3. Occupation Type | 11. Proof of Identity |
| 4. Education Qualification | (Voter/Driving/Passpor/Aadhar) |
| 5. PAN | 12. Residential Proof (Bank Statement/
Electricity/Telephone/Mobile Bill) |
| 6. Complete Address | 13. No. of Subscriber Shares |
| 7. Mobile No. | |
| 8. Duration of Stay at present address | |

“When the e-Form is processed and DIN is generated, an acknowledgement email of DIN generation is sent to the director.”

To Be Continued.....

Mandatory Attachments if DIN is applying:

1. Proof of identity & residential address of subscribers;
2. Proof of identity and address of Applicant
3. Apply PAN/TAN: (PAN automatically apply by these info's)
4. Area Code
5. AO type
6. Range Code
7. AO No.

Source of Income:

1. Income from Business/profession
2. Capital Gains
3. Income from house property
4. Income from other source
5. No Income

Additional Information for Employer registration under Employee State Insurance Corporation (ESIC):

1. Type of Unit (Factory/Establishment)
2. Exact nature of Work/Business carried on
3. Work Sub category

MANDATORY ATTACHMENTS:

1. Memorandum of association
2. Articles of Association;
3. Affidavit and declaration by first subscriber(s) and director(s);;
4. Proof of Office address (Conveyance/ Lease deed/ Rent Agreement etc. along with rent receipts);
5. Copy of the utility bills (not older than two months)

NOTE:

1. The e-Form will not be auto approved (STP).
2. Companies have option to go by route of e-form INC-29 or earlier route INC-1, INC-7, DIR-12 and INC-22.
3. Director has to give declaration at the end of the form that he have check the name on MCA website and Trade Mark Website.
4. DSC of Director will be affix on form. {In case of director don't have DIN then mention PAN No. of director at the place of affixing of DSC}
5. DSC of professional will also affix on the form.
6. Fee for Form Rs. 2000/-
7. List of main divisions of industrial activities given as Annexure A in the instruction Kit of INC-29.

On April 30, 2015, the Lok Sabha passed the Finance Bill. The Bill which was presented originally in the Lok Sabha on February 28, 2015 is not passed in its original shape. Various changes have been made in the Bill. New amendments are proposed, some proposed amendments are removed, so on and so forth. A snippets of all changes made in the Finance Bill, 2015 as passed by the Lok Sabha viz-a-viz the Finance Bill, 2015 as presented in the Lok Sabha are presented here.

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

I. MAT exemption to foreign companies

The Finance Bill, 2015 presented originally proposed that long-term capital gains and short-term capital gains (on which STT is paid) arising to FIIs would be excluded from the chargeability of MAT. Further, expenditures, if any, debited to the profit and loss account, corresponding to such income would also be added back to the book profit for the purpose of computation of MAT. In case of Timken Co., In re [2010] 193 Taxman 20 the Authority for Advance Ruling held that a foreign company was not liable to MAT as it had no 'physical presence' in India and it earned only exempted 'long-term capital gains'. However, contrary ruling was given in case of Castleton Investment Ltd., In re [2012] 24 taxmann.com 150 (AAR – New Delhi), wherein it was held that provisions of MAT would be equally applicable to a foreign company. Thus, the Finance Bill, 2015 proposed to provide relief from MAT only to FIIs without extending such relief to foreign companies. The foreign company would be liable to pay MAT on capital gains arising from transfer of securities and income arising from royalty, interest or FTS even if such income would not be chargeable to tax or taxable at lower rate in India by virtue of applicable double taxation avoidance agreements ('DTAA') or any provision of the Income-Tax Act.

The impact of such proposal would be that foreign companies would be liable to pay MAT even on that income which was exempt from tax by virtue of DTAA's or Income-tax Act.

Therefore, the Finance Bill, 2015 as passed by Lok Sabha proposes to provide relief from MAT to foreign companies as well. Capital gains from transfer of securities, interest, royalty and FTS accruing or arising to foreign company has been proposed to be excluded from chargeability of MAT if tax payable on such income is less than 18.5%. Further, expenditures, if any, debited to the profit loss account, corresponding to such income shall also be added back to the book profit for the purpose of computation of MAT.

II. MAT exemption on notional gain arising on transfer of share of SPV

The Finance (No. 2) Act, 2014 inserted clause (xvii) in Section 47 to provide that transfer of share of special purposes vehicle ('SPV') to a business trust in exchange of units allotted by that trust to the transferor shall not be regarded as transfer, thus, no capital gain would arise on such transaction.

The Finance Bill, 2015 as passed by Lok Sabha proposes to exclude the following from the chargeability of MAT :

- (a) notional gain resulting from transfer of shares of SPV to a business trust in exchange of units allotted by that trust;
- (b) notional gain resulting from any change in carrying amount of said units; and
- (c) actual gains from transfer of said units.

A new clause is proposed to be inserted to re-compute the gains from transfer of said units (as referred to in point (c) above) which shall be added back for computation of MAT. It is proposed that the amount of gain from transfer of said units shall be computed by taking into account the cost of shares exchanged with units or the carrying amount of the shares at time of exchange where such shares are carried at a value other than the cost through profit & loss account.

Accordingly, notional loss arising from transfer of asset or notional loss arising from change in carrying amount of said units and actual loss from transfer of said units shall be added back to the book profit for the purpose of computation of MAT.

