

EXPEDITION TO NILGIRIS

As the new year sprouted and the resolutions taken were put into force, one question loomed in the minds of proud JVR ians! Where should we go for our annual trip and thus "QUEEN OF NILGIRIS" was unanimously chosen. Famous for its serene landscapes, alluring beauty and chilly climate Ooty was set to be an amazing affair. The engines of the 49 seater bus roared under the night sky of February 6th making strides towards the hill station. The bus was filled with sound of joy and all of us transformed it to a dance floor. The cold air welcomed us as we reached there on just after sunrise. After a quick freshening up we made our way to Botanical gardens where the cameras had to work overtime to keep up with the ever increasing demand! Soon after a quick and sumptuous lunch we made our way to Doddabetta which as explained to us the go to spot for depressed souls and failed lovers. Upon reaching there we could not blame them for jumping off the cliff because it had its magnetic attraction. It was there that some of the group decided to go trekking into forest which was infact a life changing experience. As the skies went orange it was decided to head home and prepare for campfire festivities. While the campfire was being set up, the fresher's of JVR were given a mock drill which tested the thickness of their skin more than anything else. The night ended as happy faces illuminated by smiles out shined the fire.

The second and final day of our tour began with breakfast. Soon after a small photo session we headed to a tea factory where everything involved in transforming tea leaves to energizing drink. After that we made our way to shooting point where we had small appetizing lunch of bread omelets, salty mangos and watermelons. May be inspired by the location we even tried acting out a scene. The evening saw us in the middle of a lake pedaling a boat singing songs and feeling euphoric soon after which some of us rode cycles through a BMX style dirt track!!

As the moon defeated the sun to conquer the night we knew its time to go back to the usual green pen affair. But this cherished memories will surely keep us motivated to keep it doing BIGGER , BETTER & of course BOLDER!!

Seba Checha Kurian



Felicitation to Razeer



Runners-up SICASA basketball match

ROTARACT CA

JVR has always believed in serving the society and as part of its service initiatives, ROTARACT CA was formed under the guidance of CA Jomon K George. The inauguration ceremony was held in Mercy Hotel on 13.03.2014 among members of the Rotary and Rotaract clubs. CA's and students from different firms have become members in the club.

ROTARACT CA, which stands for "Rotary in Action", is a Rotary-sponsored service, leadership and community service organization for young men and women between the ages 18-30 and is exclusively for Chartered Accountants and students pursuing the course. The purpose of Rotaract is to provide an opportunity for young men and women to enhance the knowledge and skills that will assist them in personal development, to address the physical and social needs of their communities, and to promote better relations between all people worldwide through a framework of friendship and service. Rotaract conducts many activities with a charitable purpose such as Blood drives, literacy campaigns, environmental efforts etc.

Editorial Team - Tinu Shaji, Nithin Jose, Swapna John



Editors speak

It is indeed heartening to have the 11th edition of 'ECHO' launched, which is a media for updated information and knowledge for the JVR family.

At most we would like to congratulate our managing partner Mr. Jomon K George FCA on being elected as the Chairman of SICASA, Southern Region.

Our good wishes to all colleagues who are now preparing for their May 2014 exams.

After having a cool time with a wonderful tour, now we all are gearing up to another audit season. Work with passion, keeping in mind JVR's motto - "Bigger, Better, Bolder".

This edition of Echo covers Chapter X of the Companies Act, 2013, glimpses of tour, reception given to our rank holder and so on.

'Whatever you do will be insignificant, but it is very important that you do it' said Mahatma Gandhi. With such thoughts in mind, we feel some has been done and a lot more needs to be done for continued growth of our newsletter. We would also express our heartfelt gratitude to all our friends for their support and contributions to the release of this Echo.

Read on....

Trip to the Queen of Nilgiris....



CHAPTER X OF THE COMPANIES ACT, 2013

The appointment of auditors under new Companies, Act 2013 has major changes in tenure and procedure for appointment of auditors as compared to the provisions contained in The Companies Act 1956. Section 139 to 148 covers audit and auditors of a company

1. Section 139: Appointment of auditors

The company shall appoint an individual or an audit firm as the auditor of the company at its first general meeting who shall hold office from that meeting till the conclusion of sixth annual general meeting thereafter till the conclusion of every sixth meeting and so on.

This shall be ratified by the members at every annual general meeting.

A written consent shall be obtained from the auditor before their appointment.

On appointment, the company should inform the auditor and should also file a notice of such appointment with the registrar within 15 days of the meeting in which the auditor was appointed.

