

In the foot steps of the legendary god father ..

- by Zaroff Ahmed

Forty seven years ago, Sri Lanka's conservative advertising industry saw a significant change. In an era, when modern concepts of advertising, promotions and publicity were unheard-of, one exceptional individual, often referred to as 'the god father of advertising': the legendary late Deshbandu Reggie Candappa, turned things around with his unique vision and foresight. With the launch of Grant Advertising, Reggie Candappa provided the training ground for several of today's advertising stalwarts. The Company later acquired an international affiliation with McCann- Erickson, one of the world's leading communication conglomerates today.

At the helm of the Company her father created, is Neela Marikkar: one of the most successful Sri Lankan lady entrepreneurs and a leading name in the advertising industry today. Following in her father's footsteps, Chairperson of Grant Group of Companies and Managing Director of Grant McCann-Erickson (a member of the international network - McCann-Erickson - USA), and well-known peace activist, Neela shares her thoughts and views on the dynamic face of advertising and her passion for peace.

vision & attitude

"I believe in 'out of the box thinking' and anticipating clients' needs. This is one of the key factors in our success", says Neela. "Nothing succeeds like success", and with more than two decades of industry experience, she advocates that it is this success that inspires and keeps her going.

on the job..

"At Grants, 'advertising' is not a mere buzz word. Our top priority is to offer a more personalized integrated solution with value-additions for our clients. This, coupled with client servicing, second to none makes us the leading advertising agency, in the country today", remarks the Chairperson. "Technological advancements and the use of modern tools have both been significant contributors to the development of the advertising industry. The ever-changing face of the industry demands an innovative and creative approach to traditional forms of communication. This is a positive sign for the advertising industry, and precisely what fascinates me about it", she added.

social welfare..

Apart from her active involvement in the advertising industry, Neela has an avid zeal for social welfare. A peace activist, she is the President of 'Sri Lanka First': a powerful group of business leaders from the private sector, advocating a negotiated settlement between the Government of Sri Lanka and the LTTE.

In her efforts to promote peace, stability and development, Neela worked with the United Nations Development Programme (UNDP), to increase foreign investments and help revive the economy after 18 years of conflict. She was an active participant in the UNDP program "Invest in Peace," which was launched in partnership with the Sri Lankan government and business community for selected Fortune 500 CEOs in New York.

In the recent past, she also led a bi-communal meeting organized by 'Sri Lanka First' for over 100 members of the diaspora in New York City. Her ultimate objective is to build support for the compromises both sides will have to make to ensure sustainable peace in the country. She is an active member of "Women Waging Peace" a collective group of women peace activists from conflict ridden countries across the world, who meet every year at Harvard University's John F. Kennedy School of government.

'a memorable moment !'

"Accomplishing a task in a hard earned business, is truly a cherishable and indeed a memorable moment." says Neela. Recalling such a memorable moment she talks about the pleasure she took in getting involved in the momentous assignment for 'Cinnamon',



Ms. Neela Marikkar, Chairperson
Grant Group of Companies

the new hotel brand launched by John Keells late last year, where Grant McCann Eriksson was an important part of the re-branding process and the launching of the first hotel in the chain the 'Cinnamon Grand'.

'words of wisdom'

"You have to be very diligent and responsive to your clients' needs at all times, and of course you should also be adaptable in your 'strategies' accordingly." Neela marks this as a critical factor in today's ever demanding and challenging corporate world. Adding further, in cheerful spirit, the Chairperson of Grant Group of Companies declares, "Once you do the job with great passion and total commitment, the rest is sure to fall in place."

Congratulations Microsoft Sri Lanka !

ICASL choose Microsoft for world class technology.



Colombo, April 2006

The Institute of Chartered Accountants of Sri Lanka (ICASL) and Microsoft Sri Lanka recently announced a partnership under which the software provider and ICASL's efforts would enhance the professional skills of its members and corporate community.

This momentous venture would also enhance and facilitate taking technology to rural areas of Sri Lanka and would be fostered by the wide network of students and organizations that are aligned with ICASL.

The two organizations will also take efforts to promote the use of IT in Sri Lanka by conducting seminars addressing specific needs focusing the industry, topics such as: IT Security, Project Management, Business Performance Management, Corporate Compliance, Risk Management Execution and Business Information.

The agreement also includes ICASL accrediting itself as a Microsoft Training Partner, a stamp of its capacity to deliver a complete technology training solution for its faculty and students.

