



TUTICORIN BRANCH OF SIRC

NEWS LETTER

The Institute of Chartered Accountants of India
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DECEMBER 2010



Chairman Writes . . .

Dear Colleagues,

Greetings and good wishes to you,

As I sit down to write this editorial for the month of December, it occurs to me that the year 2010 has passed like a flash before my eyes. Here, we are at the end of the year, with Christmas and New Year not far behind. I wish the Members Merry Christmas and Advance New Year

Greetings. It has been an event-filled year for us.

On 01.11.2010, we conducted a Study Circle Meeting on Suggestions for inclusion in the Pre-Budget Memorandum on Central Excise, Customs and Service Tax Laws. The discussion was led by our learned member CA.B.Francis Amal George and hand some number of Members & Students participated in the meeting. It was a brain storming session and so many suggestions were advocated by our Members and the same was forwarded to ICAI New Delhi & SIRC Chennai on 02.11.2010.

On 09.11.2010, we conducted another Study Circle Meeting on Suggestions for inclusion in the Pre-Budget Memorandum on Direct Tax Laws. The discussion was addressed by our learned member CA.P.Seshan and hand some number of Members & Students participated in the meeting. It was a brain storming session and so many suggestions were advocated by our Members and the same was forwarded to ICAI New Delhi & SIRC Chennai on 10.11.2010.

On 15.11.2010, the Ex-officio Member of our Branch CA.Gopal Krishna Raju of Chennai made an official visit to our Branch to inspect the proposed site to be acquired by our Branch. He was very much satisfied over the developments taken place in our Branch. On seeing our infrastructure facilities and Students activities etc., at our Branch, he was very much amazed and delighted.

In the afternoon, he made a visit to our exam centre. He was touched by the facilities at the exam centre and the number of students taking the exam in our centre. In the evening, we had an interactive meeting with our Ex-officio Member. It was really a full-fledged interactive session. Our Members made fruitful suggestions to be conveyed to the Regional & Central Council Members on practical problems faced by Students and our Members. Ex-officio Member noted it and he promised that he would address it at the appropriate forum. The meeting ended with National Anthem and we sincerely thank our Members who participated in the discussion despite their hectic professional commitments.

On 20.11.2010, Saturday, one local "Institute of Music Technology" organized 2nd Anniversary & X'Jam Concert in our Town to the Students of imusictech. It was a Social function and an invitation was extended to our Branch and our Members CA.A.C.G.Venantius, CA.J. Ignatius Maria Arul Roy, CA.G.Xavier Fernando and myself attended the same. The Students concerted soul-stirring songs with tuneful Western & Classical Music. Prizes and Snacks were distributed to the Students and Public who gathered in large numbers. It was quite enjoyable and memorable one. We thank the Organisers for inviting us as guests and sponsors to the function.

On 27th November 2010 afternoon, our Learned Member CA.B.Francis Amal George conducted Career Counseling programme at Alagar Mahal Tuticorin for School and College Students. Nearly 150 Students participated and were benefited from the programme.

We are glad to inform you that the 42nd Regional Conference of SIRC of ICAI Jnana Marga 2010 held at Kochi on 27th and 28th November 2010 was a grand success. The inaugural address by the Hon'ble Union Minister of Finance Shri.Pranab Mukherjee and a galaxy of learned dignitaries, and technical sessions by eminent faculty and valedictory session were in high order, which paved the way for the grand success of the Regional Conference. A good number of Members from our Branch attended the same. We thank the SIRC Chairman and his team for making the conference a memorable one and we shall cherish in our heart Kochi visit.

There is an increasing interest in adopting XBRL (Extensible Business Reporting Language) around the world, as a key inter-polarity Standard. It is used to create exchange and analyze financial reporting information including regulatory filings such as Annual and Quarterly Financial Statements, General Ledger Information, and Audit Schedules. It facilitates the automatic exchange and reliable extraction of financial information among various software applications anywhere in the world. The shift from paper based model of reporting to Internet based reporting is a natural progression towards efficiency and effectiveness. How our profession is going to take advantage of this system would be of immense interest in the future.

Our Mantra which reads as under "Loving Hearts and Serving Hands."

Yours ever loving,
CA.H.Raman.

THE DEBT MARKET

INTRODUCTION :

Debt markets are markets for issuance, trading and settlement in fixed income securities of various types and features. Fixed income securities can be issued by almost any legal entity like central and state governments, public bodies, statutory corporations, banks and institutions and corporate bodies.

The debt market in India comprises mainly two segments viz., the Government securities market consisting of Central and State Government securities, Zero coupon bond, Floating rate bonds, T-Bills and the corporate securities market consisting of FI bonds, PSU bonds and debenture / corporate bonds. Government securities form the major part of the market in terms of outstanding issues, market capitalization and trading value.

