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The Registered Accountants' Journal

(Conducted under the auspices of the Society of Auditors, Madras.)

Edited by :
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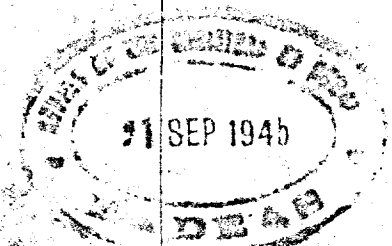


CLASSES for FIRST
and FINAL R. A.
EXAMINATIONS in
FULL SWING.



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MESSAGES

SIR BADRIDAS GOENKA, C.I.E.,
President,
Federation of Indian Chambers of Commerce.

CALCUTTA.

I am glad to learn that you propose to publish a Monthly Journal under the above name. I wish your Journal a long and successful life of service to the Community and the particular interests you seek to serve.

C. ELPHINSTONE,
Vice-Chairman,
The Madras Chamber of Commerce.

MADRAS.

It gives me great pleasure warmly to congratulate you on the first monthly edition of your journal.

We are today, living in a period of transition and reconstruction, and I feel sure that in the years to come, the Registered Accountants Journal, will play a valuable part towards maintaining and advancing the high standards so necessary in the accounting profession.

The Registered Accountants' Journal

(Conducted under the auspices of the Society of Auditors, Madras.)

Vol. I

AUGUST 1945

No. 1

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War has ended and the world is at the threshold of reconstruction on a stupendous scale. India's share in this reconstruction cannot be inconsiderable and especially has she just and prior claims in the rehabilitation of her own land. It is not difficult to visualise the enormous influence that Accountants will wield in this task.

Our duty is primarily to help in organising the profession in this great moment and to encourage unfettered critical thinking in order that we may be more qualified to carry out our huge responsibilities.

We are happy at the coincidence that our maiden issue is coming out just after the cessation of hostilities and when the world is switching over from war and destruction to peace and construction.

Our ideals can be achieved only if all our readers take personal interest in going through the publication critically and in suggesting improvements, writing out articles and actively taking part in the Readers' Forum and Correspondence columns. Every one of us comes across a good number of problems and by sharing them with

our brethren in the profession through our columns, we shall be contributing not a little to the efficiency of our work. We invite the fullest co-operation from our readers.

We have just a word to say about our management, editorial and otherwise. This is entirely in the hands of a Registered Accountant, advised by a panel of Registered Accountants, nominated by the Society of Auditors, Madras. There is no profit making motive, as the entire surplus of this venture accrues to the Society, who have come forward with their fullest co-operation and goodwill. We can proudly claim to be the *Journal* conducted by Accountants for Accountants.

2. Accountancy Board:—The organisation of Accountants in India is still under a Department of the Government of India. The time is approaching when the question of removal of Government auspices will have to be considered seriously. The profession is already agitating for autonomy. The number of enrolments in the Register of Accountants is also mounting up year by year and when we look at the future with

all the talk of industrialisation of the country and of post war schemes we realise it will be an urgent necessity to increase the number of qualified Accountants. We would ask whether it is not time that the whole matter of the enrolment and control of the Accountancy profession is left to an autonomous body to be set up either by separate legislative enactment or by Royal Charter.

3. Accountants in War Service:—The War both in the West and in the East is happily over. We would like to know what the Government plans are regarding the large number of Registered Accountants who will be released to return to their civilian life. It will be only fair and just that these men are given suitable opportunities to choose their own future. There is no doubt that the industrialisation of the country will require a large number of qualified accountants, but it will be the duty primarily of the Government and also of the profession that an organisation is set up for securing suitable employments for those who chose to help the country in war. Steps should be immediately taken in this direction.

SPECIAL ARTICLES

Applicability of the provisions of section 91-A of the Indian Companies Act, 1913 to all banking Companies

Sub-section (1) of section 91-A reads as follows:—

"Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company, shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined

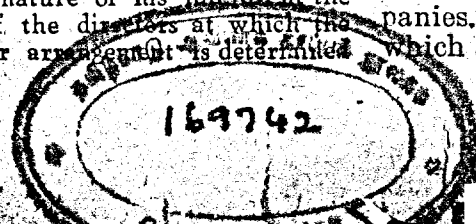
on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement."

