

RANCHI BRANCH OF CIRC

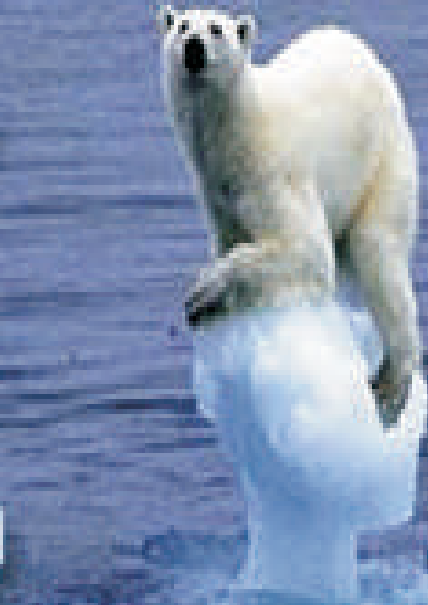
The Institute of Chartered Accountant of India

E-Newsletter

Issue 2 : 2015 - 16

The warnings about global warming have been extremely clear for a long time. We are facing a global climate crisis. It is deepening. We are entering a period of consequences.

--AL GORE



Newsletter Sub-Committee for 2015-16

01.	CA. Uday Jayaswal	Chairman	Mobile : 9334714178, Email : udayjayaswal-ca@yahoo.co.in
02.	CA. Vinay Goenka	Member	Mobile : 9835573724, Email : goenka-vinay@yahoo.com
03.	CA. Arun K. Jajodia	Member	Mobile : 9334222221, Email : caarunjajodia@gmail.com
04.	CA. Uttam Jain	Member	Mobile : 8987493553, Email : uttamjain28@gmail.com
05.	CA. Dharmendra Kr. Sinha	Ex-Officio	Mobile : 9431581421, Email : cadks23@gmail.com
06.	CA. Manish Jain	Ex-Officio	Mobile : 9431192776, Email : manishkrjain@yahoo.com

Chairman Message



Dear Members,

First of all I would like to share some good news with you. This month your branch is organising a national conference in Ranchi on 24th & 25th July, 2015.

We have invited ICAI President CA. Manoj Fadnis to be part of this event. Gladly, he has accepted our invitation and he will be part of this event on 24th July 2015. Other arrangements are going on and I believe that with blessing, guidance and co-operation of all, this event will be huge sources.

Last month we met CA. Piyush Goel who is MOS - Power & Coal (Independent Charge), New and Renewable Energy. Among other discussions one of the important issue was free audit of toilets which is constructed as part of 'Swachh Bharat Abhiyan'. Our institute claims to be partner in nation building which casts on us a moral responsibility to share some social work of govt. Also, Jharkhand will be one of the biggest beneficiaries of this 'abhiyan', which is also a important reason why we should come forward and share this work.

We also met with Vidhan Sabha Speaker Honorable Dr. Dinesh Oraon. CA. Vijay Garg came all the way from New Delhi for this meeting. Honorable speaker agreed that MLA when trained on financial subject matters can be much more productive and thereby agreed that on 5th June a full day programme will be arranged and resource persons will be from our Institute. We look forward to this workshop which will result in the brand building of ICAI.

Last month was also examination month in the calender of ICAI. 1500 (Aprox) no. of students appeared in examination which also speaks about the growth of Ranchi Branch.

Last but not the least I request all members to contribute generously for the victims of earthquake in Nepal. Members can donate to designated bank accounts as specified on last page of this newsletter.

With Warm regards

CA. Dharmendra Kr. Sinha

Chairman

Ranchi Branch of CIRC of ICAI

Editor Spokes

Attaching soul with the profession



Does soul has the capacity to give direction to our mind? Do we need to be guided by our soul for the performance of our professional duties? ...sounds awkwardly asked question to many of us. But, then the relevancy of much hyped topic these days of YOGA carries any significance?.... will just pop up into mind of many. The world yoga day celebration on 21st June over the grand Rajpath invites attention and an opportunity to consider its benefit that may follow to us as a professional. Wondering its necessity, if any, desired for us would instantly lead to learning the various aspects of it and a focus on the words of Gita which goes like *YogasthH Kuru Karmani.....* where the lord Krishna says:

*Arjun! Establish yourself in yoga, and perform the action what you must do;
Get detached, be indifferent to failure and success, and this stability is yoga.*

It is well accepted fact that a coordination of mind and body is necessary for the desired success in life. Our every action invites some reaction. Newton's third law confirms this fact. Nothing happens independently and so, every big or small action leaves an effect in the universe. Since childhood we are taught that think twice before you say, plan in advance before you act but does this go in line with the doctrine of acting without bothering about the outcome? Actually, it is all about the matter of bothering, confusion and anxiety etc which emerges as the result of lack of order and cordination in the consciousness and between the mind and the body. When it comes to we professional, can we afford to execute our professional assignment without proper coordination of mind and body? Surely a big No! and here only the age old proven teachings of meditation and yoga will play a role and the essence of the teachings should have to be examined and practised in its true sense.