In a statement by the Microsoft Country Manager - Mr. Sriyan de Silva Wijeyeratne, stated that "Sri Lankans have the potential and the will to succeed on any global platform, and at Microsoft we consider it our duty to facilitate such needs by encouraging them".

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For success, attitude is equally as important as ability
- Harry F. Banks

NOTICE

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Spotlight on Corporate Governance

Emerging Trends in Internal Audit

The seminar on Emerging Trends in Internal Audit, organized by SJMS Associates was held on January 06, 2006 at Hotel Taj Samudra.

The spotlight on 'corporate governance' has dramatically increased the requirements towards internal audits.

The seminar which highlighted and emphasized the importance of the internal auditor who should not only be capable of providing assurance to the board and the management on the integrity of the flow of information but also should be including risk assessment, focusing on monitoring financial and operational controls and compliance and the provision of timely advice to the board and management. It also focused on new challenges faced by the internal auditors with this enhanced role, in respect of having the necessary skills and expertise.

The speakers included K. Vidyadharan, Partner, Maharaj NR Suresh and Co., (India) and immediate Past President, IIA - Madras Chapter who spoke on 'Challenges and opportunities faced by Today's' internal auditors in the emerging scenario', C. N. Srivatsan, Director, Astral Management Consultants (Pvt) Ltd and President IIA Coimbatore Audit Club who spoke on 'Risk Based Approach to Internal Audit' and 'Operations Audit of Manufacturing Companies' and S. Srinivasan, Partner, Sundar, Srini and Sridhar, Chartered Accountants, who spoke on 'Information Security Concerns of Internal Auditors'.

Indrajit Fernando, Vice President South Asian Federation of Accountants, addressing the well attended gathering, noted that the internal audit process benefits even the external customers and stakeholders and that high quality standards of financial reporting, auditing, ethics underpin the trust that investors place in financial and non-financial information.



The speakers from left to right: Mr. K. Vidyadharan, immediate Past President, IIA – Madras, Mr. C. N. Srivatsan - Director, Astral Management Consultants (Pvt) Ltd and President IIA Coimbatore Audit Club, Mr. Indrajit Fernando, Vice President South Asian Federation of Accountants, Mr. T. Someswaran – Senior Partner, SJMS Associates and Mr. S. Srinivasan, Partner, Sundar, Srini and Sridhar - Chartered Accountants addressing the gathering.

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He also added that, "Microsoft is committed to the development of technology leaders for tomorrow, to propel Sri Lanka to a culture of IT excellence, and we are extremely happy about this partnership with ICASL, which will enable both parties to promote the best use of IT in the country". The MOU between ICASL and Microsoft will create a *state of the art* computer lab to train ICASL students and members in the use of IT and IT Security.

SJMS Associates is indeed happy and proud of the partnership between the ICASL and its prestigious client—Microsoft Sri Lanka (Pvt)Ltd.



The software giant - 'Microsoft': globally serviced by Deloitte and its member firms, was locally incorporated in 2004 in Colombo as 'Microsoft Sri Lanka (Pvt) Ltd', and is serviced by SJMS Associates.

Gates, William III , 46



Source: Microsoft
Net Worth: \$52.8 billion
Residence: State of Washington
Marital Status: Married, 3 children
Industry: Software

"I wish I wasn't. There is nothing good that comes out of that..." Microsoft cofounder Bill Gates, on being the world's richest man. His fortune was \$90 billion at his peak in 1999. According to Forbes, he is now worth an estimated \$50 billion. The World's Richest Man's fortune may be \$10 billion less than it was two years ago at the height of the bull market, but his wealth still averages out to 62 cents of earnings for every second of Microsoft's existence.

Quotation source: 'Newsweek' May 2006 Issue

Education is the most powerful weapon to change the world
- Nelson Mandela

Audit of Sirasa 'Super Star' Contest Voter Data



Sirasa 'Super Star' Contest: Sri Lanka's first ever reality television music show, held its final round on 25th March 2006, an event organized and made possible by The Maharaja Organization Ltd, MTV / MBC Networks (Pot). Ltd. This is the first time where the Sri Lankan public voted for their favourite contestants through televoting and sms messaging.