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

A new clause is proposed to be inserted to re-compute the loss from transfer of said units which shall be reduced from the book profit. It is proposed that the amount of loss from transfer of said units shall be computed by taking into account the cost of shares exchanged with units or the carrying amount of the shares at time of exchange where such shares are carried at a value other than the cost through profit & loss account.

III. Deduction under Section 80D in case of individual

The Finance Bill, 2015 as presented originally omitted to propose amendment to clause (a) and clause (b) of sub-section (2) of Section 80D to enable assessee to claim deduction of Rs. 25,000 instead of Rs. 15,000. However, sub-section (4) of Section 80D was amended to allow deduction of Rs. 30,000 instead of Rs. 25,000 if individual or his family member or any of his parent is a senior citizen or very senior citizen.

Accordingly, it is proposed in the Finance Bill, 2015 as passed by the Lok Sabha that the existing deduction of Rs. 15,000 shall be substituted with Rs. 25,000. The following table highlights the deduction available to an Individual under Section 80D:

<i>Deduction in respect of</i>	<i>Individual and his family (none of them is a senior citizen)</i>	<i>Parents of Individual (none of them is a senior citizen)</i>	<i>Individual and his family (if senior citizen or very senior citizen)</i>	<i>Parents of Individual (if senior citizen or very senior citizen)</i>
	(a)	(b)	(c)	(d)
‡ Health Insurance	25,000	25,000	30,000	30,000
‡ Contribution to CGHS	25,000	-	25,000	-
‡ Preventive health check-up (refer Note)	5,000	5,000	5,000	5,000
‡ Medical expenditure if no amount is paid in respect of health insurance	-	-	30,000 (only in case of very senior citizen)	30,000 (only in case of very senior citizen)
Maximum Deduction	25,000	25,000	30,000	30,000

Note: Deduction for preventive health check-up of assessee, spouse, dependent children and parents shall not exceed in aggregate Rs 5,000.

(a) Maximum deduction, if individual or any member of his family or any of his parent is not senior or very senior citizen: Rs. 50,000 [(a) + (b)]

(b) Maximum deduction if individual or any member of his family is not senior citizen but any of his parent is a senior citizen or very senior citizen: Rs. 55,000 [(a) + (d)]

(c) Maximum deduction if individual or any member of his family and any of his parent is senior citizen or very senior citizen: Rs. 60,000 [(c) + (d)]

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

IV. Residential Status of a Company

The Finance Bill, 2015 as presented earlier proposed to amend Section 6 to provide that a company shall be said to be resident in India if its place of effective management, at any time in that year, is in India. In other words, the concept of Control or Management (wholly in India) is replaced with Place of Effective Management (at any time in India).

The amendment proposed in the original Finance Bill, 2015 might have caused difficulty in establishing the place of effective management as a company might have place of effective management in more than one country at any point of time during the year.

Thus, the Finance Bill, 2015 as passed by the Lok Sabha has proposed to omit the words 'at any time' which shall have effect that a company shall be deemed to be resident in India if its place of effective management is in India.

V. Filing of return is mandatory if assessee has foreign assets

The Finance Bill, 2015 as passed by the Lok Sabha has proposed mandatory filing of return by a person, being a resident other than not ordinarily resident in India, who at any time during the previous year:

(a) holds, as a beneficial owner or otherwise, any asset (including financial interest in any entity) located outside India or has signing authority in any account located outside India; or

(b) is a beneficiary of any asset (including any financial interest in any entity) located outside India.

However, filing of return shall not be mandatory under this proviso for an individual, being a beneficiary of any asset (including any financial interest in any entity) located outside India, if income arising from such an asset is includible in the income of the person who is beneficial owner of such an asset.

The meaning of the 'beneficial owner' and 'beneficiary' has been proposed as under:

(a) 'Beneficial owner' in respect of an asset means an individual who has provided, directly or indirectly, consideration for the asset for the immediate or future benefit, direct or indirect, of himself or any other person;

(b) 'Beneficiary' in respect of an asset means an individual who derives benefit from the asset during the previous year and the consideration for such asset has been provided by any person other than such beneficiary.

VI. Subsidies are no longer capital receipts

There had been dispute between the revenue and the taxpayers about the treatment of the subsidy received from Government or any other authority. The issue whether subsidy shall be treated as capital receipt or revenue receipt became a debatable issue.

Various Courts have pronounced on this issue taking into consideration the purpose and object for which the subsidy has been given, which are as follows:

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

(a) In case of *Sahney Steel & Press Works Ltd. v. CIT* [1997] 94 Taxman 368 (SC), it was held by the Supreme Court that subsidy given to assessee by way of refund of sales tax to enable the assessee to run the business more profitably is to be treated as revenue receipt.

(b) In case of *CIT v. Ponni Sugars & Chemicals Ltd.* [2008] 174 Taxman 87 (SC), it was held by the Supreme Court that it is the object for which subsidy is given which determines nature of incentive subsidy and where subsidy is given to utilize it for repayment of term loans undertaken by assessee for setting-up new unit/expansion of existing business, it would be treated as capital receipt.

(c) In case of *CIT v. Reliance Industries Ltd.* [2010] 8 taxmann.com 218 (Bom.), it was held by the Bombay High Court that subsidy in the form of sales tax incentive would be treated as capital receipt if it is given to set-up a new unit in a backward area to generate employment.

To end the dispute, it is proposed to amend the definition of 'Income' under Section 2(24) in the Finance Bill, 2015 as passed by the Lok Sabha.

