

Revenue Secretary releases ICAI Guidance Note on Fringe Benefits



Mr. K. M. Chandrasekhar, Revenue Secretary dedicating to the nation the Guidance Note on Audit of Fringe Benefits under the Income Tax Act, 1961 (published by the ICAI). Others seen in the picture are: President ICAI, CA. T.N. Manoharan and Secretary ICAI, Dr. Ashok Haldia.

Mr. K. M. Chandrasekhar, Revenue Secretary recently dedicated to the nation the Guidance Note on Audit of Fringe Benefits under the Income Tax Act, 1961 (published by the ICAI).

Welcoming Mr. Chandrasekhar on the occasion, the ICAI President Mr. T.N. Manoharan said the profession of Chartered Accountancy has always considered him a friend, philosopher and guide. He further added that the ICAI had conducted successful training courses in Faridabad and Mumbai that involved senior officials of the Service Tax Department. He explained that the objective of the guidance note was not only to guide the members but also the taxpayers for the proper compliance with FBT provisions. The ICAI, he said, was always ready to partner with the Government on macro management of the fiscal issues.

Mr. Chandrasekhar said the ICAI had been helpful in WTO talks. He said the Government was taking initiatives in simplifying tax laws. He expressed his happiness over the collaboration of the ICAI in the training of service-tax officers in understanding financial statements. He complimented the ICAI in bringing out the Guidance Note on Audit of Fringe Benefits under the Income Tax Act, 1961. He said the Government looks to the ICAI for redefining tax compliance in a manner that was least hurtful to the taxpayers and for evolving a viable tax structure.

Dr. Ashok Haldia, Secretary of the ICAI, while proposing a vote of thanks, pointed out that the ICAI had introduced Post Qualification Course in WTO affairs, which was proving to be very useful.

About the book

- By Notification No.208/2006, the CBDT has amended Form No.3CD significantly. One of the important amendments is the insertion of Annexure II which contains the particulars of value of fringe benefits. The tax auditor has to verify the same.
- The provisions relating to the Fringe Benefits Tax are highly complex and lend themselves to various interpretations. The object of this Guidance Note is not to provide final solutions to the various difficult issues arising in the course of valuing and reporting upon fringe benefits. The objective is to provide guidance to the members to certify the value of the fringe benefits in Annexure II to Form No.3CD.
- The Guidance note gives the background regarding introduction of the fringe benefit tax and the legal provisions.
- A detailed guidance has been given in paragraph 6 of the Guidance Note regarding the audit approach and

Small opportunities are often the beginning of great enterprises.

reporting responsibilities. It is the primary responsibility of the assessee to prepare the necessary details in Annexure II and the tax auditor has to verify the same.

- The tax auditor has to be guided by the underlying objective of the expenditure and not merely the apparent objective. To determine whether a specified expenditure is liable for fringe benefits tax, its natural meaning has to be considered.
- The Guidance Note gives detailed guidance to the tax auditor in situations where he differs from the opinion of the assessee, where he wants to qualify the audit report or where he wants to give a disclaimer or a

negative report.

- The Guidance Note gives clause-wise guidance to the tax auditor in respect of the various specified expenses in the Act.
- A separate section deals with the implications and the binding nature of CBDT's Circulars on the assessee while arriving at the value of the fringe benefits.
- The implications of the fringe benefit legislation on the cross border transactions are given in detail in the guidance note.
- It contains very useful appendices which enhance the value of the publication.

General Permission to Become Members of the Indian Institute of Insurance Surveyors and Loss Assessors

The Council of the Institute has already granted general permission to a chartered accountant in practice as a part of and in continuation of the existing resolution under Regulation 190A which appears as Appendix no. 9 to the CA. Regulations, 1988 (2002 Edition), *inter alia*, for acting as surveyor and loss assessor under the Insurance Act, 1938.

Additionally with a view to enable the members of the Institute to meet the requirements under Insurance Surveyors and Loss Assessors (Licensing, professional requirement and Code of Conduct) Regulations, 2000 of Insurance Regulatory and Development Authority to act as surveyor and loss assessor, the Council at its Meeting held in August 2005, *inter alia*, decided that members who register themselves as trainees for obtaining licence to act as surveyors and loss assessors be permitted to undergo training as required specifically under the said Regulations. While deciding the aforesaid, the Council also decided that the period spent by such members for undergoing

the training should not affect their main occupation* for the purpose of training articulated/ audit assistants under Regulations 43 & 68 of the Chartered Accountants Regulations, 1988.