The trading of Government securities on the stock exchange is currently through negotiated dealing using Bombay Stock Exchange (BSE) / National Stock Exchange (NSE) and these trades are required to be reported to the exchange. The bulk of corporate bonds, being privately placed, were however, not listed on the stock exchange. Two depositories, National Securities Depository Limited (NSDL) and Central Depository Services Limited (CSDL) maintain records of holding securities for wholesale dealers like banks, Primary Dealers (PDs) and other financial institutions are maintained by the RBI.

Negotiated Dealing System (NDS) is an electronic platform for facilitating dealing in Government Securities and Money Market Instruments. NDS facilitates electronic submission of bids / application by members for primary issuance of Government Securities by RBI through auction and floatation. It will provide an interface to the Securities Settlement System

DEBT MARKET INSTRUMENTS :

Corporate Debenture :

A Debenture is a debt security issued by a company, which offers to pay interest in lieu of the money borrowed for a certain period. In essence, it represents a loan taken by the issuer who pays an agreed rate of interest during the lifetime of the instrument and repays the principal normally, unless

otherwise agreed, on maturity.

These are long term debt instrument issued by private sector companies in denominations as low as Rs.1000 and have maturities ranging between one and ten years. Debentures enable investors to reap the dual benefits of adequate security and good return. Debentures, unlike other fixed income instruments, can be transferred from one party to another.

Debentures can be divided into different categories based on convertibility of the instrument and security. The debentures issued on the basis of security includes

- * Non Convertible Debentures (NCDs)
- * Partly Convertible Debentures (PCDs)
- * Fully Convertible Debentures (FCDs)
- * Optionally Convertible Debentures (OCDs)
- * Secured Debentures
- * Unsecured Debentures

Fixed Income Products :

Deposit : Deposits serve as medium of savings and as a means of payment and are a very important variable in the national economy. A bank has three types of deposits i.e., time deposit, savings deposit and current account.

Fixed Deposit : Fixed Deposits are sums accepted by most of the NBFCs and Banks. The amount of deposits that may be raised by NBFCs is linked to its net worth and rating. However, the interest rate may be offered by a NBFC is regulated. The deposits offered by NBFCs are not insured whereas the deposits accepted by most banks are insured up to a maximum of Rs 100000.

Interest Based Bonds :

Coupon Bonds : Coupon bonds typically pay interest periodically at the pre specified rate of interest. The annual rate at which the interest is paid is known as the coupon rate or simply the coupon. Interest is usually paid half-yearly, though in some cases it may be monthly, quarterly, annually or at some other periodicity. The dates on which the interest payments are made are known as coupon due dates.

Zero Coupon Bonds : A plain bond is offered at its face value, earns a stream of interest till redemption and it's redeemed with or without a premium on

maturity. A zero coupon bond is issued at a discount to its face value, fetches no periodic interest and is redeemed at the face value on maturity.

Derived Instrument : These instruments are not direct debt instrument. Instead, they derive value from various debt instruments. Mortgage bonds, Pass through certificates, Securitized Debt Instrument etc... fall under this category.

Mortgage Bonds : Mortgage backed bonds is a collateralized term-debt offering. Every issue of such bonds is backed by pledged collateral. Property that can be pledged as security for mortgage bond is called eligible collateral.

Pass Through Certificates : When mortgages are pooled together and undivided interest in the pool are sold, pass-through securities are created. The pass-through securities promise that the cash flow from the underlying mortgages would be passed through to the holders of the securities in the form of monthly payment of interest and principal.

Participation Certificates : These are strictly inter-bank instruments confined to the scheduled Commercial banks. This instrument is a money market instrument with a tenure not exceeding 90 days. The interests are determined by the two contracting banks.

(to be concluded... This is a two-part Article and the second and final part will be published next month)

Mr.S.Bharath

Final Student-SRO 0137654



Interactive Meeting by Ex-Officio Member CA.Gopa Krishna Raju with our Branch Members on 15.11.2010



A music concert by the students of immusitech and distribution of prizes and snacks to the Students and Public by our Members on 20.11.2010 in a Social Function organised by Institute of Music Technology

National Seminar on Trends on
Accounting, Taxation and Management
Today and Tomorrow 9th & 10th December 2010
at St.Mary's College Auditorium
Organised by
Tuficorin Branch of SIRC of ICAI in association with
Department of Commerce St.Mary's College
(Autonomous)