A new sub-clause (xviii) is proposed to be inserted in Section 2(24) to provide that assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee [other than one considered under Explanation 10 to Section 43(1)] would be included in assessee's income.

Thus, any subsidy which is not reduced from the actual cost of the asset in view of provisions of Explanation 10 to Section 43(1) shall be taxable as revenue receipts of the assessee.

VII. Bad debts could be claimed without writing off debt in books of account

Bad Debts of a business are allowed as deductions under Section 36(1)(vii). The deduction is available in respect of any bad debt or part thereof which is written off as irrecoverable in the accounts of the assessee for the previous year.

However, deduction is allowed subject to conditions laid down under section 36(2), inter-alia, debt should have been taken into account in computing the income of the previous year in which the amount of bad debt is written off or of an earlier previous year.

Till Assessment Year 1988-89, there was no requirement of writing off of the bad debt in the books of account. From Assessment Year 1989-90, the law was amended to provide for deduction in the year of write-off of the bad debt. So, the amendment made writing-off of bad-debts in books of account mandatory to claim deduction thereof.

In view of current provisions, no deduction is allowed to an assessee if any income, not recorded in books of accounts but offered to tax as per Income Computation and Disclosure Standards, turns into bad-debts. In other words, assessee cannot write-off a debt which was not recorded in the books of account but was actually offered to tax. In this case, no deduction is allowable to assessee as debts are not written-off from books of accounts.

In order to remove this anomaly, it is proposed in the Finance Bill, 2015 as passed by the Lok Sabha that bad-debts could be claimed without writing off in books of account if the amount of debt or part thereof has been taken into account in computing the income of the assessee of the previous year in which the amount of such debt or part thereof becomes irrecoverable or of an earlier previous year on the basis of income computation and disclosure standard notified under section 145(2) without recording the same in the accounts.

Thus, Section 36(vii), once again, proposed to be amended to get back to original position (i.e., the position that stood till Assessment Year 1988-89) but to a limited extent.

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

VIII. Interest on loan taken for acquisition of an asset could only be capitalized till the asset is first put to use

Currently, Section 36(1)(iii) allows deduction for interest paid in respect of capital borrowed for the purposes of the business or profession while computing the income from business or profession.

However, any interest paid in respect of capital borrowed for acquisition of an asset for extension of existing business or profession (whether capitalized in the books of account or not) for any period beginning from the date on which the capital was borrowed for acquisition of the asset till the date on which such asset was first put to use, was not allowed as deduction.

The Finance Bill, 2015 as passed by Lok Sabha proposes to remove this distinction in allowability of interest in case of existing business and in case of extension of existing business. It proposes to remove the words "for extension of existing business or profession" from proviso to Section 36(1)(iii). Thus, it is proposed that interest on borrowings used for acquisition of asset till the asset is put to use shall not be allowed as deduction in any case.

IX. Determination of period of holding and cost of acquisition in case of shares acquired on redemption of GDRs

Section 2(42A) of the Act is silent on the computation of period of holding in case of shares which are acquired on redemption of GDRs as referred to in Section 115AC(1)(b). Accordingly, the Finance Bill, 2015 as passed by the Lok Sabha proposes that the period of holding in this case shall be reckoned from the date on which a request for redemption is made by the assessee.

In this case, the cost of acquisition shall be computed in accordance with sub-section (2ABB) proposed to be inserted in Section 49 by the Finance Bill, 2015 as passed by the Lok Sabha.

It is proposed that cost of acquisition of shares acquired by a non-resident on redemption of GDRs shall be the price of such shares as prevailing on any recognized stock exchange on the date on which a request for redemption is made by the assessee.

X. Easing some conditions if investment fund is owned by Foreign Govt. or Central Bank

An amendment was made in Finance Act (No. 2) 2014 to provide that income arising to Foreign Portfolio Investors ('FPIs') from transaction in securities will be treated as capital gains. However, the provisions of the Act have not been adequately amended to address the apprehension of the fund managers that their location in India would constitute business connection of offshore funds in India, resulting in a large number of offshore funds choosing to locate their investment manager outside India.

In order to facilitate location of fund managers of off-shore funds in India Section 9A has been proposed in the Act in line with international best practices, to provided that location of funds manager shall not constitute business connection subject to certain conditions.

The Finance Bill, 2015 as passed by the Lok Sabha proposes to withdraw following conditions in case of an investment fund set-up by the Government or Central Bank of a foreign State or a sovereign fund or any other notified fund:

- (a) The fund has a minimum of 25 members who are, directly or indirectly, not connected persons;
- (b) Any member of the fund along with the connected persons shall not have participation interest, directly or indirectly, in the fund exceeding 10%; and
- (c) The aggregate participation interest, directly or indirectly, of ten or less members along with their connected persons in the fund, shall be less than 50%.

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

XI. Rules shall be prescribed for the purpose of Section 9A

It is proposed to insert sub-section (7A) in Section 9A that the provisions of this section shall be applied in accordance with such guidelines and in such manner as the Board may prescribe in this behalf

XII. Amount paid for purchase of sugarcane allowed as deduction to the extent price fixed by the Government

A new clause (xvii) is proposed to be inserted in Section 36(1) to provide that the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane could be allowed as deduction, however, the deduction couldn't exceed the price fixed or approved by the Government for sugarcane.