In order to further facilitate the members to become members of the Indian Institute of Insurance Surveyors and Loss Assessors (IIISA), the Institute has decided to grant general permission.

[* The practice of a Member shall be deemed to be his main occupation if he is not a full-time or whole-time employee with any firm (whether proprietor or partnership), company, corporation or any other entity.

The term full time/whole-time employee means full time/whole time employment carrying as per his terms of employment monthly or periodical salary, or remuneration by whatever name called, with or without benefits any/or perquisites, P.F., bonus, gratuity or other terminal benefits, etc.]

The secret of happiness is to make others believe they are the cause of it.

ICAI E-INITIATIVES

Continued from Page 636 of October 2006 issue ...

New User option on <http://220.225.137.148/> ICAI facilitates Members & Students to create a login for availing registration facilities, view profile and pay fees online. The system provides the login after filling-up of the following mandatory fields:

It may be seen from the above screen shot that the member or student is required to provide his/her Member Registration No. (for members) and Student Registration No. (for students) along with User ID, Date of Birth and Pin Code. Thereafter a click on the Submit, displays the login details on the screen. Using these login details, members & students will be able to login into the system.

Members - Registration:

CoP Registration: This option invokes Form 6 for Issue of a Certificate of Practice. After filling-up the relevant details, a click on the submit button facilitates the member to pay CoP registration fees online and allows printing of Form 6 for signing and posting to the Institute for issuance of CoP.

Member Fellowship, Member Restoration and CoP restoration: Member Fellowship (Form 3), Member Restoration (Form 9), CoP restoration (Form 101) operate in the same way as CoP registration described above.

Member Services:

Profile: Profile options enables members to view their profile containing personal details, residential & professional address, telephone, e-mail, educational details, professional education, membership details, CoP details and Fellowship details.

Annual Membership Fees: Annual Membership Fees option facilitates members to pay their membership fee online.

Address Change Request: Address Change Request enables members

to request for change of their residential address online. After submitting the request for Change of Address, members are required to print the request, sign it and post it to the Institute for the address to take effect.

Employment Details: Employment Details option facilitates members to view and change their employment details.

CFC Registration: CFC registration provides an option for members to register for Certified Filing Centre online. Details regarding this option were provided in the September 2006 issue of the Journal.

To be continued in December 2006 issue ...

There is no security on this earth, there is only opportunity.

ELECTION - 2006

FOR ATTENTION OF CANDIDATES FOR ELECTION TO THE TWENTIETH COUNCIL AND NINETEENTH REGIONAL COUNCILS

Re: Ceiling on Election Expenses

Rule 41 of the Chartered Accountants (Election to the Council) Rules, 2006 specified under the Chartered Accountants Act, 1949 (as amended by the Chartered Accountants (Amendment) Act, 2006) reads as under:

"41. Election Expenses.- (1) No candidate whose name has been included in the final list of nominations under rule 15, shall incur an expenditure above an amount to be fixed by the Council for this purpose.

(2) Every such candidate shall file an account of expenses incurred for the election in a format approved by the Council, within fifteen days of notification issued under rule 36.

(3) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of sub-rule (1) or sub-rule (2)."

[Provisions of Rules 15 and 36 are reproduced at the end for ready reference]

Accordingly, the Council of the Institute, in pursuance of sub-rule (1) of Rule 41 of the said Rules read with sub-regulation (10) of Regulation 134 of the Chartered Accountants Regulations, 1988, has fixed the following ceiling on election expenses in aggregate under all possible heads, in respect of election to the Twentieth Council and Nineteenth Regional Councils scheduled to be held in December, 2006:-

1. For election to the Twentieth Council = Rs. 6.00 lakhs (Rupees Six Lakhs only)
2. For election to the Nineteenth Regional Councils = Rs. 4.00 lakhs (Rupees Four Lakhs only)

The Format through which the account of expenses incurred is required to be submitted to the Council will be hosted on the Institute's website:

<http://www.icaai.org>, in due course of time.