Subsequent to the controversial situation which arose, on request of the local media giant, SJMS Associates was officially appointed to carry out an independent audit of the results announced to the general public. Through a detailed review and an audit of the voter data, SJMS Associates was able to provide independent assurance of the rankings as announced. Thereafter SJMS Associates was on site to audit the voter data prior to each announcement, including the finals.



Mr. K. Vidyadharan, immediate Past President, IIA – Madras, addressing the well attended gathering on the process and benefits

Importance of writing a 'Will'

A will is a legal document designating the transfer of your property and assets after you die. The simplest way to ensure that your funds, property and personal effects will be distributed after your death according to your wishes is to prepare a will. Usually, wills can be written by any person over the age of 18 who is mentally capable, commonly stated as "being of sound mind and memory."

Everyone Needs One

Although wills are simple to create, most often you witness a greater number of people pass away without one. Without a will to indicate your wishes, the court steps in and distributes your property according to the laws in the country. Wills are not just for the rich; the amount of property you have is irrelevant. A will ensures that, what assets you do have will be given to family members or other beneficiaries you designate. If you have no apparent heirs and die without a will, it's possible the government even may claim your property.

Having a will is especially important if you have children because it gives you the opportunity to designate a guardian for them in the event of your death. Without a will, the court will appoint a guardian for your children.

Two of the most important items included in your will are naming a guardian for minor children and naming an executor.

Naming a Guardian

In most cases, a surviving parent assumes the role of sole guardian. However, it's important to name a guardian for minor children in your will in case neither you nor your spouse is able and willing to act. The guardian you choose should be over 18 and willing to assume the responsibility. Talk to the person ahead of time about what you are asking. You can name a couple as co-guardians, but that may not be advisable. It's always possible the guardians may choose to go their separate ways at some later date, and, if so, a custody battle could ensue. If you do not name a guardian to care for your children, a judge will appoint one, and it may not be someone you would have chosen.

*"The only thing constant
in life is.. change"
- François de la Rochefoucauld*

Naming an Executor

An executor is the person who oversees the distribution of your assets in accordance with your will. Most people choose their spouse, an adult child, a relative, a friend, a trust company or an attorney to fulfill this duty. You should expect your estate to pay an independent executor for this service.

Preparing a Will

Start by organizing what you need: outline your objectives, inventory your assets, estimate your outstanding debts and prepare a list of family members and other beneficiaries. Use this information to carefully consider how you want to distribute your assets. Ask yourself lots of questions: Is it important to pass my property to my heirs in the most tax-efficient manner? Do I need to establish a trust to provide for my spouse or other beneficiaries? How much money will my grandchild need for college? Do I need to provide for a child who has a disability?

Taking inventory of the assets may be the key to making a will. Assets should be mentioned in your will. Any items not specifically mentioned may be addressed in a catchall clause of your will called a residuary clause, which generally states, "I give the remainder of my estate to ..." Without this clause, items not specifically mentioned will be distributed in accordance with ordinary law.

Outstanding debts usually will be paid by your property before your beneficiaries receive their shares. You may want to clear up debts that you know will be a problem, or make specific provisions for payment of those debts in your will.

Remember to be specific and clear when naming beneficiaries. For example, state the person's full name as well as his or her relationship to you (child, cousin, friend, etc.) so your executor will know exactly who you mean. Clarity will also help to prevent challenges to your will.

It's important that you sign the will in front of witnesses and have it notarized.

Updating a Will

You'll probably need to update your will several times during the course of your life. For example, a change in marital status, the birth of a child or move to a new location should all prompt a review of your will. You can update your will by amending it, by way of a codicil or by drawing up a new one. Generally, people choose to issue a new will that supersedes the old document. Be sure to sign the new will and have it witnessed, then destroy the old one.



Where to Keep Your Will

Once your will is written, store it in a safe place that is accessible to others after your death. If you name a trust company as executor, it will hold your will in safekeeping. You can keep it in your safe deposit box. Make sure a close friend or relative knows where to find your will. If you had an attorney prepare your will, have him or her retain a copy with a note stating where the original can be found.

Plan Ahead

The end of your life is something you probably don't want to dwell on, but thinking about what will happen to your loved ones and your assets and personal possessions is important. Making sure you've done all you can to make their lives easier will give you peace of mind. And once your will is drafted, you won't have to think about it again unless something significant in your life changes.