In other words, a co-operative society engaged in the manufacture of sugar would be allowed as deduction towards purchase of sugarcane to the extent of lower of following:

- (a) Actual purchase price of sugarcane, or
- (b) Price of sugarcane fixed or approved by the Government

XIII. Meaning of 'Specified person' enlarged for purpose of Section 10(23EE)

Under the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 notified by SEBI, the Clearing Corporations are mandated to establish a fund, called Core Settlement Guarantee Fund for each segment of each recognized stock exchange to guarantee the settlement of trades executed in respective segments of the exchange.

Under the existing provisions, income by way of contributions to the Investor Protection Fund set-up by recognized stock exchanges in India, or by commodity exchanges in India or by a depository shall be exempt from taxation.

On similar lines, it is proposed to exempt the income of the Core Settlement Guarantee Fund arising from contribution received and investment made by the fund and from the penalties imposed by the Clearing Corporation subject to similar conditions as provided in case of Investor Protection Fund set-up by a recognized stock exchange or a commodity exchange or a depository.

However, where any amount standing to the credit of the Fund and not charged to income-tax during any previous year is shared, either wholly or in part with the specified person, the whole of the amount so shared shall be deemed to be the income of the previous year in which such amount is shared.

It is proposed in the Finance Bill, 2015 as passed by the Lok Sabha to change the meaning of the 'specified person' which shall mean following:

- (a) Any recognized clearing corporation which establishes and maintains the Core Settlement Guarantee Fund;
- (b) Any recognized stock exchange being a shareholder in such recognized clearing corporation or a contribution to the Core Settlement Guarantee Fund; and
- © Any clearing member contributing to the Core Settlement Guarantee Fund.

To Be Continued.....

Snippets of changes made in Finance Bill, 2015 as passed by the Lok Sabha

The Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012 defines the following terms as under-

- Clearing Corporations

Clearing corporations, also known as 'Clearing houses', are entities that are established to undertake the activity of clearing and settlement of trades in securities/other instruments/products that are dealt with or traded on a recognized stock exchange. It is obligatory for stock exchanges to use the services of recognised clearing corporation(s) for clearing and settlement of its trades. However, clearing houses are required to take prior approval from SEBI before associating with stock exchanges to handle the confirmation, settlement and delivery of transactions.

- Core Settlement Guarantee Fund:

Clearing Corporations are required to establish a fund, called Core Settlement Guarantee Fund (Core SGF) for each segment of each recognized stock exchange to guarantee the settlement of trades executed in respective segments of the exchange. The fund shall be utilized to complete the settlement in the event of clearing member(s) failing to honour settlement obligation. Clearing Corporations must ensure that the corpus of the fund should be adequate to meet the settlement obligations arising on account of failure of clearing member(s). The stock exchanges shall have to contribute 25 % of their total assets towards the core fund, while 50% is required to be contributed by the Clearing Corporation. Clearing members cannot contribute more than 25 % of the total fund size. Clearing Corporations must also periodically conduct stress test to ascertain the sufficiency of the corpus of the fund.

XIV. Additional Depreciation and Investment Allowance allowed to industries set-up in Bihar and West Bengal

The Finance Bill, 2015 as presented on February 28, 2015 proposed to allow higher additional depreciation at the rate of 35% (instead of 20%) in respect of the actual cost of new machinery or plant acquired and installed by a manufacturing undertaking or enterprise set-up in the notified backward area of the State of Andhra Pradesh and the State of Telangana.

This higher additional depreciation shall be available in respect of acquisition and installation of any new machinery or plant during the period between 01-04-2015 and 31-03-2020.

Similarly, it is proposed to insert a new section 32AD to provide for an additional investment allowance of an amount equal to 15% of the cost of new asset acquired and installed by an assessee, if:

(a) it sets-up an undertaking or enterprise in any notified backward areas in the State of Andhra Pradesh and the State of Telangana; and

(b) the new assets are acquired and installed during the period between 01-04-2015 and 31-03-2020.

The Finance Bill, 2015 as passed by the Lok Sabha proposes to extend the benefit of additional depreciation and investment allowance to the manufacturing undertaking or enterprise set-up in the notified backward area of State of Bihar and State of West Bengal as well.

Important Case Laws

Madhukar B. Thakoor vs. ITAT (Bombay High Court)

ITAT Members should maintain patience. Sobriety and restraint in judicial conduct is of paramount importance. They should refrain from passing any adverse remarks or making harsh comments on the conduct of the parties. Repeatedly, the Hon'ble Supreme Court cautioned the Presiding Officer of the Courts and Tribunals from adversely commenting and remarking on the conduct of parties or their representatives or pleaders. If these comments and remarks, adversely affecting them are not required for the decision of a case and it could be justly and fairly reached on the basis of material produced and the arguments canvassed, then, the Courts and Tribunals should refrain from passing any adverse remarks or making harsh comments on the conduct of the parties. Sobriety and restraint in judicial conduct is of paramount importance. Even if the Presiding Officer, members of the Tribunal are agitated by prolonged arguments and often needless, still they must not lose patience and to a extent as to comment upon the conduct of the Advocates or representatives. That must be avoided as it would be a reflection on the working of the Tribunal as a whole

Rita Stephen Pinto vs. ITO (ITAT Mumbai)

S. 68: Only credits received during the year can be assessed as unexplained cash credits. Credits of earlier years, even if unexplained, cannot be assessed

Though the assessee could not furnish the confirmation of the loan and other evidences but such a loan could not have been added in the A.Y. 2005-06 as the same was taken in the earlier years and is being carried forward. In this year it is appearing balance of the current year. Thus, legally such an addition could not be sustained in this year

Thus, section 68 can only be invoked if the loan has been taken or the sums have been credited in the books in the relevant previous year for which assessment is being made and not the loans taken in the earlier years. From the income tax records, it is evident that this loan is coming forward from last several years and is reflected in the balance sheet of the assessee filed for the earlier years along with the return of income. All these records are available with the assessing officer. The mistake apparent from record does not mean the assessment order itself but the records which are available with the assessing officer. Though the assessee could not furnish the confirmation of the loan and other evidences but such a loan could not have been added in the A.Y. 2005-06 as the same was taken in the earlier years and is being carried forward. In this year it is appearing balance of the current year. Thus, legally such an addition could not be sustained in this year and therefore addition made by AO u/s 68 is a legal mistake, which can be rectified within the ambit and provisions of section 154.