This is for information and compliance by candidates to the said elections.

Provisions of Rule 15 and Rule 36 of the Chartered Accountants (Election to the Council) Rules, 2006:-

"15. Intimation of final list of nominations to candidates and voters.- (1) The Returning Officer shall omit from the list of valid nominations the names of candidates who have withdrawn their candidature and send the final list of nominations for each constituency to all the candidates for that constituency by registered or speed post and to the voters of that constituency by ordinary post.

(2) The list shall be put on the Notice Board of the Institute, Website of the Institute, Notice Board of the Regional Council concerned as well as the Notice Boards of branches of Regional Council concerned, wherever these exist.

(3) The list shall also be accompanied by such particulars of all contesting candidates of that constituency as compiled, prepared and presented in accordance with Schedule 5 by the Returning Officer from the particulars to the extent supplied by the candidates under sub-rule (4) of rule 9:

Provided he may correct any manifest errors in the particulars furnished that may have come to his notice.

(4) The particulars required to accompany the list of nominations, as aforesaid shall prominently indicate that they are compiled on the basis of the particulars furnished by the candidates under sub-rule (4) of rule 9 and that no responsibility is accepted as to the veracity of the said particulars.

36. Notification of the declaration of results.-

The names of all the candidates declared elected shall be notified by the Council in the Gazette of India."

There is only one success – to be able to spend your life in your own way.

Council Decisions

Guidelines for releasing publications by Regional Councils and Branches (258th meeting March 8-10, 2006)

The Council agreed that the publications of the Regional Councils/Branches should not require vetting by the Research Committee or any other Central Council Committee. The Council decided that Regional Councils should be authorized to bring out only publications relating to a State subject/Studies/Background Materials for CPE Seminars and referencer which should contain only the reproductions/extracts from the relevant laws/Institute's pronouncements, with appropriate disclaimers independently subject to fulfilment of certain conditions.

The Guidelines are as follows:

1. The Regional Councils or their Branches should bring out publications only in the form of 'Studies', 'Background Materials for Continuing Professional Education (CPE) Seminars' and 'Referencers', subject to the following:
 - (i) The subject matter of these publications should only relate to State laws or local issues; or
 - (ii) These publications should contain only the reproductions/extracts from the relevant laws/Institute's pronouncements.

These publications should not involve establishment of any principles of accounting/auditing or similar principles.

2. The Regional Councils or their Branches should not bring out any publication (i) on a Central law, or (ii) with nomenclature such as 'Guidance Note', 'Statement', 'Standard', 'Opinions', 'Technical Guide' and 'Guidelines', as these can be issued only by the Central Committees of the Institute.

3. In order to ensure uniformity, all the publications brought out by the Regional Councils or its Branches should have top cover of yellow colour. Colour schemes of the publications in respect of various Regional Councils and Branches under the respective Regional Councils should be significantly different from that followed for Accounting Standards, Auditing and Assurance Standards, Guidance Notes, Opinions, Guidelines and Technical Guides, issued by the Central Committees/Council of the Institute.
4. The name of the Regional Council or the Branch, as the case may be, shall be prominently published on top cover in such a manner that the reader/user of the publication is aware of the issuing authority. The name of author/authors and the name of publisher should not appear on the cover page. It can appear at the inner cover or at some other place in the publication, as may be deemed appropriate.
5. All publications of the Regional Councils/Branches should have the following disclaimer printed at a prominent place in the publication:
 - (i) This publication is for the limited purpose of stimulating discussion on topics contained herein. The views contained herein, if any, are only that of the Regional Council/Branch and not that of the Central Council of the Institute or any of its committees; (ii) portions of this publication have their origin in copyrighted material from the publications of the Institute of Chartered Accountants of India and are in the form of summary and, therefore, should not be viewed as the authoritative views

Success is counted sweetest by those who ne'er succeed.

of the Central Council of the Institute of Chartered Accountants of India or any of its Committees; (iii) for the authoritative views/pronouncements of the Institute of Chartered Accountants of India on the topics covered in the publication, reference should be made to the original publications of the Institute of Chartered Accountants of India; and (iv) this publication does not carry the authority of the Council of the Institute or any of its Committees”.