Elements of a Will

Here are the basic elements generally included in a will:

- Your name and place of residence
- A brief description of your assets
- Names of spouse, children and other beneficiaries, such as charities or friends
- Alternate beneficiaries, in the event a beneficiary dies before you do
- Specific gifts, such as an auto or residence
- Establishment of trusts, if desired
- Cancellation of debts owed to you, (if desired)
- Name of an executor to manage the estate
- Name of a guardian for minor children
- Name of an alternative guardian, in the event your first choice is unable or unwilling to act
- Your signature
- Witnesses' signatures

For further information, please contact:
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Sri Lanka to smack stamp duties on leasing, credit cards and insurance policies..

The government of Sri Lanka has re-imposed stamp duty with effect from April 04, 2006, on a range of services including: leasing, credit cards and insurance policies

Stamp duty has been brought back after it was discontinued in May 2002, proposed under the 2006 budget, stamp duty was given legal effect when parliament approved it on March 21.

Stamp Duty covers:

Affidavit	Rs. 100.00
Insurance policies for every Rs. 1000	Rs. 0.50
Warrant to act as notary public in any area	Rs. 1000.00
A license issued to carry on any trade or business	Rs. 1000.00
A claim, demand or request on amount spent on credit cards for every Rs. 1,000	Rs. 10.00
for each Rs. 100 of the face value	Rs. 0.50
Mortgage of properties; for every Rs. 1,000	Rs. 5.00
Promissory note; for every Rs. 1,000	Rs. 1.00
Lease or hire of property; for every Rs. 1,000	Rs. 10.00
Receipt or discharge given for any money not less than Rs. 1,000	Rs. 1.00
Receipt or discharge given for payments of remuneration to staff exceeding Rs. 25,000-Rs. 40,000	Rs. 25.00
Receipt or discharge given for payments of remuneration to staff exceeding Rs. 41,000-Rs. 50,000	Rs. 40.00
Receipt or discharge given for payments of remuneration to staff exceeding Rs. 50,000 and above	Rs. 50.00

Exemption list

- Insurance policy on:
 - Life,
 - Medical
 - Plant, machinery and equipment used for construction industry or agriculture;
 - Motor vehicles and vans used for construction industry or agriculture
- Mortgages on aircrafts registered under the Air Navigation Act
- Mortgages executed for any loans for Rs.3 million or less
- Commercial leasing transactions on motor vehicles used for traveling
- Share transactions in quoted companies
- Diplomatic missions

For further information, please contact our Tax Div., on 2-580409 or visit us at www.sjmsassociates.lk

Sri Lanka's tax revenues hit Rs. 334.9 billion in the first eleven months of last year, nearing 16 percent of Gross Domestic Product (GDP) according to the Secretary to the Treasury. The government is aiming to raise the tax to GDP ratio to 19-20 percent in four years according to the Ministry of Finance

Source - LBR

Good news for Exporters
on VAT refunds

As proposed in 2006 Budget, exporters (including suppliers who are registered with Textile Quota Board for Value Added Tax suspension Scheme) are entitled to obtain refunds **within 15 days** by furnishing a Bank Guarantee or an Insurance Bond for any taxable period commencing on or after January 1, 2006.

NOTICE

SJMS KANDY

We are happy to inform all our esteemed clients, friends and alumni on the re-naming of our branch in Kandy from Ramiah & Company to **SJMS Associates Kandy** with effect from April 1, 2006.

Ramiah & Company established in 1932, (a firm which was acquired by SJMS Associates in 2004), is a firm of Chartered Accountants in the Hill Capital, located in the heart of the City of Kandy (# 25 1/1 George E. De Silva Mawatha, Kandy, Sri Lanka) with a branch office in Nuwara Eliya. SJMS Associates Kandy, would comprise of a resident partner in charge, Mr. R. Rajendran, supported by Mrs. Anita Ariaratnam and Mr. V. Soundranayagam, Managers and a combined staff of around 15.

ACQUISITION OF LMK

We also have pleasure in informing our clients, friends and alumni that SJMS Associates have further expanded its reach by acquiring the practice of **LAWRIE MUTHU KRISHNA & CO.,** (Chartered Accountants) of # 81 1/7, 1/8 First Floor, Ashika Building, Prince Street, Colombo 11, Sri Lanka, with effect from April 1, 2006.

LAWRIE MUTHU KRISHNA & CO., (LMK) was established in 1949.

"Only those who dare to fail greatly can ever achieve greatly.." - Robert F. Kennedy

off the mark by Mark Parisi