In this there is no express exemption in respect of banking companies. In most cases dealings which a director may have with

the bank of which he is a director will be that of borrowing from or depositing funds in the bank. In both cases the transaction is fundamentally a contract between the director and the bank. "If a director lends money to the company, the transaction is not a contract entered into between two independent persons. It is in the nature of a contract between the trustee and cestui que trust." In the case of a director borrowing from the bank the transaction cannot be otherwise. It must be said with greater force that it is in the nature of a contract between the trustee and his cestui que trust. I am of opinion that because of this view, the provisions of section 86-D of the Act have come into existence. By sub-section (3) of section 86-D banking Companies are exempted from the operation of the bar imposed by sub-section (1) of the same section. But it is only an exemption from the operation of the bar mentioned in sub-section (1), not from the provisions of sub-section (1) of section 91-A. "Unless the Articles confer on the director express powers of contracting with the company the director's powers of so contracting are extremely limited." "Even where the directors have the right to contract with the company, it is the duty to disclose the interest to the Board. This is necessary in order to enable the other directors to scrutinise the terms carefully." "The company is entitled to the collective wisdom of its directors and if all or any of the directors are interested in a contract the company loses the benefit of its directors' unbiassed judgment." If borrowing from or lending money to a bank is deemed to be a contract, then "as a director

stands in a fiduciary relationship with the company," and "as he cannot in the absence of express provisions to that effect in the Articles contract with the company" and as "this principle is observed so strictly that no question is even allowed to be raised as to the fairness or unfairness of a contract entered into by a director with the Company," the duty to disclose his interest in such contract becomes evident. The provisions of section 91-A are not only applicable to contracts or arrangements made at a meeting of the Board of directors but to contracts or arrangements made otherwise than at a board meeting. In re Kedarnath Mathur and others Vs. Emperor (1938 Calcutta), the following observations are made by the Judge:—

"It has been strenuously argued on behalf of the petitioner that the only contracts referred to in the section are contracts entered into at a meeting of the directors and therefore it did not refer to the contracts in question. There is no such limitation in the section itself, but in connection with the disclosing of the director's interest the clause "shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on" no doubt refers only to contracts entered into at a meeting of the company, but the first portion of the section refers to contracts not only entered into by the company but contracts entered into on behalf of the company. Further we find at the end of this paragraph the words "or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement." "If the interpretation sought to be put upon it on behalf of the petitioners is correct then the words "or the making of the contract or arrangement" would be superfluous. Moreover, once it is admitted that the contracts referred to are



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contracts not only made by the company at a meeting of its directors but contracts made on behalf of the company, it stands to reason that the same principle would be applied to contracts entered into on behalf of the company and those would not be entered into at a meeting of the directors, so that the words "in any other case" must refer not only to cases in which the interest of the directors does not exist at the time of the meeting but must also refer to cases in which contracts were not made at a meeting of the directors. We think therefore that the plea of the petitioner as regards the interpretation of the section cannot be accepted."

The interest which a director is bound to disclose "is any interest

which conflicts with his duty to the company." Whether the interest is of such a nature or not must be a question of fact in each case and decided on a reference to the wording of each statute." The interest requiring disclosure is not only pecuniary interest but every relation which can reasonably be regarded as capable of affecting the director's decision. The objection of sub-section (3) is to facilitate information being given to the members as regards contracts in which the directors are interested.

M. S. SRINIVASAN.

READERS' FORUM

This Section is intended to serve our readers in two ways. Firstly, difficult problems of each individual professional accountant is discussed and answers are obtained. Secondly, the readers who consider the answers get the benefit of the intense study that the answering of the problem implies and all readers get the benefit of the general discussion.

QUERIES

Valuation of Pictures in Cinema industry (1). I would like to know what is the best method of valuing any picture. At present there does not appear to be any uniform method of approach to this question. On the generalisation that the value of the picture, by which term not only the mere cost of production, but also its earning capacity is covered is decreased in geometric proportions in relation to lapse of time, many people adopt a valuation of 40% of the cost of production at the end of first year, 15% at the end of the second year and no value subsequently. I would like your readers views on the best method with special reference to the circumstances (a) where the display rights are split up and sold in relation to various territories and (b) where the closing date of the accounts of the producer does not coin-

cide with the end of a year of the life of the picture. "V"

Income from Casurina (2). In ascertaining the income from sale of casurina trees, can any of your readers suggest a fair method of allotting the expenses of cultivation and of maintenance of trees, which would have been spent over a period of years. "S"

Workmens' advance (3). Irrecoverable advances to members of staff in any business are generally disallowed for taxation purposes as an expense not necessary for earning the income. Advance to workmen and artistes appear to be necessary for securing their services. Are any such advances that are found to be irrecoverable also disallowed as not relating to business? "R"

Memorandum of subjects placed by the Society of Auditors, Madras, before the Central Board of Revenue Member and the Excess Profit Tax adviser, and the answers given by them, at an interview on 28-8-45 at the Society's premises.