Our Hon'ble PM has exhorted all to be part of the national organisation on the ocassion of world Yoga day. We CAs claiming to be partner in the nation building must step out to avail the opportunity flowing naturally to us. And why to deter when the same is aimed at Sarve Bhavantu SukhinH, Save Santu NiramayaH. Lets be more mindful and active with yoga as a part of life. Lets work while abiding in the discipline of yoga (soul(god)with you).

Regards

CA Uday Jayaswal

Chairman
Newsletter Sub Committee

Important Updates

Companies (amendment) Act 2015

- ✓ Passed by Lok Sabha on 17th May 2015
- ✓ Bill received the assent of the President on the 25th May, 2015
- ✓ Published in official Gazette of India on 26th May, 2015 and became "THE COMPANIES (AMENDMENT) ACT, 2015"
- ✓ This Act shall come into force on 26th May, 2015
- ✓ **Details Of Amendment:** The proposed amendments deal with **related party transactions, fraud reporting by auditors, public inspection of Board resolutions, responsibilities of audit committee, restrictions on bail, making common seal optional, requirement for minimum paid-up share capital, strength of benches for hearing winding up cases, jurisdiction of special courts to try offences).**

S.NO.	SECTION	PREVIOUS PROVISION	PROVISION AMENDED
1.	2(68)	Private Company required "Minimum Paid up Share Capital of Rs 100,000/-"	No requirement of Minimum Paid Up Capital.
2.	2(71)	Public Company required "Minimum Paid up Share Capital of Rs 100,000/-"	No requirement of Minimum Paid Up Capital.
3.	9, 12 and 223	Affixation of Common Seal is Mandatory	Use of Common Seal is now optional. (Not Mandatory)
4.	11	Commencement of Business	No requirement of Commencement of Business
5.	22	Execution of Bills of Exchange	Use of Common Seal is now optional. (Not Mandatory). If company doesn't have common seal the authorization under sub section (2) of Section 22 shall be made by two director or by a director and the Company Secretary , wherever the
6.	46	Issue of Share Certificate(46(1): A share certificate issue under the common seal of Company (Clause substituted)	Use of Common Seal is now optional . (Not Mandatory) If company doesn't have common seal then signed by two Directors or by a director and the Company Secretary
7.	76A	This was not in the Act.	New Section 76A inserted after Section 76 for punishment for deposits accepted in violation of the provisions of the said Act. (Bare Act language of Section 76A given at the end).
8.	117(3)(g)	Public can inspect the form MGT-14 filed by the Companies as per section 179(3) for the Board Resolution.	Public can't inspect form MGT-14 filed for the purposes mentioned in section 179(3). MGT-14 (filed for the purpose of Section 179(3), Board Resolution) will not be available for public
9.	123(1)	This was not in the Act.	After the third proviso of 123(1), the following proviso is inserted. Proviso: No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the

Important Updates

S.NO.	SECTION	PREVIOUS PROVISION	PROVISION AMENDED
10.	124(6)	"Unpaid or unclaimed dividend has been transferred under sub-section (5) Substituted"	<p>1 for the words, brackets and figure "unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be", the words "dividend has not been paid or claimed for seven consecutive years or more</p> <p>2 after the proviso, the following explanation shall be inserted, namely:—"Explanation.— In case any dividend is paid or claimed for any year during the said period of seven consecutive years, the share shall not be transferred to Investor Education and Protection Fund.</p>
11.	134(3)	Not Earlier in the Act.	After Clause "c" following clause (ca) is inserted: Details in respect of frauds reported by auditors under sub-section (12) of section 143 "other than those which are reportable to the Central Government" .
12.	143(12)	The Act requires that if the auditor of a company has reason to believe that an offence of fraud has been committed against the company, by its employees, he must report the matter to the central government within a time period and in a manner prescribed	Notwithstanding anything contained in this section, if any auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, <u>the auditor shall report the matter to the central government within such time and in such manner as may be prescribed:</u> Provided that in case of a <u>fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:</u> Provided further that the companies whose auditors have reported frauds under subsection 12 to the Audit Committee or the Board but not reported to the Central Government, shall disclosed details about <u>such frauds in the Board Report</u> in such manner as may be prescribed.
13.	117(4)(iv)	Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include (iv) approval or any subsequent modification of transaction of the Company with Related Party.	After 117(4)(iv) following proviso added: Provided that the Audit Committee may make omnibus approval for related party transaction proposed to be entered into by the company subject to such conditions as may be prescribed".

