



# SIRC TUTICORIN BRANCH NEWS LETTER

ICAI BHAWAN, 4/26G/2, Aathiparasakthi Nagar, Ettayapuram Road, Tuticorin - 628 002.  
Tel. : 0461-2347720, 2345220 E-mail : tuticorin@icai.org Website : www.icaituticorin.org

## Thoughts of Chairman



"We cannot all be great, but we can attach ourselves to a greater cause"

The Tuticorin Branch of SIRC of ICAI has attached itself to yet another great cause, ICAI NSS. The ICAI NSS was launched by the Tuticorin Branch of SIRC of ICAI on March 3, 2009 at Holy Cross Primary school, Tuticorin by Dr.X. Rosary Mary - Director of Youth welfare, MS University, Tirunelveli. Nearly 1500 students of the Holy Cross Primary School attended this programme. Our CA students performed an awareness programme on

' Personal Cleanliness and Hygiene Practices'. I would like to thank and appreciate all the members and students who took active participation in this programme.

The scheme of NSS is not a new one for us, because we have been constantly associating ourselves with many social welfare programs. But this National Social Service scheme will surely give a proper shape to our functions. I further assure you that our journey in this respect towards the society and for the society will never cease.

As this is the season of bank audit I would like to touch upon a few recent issues regarding it. RBI has been issuing various circulars relating to the restructuring proposals. In this context, the attention is drawn to circular dated February 4, 2009 wherein the date has been extended from January 31, 2009 to March 31, 2009. As per the Circular, by simple receipt of application for proposal for restructuring package by this particular date i.e. March 31, 2009 indicating that restructuring package will be put in place within a period of 120 days and, thus, all such accounts will be treated as standard assets and no provisioning would be required. It implies that in case, even if only an application for restructuring has been received from an account which was standard till September 1, 2008 and has downgraded since then, that account would be treated as standard asset in the financial statement of that particular bank being prepared as on 31.3.2009.

It appears from the above that by this kind of treatment, it appears that no non- performing assets shall be reflected on the balance



**CA. UTTAM PRAKASH AGARWAL**  
President, ICAI

### Head Office :

The Institute of Chartered  
Accountants of India, ICAI Bhawan,  
Indraprastha Marg,  
Post Box No. 7100, New Delhi - 110002  
<http://www.icai.org>

### Regional Offices :

Western Region  
ICAI Bhawan, 27, Cuffe Parade  
Colaba, Mumbai - 400 005  
<http://www.wirc-icai.org>

### Southern Region

ICAI Bhawan, 122, Mahatma Gandhi  
Road, Post Box No. 3314,  
Nungambakkam, Chennai - 600 034  
<http://www.sircoficai.org>

### Eastern Region

ICAI Bhawan, 7, Anandilal Poddar  
Sarani Russell Street, Kolkata - 700 071  
<http://www.eircindia.org>

### Central Region

ICAI Bhawan, Post Box No. 314,  
16/77B, Civil Lines,  
Behind Reserve Bank of India,  
Kanpur - 208 001 (U.P.)  
<http://www.circ-icai.org>

### Northern Region

ICAI Bhawan, 52 53-54 Institutional  
Area Vishwas Nagar, Shahdara,  
Near Karkardooma Court,  
New Delhi - 110 032  
<http://www.nirc-icai.org>

sheet of banks as late as December 31, 2009.

As per policy, an auditor is generally assigned 3 branches of a bank for audit. Though appointment letter states that audit has to be completed at the earliest, auditors are generally impressed upon to complete the same by 7th/8th April, every year. This year, this will practically give 4½ working days to auditors to complete the audit assignment 3 branches. This issue has been time and again raised with the RBI. It had vide its letter in 2003, had informed that all PSBs were advised suitably in the matter, however, the practice of giving such impractical deadline is still continuing. Though with advent of CBS, processing and checking at branch level has become faster still as we have all seen, information technology is one area which can be helpful to the extent we want it to be. In spite of so many problems in the bank audit it is the auditors prime duty to sign the documents after checking them thoroughly.

The question which is prominent among discussions today is whether our world will manage to survive amidst all the serious environmental problems. Man in search of money and rapid industrialization has forgot the destructing effects he has been causing on the environment. One of the most alarming consequence is

‘Global warming’. I am sure all of you would have come across this term very often in newspapers and magazines. Many pacts and protocols have been signed by nations to lessen global warming. But all these still remain only in the papers and not in practice. Where are we moving to? Nowhere but to "depletion, destruction and deterioration"

While it is true that global warming is already occurring and affecting the way we live, we can prevent global temperatures from reaching dangerous levels if we take steps now to dramatically reducing our carbon emissions. I would like to conclude with this statement which is prevalent today in all T. V advertisements "Save fuel, save nation"

This in turn will save the world from the upcoming perils.