CIT vs. Sevak Pharma Pvt. Ltd (Bombay High Court)

Low Tax Effect Circular: Dept to show why appeal should not be dismissed

The department filed an appeal before the Tribunal. The Tribunal dismissed the appeal on the ground that the tax involved in the appeal was less than the monetary limit of Rs. 3 lakhs prescribed in CBDT Instruction No.3/2011 dated 9.2.2011. The Tribunal followed Madhukar Inamdar (HUF) 318 ITR 149 (Bom) where it was held that the CBDT Instructions fixing monetary limit for filing an appeal to the Tribunal would apply even to pending cases. The Department then filed a MA before the Tribunal pointing out that in CIT v. Surya Herbal the Supreme Court had held that the CBDT Instruction No.3/2011 would not apply ipso facto and would not apply where the matter has cascading effect or raises a common principle involving a large number of matters. The Tribunal dismissed the MA. On appeal by the department to the High Court, HELD dismissing the appeal:

The grievance of the Revenue is that the Tribunal ought to have entertained the appeal by following the decision of the Apex Court in the matter of Surya Herbal Ltd. However, the revenue has not been able to point out before us any of the circumstances as laid down by the Supreme Court in the matter of Surya Herbal Ltd being applicable to this case which would lead to non application of CBDT instructions No.3/2011. In the above circumstances, we see no reason to entertain the proposed question of law (it was also held following Chem Amit 272 ITR 397 that an appeal u/s 260A cannot be filed to challenge an order dismissing a MA)

Important Case Laws

CIT vs. M/s Veena Developers (Supreme Court)

S. 80-IB(10): Law on availability of deduction for "housing projects" explained

There was much debate on the answer given in para (b) above. It was argued by Mr. Gurukrishna Kumar, learned senior counsel, that a project which is cleared as "residential plus commercial" project cannot be treated as housing project and therefore, this direction is contrary to the provisions of Section 80(I)(B)(10) of the Act. However, reading the direction in its entirety and particularly the first sentence thereof, we find that commercial user which is permitted is in the residential units and that too, as per DCR. Examples given before us by the learned counsel for the assessee was that such commercial user to some extent is permitted. to the professionals like Doctors, Chartered Accountants, Advocates, etc., in the DCRs itself. Therefore, we clarify that direction (b) is to be read in that context where the project is predominantly housing/ residential project but the commercial activity in the residential units is permitted

DCIT vs. Sahara India Financial Corpn. Ltd (ITAT Delhi)

S. 68 cash credits: A bank, NBFC etc is not required to give conclusive proof of the identity, credit worthiness etc of the depositor. Practical view has to be taken of deficiencies in KYC norms, absence of PAN card etc

The assessee, a RNBFC, received a large volume of deposits of small and medium value through a wide network of rural agents. The AO appointed a special auditor to verify the new deposits collected during the year in terms of s. 68. The auditor alleged that the assessee had not cooperated during the audit procedure and not provided copies of the accounting software etc. It was also alleged that there were inconsistencies in the deposit registers such as the same name with same address was appearing repeatedly, the PAN of the depositors were not given, the addresses were not complete etc. The AO issued 1126 summons on a test check basis to verify the genuineness, identity and creditworthiness of the depositors. A large number of depositors did not reply. The AO alleged that even in the ones that did reply, there were several discrepancies. The assessee explained the discrepancies and inter alia also argued that an entity engaged in the business of mobilization of deposit was not expected to insist for demonstrative proof of creditworthiness from the depositor lest he runs away to some other bank. It also claimed that view a view to promote small savings, no such norms are prescribed by RBI regulations for banking industry in India. However, the AO rejected the argument and assessed Rs. 1855 crore as unexplained cash credits u/s 68. On appeal by the assessee, the CIT(A) deleted the addition inter alia on the ground that as the assessee's activity fell in the category of banking industry, the nature of primary onus lying on the assessee was akin to the banking industry. He held that compliance with RBI regulations and KYC norms was reasonable discharge of the assessee's onus u/s 68. On appeal by the department to the Tribunal HELD dismissing the appeal:

The nature of primary onus and discharge thereof in terms of s. 68 is a question of fact and is not a static proposition. The nature of business, regulatory norms, rules, regulation and various other factors under which deposits are collected is to be properly considered. The fact that legislature has not prescribed any fixed parameters in this behalf, s. 68 being a deeming fiction and AO being entrusted the duty of satisfying himself in objective terms underline these relevant aspects. The primary onus and discharge thereof is to be examined by the AO with objectivity. That is how the onus u/s 68 qua share capital applications, banking industry and other statutorily regulated enterprises has been differently treated in terms of primary onus. It is to be appreciated that majority of the deposits are recurring deposits coming from earlier years. Besides assessee has about 3 crores of depositors belonging small income group people who may not be very educated and a big net work of field agents spread over various rural and other areas, many of them may also not be very literate. It has not been disputed that possible deficiencies in KYC compliance has been noted by the Board and as suggested by RBI, lien has been put on such accounts and not to repay unless these KYC deficiencies are made good. Under these facts and circumstances expecting the substantial rural and agro based citizenry to possess PAN card and drawing adverse inference therefrom is not justified in these facts and circumstances. The assessee's business is akin to banking business and the discharge of primary onus by the assessee has to be on the same lines that of banking industry. A catena of judgments has been already referred in this behalf. In consideration of overall facts and circumstances, history of earlier litigation and ITAT judgment in assessee's own case, the assessee should be considered to have discharged its primary onus in terms of s. 68.

Project Appraisal & Preparation of Project Appraisal Memorandum by Banks/Financial Institutions: CA Uttam Jain

Project Appraisal is the process by which the Financial Institutions makes an independent and objective assessment of the various aspects of the investment proposition for arriving at a financing decision. The purpose of Project Appraisal is to ascertain whether the project will be sound – technically, economically, financially and managerially – and ultimately viable as a commercial proposition.

The appraisal process should involve an in-depth study of the financial, commercial, technical and managerial aspects of the borrower. An assessment of the financial requirement of the borrower should be made in order to arrive at the amount of credit to be considered by the bank. Even though the data supplied by the client is the base data for analysis, greater reliance is to be placed on data obtained from independent sources.

Project appraisal involves detail study of the arrangements made for production, marketing and financing. It examines a systematic way whether the resources are properly utilized to produce the best results, i.e. whether the project is viable. Any venture, which is put on stream, should sustain itself without external support and only then it can be treated as viable.

Aspects of Project Appraisal:

Technical Feasibility:

This involves studying the agro-climatic suitability of the area for the project, appropriateness of the chosen equipment, machinery and technology, availability of raw material, power and other inputs, appropriateness of technology chosen from social point of view, availability of infrastructure for the project, the techno economic assumptions and parameters used for analyzing costs and benefits and viability provision for treatment of effluents, training of manpower, legal requirement on documentation, license and registration.

Economic Viability:

Economic Appraisal involves analysis of critical factors such socio-economic benefit, availability of labour, import substitution, technology absorption, impact on ecology, value addition, forex earnings, economies of scale, development of backward region, effective utilization of resources.

Commercial Viability: -

Examine the reasonableness of the demand projections by utilizing the findings of available market survey findings/reports. Industry association projections, planning commission projections and independent market surveys.

Assess the adequacy of the marketing infrastructure in terms of:

- i) Promotional effort,
- ii) Distribution network,
- iii) Transport facilities,
- iv) Stock levels, etc.

-Judge the knowledge, experience and competence of the key marketing personnel.

Financial Feasibility:

It seeks to assess the following:

- 1) Cost of Project by obtaining proper quotations from reputed suppliers with proper specification of machineries. Also to consider the contingencies and inflation.
- 2) Capital structure and Appropriateness of the Financing pattern: Means to contribute the requisite promoters contribution, Fulfillment of DER and Adequacy of margin contribution
- 3) Reasonableness of the estimate of working results: Realistic market forecast, reasonable input and output pricing, appropriate capacity utilization, proper consideration of outlays.
- 4) Return of investment on the project: Achievement of IRR, Break-even point, ROCE and requisite DSCR/ISCR.

Project Appraisal & Preparation of Project Appraisal Memorandum by Banks/Financial Institutions: CA Uttam Jain

Managerial Appraisal:

The success of a business enterprise depends largely upon on the resourcefulness, competence and integrity of its management. However the assessment of managerial competence has to be necessarily qualitative calling for understanding and judgment. The managerial appraisal includes assessment of and skill of the promoters, availability of resources with them, understanding of the project by the promoters, and commitment of the promoters.

Ecological Analysis:

In recent years, environmental concerns have assumed a great deal of significance. Ecological analysis should be done particularly for major projects which have significant ecological implications like power plants and irrigation schemes, and environmental polluting industries (like pharmaceuticals, chemicals, leather processing to name a few). The key questions raised in ecological analysis are:

- a. What is the likely damage caused by the project to the environment?
- b. What is the cost of restoration measures required to ensure the damage to the environment and whether it is contained within acceptable limits?

FINAL CONSIDERATION

A project should also be examined, wherever appropriate, from the point of view of its value to the national economy in terms of socio-economic benefits like generation of employment opportunities, forex earnings, the quantum of import substitution, etc. The ultimate objective of the appraisal exercise is to ascertain the viability of a project with a view to ensuring the repayment of the borrower's obligations under the Bank's term assistance. Each project has to be examined in proper perspective having due regard to its nature, size and scope. Although the basic techniques employed for appraising the viability of various projects are more or less the same, there could be no standard or uniform approach for appraising all projects. In project appraisal, nothing should be assumed or taken for granted. All the data / information should be checked and, wherever possible, counter-checked through inter-firm and inter-industry comparisons. "Healthy scepticism is a cardinal virtue in project appraisal."

CONTENTS OF PROJECT APPRAISAL MEMORANDUM

PROJECT APPRAISAL MEMORANDUM

1. PROPOSAL

Nature of proposal;

Purpose : New project, expansion, modernisation, diversification or for any other approved purpose

2. BRIEF HISTORY

Brief account of corporate history; MA & AA; Regd. address; Present organisational set up with BoD;

Qualifications, experience and background;

Line of activities, Financial position, etc., of Associate Concerns; Overall structure of inter-corporate investments

To Be Continued.....