Important Updates

S.NO.	SECTION	PREVIOUS PROVISION	PROVISION AMENDED
14.	185	Not Earlier in the Act. Bare Act Language of Section 185(1)(b): A company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loan an interest in charged at a rate not less than the bank rate declared by the RBI.	After clause (b) Sub Section (1) of Section 185 <u>following clause and proviso added:</u> (c) Any loan made by a Holding Company to its Wholly own Subsidiary Company or any guarantee given or security provided by a Holding Company in respect of any loan made to its wholly own subsidiary Company, (d) Any guarantee given or security provided by a Holding Company in respect of Loan made by any Bank or FINANCIAL institution to its subsidiary Company <u>Provided that the loan made under clauses (c) and (d) are utilized by the subsidiary company for its principal business activity.</u>
15.	188(1)	Earlier Special Resolution was required. (As per the previous system, the companies with a paid up capital of Rs 10 crore or more were required to get shareholders' nod through a special resolution in case of related party transactions)	For the word "Special Resolution" the word "Resolution" is substituted under the Act. Now Ordinary resolution will work.
16.	188(1)	Not Earlier in the Act.	Not required to follow provision of Section 188. After the third proviso of Section 188(1) <u>the following proviso inserted:</u> Provided also that that the requirement of passing the resolution under the first proviso shall not be applicable for transactions entered between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and have been placed before the shareholders for their approval.
17.	212(6)	Investigation into affairs of Company by Serious Fraud Investigation office. Here provided Bail restriction for many sections.	The bail restrictions to apply only for offence relating to fraud u/s 447
18.	419(4)	In Section 419(4) winding up was mentioned.	The word WINDING UP shall be omitted .

Important Updates

S.NO.	SECTION	PREVIOUS PROVISION	PROVISION AMENDED
19.	435	Establishment of Special Courts Establishment of Special Courts. The Central Govt. may for the purpose of providing speedy (Trial of offences under this Act), established or designate as many Special Courts as may be necessary.	For the Words “Trial of Offences under This Act”, The words “ Trial of offences punishable under this Act with imprisonment with 2 years or more” is substituted. After Sub Clause (1) the following proviso is inserted:“Provided that all other offences shall be tried, as the case may be by a metropolitan Magistrate or a Judicial Magistrate of the first class having jurisdiction to try any offence under this Act or under any pervious Company Law.
20.	436	Offence exercised by special courts Section 436(1)(a)	For the words “all offences under this Act”, the words, brackets and figures “all offences specified under sub-section (1) of section 435” shall be substituted Section 435(1) given below.
21.	462	Subsection (2,3 and 4 of Section 462) shall be substituted.	NSubstituted language of Section 462(2),(3) and (4) given below.

A. “76A. Punishment for contravention of section 73 or section 76:

Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the matter or the conditions prescribed under section 73 or section 76 or rules made there under or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made there under or such further time as may be allowed by the Tribunal under Section 73,-

(a) The company shall, in addition to the payment of the amount t of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees; and

(b) Every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

Provided that if it is proved that the officer of the company who is in default, has contravened such provisions Knowingly or willfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447.”

B. “435 (1). Establishment of Special Courts.

The Central Govt. may for the purpose of providing speedy (Trial of offences punishable under this Act with imprisonment with 2 years or more” is substituted), established or designate as many Special Courts as may be necessary.

“Provided that all other offences shall be tried, as the case may be by a metropolitan Magistrate or a Judicial Magistrate of the first class having jurisdiction to try any offence under this Act or under any pervious Company Law.”

C. 462: Power to exempt class or classes of companies from provisions of this Act:

(2) A copy of every notification proposed to be issued under sub-section(1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of 30 days, and if, both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified from as may be agreed upon by both the Houses.

(3) In reckoning any such period of 30 days as is referred to in sub-section (2), no account shall be taken of any period during which the House referred to in sub-section(2) is prorogued or adjourned for more than for consecutive days.

(4) The copies of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament.