Excess Profits Tax points:

1. Q. *Excess Profits Tax Assessment now for a business with undetermined deficiency for earlier periods. assessee refused form for making the return of deficiency for such earlier periods. Is assessee entitled to make the return himself.*

A. The procedure now adopted by the Department will not any way entail in hardship to the assessee. The deficiency ought to be computed for all the previous chargeable accounting periods and credit given to the assessee by setting it off against the profits of the chargeable accounting periods for which returns are made. Even in cases where petition under Section 26(1) is made in connection with the return for a particular chargeable accounting period the decision will be given effect to the previous chargeable accounting periods as well even if no returns have been made in respect of the previous chargeable accounting periods.

2. Q. *Computation of average capital—book Profits or Assessed Profits to be taken into account for calculation.*

A. The average Capital now computed by the Department is correct and is a compromise between the actual and the notional ones.

3. Q. *Estimating the income of contractors. Application of the percentage on turnover—Turnover should exclude the value of material supplied by Government as the contractors are not expected to make any profit thereon.*

A. The Department has definite information that Contractors do make profit on the materials supplied by the Government even beyond the percentage allowed by the Government, if any.

4. Q. *In making assessments for more than one chargeable accounting period, only the net amount of tax after adjusting the deficiencies, if any, in those periods, should be demanded.*

A. In cases of any such hardships the aggrieved party was advised to represent the matter to the Commissioner for necessary relief. If in a chargeable accounting period there is a deficiency, while there was a payment of excess profits tax in respect of the previous chargeable accounting period the question of including or not including by an assessee the refund of excess profits tax as the income of the chargeable accounting period for the purposes of calculating the advance payment of income tax under section 18(a) was considered to be an All-India question. The Member advised a separate Memorandum on the point may be submitted to the Board.

5. Q. *When an E. P. T. Deposit stands in the name of a registered firm and when one of the partners dies and the firm is dissolved, can the deposits be split and each of the partners be allowed to have his share in the business?*

A. It is not a point requiring immediate decision, but this point will be noted in the preparation of the various forms for the refund of such deposits.

6. Q. *What is the procedure adopted when the firm has dissolved before the E. P. T. assessment is made?*

A. The assessment will be made in the usual course and tax and deposits collected from the ex-partners of the firm jointly and severally.

7. Q. *In a case wherein rule 11 of Schedule I to the excess profits tax act is applied, is it necessary to alter the average capital of a previous chargeable accounting period by decreasing it by the apportioned part of the expense?*

A. In cases where Rule 11 is applied, the apportioned portion of the expense attributed to the previous chargeable accounting period should not be considered as a liability for the purpose of computing the average capital of this chargeable accounting period.

Income tax Points:

1. Q. Assessment under section 23(4) of partners' share in a firm before the assessment of the firm itself is over—whether it should be followed.

A. The Member accepted that this procedure is followed in some cases, but that either the figure returned by the firm or the figure agreed to with the firm was generally adopted for the purpose.

2. Q. Arriving at income from sale of Casurina trees—the basis of estimating the expenditure—should be acreage basis and not on the basis of percentage on Sales.

A. Any workable and reasonable arrangement in respect of estimating the expenses will be agreed to by the department.

3. Q. Notices for production of books in audited cases should not be automatic, but only after due examination of the statements and after calling for further particulars.

A. The Member agreed entirely with the principle of the suggestion.

4. Q. The appellate assistant commissioners should be placed under the control of the Legislative Department of the Government.

A. Under the present law and practice, the appellate assistant Commissioners are, in his opinion, quite independent of the executive.

5. Q. In transferring files to E.P.T. circles in any year, the income tax assessment should not be completed and tax also collected where it is evident that E.P.T. is also payable.

A. The alleged complaint will only be advantageous to the assessee.

6. Q. Income from business part operation of which is in British India and part in an Indian State, what is the proportion of income taxable in British India? What is the position when differences arise between the two concerned authorities in the determination of the proportions.