- Jai Hind

## DAY - TO - DAY REMEDIES : THIRST

- "SUNDARIS" C A Student

Our body feels thirsty when it needs water or some liquid. Sometimes even though we drink water thirst is not reduced. It is the sign of some disease like diabetes. Consumption of very spicy, salty food and sweets, alcohol, will increase thirst. Emotional factors like anxiety, fear and unhappiness are also stimulate thirst. Sometimes thirst is not quenched in spite of drinking any amount of water. Because the superficial tissues get hydrated, while the deeper tissues are still yearning for liquids or water.

### How to reduce thirst?

1. Take tender coconut water, lime juice, grape juice, pomegranate and sugarcane. 2. Green mango juice is a good body coolant. For preparing it,
  - a. Steam a raw mango.
  - b. Remove the pulp and mix it well. c. Add grated jaggery to it.
  - d. Take two tablespoon of this pulp and add water to it and stir well.
3. Soak 1 teaspoon of coriander seeds in ½ litre of water overnight. Next morning, add two pinches of sugar and drink this early in the morning.
4. Boil two teaspoon of cumin seeds in two litres of water. It cools the water and helps in proper digestion.
5. Buttermilk is also good in summer heat.
6. Cook green - gram - dhal in ample quantity of water. Add coriander seeds powder, dry ginger powder, pepper powder and rock salt. Season it with little sesame oil and asafetida. This soup is a meal by itself and is very good in bringing down the excessive craving for water.

# ADAM SMITH'S APOCALYPSE

The eminent economists of the 19th century David Ricardo and Karl Marx and the 20th century pair Horn Maynard Keynes and Milton Friedman echoed the sentiments of the 18th century Scottish legendary Economist Adam Smith that, '... the main cause of prosperity lies in increase in division of labour'.

Labour of every form, in their opinion, should bring wages. Wages, however, may differ, from one to another. But what according to Adam Smith, 'Human Capital' is - higher wages for those trades that were more difficult to learn as well to for those who engage in dirty or unsafe occupations!!!.

The principles of Division of Labour has now gone into oblivion and dissipated and 'mercantilism' - the practice of artificially maintaining a trade surplus on the erroneous belief that doing so will increase wealth - has sprouted its ugly head Mercantilism would bring chaos and turbulence, said Smith, if its head branches out, a prophecy that is foretold about 250 years ago.

However, Adam Smith is greatly misrepresented by the corporate-heads and their confederates that self-amassing of wealth would proliferate a nation's wealth. They fail to understand Smith's sequel, 'The theory of Moral Sentiments', for the simple reason that they abhor the second book.

The United States is an example where the theory of Adam Smith (The Wealth of Nations) is perfectly misunderstood and the 'Theory of Moral Sentiments' is infinitesimally understood - being that the top 14,000 families possess 22 p.c. of the nation's wealth and the bottom-line 133 million people have just 4 p.c. of the wealth

The United State's deepest depression of the 1837s had taught the 16th President, Abraham Lincoln a lesson that, 'I don't believe in a law to prevent a man from getting rich: it would do more harm than

good. But while we do not propose any war on capital, we do wish to allow the humblest man an equal chance to get rich with everybody else'.

Lincoln's policy of emancipation of poverty in the poor stood sound for the next century and the US saw its currency stronger. During the three decades after, self-indulgence (greed) took root and the present 14,000 crazy families drove the 133 + million people to debt, mortgage and subprime loans which they could not repay. That debt has started been financed by other countries.

Those 14,000 plutocracy families has brought into knees not only the United States but also the US \$ - trading countries around the world by making the \$ a 'soft' currency.

OPEC countries, particularly Ecuador, Iran and Venezuela recently have openly advocated for a shift - over to 'Euro' or other 'baskets' of hard currencies. And needless to say Saddam Hussein fell a victim to the strident voice of the 22 p.c. for his advocacy of his proposal of Iraqi oil to 'Euro'. And certainly countries around the world wish to divest themselves of their US \$, but they want to do it slowly to avoid a panic! There are now two options to get rid of therecession, downturn et al:

1. US ( the country whose currency others depend for international trade) needs another Abraham Lincoln to bring the rich under progressive tax and make the poor rich or
2. the world needs a new dominant geopolitical power whose currency will be as hard as the pound sterling in the 1800s.

**M R A Xavier FCA**