6. The Contents of all the publications brought out by the Regional Council/Branches should finally be approved by the concerned Regional Council before publishing of the same. The Branches of a Regional Council should send intimation to the concerned Regional Council whenever a new project is taken up by it and should send the final draft to the Regional Council for its approval before publishing the same.

7. It should be ensured that there are no copyright violations for matters contained in the publications. The Chairman of the Regional Council would be responsible for all such matters including accuracy of the contents of the publications.

8. As soon as the publication is brought out, a copy each of the same should be sent to (i) the Secretary of the ICAI, and (ii) Central Council Library of ICAI. A Catalogue of all such publications should also be made available on the website of the Institute

by the Central Council Library.

9. The publications must be self-supporting and should not generate a deficit. The budget for such publications should have prior approval of the Executive Committee of the Regional Council.

10. Study Circles can only bring out materials for circulation at the seminars/workshops, etc. They cannot bring out any other kind of publication.

11. All the Regional Councils should submit a quarterly report of the issued and proposed publication of the Regional Council/Branches to the Executive Committee of the Institute. The report should include details such as, name of the proposed publication, name of the authors, date of starting of the project, current status of the project, date of completion of the project, brief synopsis of the publication, etc. The report should be accompanied by a copy each of the publications issued. The Executive Committee shall have the powers to monitor and control any matter arising out of these Guidelines.

12. These Guidelines apply to publications brought out by the Regional Councils/Branches, including the materials circulated at seminars/conferences/workshops, etc. that are put for sale. These Guidelines do not apply to the materials that are meant purely for circulation at the seminars/conferences/workshops, etc.



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on a great professional career in Insurance?**

If yes, please pursue DIRM Course. For details visit <http://www.icai.org/icairoot/announcements/announ502.pdf>

Success usually comes to those who are too busy to be looking for it.

National Workshop on Tax Remedies

Organised By Fiscal Laws Committee

Theme	Updating on recent developments in taxation	
Date & Time	11 th & 12 th November 2006, 10.30 am (11.11.06) to 5.15 pm (12.11.06)	
Venue	Tarapant Auditorium, Terapant Bhawan, Westren Express Highway, Kandivili (East), Mumbai – 400 101	
Topics to be Discussed		
(i) Remedy before CIT (A)	CA. V.L.Jain	
(ii) State Level VAT	CA. Rajat Talati	
(iii) Service tax-changing dimensions and reforms	CA. Sanjiv Aggarwal	
(iv) Survey, search and seizure	CA. V.L.Jain	
(v) Guidance Note on Fringe benefit tax	CA. Atul Surayia	
(vi) Recent developments	CA. R. Devarajan	
(vii) Remedy before ITAT	CA. Vimal Punamiya	
(viii) Stay and recovery proceedings, Case studies in appellate proceedings	CA. Pradeep Kedia	
(viii) Mock Tribunal		
CPE Credit	12 Hours	
Fees	Rs. 1,500/- per member (including background material, breakfast and lunch for both the days) Rs. 2,000/- per non-member	
Mode	Cash or by cheque (local)/draft in favour of "The Secretary, ICAI" payable at Mumbai and sent to Mrs. Sarbani Kapoor.	
Contact Persons		
CA. Vishnu Kumar Aggarwal Conference Director 16, Anant Wadi, 2nd Floor, Office No.30, Bhuleshwar, Mumbai-2 +91 9324544607 vishnugarg03@rediffmail.com	For Mumbai: Mrs. Sarbani Kapoor Senior Faculty ICAI Bhawan, 27, Cuffe Parade, Colaba, Mumbai. Ph.No. – 022-39802911 kapoor@icai.org	For Delhi: CA. R. Devarajan Secretary Fiscal Laws Committee Tel: 0120-3054837 devarajan@icai.org; flc@icai.org

Important Announcement

The matter regarding positioning of the profession at the global platform has been receiving the attention of Institute for quite sometime and in this era of globalisation, the aim is to facilitate creation of opportunities/avenues for rendering the professional services in other countries and with a view to facilitate this, the need has been felt to have information interalia relating to the following, namely;