CONTENTS OF PROJECT APPRAISAL MEMORANDUM

PROJECT APPRAISAL MEMORANDUM

3. PAST PERFORMANCE

Summary of Company's past performance in terms of licensed / installed / operating capacities, sales, operating profit and Net Profit for the past 3 years; Capacity utilization; Sales & profitability; Dividend policy; Capital expenditure programmes implemented by the Company during the past 3 years and how they were financed; Company's management-labour relations

4. PRESENT FINANCIAL POSITION

Company's audited Balance Sheets & P/L Accounts for the past 3 years with analysis; Company's Capital structure; Summarise conclusions of financial analysis; Method of depreciation; Revaluation of F/A; Record of major defaults; Position of Company's tax assessment; Contingent Liabilities; Pending suits; Qualifications / Adverse remarks by auditors

5. PROJECT

(a) Description of the project (Modernisation, expansion, diversification or a new venture) ; Standing, experience and reliability of outside agency who prepared the Project Report; (b) Collaboration Arrangement (Technical or Financial); (c) Technical Feasibility covering suitability of technology, size & location of plant, technical arrangements & mfg. process (d) Financial Feasibility covering Cost of Project & Means of Finance

6. PROJECT IMPLEMENTATION SCHEDULE

With reference to Bar Chart or PERT / CPM Chart and in the light of actual implementation; Main stages in the project implementation and whether the time schedule for construction, erection / installation of P&M, start-up / trial run, commencement of commercial production is reasonable & acceptable

7. PRODUCTION FACTORS

(a) Mfg. Process - Basis of selection & justification; (b) Raw Materials - Imported / Indigenous, Names of main suppliers, Pattern of unit prices & fluctuation; © Utilities & Essential Services - Requirements of power, fuel, water, transport, railway siding with comments on adequacy of arrangements, treatment and disposal of effluents; (d) Operating Organisation - Experience and expertise of Managerial / Technical personnel, other staff required

8. WORKING CAPITAL REQUIREMENTS

Assessment of total WC requirements at the peak level (GCA) during the first year of operations after commencement of commercial production; sharing of business among member banks; financing of additional WC requirements in case of existing companies

9. MARKETING

(a) Sales prospects and underlying assumptions, demand projections on the basis of past consumption, total supply position, general condition of industry
(b) Selling Price - Trend to see whether stable, Govt. price controls, quota systems, etc;(c) Propsects for exports - Export obligations;
(d) Marketing Organisation - Adequacy, Distributors / Selling Agents, Terms of arrangement, remuneration, competence, Asso. Concerns - Siphoning of profits

To Be Continued.....

CONTENTS OF PROJECT APPRAISAL MEMORANDUM

PROJECT APPRAISAL MEMORANDUM

10. COMMERCIAL VIABILITY - CoP & PROFITABILITY

(A) Sales Volume / Value - (a) Volume; (b) No. of working days; (c) Capacity utilisation; (d) Value (B) CoP - (a) Mats. consumed; (b) Utilities (PW&F); (c) Wages & Salaries (d) Factory Overheads; (e) Depreciation - SLM / WDV- Consistency; (f) Selling Exp.; (g) Financial Exp.; (h) Admn. Exp.; (i) Royalty & Know-how; (j) Preliminary / Pre-operative Exp; (k) Taxation (C) Profitability (CAM Data and ratios) (D) Inter-firm comparison

11. COMMERCIAL VIABILITY - DSCR & REPAYMENT PROGRAMME

(a) DSCR (Gross) and (Net) ['Core Test' Ratio], Margin of safety and extent of risk coverage; (b) Break-Even Analysis - For first full year of production and the year of maximum capacity utilisation; (c) Cost-Volume-Price (CVP) or Sensitivity Analysis - For the year with operating profit nearest to the average operating profit to determine 'Span of Resiliency' of the project; (d) Repayment Programme based on the above factors and initial moratorium (start-up) period

12. FUNDS FLOW ANALYSIS

Funds Flows to be divided into Long Term Funds Flows and Short Term Funds Flows - Dif. would indicate Long Term Surplus or Deficit / Movements in C/A & OCL leading to increase or decrease in WCG; Essential expenditure on F/A, repayment obligations, taxes and dividends are fully provided for; Cash generation would be adequate to meet all commitments during the entire repayment period.

13. PROJECTED BALANCE SHEETS

(a) Projected B/S covering the entire period of repayment to be scrutinised; (b) CoP, MoF, Profitability estimates, Funds Flow projections and projected B/S are all inter-related, (c) Projected B/S to be scrutinised analytically with reference to all other related essential data to ensure that all the projections, made realistically and accurately, have been woven into well co-ordinated financial statements.

14. SECURITY & MARGIN AND RATE OF INTEREST

(a) Complete details of security to be offered for the Term Loan; (b) Detailed Opinion Report on guarantors; (c) Security Margin Coverage Ratio; (d) Whether security offered and the margin available are adequate and satisfactory (e) Credit Rating to be done and interest rate (Pricing) to be in line with this rating, unless market forces demand otherwise

15. SPECIAL TERMS & CONDITIONS

(a) Right of examination of borrower's books; (b) Restriction with regard to change in Capital Structure; (c) Restriction with regard to (i) Repayment of deposits from F&R without the permission of the Bank (ii) Rate of interest payable on such deposits to be lower than the rate of interest charged by the Bank; (d) Restriction with regard to transfer of controlling interest in the Co. or drastic change in the Company's management set-up without Bank's prior permission; (e) Other standard T&C.