Courtesy- CA. Arun Jajodia

Important Updates

New Exemption to Private Companies under Companies Act, 2013

Source: <http://taxguru.in/income-tax/new-exemption-to-private-companies-under-companies-act-2013.html>

Under section 462 of CA, 2013 on 05/06/2015 MCA has issued exemption notification for Private Companies other than subsidiary of public companies under Companies Act, 2013

Companies Act, 2013 has brought massive changes for private companies as barring a very few, all the exemptions which were available to private companies under the Companies Act, 1956 have been withdrawn in the Companies Act, 2013 which was creating serious problems in compliance for private limited Companies and made many companies to convert into LLP.

Considering the difficulties of Trade MCA has issued exemption Notification dated 05/06/2015 under section 462 of the Companies Act 2013 ("the Act") providing necessary exemptions to private company other than subsidiary of public companies from the provisions of Companies Act, 2013.

Summary of such exemption to private company other than subsidiary of the Public Companies from the provision of the Companies Act, 2013 is as follows :-

S.N	Chapter/ Section of the Act	Particular	Exemption Provided in MCA Notification
A	Chapter 1, Sub-clause (viii) of clause (76) of section 2.	Bare Act Language of Section: "related party", with reference to a company, means- any company which is— (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to	Holding, Subsidiary and Associate Company will not cover under Related Party for the purpose of section 188. Note:- Although Holding company is excluded but Director (other than independent Director), KMP of holding company or their relative are still included in definition of Related Party. (Section 2(76)(ix)) <u>Language of Notification:</u> Shall not apply with respect to section 188.
B	Chapter IV, Section 43 and Section 47	Section 43- Kind of Capital Section – 47 Voting Right	If anything else mentioned in MOA & AOA then <u>MOA & AOA prevail over the section 43 and 47.</u> <u>Language of Notification:</u> Shall not apply where MOA & AOA of the Private Company so provides
C	Chapter IV, Section 62(1)(a)(i) and (2)	<u>Bare Act Language Earlier:</u> The offer of Right issue of shares shall be open for minimum 15 days not exceeding 30 days from the date of the offer within which offer made.	Not required to follow provision of Section 188. After the third proviso of Section 188(1) the following proviso inserted: Provided also that that the requirement of passing the resolution
D	Chapter IV, Section 62(1)(b): Further Issue of Share Capital	For ESOP Special Resolution Required.	Now for ESOP <u>Ordinary Resolution</u> is enough. <u>Language of Notification</u> The words "special resolution", the words "ordinary resolution" shall be substituted.

Important Updates

S.N	Chapter/ Section of the Act	Particular	Exemption Provided in MCA Notification
E	Chapter IV- Section 67	Restrictions on purchase by company or giving of loans by it for purchase of its shares.	<u>Language of Notification given at the end (S. No. 2)</u>
F	Chapter V- Section-73(2) (a) (e):	Earlier Private Limited Company can accept deposits from the Member after follow up the procedure mention under Section 73.	<u>Acceptance Of Deposits From Members Made Easier For Certain Companies</u> <i>Private Limited Company can accept deposit from the Members upto 100% of aggregate of the paid up share capital and free reserves without followings:</i> <ul style="list-style-type: none"> · Issue Circular · File circular with ROC · Maintain deposit repayment reserve · Provide deposit insurance <u>Language of Notification is given at the end (Point no. 3)</u>
G	Chapter VII	<ul style="list-style-type: none"> · 101- Notice of meeting. · 102- Statement to be annexed to notice. · 103- Section Quorum for meetings. · 104- Chairman of meetings. 105- Proxies. · 106- Restriction on voting rights. · 107- Voting by show of hands. · 109- Demand for poll. 	If anything else mentioned in AOA then <i>AOA prevail over the section 101-107 & 109.</i> Articles of A Private Company May Override Provisions Pertaining To <ol style="list-style-type: none"> 1. Content & Length of Notice 2. Explanatory Statement 3. Quorum 4. Chairman 5. Proxies 6. Restriction on Voting Rights 7. Show of Hands & Poll <u>Language of Notification is given at the end (Point no. 4)</u> proviso shall not be applicable for transactions entered between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and have been placed before the shareholders for their approval.
H	Chapter VII- Section:117 (3)(g)	<u>Earlier Provision:</u> Copy of Resolution passed in pursuance of sub-section (3) of Section 179 required to filing with ROC.	Now there is <u>NO NEED TO FILE FORM MGT-14</u> for the purposes of resolutions passed u/s 179(3) read with rule 8 of Companies (Meeting of Board & its power) Rules, 2014 <u>Language of Notification</u> Provisions of Section 117(3)(g) will not apply on Private Limited Company.