- professional and other barriers which professionals from India face while practicing in the respective country(ies);
- positioning the "Indian Chartered Accountant" as a "brand" worldwide for generating more professional avenues for ICAI members;
- proceeding ahead in overseas matters and information on the key forums/distribution channels through which such communication strategy needs to be focused upon;
- details of organisations/HR consultants who are interested in sourcing the complete business solution provider like Chartered Accountants from India;

The Institute is contemplating to open up liaison offices in cities/countries wherein the size of Indian membership exceeds 175 in number. This would however exclude the cities/countries wherein the Institute's chapters are

already available which are intended to render a similar profile of services. The countries which would be falling in the above consideration zone are Australia, Canada, Singapore, Oman & USA. We would request the members of ICAI based in above countries to consider acting as a liaison point for providing gateway to the above referred select services, to start with.

The expectation from the Institute would be to devote reasonable time, providing a contact detail in terms of physical address, email and telephone number so that those intending to contact such liaison point are able to get through. While the services of such liaison points would be honorary in nature; the intending members could forward their proposals for consideration by ICAI. It may also be stated herein that such liaison points would neither be an office of ICAI nor would enjoy the privileges available to a chapter but would be a facilitation counter for promoting profession on a global basis.

Your proposal should be mailed to us at liaisonpoint@icai.org within 45 days from publication of the Journal as per the structured format available at http://www.icai.org/icairoot/departments/international_affairs/dept_international_affairs_index.jsp?icaideptid=28.

Recognition is the greatest motivator.

Report on the Orientation Programme for Post Qualification Course in Insurance and Risk Management (IRM) Held during 11-16 September, 2006 at Hyderabad

The insurance sector in India has flourished so much that the insurance business is being considered to be one of the most rapidly developing areas in financial sector. The changed scenario of the insurance market has brought in new challenges as well as opportunities. Simultaneously, the pension system in our country is also undergoing a transformation in line with the global trends with the Central Government and number of State Governments implementing the New Pension System.

The Committee on Insurance and Pension of the Institute has been conducting the Post Qualification course in Insurance and Risk Management (DIRM) since April 2003 to equip the members with the insurance industry-specific knowledge. As a part of the DIRM course curriculum requirement, the candidates who are declared successful at the Technical Examination of this course have to undergo an Orientation Course to be conducted by the Institute. This Orientation course is the last phase of the DIRM course and involves lectures, presentations, discussions, etc., by eminent personalities in the insurance and pension sector.

The Committee on Insurance and Pension successfully conducted its twelfth orientation programme during 11th September 2006 to 16th September 2006 at Hyderabad. The Programme was inaugurated by CA. N. Rangachary, Advisor, Government of Andhra Pradesh. Forty-four

members from various parts of India participated in this programme. This programme provided the participating members (both in practice and in industry) a platform to develop their core competencies in the area of insurance and pension to enable them to get opportunities throughout the world.

The experts from the insurance sector, Insurance Regulatory and Development Authority and renowned insurance training institutions were invited to share their knowledge and experience and add value to the deliberations by reinforcing the theoretical knowledge with learnings from real life experiences. The following topics—covering a gamut of insurance and risk management—were discussed in the programme:

- Insurance Business Environment
- Law and Economics of Insurance
- Life Insurance General Insurance
- Risk Management
- Insurance Broking
- Insurance Arbitration
- Developments in Pension Sector in India
- Statutory and Concurrent Audit of Insurance Companies
- Information Technology and BPO – Applications in Insurance Sector

Use of Digital Signatures by practising professionals for the purpose of e-filing under MCA-21

As you are aware that the Ministry of Company Affairs, Government of India is implementing MCA 21 Project as the flagship e-governance initiative to fulfill the aspirations of the stakeholders in the 21st century through adoption of a service centric approach. As a part of that project, the Ministry has set up Facilitation Centre to ensure compliance through e-filing. You are also aware that to associate professionals in the Project, the Ministry has announced a scheme for Certified Filing Centres for professionals. The Hon'ble Cabinet Minister for Company Affairs, Shri Prem Chand Gupta has launched the Certified Filing Centres on 4th August, 2006 to enable the professionals to establish CFC.