This section also states that no listed company or class or classes of such companies (as maybe prescribed) shall appoint or re-appoint an individual or an audit firm for more than one term of five consecutive years or two term of five consecutive years(i.e. 10 years) respectively.

They will be eligible for re appointment after 5 years from completion of their term.

The first auditor of the company shall be appointed by the board within 30days from the registration of the company and in their failure to do so shall be appointed by the members within 90 days in an extraordinary general meeting.

In case of casual vacancy, the vacancy can be filled by board within 30 days, but in case of casual vacancy as a result of resignation, such appointment shall be approved by the company at general meeting convened within three months of the recommendation of the board.

2. Section 140: Removal of Auditor

An auditor appointed under section 139 can be removed from office before expiry of term, by the members by passing a special resolution after obtaining prior approval from central government.

The auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the company and the Registrar.

On failure to comply with above provisions the auditor shall be punishable with fine of 50,000 rupees to 5 Lakh rupees.

Special notice of resolution at annual general meeting shall be given when, in place of retiring auditor, another auditor is appointed.

3. Section 141: Disqualifications to be appointed as auditor

A person shall be eligible for reappointment only if he is a Chartered Accountant. If the audit firm is a limited liability partnership then only the chartered accountants in LLP is authorised to act and sign on behalf of the firm.

The following persons are disqualified to act as an auditor:

1. Body corporate.
2. Officer or employee of the company.
3. A person or his relative or partner who is holding security of the company or indebted to the company or has given a guarantee to the company.
4. A person or firm who is having a direct or indirect business relationship with the company.
5. Person whose relative is a director employee of the company.
6. A person who is holding appointment as auditor of more than twenty companies.
7. A person who has been convicted for an offence involving fraud and not more than ten years has lapsed since such conviction.
8. A person whose subsidiary or associate is engaged in specialised or consulting service as provided in section 144.

4. Section 142: Remuneration of Auditors

Board may fix the remuneration of the first auditor. The remuneration shall be fixed in its general meeting.

5. Section 143 : Powers and duties of auditors and auditing standards

Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company, and shall be entitled to obtain from the officers of the company such information and explanation as necessary for the performance of his duties as auditor.

The auditor shall make a report to the members of the company on the accounts examined by him and on the financial statements of the company in accordance with the provisions of the Act, the accounting and auditing standards and matters required to be included in the report under this Act.

Every auditor shall comply with the auditing standards.

The Central Government may, in consultation with the National Financial Reporting Authority, by general or special order, direct, in respect of such class or description of companies, as may be specified in the order, that the auditor's report shall also include a statement on such matters as may be specified therein.

6. Section 144: Auditor not to render certain services

An auditor can render only those services that are approved by the board of directors or the audit committee as the case maybe but will not include the following services:

- (a) Accounting and book keeping services.
- (b) Internal audit.
- (c) Design and implementation of any financial information system.
- (d) Actuarial services.
- (e) Investment advisory services.
- (f) Investment banking services.
- (g) Rendering of outsourced financial services.
- (h) Management services, and
- (l) Any other kind of services as may be prescribed.

7. Section 145: Auditor to sign the audit report

The person appointed as the auditor will sign the auditor's report or such other documents of the company. The qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the company mentioned in the auditor's report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

8. Section 146: Auditors to attend general meeting

All notices and other communications relating to any general meeting shall be forwarded to the auditor of the company. Auditor shall attend either by himself or through his authorised representative, who shall also be qualified to be an auditor.

9. Section 147: Punishment for contravention

If an auditor contravenes with the section 143, section 144 or section 145 the auditor shall be punishable with fine of Rs. 25,000 to Rs.5 lakhs.

If an auditor has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable with imprisonment for a term up to one year and with fine of 1 Lakh rupees to 25 Lakh rupees.

Where an auditor has been convicted under above provision, he shall be liable to –

- a) Refund the remuneration received by him to the company; and
- b) Pay for damages to the company, statutory bodies or authorities or to any other persons for loss arising out of incorrect or misleading statements of particulars made in his audit report.

10. Section 148: Central Government to specify audit of items of cost in respect of certain companies

The central government may by order direct in respect of such class of companies engaged in production of such goods or providing such services that particulars relating to utilisation of material or labour or other items of cost maybe included in books of accounts. The central government may direct audit of cost records of such companies which will be conducted by a Cost Accountant. No person appointed as auditor under section 139 can be appointed for conducting cost records auditing

Parvathy Madhusudhanan.