Important Updates

S.N	Chapter/ Section of the Act	Particular	Exemption Provided in MCA Notification
I	Chapter X- Section 141 (3)(g):	Earlier <u>Auditor can't be appoint as auditor</u> in more than 20 (Twenty) Companies.	<p>Now under the limit of 20 (Twenty) Companies following will not include:</p> <ul style="list-style-type: none"> · one person companies, · dormant companies, · small companies, and · Private Companies having paid-up share capital less than one hundred crore rupees". <p>Limit of 20 Companies only Includes:-</p> <ol style="list-style-type: none"> 1. Public Companies 2. Private Companies having paid up capital of Rs. 100 Crore or more
J	Chapter XI- Section 160-	Candidature Not Required For Appointment of Director at General Meeting	Now there is no need to deposit Rs. 100,000/- by the Director at the time of appointment.
K	Chapter XI- Section 162-	Appointment of directors Need not to be voted individually.	Now more than one director can be appoint via a single resolution.
L	Chapter XII- Section 180-	Restrictions on powers of Board Not Apply	<p>Now there is <u>no need to pass "Special Resolution"</u> for the purposes of passing of Resolution mentioned under Section 180.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Borrow exceeding paid up capital & free reserves. 2. Sell/lease/dispose off undertaking
M	Chapter XII- Section 184(2)	Disclosure of interest by director.	<p>Now <u>Interested directors can participate in the meeting</u> and vote in the meeting after disclosure of his interest.</p> <p>Note:- He Cannot be counted in Quorum (Section 174(3) explanation)</p>

Important Updates

S.N	Chapter/ Section of the Act	Particular	Exemption Provided in MCA Notification
N	Chapter XII- Section 185-	Loan to Director was earlier not allowed.	<p><u>Loan to director are allowed for Private Limited Companies</u> if its fulfill the below mentioned conditions:</p> <ol style="list-style-type: none"> 1. Body Corporate should not be Shareholder 2. Not borrowed money from Bank/ Financial Institution/ Body Corporate exceeding lower of the following:- <ol style="list-style-type: none"> i. Twice its Paid up capital ii. Rs. 50 crore 3. No repayment default subsisting of such borrowings at time of giving loan <p><u>Note:</u> Giving of loans/ guarantee/security to Group Companies now possible. <u>Language of Notification is given at the end (Point no. 5)</u></p>
O	Chapter XII- second proviso to section 188 (1):	<p><u>Bare Act Language Earlier:</u> No member of the company shall vote on such Resolutions, to approve any contract or arrangement which may be entered into by the Company, if such member is related party.</p>	<p>Restriction On Voting Right In General Meeting In Case Of Related Party Transaction Not Applicable: Now This proviso will not apply on Private Limited Company. <u>“Even if, Member is related then also he can vote on such resolution required to be pass u/s 188 in GM.</u></p>
P	Chapter XIII- section 196(4) & (5):	Appointment of MD, WTD & Manager.	<p>Now there is no need to Pass Resolution in General Meeting for appointment of Managerial Personnel and no need to file form MR-1. Managerial Personnel can be appoint in Private limited Company without following:</p> <ol style="list-style-type: none"> 1. Shareholder's Ratification in not required. 2. Schedule V not applicable. 3. MR-1 not required to be filed 4. T&C of appointment, remuneration not mandatory to be mentioned in resolution proviso shall not be applicable for transactions entered between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and have been placed before the shareholders for their approval.

Important Updates

S.N	LANGUAGE OF NOTIFICATION
1	Chapter IV, sub-clause (i) of clause (a) of sub-section (1) and sub-section (2) of section 62. Shall apply with following modifications:-In clause (a), in sub-clause (i), the following proviso shall be inserted, namely:- Provided that notwithstanding anything contained in this sub- clause and sub-section (2) of this section, in case 90% , of the members of a private company have given their consents in writing or in electronic mode, the periods lesser than those specified in the said sub- -clause or sub-section shall apply.
2	Chapter IV, section 67. Shall not apply to private companies -I. in whose share capital another body corporate has invested any money;II. if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; andIII. such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section.
3	Chapter V, clauses (a) to (e) of subsection (2) of section 73. Prohibition Shall not apply to a private company which accepts from its members monies not exceeding one hundred per cent, of aggregate of the paid up share capital and free reserves, and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.
4	Chapter VII, sections 101 to 107 and section 109. Shall apply unless otherwise specified in respective sections or the articles of the company Provide otherwise.
5	Chapter XII, section 185 Provisions of Section 185 not apply to a private company if its fulfill the following below mention conditions- (a) in whose share capital another body corporate has invested any money; (b) if the borrowings of such a company from banks or financial institutions or anybody corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and(c) such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.