The Ministry of Company Affairs has informed the Institute that, "some of the practicing professionals have been facilitating e-filing of e-forms/documents on behalf of companies using their own Digital Signatures even though they may not be the authorised signatories under the Act (Managing Director/Director/Secretary). It has also been learnt that they are obtaining a Disclaimer Certificate

in the same manner as is being allowed in the Facilitation Centres set up by the Ministry and managed and operated by the service providers."

The Ministry of Company Affairs has further informed that "the staff at the Facilitation Centre have been specifically authorised by the Ministry to use their DSCs to facilitate e-filing by obtaining the disclaimer and this authorisation does not operate in the case of anybody else. As for the e-filings facilitated through the professionals/CFCs, these are filings made directly using the MCA portal and are not on the same footing as the filings facilitated from the Facilitation Centre."

In view of the above, the Ministry has requested the Institute "to bring it to the notice of all the practicing professionals registered with your institute not to use their DSCs to sign on behalf of the authorised signatories. It may be specifically stated that any practicing professional indulging in this practice will invite disciplinary action from the Institute under the conduct rules besides proceedings for impersonation under the appropriate law."

Great deeds are usually wrought at great risks.

Revision of Scale of Building Grant and Bridge Loan payable to Branches of Regional Councils & Setting up of Computer Labs at Branches

Infrastructure is inevitable for the growth and efficient functioning of any organisation. In order to encourage Branches of Regional Councils to create infrastructure in the shape of buildings, the Council pays building grants for acquisition of land/plot/construction of building at the prescribed scale.

On account of increase in cost of land, the Branches were finding it difficult to acquire land and construct building thereon out of the grants paid by the Institute. In order that adequate infrastructure is created by the Branches, the Council felt that the Branches should be paid the cost of land separately, in addition to the cost of construction to construct building thereon. The Council has, therefore, decided that the branches may be paid the cost of land, cost of construction and cost of land and building (where a ready built premises was proposed to be acquired in a complex or a cooperative society) at the following rates:

(Rs. in Lakhs)

Membership Strength	Grant for purchasing land	Grant for construction of Building	Grant for acquiring ready-built premises
Branches having membership upto 500.	12.50	12.50	25.00
Branches having membership between 501-1000.	17.50	17.50	35.00
Branches having membership above 1001.	25.00	25.00	50.00

The above grants would be paid on the basis of matching equivalent contribution by the branches. The Council also decided that on account of revision of scale of matching building grant or increase in membership of a branch placing it in higher category, the branch having already availed of the building grant from the

Institute would not be automatically entitled to the difference of matching building grant at the higher scale. However, if a branch wishes to acquire additional land or undertake construction of additional floors on the existing building or where the building project already undertaken by it is still incomplete, it will be entitled to the difference of grant at the enhanced scale subject to the matching contribution being made by it.

When a branch qualifies for any such higher grant in respect of additional/extension project, the following norms will apply:

1. The increase will be worked out by considering the amount already invested by the branch for the land and the same will be released for use either for land acquisition or building construction.
2. When such increased amount is worked out, the branch may choose to avail it for the project or towards adjustment of the outstanding bridge loan.

The above shall not be applicable if the branch does not undertake any expansion project. In other words, building projects already completed and where no further acquisition/construction is undertaken will not qualify for either release of incremental grant or for adjustment of outstanding bridge loans.

While on the subject, the Council reviewed the quantum of bridge loan paid to the branches to meet shortfall, if any, in acquiring/constructing the premises and decided that henceforth the amount of bridge loan payable to the branches would be as under:

Honesty is the first chapter in the book of wisdom.

Membership Strength	Amount
Branches having membership upto 500.	Rs. 10 lakhs
Branches having membership between 501-1000.	Rs. 12.50 lakhs
Branches having membership above 1001.	Rs. 15 lakhs

The above amount of bridge loan would be paid without requiring matching contribution by the branches, unlike building grant.

It is hoped that with the increase in the quantum of building grant and bridge loan, more and more branches would strive to acquire/construct adequate infrastructure for carrying out their activities, so as to render quality service to Members, Students and the Nation.

Setting up Computer Labs.