A. The position is not well settled as it is. No profit can be deemed to become on mere purchase operation.

7. Q. Has the Department accepted or rejected the decision of the income tax appellate tribunal not to disallow the ascertained but unpaid portion of the wages of any accounting year?

A. The Members said that they do not agree with the decision of the tribunal.

8. Q. Is it the opinion of the department that collections for charity made from the suppliers of cotton, form taxable income.

A. The collections are taxable.

CASE LAW

I. The deposit by a Hindu of his money in a bank in the joint names of himself and his wife and on terms that it is payable to either or survivor does not on his death constitute a gift by him to his wife. There is only a resulting Trust in his favour and this rule is of universal application, whatever the property and whatever the relationship.

(Shambu Nath Shivpuri Vs. Pushkar Nath and others—In the Privy Council—15 Comp. Cas. 76.)

II. A debenture creating a charge, whether floating or fixed, over any immovable property should be registered according to provisions of law laid down in section 17 of the Registration Act in addition to the provisions of the Companies Act.

While the provisions of the Companies Act are intended to protect people who have dealings with Companies and to warn them to the extent to which the

Companies have created obligations over their property, the Registration Act is intended to protect all who may have dealings.

(K. Roy and Bros., Vs. Ramnath Das—In the Calcutta High Court—15 Comp. Cas. 69.)

III. Article II, Schedule 2 of the Court Fees Act provides that, fee on a memorandum of appeal is a fixed Court fee "when the appeal is not from a decree or an order having the force of a decree".

The question is whether by virtue of Section 199 of the Indian Companies Act, an executable order made under Companies Act is an order having the force of a decree within the meaning of Schedule 2, Article 11 of the Court Fees Act.

Held that it is not an order having the force of a decree even though it may be enforceable by Section 199 of the Companies Act and appealable under Section 202 of that Act.

(Official Liquidator, Universal Bank Ltd. Vs. M. V. Quershi—In the Lahore High Court—15 Comp. Cas. 60.)

IV. A currency note could be said to be mutilated under rule 2 (e) of the Reserve Bank of India (Note Refund) Rules, 1935, only in an essential condition that a portion of the note should be missing. Section 28 of the Reserve Bank of India Act, 1934, only applies to a case where a claim is made for a lost, stolen, mutilated or imperfect currency note. Where, therefore, a note is cut into two halves and joined together by pasting at the back, the note could not be said to be mutilated within the meaning of rule 2 (e) and that Section 28 did not apply and the currency officer should allow a claim for the value of the note.

The question whether the two halves of a note are or are not identifiable as part of one note is a question of fact.

(Radha Krishna and another Vs. Governor, Reserve Bank of India—In the Allahabad High Court—15 Comp. Cas. 65.)

V. An Electric Supply Company was authorised under the Indian Electricity Act to place electric wires across the streets of a town at a height of not less than 20 feet. A suit was instituted against the Company claiming a declaration that by old custom the right to carry in Moharram procession along the streets tazias to a height of 27 feet should be allowed and that the Company be required to raise the electric wires so as not to obstruct the passage of the taziah in procession.

Held that the statutory authority of the Electricity Act abridged the public right and the relief claimed was not admissible.

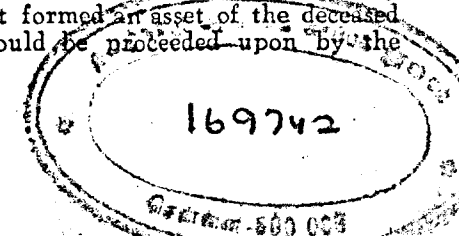
(Martin & Co. Vs. Syed Faiyaz Husain—In the Privy Council—1945 Comp. Cas. 80.)

VI. A Share broker's card in the stock by itself is not property in the legal sense of the term. It confers the right to do business in the stock exchange. It cannot be inherited, transferred or bequeathed. The Association can sell it and convert it into money.

Where a Share broker's card was purchased in the name of one of the coparceners of a Joint Hindu Family from joint family funds, it was held that the money value of the card is divisible among the joint family members at the time of partition.

(Champaklal Chimanlal and others Vs. Amubhai Dahijabhai Sodaagar and others—Bombay High Court—1945—15 Comp. Cas. 83.)