ASPECTS OF AGRICULTURAL ACCOUNTING

- · No existing Accounting Standard on Agricultural Accounting in India.
- · International Accounting Standard IAS 41, Agriculture, is the first standard that specifically covers the primary sector. The Standard becomes operative for annual financial statements covering periods beginning on or after 1st January 2003. IAS 41 introduces a fair value model to agriculture accounting. This is a major shift away from the traditional cost model widely applied in primary industry.
- · Among agricultural producers there are a number of accounting practices.
- · The reasons for this diversity are mainly related to
 - Predominantly cash-based system of accounting
 - Financial statements prepared based on information that are not interrelated
 - Calculations based on Market Value Issues in Agricultural
- · Acc Issues in Issues in Agricultural Accounting
 - Valuation Methods
 - Treatment of Personal Assets and Liabilities
 - Value of Farm Production
 - Net Agricultural Income
 - Income Tax
 - Depreciation
 - Treatment of Inventories
 - Perennial Crops

Important Updates

ASPECTS OF AGRICULTURAL ACCOUNTING

Balance Sheet Items

Capital Asset: Both net book value (cost less accumulated depreciation) and market value information for capital assets are needed for purposes of analysis. This information can be provided in a balance sheet format acceptable to the agricultural producer and other interested parties using those balance sheets. These alternative formats may include market values of capital assets on the face of the balance sheet and cost information in supporting schedules, parenthetical disclosure of cost information, or a double-column approach to presenting the balance sheet.

Raising Breeding Stock: A full cost absorption approach for treatment of raised breeding stock is recommended. However, for analytical purposes, alternative methods can be used that establish an estimated "base value" for balance sheet representation.

Accounting for Inventories of Grain and Livestock: It is recommended that "market valuation" (sales price less cost of disposal) shall be used for all grain and livestock inventories held for sale, as long as the three conditions listed in Paragraph 39 of Statement of Position 85-3, Accounting by Agricultural Producers and Agricultural Cooperatives (AICPA, April, 1985) apply namely

- The product has a reliable, readily determinable and realizable market price.
- The product has relatively insignificant and predictable costs of disposal.
- The product is available for immediate delivery.

Inventory Items for Resale: For inventories of items purchased for resale, there are conceptually two subcategories.

1. The first subcategory includes those items (such as feeder livestock, harvested crops, etc.) which are actually purchased with the intention of being resold in the same form (although the feeder livestock would be heavier when finally sold).

2. The second subcategory includes those items, primarily feedstuffs, that are not purchased with the intent of being resold, but instead are intended to be consumed as an input in producing another item that will eventually be sold (e.g., feedstuffs that will be consumed by finishing livestock or be converted into milk, eggs or other products). However, these purchased items could be resold in the same form as they were originally purchased.

For items of the first subcategory, the market valuation is acceptable but not preferred to valuation using the lower of cost or market.

For items of the second subcategory, the lower of cost or market valuation method should be used.

Other Items that Serve as Raw Materials in the Production Process: This category would include seed, fertilizer, fuel, and other supplies. It is recommended that these items are valued at cost.

Growing Crops: Accumulate direct costs and report this "Investment in Growing Crops" on a cost basis.

Government Loan Programs: The commodity be shown at the higher of net realizable value or the government loan rate. In cases where net realizable value exceeds the loan rate, accrued interest on the loan should be reported, limited by the constraint that the total of the loan amount plus accrued interest should not exceed the net realizable value.

Income Statement (Statement of Earning and Comprehensive Income)

(a) the general income statement format should include a calculation of gross revenues and net farm income, both on an accrual adjusted basis;

(b) a charge for unpaid family labor and management should not be included on the income statement; and

© incidental revenue and expenses should be separately reported on the income statement after net farm income. Income from non-farm related sources (wages and personal asset income) should not be shown on the income statement, but reflected on the statement of owner equity (net worth).

IAS 41 on Agriculture

- Biological assets are to be measured on initial recognition and at each balance sheet date at their fair value less costs to sell, though exceptions do exist.
- Revenue comprises the fair value of the consideration received or receivable only for the sale of agricultural produce and/or biological assets. It is stated net of sales taxes, rebates and discounts.
- The entity should show the carrying value of biological assets, either in total or per group of biological assets using the prior accounting period data as this gives more relevant information
- Managing recreational activities – for example, game parks and zoos – is not agricultural activity.
- Land owned by the entity and used for agricultural activity is subject to the recognition and measurement principles of IAS 16, 'Property, plant and equipment'. Land owned by a third party and rented to the entity for the purposes of agricultural activity is likely to be the third party's investment property and is accounted for in accordance with IAS 40, 'Investment Property'.