In order to ensure that the students pursuing CA Course are able to undergo compulsory Computer Training of 100 hours, as prescribed under the CA curriculum which at present is

being undergone by the students in accredited institutions, the Council has decided to set up Computer Labs in the Branches of the Regional Councils. This would ensure that proper and uniform training is imparted and students are able to interface with the Institute while pursuing the CA Course. Setting up Computer Labs would also enable the members to visit Branches for undergoing Computer Training, besides providing them an opportunity to frequently interact with the office bearers of the branches. The Council has therefore, decided that a branch which is functioning either from rented premises or from its own premises, may be provided the maximum amount of Rs. 10 lakhs for setting up of Computer Labs.

The amount of grant for setting up of Computer Labs would be divided in the ratio of 75:25, (i.e. 75% to be paid by the ICAI and 25% to be contributed by the branch as matching collection).

“HELP US TO SERVE YOU BETTER” RESTORE YOUR MEMBERSHIP IN CONTINUITY

1. The annual Membership and Certificate of Practice fees (if member holds certificate of practice) were due for payment on 1st April 2006. Circulars advising members to pay the membership/certificate of practice fee were sent to all individual members in the month of March/April, 2006 and was also published in April 2006 issue of the Members Journal.
2. Attention of all those members who have not paid the annual membership fee/certificate of practice fee by 30th September 2006 is invited to apply for restoration by filing form no. 9 and requisite fee with Rs. 100/- towards restoration name. Form no. 9 is available on the website at www.icai.org and restoration fee can also be paid through our online payment system. Application for restoration along with requisite fee must reach the Institute office before 31st March, 2007.
3. Removal of membership/cancellation of certificate of practice may result in the following:
 - i) The member will not be eligible to use designator letters 'ACA'/'FCA' and designation 'chartered accountant'.
 - ii) A member in practice will cease to enjoy the right to practice as a Chartered Accountant.
 - iii) Such a member will not be eligible to train articled/audit clerks already receiving training under him on or after 1.10.2006.
 - iv) The member will not be eligible to train any new articled/audit clerk on or after 1.10.2006.
 - v) Such a member will not be eligible to carry out audit/certificate/attest and other functions in view of (i) above.
4. For any other clarification, the members are advised to contact the concerned Decentralised Offices.

If A is success in life, then A equals x plus y plus z. Work is x; y is play; and z is keeping your mouth shut.

(TO BE PUBLISHED IN PART III, SECTION 4 OF THE GAZETTE OF INDIA)

NOTIFICATION

(Chartered Accountants)

No.1-CA(7)/(94)/2006: In pursuance of Regulation 159(1) of the Chartered Accountants Regulations 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify the setting up of a branch of Southern India Regional Council at Bellary with effect from 8th September, 2006.

The Branch shall be known as Bellary Branch of the Southern India Regional Council.

The jurisdiction of the Branch shall, besides Bellary City, include the following cities/towns falling within a radius of 50 kms from the Municipal limits of Bellary:

- | | |
|---------------|----------------|
| 1. Donimalai | 2. Gangavathi |
| 3. Gotur Post | 4. Guntakal |
| 5. Hospet | 6. Sandur |
| 7. Suruguppa | 8. Toranagallu |

As prescribed under Regulation 159(3), the Branch shall function subject to the control, supervision and directions of the Council through the Southern India Regional Council and shall carry out such directions as may, from time to time, be issued by the Council.

(Dr. Ashok Haldia)
Secretary

(TO BE PUBLISHED IN PART III, SECTION 4 OF THE GAZETTE OF INDIA)

NOTIFICATION

(Chartered Accountants)

No.1-CA(7)/(95)/2006: In pursuance of Regulation 159(1) of the Chartered Accountants Regulations 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify the setting up of a branch of Western India Regional Council at Bharuch with effect from 8th September, 2006.

The Branch shall be known as Bharuch Branch of the Western India Regional Council.

The jurisdiction of the Branch shall, besides Bharuch City, include the following cities/towns falling within a radius of 50 kms from the Municipal limits of Bharuch:

- | | |
|---------------|-------------|
| 1. Ankleshwar | 2. Dahej |
| 3. Losamba | 4. Jambusar |

As prescribed under Regulation 159(3), the Branch shall function subject to the control, supervision and directions of the Council through the Western India Regional Council and shall carry out such directions as may, from time to time, be issued by the Council.