16. ECONOMICS OF UNDERWRITING

In case of composite proposal, (a) Underwriting tie-up; (b) Capital Market trends; (c) Market response to the proposed public issue; (d) Lock-up of funds; (e) Comparative Earnings Analysis - Underwriting Commission, Dividends, Capital Gains after Tax; (f) Comparison of total earnings thus arrived at with total earnings that would accrue to the Bank if the amount (Value of shares devolving) is lent by way of Term Loans for the same period

17. CONSENTS FROM GOVERNMENT AND OTHERS

These will relate, inter alia, to (a) Industrial Licence; (b) Approval for collaboration agreement and technical know-how arrangement; (c) Clearance for import of P&M; (d) Approval for making payments for imported P&M on deferred terms and specific clearance for tax exemption on interest; (e) Consent from Controller of Capital Issues (f) Various approvals / No Objection Certificates from CG / SG / Local Authorities, etc. (g) Present position

To Be Continued.....

CONTENTS OF PROJECT APPRAISAL MEMORANDUM

PROJECT APPRAISAL MEMORANDUM

18. GROUP COMPANIES

(a) Brief resume of Group Companies indicating the extent to which they are dependent on the parent company / other companies in the Group; (b) Company's liability in respect of partly paid shares in subsidiary companies

19. MANAGERIAL COMPETENCY

(a) Company's management set-up; (b) Composition of the BoD; (c) CEO in charge of day-to-day affairs of the Company; (d) Quality of the Company's management and the level of managerial expertise built-up within the Group;
(e) Whether all departments are well served by professionals

20. OTHERS AND RECOMMENDATIONS

(a) Verify RBI's List of Defaulters / Willful Defaulters / Suit Filed Accounts; (b) Verify ECGC's Specific Approval List; (c) Indicate the IRR for the project and comments on comparison with the IRRs for similar projects in the same industry; (d) Indicate the importance of the project in terms of national priority and impact thereon; (e) Detail the value of the Company / Group's connections to the Bank; (f) Whether, all considered, the proposal is a fair banking risk; (g) Recommendations for sanction of Term Loan.

Announcement

AN APPEAL TO ICAI MEMBERS FOR CONTRIBUTION TO CABF

Chartered Accountants Benevolent Fund (CABF) established in 1962 by ICAI, is one of the largest body providing welfare and support to the Chartered Accountants Fraternity. It provides financial assistance for medical treatment, education, maintenance or any other similar purpose to necessitous persons of the CA fraternity. Financial assistance in lump sum is also given to the widows/relatives of the deceased member in case of accidental/unnatural death at age below 55 years. A considerable number of members/family is already getting such assistance from CABF. To continue this endeavour, CABF invite contribution from our CA members. The contribution can be made in the form of:

1. Life Membership - Rs.2500/-
2. Ordinary Membership - Rs. 500/- annually
3. Voluntary Contribution - An honorable amount up to any extent.

All subscription and contribution made towards CABF is eligible for deduction under Section 80 (G) of Income Tax Act, 1961.

Please contribute generously towards the Fund through at par cheque/DD favoring "Chartered Accountants Benevolent Fund" and sent it to concerned Regional Office of ICAI or to following address:

Chairman
Chartered Accountants Benevolent Fund
The Institute of Chartered Accountants of India

"ICAI Bhawan",
A-29, Sector 62, Noida-201309,
Dist. Gautam Budh Nagar (U.P.)
Email: cabf@icai.in

Important Announcement

The 28th Annual General Meeting of the Members of Ranchi Branch of Central India Regional Council of The Institute of Chartered Accountants of India will be held in the month of July – 2015. The detailed notice etc. for the said meeting will be sent by e-mail, in due course, to the members whose e-mail ids are on the records of the Branch. Members who have not furnished their e-mail ids are requested to provide their e-mail ids to enable the above notice being emailed to them also.

The said notice would be also displayed/hosted on the Notice Board and/or website of the Branch.

Hard copy of the audited accounts together with the audit report and the report of the Managing Committee of the Branch for the relevant year would be forwarded to those members who are desirous of the same. Accordingly, such members may write giving their complete postal address to The Secretary, Ranchi Branch of CIRC of ICAI, ICAI BHAWAN, Dr. Mukti Saran Lane, H. B. Road, Ranchi.

For Ranchi Branch of CIRC of ICAI
CA. Manish Jain
Secretary

Announcement

FORTHCOMING EVENT

1. ITT Morning (11.00 AM to 03.00 PM) Batch from 19th May 2015 to 16th June 2015.
2. Orientation Batch from 18th May 2015 to 23 May 2015.
3. G.M. & C. S. - I from 25th May 2015 to 11th June 2015.

Photo Gallery

Live Telecast on Union Budget - 2015



Panel Discussion on Union Budget - 2015



Photo Gallery



Panel Discussion on Union Budget



Career Counseling in DPS



Seminar on Women Empowerment



Seminar on As - 26



Welcome of Sri Jayant Sinha(MOS) by Ranchi Branch Chairman CA. D. K. Sinha in a Meeting on 04.05.2015



Representation made to CA Piyush Goyal (MOS) on 04.05.2015