VII. A Government Servant contributed premia from out of the General Provident Fund towards a life insurance policy in which he had nominated his wife as the beneficiary. His wife predeceased him and on his death, the appellant, his second wife, got the policy assigned to her by the Accounts Officer. As the deceased took no steps during his life time to nominate the appellant as beneficiary, it was held that the policy amount formed an asset of the deceased and could be proceeded upon by the



creditors of the deceased. The amount could not partake of the character of the Provident Fund.

(Rajam Vs. Parameswarar and others—Madras High Court—15 Comp. Cas. (Ins) 66.)

VIII. A non-resident Insurance Company carrying on business in British India in lines other than life insurance effected all investments outside India, leaving no part of assets to earn interest income in British India and contended non-liability to British Indian Income-tax.

It was held that the investments did consist of Indian Funds, that the interest income had accrued directly or indirectly through the business connexion in British India and out of the assets of British India and that Section 42 (1) of the Act applied.

Also that the interest income sought to be taxed was capable of being divided into separate operations some of which took place in India and some outside and therefore relief under Section 42 (3) should be given to the assessee.

(Motor Union Insurance Company, Limited Vs. Commissioner of Income tax, Bombay—Bombay High Court 15—Comp. Cas. (Ins.) 39.)

NOTIFICATIONS

EXCESS PROFITS TAX
(Amendment) Ordinance, 1945.
Ordinance No. XX of 1945

**LEGISLATIVE
DEPARTMENT.**

New Delhi, the 30th June, 1945.
Ordinance No. XX of 1945

**An ordinance further to
amend the Excess Profits
Tax Ordinance, 1943.**

Whereas an emergency has arisen which makes it necessary further to amend the Excess Profits Tax Ordinance, 1943 (XVI of 1943), for the purpose hereinafter appearing;

NOW, THEREFORE, in exercise of the powers conferred by section 72 of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935 (26 Geo. 5, c. 2), the Governor-General is pleased to make and promulgate the following Ordinance:—

1. *Short title and commencement.*—
(1) This Ordinance may be called the Excess Profits Tax (Amendment) Ordinance, 1945.

(2) It shall come into force at once.

2. *Amendment of section 2, Ordinance No. XVI of 1943.*—In section 2 of the Excess Profits Tax Ordinance, 1943,—

(a) in sub-section (1), after the first proviso the following proviso shall be inserted, namely:—

"Provided further that, in respect of any chargeable accounting period ending after the 31st day of December 1944, the provisions of this sub-section as modified by the first proviso shall have effect as if for the words 'nineteen-sixty-fourths' the figures '37/128ths' were substituted."

(b) to sub-section (1-A) the following proviso shall be added, namely:—

"Provided that, in respect of any chargeable accounting period ending after the 31st day of December 1944, the provisions of this sub-section shall have effect as if for the words 'nineteen-sixty-fourths' the figures '37/128ths' were substituted."

WAVELL,
Viceroy and Governor-General.

CENTRAL BOARD OF REVENUE NOTIFICATION Income-tax

Simla, the 2nd June, 1945.

No. 14.—In exercise of the powers conferred by sub-section (1) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendments shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (4) of the said section.

In the form of Notice of Demand under section 29 of the Indian Income-tax Act, 1922, set forth in Rule 20 of the said Rules.

1. In paragraph 2 after the words and blank-space "for the year" the following shall be inserted, namely:—
"being the instalment(s) due on 194 . under section 18-A of the Act."

2. In the "Assessment Form" attached to the said Notice of Demand—

(i) After the entries under the item "Total income" the following shall be inserted, namely:—

"Deduct earned income allowance"

(ii) In the item "Penalties under sections 25(2), 28, 44E, 44F, and 46 (1)" after the word "Sections" the figures, letter and brackets "18-A(9)" shall be inserted; and after this item the following shall be added, namely:—

"Deduct—Interest payable by the Central Government under sec. 18-A(5).

Add—(i) Interest payable under section 18-A(6) or (8)

80 per cent. of the tax determined on the income to which section 18-A applies at the rates applicable in 194 194 Tax paid under sub-section (2) or (3) of section 18-A.

Difference.

Interest at 6 per cent from to =
(ii) Interest payable under section 18-A(7) =

S. RANGANATHAN,
Secretary.

PRESENT WAR (Definition) ORDINANCE 1945.

(Ordinance No XXIII of 1945)

LEGISLATIVE DEPARTMENT.