LIST OF MICR CODES OF BANK BRANCHES IN TUTICORIN

Name of MICR Centre	City Code	Bank Code	Branch Code	Name of the Bank	Name of the Branch
Tirunelveli	627	002	007	State Bank of India	Tuticorin
Tirunelveli	627	002	024	State Bank of India	Kandasamy puram
Tirunelveli	627	002	027	State Bank of India	Spic Nagar
Tirunelveli	627	009	003	State Bank of Travancore	Tuticorin
Tirunelveli	627	010	002	Allahabad Bank	Tuticorin
Tirunelveli	627	011	003	Andhra Bank	Tuticorin
Tirunelveli	627	011	004	Andhra Bank	Muthunagar
Tirunelveli	627	012	003	Bank of Baroda	Tuticorin
Tirunelveli	627	013	003	Bank of India	Tuticorin
Tirunelveli	627	014	002	Bank of Maharashtra	Tuticorin
Tirunelveli	627	015	008	Canara Bank	Tuticorin
Tirunelveli	627	015	017	Canara Bank	Tuticorin Melur
Tirunelveli	627	015	018	Canara Bank	Chidambaranagar
Tirunelveli	627	015	019	Canara Bank	Mattakadai
Tirunelveli	627	016	005	Central Bank of India	Tuticorin
Tirunelveli	627	017	005	Corporation Bank	Tuticorin
Tirunelveli	627	018	002	Dena Bank	Tuticorin
Tirunelveli	627	019	008	Indian Bank	Tuticorin
Tirunelveli	627	019	014	Indian Bank	Melur
Tirunelveli	627	019	015	Indian Bank	Millarpuram
Tirunelveli	627	020	015	Indian Overseas Bank	Tuticorin
Tirunelveli	627	020	027	Indian Overseas Bank	Harbour
Tirunelveli	627	020	028	Indian Overseas Bank	Pearl City
Tirunelveli	627	020	029	Indian Overseas Bank	Chidambaranagar
Tirunelveli	627	022	002	Oriental Bank of Commerce	Tuticorin
Tirunelveli	627	024	003	Punjab National Bank	Tuticorin
Tirunelveli	627	025	003	Syndicate Bank	Tuticorin
Tirunelveli	627	025	004	Syndicate Bank	New Port
Tirunelveli	627	026	003	Union Bank of India	Tuticorin
Tirunelveli	627	028	003	UCO Bank	Tuticorin
Tirunelveli	627	029	003	Vijaya Bank	Tuticorin
Tirunelveli	627	259	002	IDBI Bank Ltd.,	Tuticorin
Tirunelveli	627	047	002	Catholic Syrian Bank Ltd	Tuticorin
Tirunelveli	627	049	003	Federal Bank Ltd.,	Tuticorin
Tirunelveli	627	053	004	Karur Vysya Bank Ltd.,	Tuticorin
Tirunelveli	627	054	003	City Union Bank Ltd.,	Tuticorin
Tirunelveli	627	056	003	Lakshmi Vilas Bank Ltd	Tuticorin
Tirunelveli	627	059	003	South Indian Bank Ltd.,	Tuticorin
Tirunelveli	627	060	004	Tamilnad Mercantile Bank Ltd.,	Tuticorin
Tirunelveli	627	060	009	Tamilnad Mercantile Bank Ltd.,	Thoothukudi South
Tirunelveli	627	060	010	Tamilnad Mercantile Bank Ltd.,	Sipcot
Tirunelveli	627	060	011	Tamilnad Mercantile Bank Ltd.,	Tiruchendur Road
Tirunelveli	627	060	012	Tamilnad Mercantile Bank Ltd.,	Mullakkadu
Tirunelveli	627	060	013	Tamilnad Mercantile Bank Ltd.,	Pudukottai, Tuticorin-Dt.
Tirunelveli	627	211	003	Axix Bank Ltd.,	Tuticorin
Tirunelveli	627	229	003	ICICI Bank Ltd.,	Tuticorin
Tirunelveli	627	240	003	HDFC Bank Ltd.,	Tuticorin
Tirunelveli	627	423	007	Pandian Grama Bank	Tuticorin
Tirunelveli	627	423	013	Pandian Grama Bank	Pudukottai, Tuticorin-Dt.
Tirunelveli	627	423	014	Pandian Grama Bank	Polepet
Tirunelveli	627	805	002	Tuticorin DT Central Co-op Bank Ltd.,	Tuticorin
Tirunelveli	627	805	004	Tuticorin DT Central Co-op Bank Ltd.,	Bazaar Branch
Tirunelveli	627	806	002	Tuticorin Melur Co-op Bank Ltd.,	Tuticorin
Tirunelveli	627	807	002	Tuticorin Co-op Bank Ltd	Tuticorin
Tirunelveli	627	111	004	Head Post Office	Tuticorin

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