Courtesy- CA. Uttam Jain

Notice

**RANCHI BRANCH OF CENTRAL INDIA REGIONAL COUNCIL
OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Ranchi Branch of Central India Regional Council of The Institute of Chartered Accountants of India shall be held on **Tuesday, 14th July, 2015 at ICAI BHAWAN, Dr. Mukti Saran Lane, H. B. Road, Ranchi at 11.30 A. M.** to transact the following business:

1. To receive the Annual Report of the Branch for the year ended on 31st March, 2015.
2. To receive the Audited Statement of Accounts for the year ended on 31st March, 2015 together with the Auditors' Report thereon.
3. To transact such other business as may be brought before the meeting with the permission of the Chairman.

Note: If within half an hour from the time mentioned in this notice a quorum of the members is not present, the meeting shall be adjourned to **Tuesday, 21st July, 2015** at the same time and place. At the adjourned meeting, the members present, whatsoever be the number, shall have the power to transact all business which could properly be transacted by the meeting originally convened had the necessary quorum been present thereat.

For and on behalf of Managing Committee

(CA. Manish Jain)
Secretary

Place: Ranchi
Date: 23.06.2015

Note: Fellowship with Lunch.

Announcement

CPE Sub - Committee of Ranchi Branch is reorganised with following members

- 1. CA. D. K. Sinha - Chairman**
- 2. CA. Manish Jain - Secretary**
- 3. CA. Uday Jayaswal - Member**

Announcement

To: All Branches of ICAI

Dear Sir/(s),

The Council of the Institute of Chartered Accountants of India (ICAI) at its 342nd meeting held on 5th and 6th May, 2015 noted the judgment dated 24th March, 2015 delivered by the Hon'ble Supreme Court of India in case of Shreya Singhal vs Union of India, whereby Section 66 A of the Information Technology Act, 2000 has been struck down.

The Council at its above meeting further noted that recently certain emails having false and misleading contents with a malicious intent are being circulated in a derogatory manner for bringing down the image of the Institute.

In the light of the above judgment of the Hon'ble Supreme Court and the facts of circulation of malicious emails, the Council in its above meeting decided to host a fresh announcement at the website of the Institute as well as publishing the same in the ensuing journal of the Chartered Accountant. Accordingly, the hosting of the Announcement/ circular has already been done in the Announcement section of the ICAI website and the same is available and perused at the link -http://www.icai.org/new_post.html?post_id=11624&c_id=219

In this reference, the competent authority has decided that the attached announcement may also be sent to all branches of ICAI with a request to publish the same in their respective ensuing newsletters as well as pasting it at an appropriate / predominant place for information of the members at large.

In the light of above, please find attached herewith the Announcement/ Circular No. 1-CA (7)/165/2015 dated 23rd May, 2015 regarding malicious emails so as to publish the same in the respective ensuing News Letter to be published by the Branches of ICAI as well as pasting it at an appropriate / predominant place for the information of all concerned.

Thanks & Regards

Ravindra Singh Pundhir

Senior Executive Officer- Legal Section

The Institute of Chartered Accountants of India,

'ICAI Bhawan', 4th Floor, Legal Section, P. B No.7100,

I. P. Marg, New Delhi-110002 (India)

Forthcoming CPE Programme

Sl.	Date	Particular's	Venue
01	24th - 25th July 2015	12 CPE Hrs National Conference	Auditorium, State Musume, Khelgaon, Ranchi

Forthcomming Event

1. ITT Morning Batch (10.00 to 02.00 PM) from 18 June 2015
2. ITT Afternoon Batch (02.00 PM to 06.00 PM) from 29th June 2015
3. Orientation Programme from 30th June to 7th July 2015

Important Announcement

No	Centre	Dates
1.	Chandigarh & Ludhiana	14 th August 2015
2.	Baroda, Coimbatore, Ernakulam, Nasik & Navi Mumbai	17 th – 18 th August 2015
3.	Bhubaneswar, Kanpur, Thane & Vasai	18 th – 19 th August 2015
4.	Indore & Nagpur	19 th – 20 th August 2015
5.	Ahmedabad & Jaipur	20 th – 21 st August 2015
6.	Pune	21 st – 22 nd August 2015
7.	Mumbai* & New Delhi	14 th , 15 th , 16 th , 17 th , 18 th & 19 th September 2015
8.	Bangalore*, Chennai & Kolkata	15 th , 16 th , 17 th , 18 th & 19 th September 2015
9.	Hyderabad*	16 th , 17 th , 18 th & 19 th September 2015

***17th September, 2015 (Vinayak/Ganesh chaturdashi) is holiday in Bangalore, Hyderabad and Mumbai centres.**

Eligibility - for appearing in Campus Placement Programme to be held in August-September, 2015.