New Delhi, the 14th July 1945.
Ordinance No XXIII of 1945

An Ordinance to define "present war" and like expressions occurring in certain contexts.

Whereas an emergency has arisen which makes it necessary to define the meaning of the expressions "present war" and like expression when used in certain contexts prior to the outbreak of war between His Majesty and Japan.

Now, Therefore, in exercise of the powers conferred by section 72 of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935 (26 Geo. 5, c. 2), the Governor-General is pleased to make and promulgate the following Ordinance

1. *Short title, extent and commencement.*—(1) This Ordinance may be called the Present War (Definition) Ordinance, 1945.

2. It extends to the whole of British India.

3. It shall come into force at once.

2. *Meaning of "present war" and like expressions in certain contexts.*—For the removal of doubts it is hereby declared that any reference, express or implied and in whatever form of words, in any provision made during the period commencing on the 3rd day of Sept. 1939 and ending on the 8th day of December 1941 in any enactment or in any notification, rule or order under any enactment or in any contract, deed or other instrument, to the present war or the present hostilities shall, unless in the case of such a reference in any contract, deed or other instrument as aforesaid the subject or context otherwise requires, be deemed to include and always to have included a reference to the present war with Japan, notwithstanding that war had not, when the said provision was made, broken out between His Majesty and Japan:

Provided that nothing in this section shall prejudice the exercise of any power conferred in whatever form of words in any such provision as aforesaid on any Government, authority or person to declare for the purposes of such provision on what specified date the present war or the present hostilities shall be deemed to terminate.

WAVELL,
Viceroy and Governor-General.

FINANCE DEPARTMENT (COMMUNICATIONS.)

New Delhi, the 3rd July, 1945.

No. D. 6208-PT/45.—In exercise of the powers conferred by section 6 of the Post Office National Savings Certificates Ordinance, 1944 (No. XLII of 1944), the Central Government is pleased to direct that the following further amendments shall be made in the Post Office National Savings Certificates Rules, 1944, published with the notification of the Government of India in the Finance Department (Communications), No. D. 8024/4 PT/44 dated the 9th December 1944, namely:—

In the said rules—

In sub-rule (2) of rule A—

(1) for clause (vi), the following shall be substituted, namely:—

"(vi) Registered Co-operative Societies excluding co-operative banks but including co-operative land mortgage banks"; and

(2) in clause (vii), the words "Central and Provincial" shall be omitted.

In sub-rule (4) of rule D—

(1) in clause (d), for the words "other than Central and Provincial Co-operative Banks," the following shall be substituted, namely:—

"excluding co-operative banks but including co-operative land mortgage banks"; and

(2) in clause (e), the words "Central and Provincial" shall be omitted.

The 6th July 1945.

No. D. 5706-PT/45.—In exercise of the powers conferred by section 6 of the Post Office National Savings Certificates

Ordinance, 1944 (XLII of 1944), the Central Government is pleased to direct that the following further amendment shall be made in the Post Office National Savings Certificates Rules, 1944, namely:

After sub-rule (5) of rule J of the said rules, the following sub-rule shall be inserted, namely:—

"(6) Interest earned on these certificates is not liable to Income-tax, nor is it taken into account for the purpose of determining the rate of Income-tax on total income."

MADRAS ELECTRICITY

(Validation of Levy of Surcharges)
Act, 1945.

Act No. XV of 1945.

An Act to validate the levy of surcharges on the price of electrical energy supplied by certain electrical undertakings.

WHEREAS the Government of Madras have issued certain orders under rule 81 of the Defence of India Rules directing the levy of certain surcharges on the price of electrical energy supplied by certain electrical undertakings;

AND WHEREAS doubts have arisen as to the validity of the levy of the surcharges in pursuance of the said orders;

AND WHEREAS it is expedient to remove such doubts;

AND WHEREAS the Governor of Madras, has, by a Proclamation under section 93 of the Government of India Act, 1935, assumed to himself all powers vested by or under the said Act in the Provincial Legislature;

NOW, THEREFORE, in exercise of the powers so assumed to himself, the Governor is pleased to enact as follows:—

Short title 1. This Act may be called the Madras Electricity (Validation of Levy of Surcharges) Act, 1945.