(Dr. Ashok Haldia)
Secretary

Always bear in mind that your own resolution to succeed is more important than any one thing.

(TO BE PUBLISHED IN PART III, SECTION 4 OF THE GAZETTE OF INDIA)

NOTIFICATION

(Chartered Accountants)

No.1-CA(7)/(96)/2006: In pursuance of Regulation 159(1) of the Chartered Accountants Regulations 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify the setting up of a branch of Central India Regional Council at Gorakhpur with effect from 8th September, 2006.

The Branch shall be known as Gorakhpur Branch of the Central India Regional Council.

The jurisdiction of the Branch shall, besides Gorakhpur City, include the following cities/towns falling within a radius of 50 kms from the Municipal limits of Gorakhpur:

1. Maharajganj
2. Sant Kabir Nagar
3. Deoria
4. Kushinagar

As prescribed under Regulation 159(3), the Branch shall function subject to the control, supervision and directions of the Council through the Central India Regional Council and shall carry out such directions as may, from time to time, be issued by the Council.

(Dr. Ashok Haldia)

Secretary

(TO BE PUBLISHED IN PART III, SECTION 4 OF THE GAZETTE OF INDIA)

NOTIFICATION

(Chartered Accountants)

No.1-CA(7)/(97)/2006: In pursuance of Regulation 159(1) of the Chartered Accountants Regulations 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify the setting up of a branch of Southern India Regional Council at Kakinada with effect from 8th September, 2006.

The Branch shall be known as Kakinada Branch of the Southern India Regional Council.

The jurisdiction of the Branch shall, besides Kakinada City, include the following cities/towns falling within a radius of 50 kms from the Municipal limits of Kakinada:

1. Amalapuram
2. Chelluru
3. Gollaprolu
4. Indupalli
5. Jaggampetga
6. Korapa
7. Korumilli
8. Pedapalla
9. Peddapuram
10. Samalkot
11. Srungavaram
12. Vilasa

As prescribed under Regulation 159(3), the Branch shall function subject to the control, supervision and directions of the Council through the Southern India Regional Council and shall carry out such directions as may, from time to time, be issued by the Council.

(Dr. Ashok Haldia)

Secretary

Ability Will Never Catch up With the Demand for it.

Service Tax Officials' Training Programmes



President ICAI, CA. T.N. Manoharan addressing the inaugural session of the training programme for Service Tax officers of Central Board of Excise & Customs held in the Regional Training Institute of National Academy of Customs, Central Excise & Narcotics (NACEN), Mumbai on 25th September, 2006. Also seen in the photograph is Mr. A.P. Varma, Additional Director General of NACEN.



Photograph taken on the occasion of training programme for the Service Tax officers of Central Board of Excise & Customs held in National Academy of Customs, Central Excise & Narcotics (NACEN), Faridabad on 21st September 2006.

Memorable Occasions



ICAI President CA. T.N. Manoharan inaugurates the Extended Administrative Bloc of the Belgaum branch of ICAI.



Bihar Chief Minister Mr. Nitish Kumar with (from left) Patna Branch Chairman CA. Vasanta Kumar Jha, ICAI Past President CA. Sunil Goyal, ICAI President CA. T.N. Manoharan and CA. Rajiv Mehrotra on the occasion of 27th Regional Conference of CIRC held in Patna on 16th and 17th September 2006.

The Measure of a Man is the Way He Bears up Under Misfortune.

Events at Mangalore



Pictures taken during the Cultural Programme on the theme 'National Integration' presented exclusively by the members and their families of the Mangalore branch in one of the evenings during the Council meeting days—6th–8th September 2006 at Mangalore.



CA. T.V. Mohandas Pai, Director (Human Resources Education & Research), Infosys Technologies hands over the first copy of the souvenir to CA. T.N. Manoharan, President ICAI at a seminar held in Mangalore. Others seen in the picture are CA. N. Prakash Hegde, Secretary Udupi Branch, CA. Dev Anand, Chairman Udupi Branch and CA. Praveen Kumar Shetty, Chairman Mangalore Branch.

Our Work is the Presentation of our Capabilities.