The candidates who fulfill the following criteria are eligible to appear in the Campus Placement Programme to be held in August-September, 2015:

	Clearance of Final Examination of Chartered Accountancy Course	Completion of Articleship/GMCS Course	Submission of Application for ICAI Membership*
1	May, 2015	Completing their articleship and GMCS latest by 31 st October, 2015	15 th November, 2015
2	Nov 2014, May 2014 or whose CA Final results were declared in revaluation/re verification after 20 th February, 2015.	Completing their articleship or GMCS between 1 st May 2015, and 31 st October, 2015 and have not applied in earlier Campus Placement Programme.	

I request your valuable involvement to popularize the Campus Placement Programme and making the programme a resounding success. I also request you to do the following on priority:

- (1) Host the link www.placement.icai.org/imgs/Announcement%20AS-15.htm under the heading Announcement Campus Placement Programme for Newly Qualified Chartered Accountants August-September 2015 on your Regional Councils/Branches websites.
- (2) Publish the attached document in your Regional Councils/Branches newsletter without any charges to CMII.
- (3) Arrange to display the attached announcement at Notice board of Regional Councils/Branches.
- (4) In accordance with the decision of CMII, I request you to advice to Regional Councils/Branches (which are conducting GMCS classes) to arrange GMCS classes for the candidates eligible for forthcoming Campus Placement Programme.

Further Regional Councils/Branches may also be requested not to hold GMCS classes on the days of Orientation Programme Written test, Pre Placement Talk and Campus Interviews.

A copy of schedule for next Campus Placement Programme for newly qualified Chartered Accountants and a one pager matter for advertisement are attached herewith for your ready reference which is also available on www.icai.org and www.placement.icai.org.

Regards,

CA. Charanjot Singh Nanda

Chairman - Committee for Members in Industry

The Institute of Chartered Accountants of India

Mobile: 09212700353

E-mail: csnanda@gmail.com; cjsnanda1@gmail.com

Appeal to All Members and Students of ICAI

The massive earthquake which rocked Nepal on 25th April, 2015 has left more than 5,000 persons dead and rendered many thousands homeless. The Government of India is doing its best to provide relief to the affected citizens of Nepal by sending rescue and relief teams.

Nepal is a member of SAARC and is part of South Asian Federation of Accountants of which India is a founder member. The ICAI had helped Nepal in formation of the Institute of Chartered Accountants of Nepal. A large number of Chartered Accountants settled in Nepal are in fact members qualified from ICAI. There are over 4,000 students who are pursuing Indian CA course from Nepal.

In this scenario, ICAI has decided to stand with the affected members and students of Nepal, and actively participate in the national effort to support them at this difficult time. The employees of ICAI will be encouraged to contribute one day's pay and also contribute in kind by donating clothes, groceries and other necessities to the Institute of Chartered Accountants of Nepal (ICAN) will divert the help to the needy members and students.

Besides the above, ICAI has opened a bank account exclusively for the purpose of collecting donations from members, students and others so that the same can be transferred to ICAN.

We hereby appeal to all members, students and others to donate generously towards this noble cause. The details of bank account are as under:

ICAI Nepal Earthquake Relief Fund - Account No. 915010019110240

Axis Bank Limited, IFSC Code - UTIB0000055,

Swasthya Vihar Branch, C-58, Preet Vihar (Ground Floor), Main Vikas Marg, New Delhi - 110 092

The collected amount will be given to ICAN. The donors are requested to follow up their donations with a letter/email to the Institute giving their name, address, amount and date of contribution, so that proper receipts could be issued. The letter/email can be sent to:

[The Joint Secretary \(Accounts\)](#)

[The Institute of Chartered Accountants of India](#)

[ICAI Bhawan](#)

[A-29, Sector-62](#)

[Noida – 201 309.](#)

[Email: accounts@icai.in; hkjain@icai.in](mailto:accounts@icai.in)

Thanking you.

Yours faithfully

For Ranchi Branch of CIRC of ICAI

CA. Dharmendra Kumar Sinha

Chairman

Mobile : 9431581421

APPOINTMENT



Congratulation to our Past Chairman CA. Mahendar Kumar Jain who has been appointed Members – Ranchi railway Station Consultation Committee

PHOTO GALLERY