2. Where any licensee under section 3 of the Indian Electricity Act, 1910, or the Electricity Department of the Government of Madras has, under the authority of any of the orders of the Provincial Government specified in column (1) of the Schedule, levied a surcharge on the price of electrical energy supplied during the period specified in the corresponding entry in column (2) of the Schedule, such surcharge shall be deemed to have been lawfully made and to have been lawfully payable, notwithstanding any stipulation inconsistent therewith or contrary thereto in any contract or agreement previously made and then subsisting and the propriety of any such surcharge shall not be called in question in any Court nor shall any claim for refund of any payment made by way of such surcharge be entertained by any Court.

SCHEDULE

Orders of the Provincial Government (1)	Period of supply of Electrical energy (2)
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G.O. No. 2938, P.W. dated 18th August 1942 to the 18th August 1942, as to 31st March 1945 amended by G.O. No. 4124 (both days inclusive). P.W., dated the 11th November 1942 directing the levy of A.R.P. restrictions surcharge by licensees.	
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G.O. No. 2408, P.W. dated 9th November 1943, directing the levy of a war conditions surcharge by licensees, inclusive).	
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G.O. No. 1101, P.W. dated 1st April 1942 to the 10th April 1942, directing 31st May 1944 the levy of A.R.P. works (both days inclusive) surcharge by the Madras Electric Supply Corporation, Limited,	
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G.O. No. 726, P.W. dated 30th April 1943 the 30th April 1943, as to 31st March 1945 amended by G. No. 1739, (both days inclusive). P.W., dated the 25th August 1943, directing the levy of a 5 per cent high-tension surcharge by the Electricity Department of the Government of Madras.	
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(By Order of His Excellency the Governor).

AMENDMENTS TO AUDITOR'S CERTIFICATES RULES.

Department of Commerce,
REGISTRATION OF ACCOUNTS.
The 14th July, 1945.

No. 1-A (2)/45 In exercise of the powers conferred by sub-section (2) of section 144 of the Indian Companies Act, 1913 (VII of 1913), the Central Government is pleased to direct that the following further amendments shall be made in the Auditor's Certificates Rules, 1932, the same having been previously published as required by the said sub-section, namely:—

"Group I.—*Advanced Accounting and Auditing*—(Four papers of three hours each.

Paper (i).—*Advanced Accounting*.—Including knowledge of accounts in connection with flotation, reconstruction, amalgamation and liquidation of companies; Partnership Accounts; Insolvency and Bankruptcy Accounts; Income-tax.

Paper (ii).—*Advanced Accounting*.—Including knowledge of Accounts of Banks, Insurance Companies, and Electricity Companies; Double account system;

Paper (iii).—*Taxation and Cost Accounting*.—Income-Tax; Theory and practice of Costing; Stores Ledger, Labour, wages; Standard Costs;

Paper (iv).—*Auditing*."

No. 10-A (4) 45

GOVERNMENT OF INDIA,
DEPARTMENT OF COMMERCE

Simla, the 15th August, 1945.

FROM

P. N. BHANDARI ESQUIRE,
B. Com., (London), A.C.A., R.A.,
Under Secretary to the
Government of India.

TO

ALL REGISTERED ACCOUNTANTS.

Sir,

I am directed to say that at the meeting held in April, 1945 the Indian Accountancy Board expressed the view

that every Accountant practising in India by virtue of an Auditor's Certificate granted by the Central Government in pursuance of the Auditor's Certificates Rules, 1932 should always write "Registered Accountant" after his signature on all statutory documents.

2. The Central Government is in entire agreement with the above view and I am to request that in future while signing statutory documents, every accountant

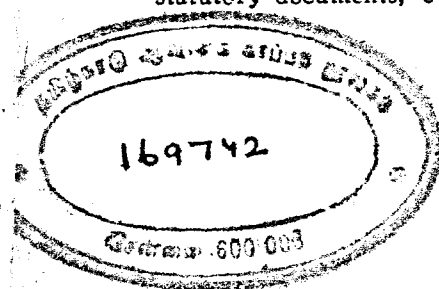
on the Register and every firm of accountants should write "Registered Accountant(s) in full after his/their signatures.

I have the honour to be,
Sir,

Your most obedient Servant,

(Sd.) P.N. BHANDARI,

Under Secretary to
Government of India



X: 8F mch, no SA



MIDLAND INSURANCE COMPANY, LIMITED

Head Office :

13-14, Second Line Beach, Madras

Offers

Liberal Commission to Agents and posts of position to successful ones

For full particulars, apply to:

A. V. THYAGARAJA, General Manager

[illegible]