



Chairman Writes...



Dear Colleagues,

A Happy Financial New Year to all of you. This April 1st brings in a lot of emotions, and the heart is filled with pride and a sense of anticipation. It heralds in the Diamond Jubilee of our Regional Council and also a year that promises a lot of learning. The Council has worked to give you a great year ahead, and I take this opportunity to thank and salute all the Chairmen,

and all the Council members of these sixty years, to help us see this day.

The last one month has been hectic with so many branches organizing meetings on the budget, and many branches working on their Golden and Silver Jubilee celebrations. My sincere thanks to our hard working Course Coordinators viz. CA. M. Naganathan and CA. P.S. Narasimhan of Chennai and also to all Resource persons from various parts of the country who have untiringly given us such interesting and relevant seminars in the last month.

I cannot but mention the greatest tragedy of the year that occurred last month. Japan has undergone the biggest tragedy. It was touching to know that many of our members were involved in various projects to show our solidarity with the people of Japan.

I must bring to your notice a part of an article that I read on the net a week back, and what surprised me is that even in this tragedy Japan has lessons to teach all of us. This is the exact extract of the article written by a journalist on how orderly and strong the Japanese have been in this time of crisis. Believe you me, it has really inspired me to learn from them and do hope you find this piece enlightening.

“Despite all the misery..... I can't seem to find any reports of rioting or looting in Japan.

First-hand accounts coming from ground-zero confirms the lack of unrest. It is striking that there are no children crying and how orderly everything appears to be. Overall, there is an air of subdued calm and of people grimly adjusting to the new reality that their peaceful fishing town will never be the same again. When I ask how people are coping, the school's headmaster, Mitsuhiro Shobuke, said: “Japanese people are enduring. It is not in our culture to express our sorrow or anger. We grin and bear it. There has been no looting and no riots here because in our culture we value order and dignity and we help each other. I am proud of how our people have behaved.”

This is quite unusual among human cultures, and it's unlikely it would be the case in Britain.

During the 2007 floods in the West Country abandoned cars were broken into and free packs of bottled water were stolen. There was looting in Chile after the

earthquake last year – so much so that troops were sent in; in New Orleans, Hurricane Katrina saw looting on a shocking scale.

While Mr. West does not have an answer to this unusual, yet welcome phenomenon (there being no known rioting or looting in Japan despite extreme devastation in many areas, including at least one coastal town completely wiped off the map by the tsunami).

Nice People and they will rise again.....

In the world take always the position of the giver. Give everything and look for no return. Give love, give help, give service, give any little thing you can, **but keep out barter**. Make no conditions and none will be imposed. Let us give out of our own bounty, just as God gives to us. – Swami Vivekananda

Let us join them in praying for their quick recovery and also pray for the souls who have departed.

Looking ahead, the SIRC has several agenda to serve the members through conduct of programmes. The 3rd theme based RRC is being planned at Hills Station Yercaud near Salem, hosted by the award winning Salem Branch to give the experience of leisure learning in the nature's cool weather on 22nd, 23rd and 24th April 2011. Survey, Search and Seizure is the topic chosen - a lucrative area for the younger generation to equip and an opportunity for the seasoned players to fine tune. CA. V. Jagadisan, a veteran on this topic, former Central Council Member, ICAI has kindly consented to act as Moderator and coordinate the entire programme.

We are stepping into the new Financial Year with bank audits and we need to discharge the same with diligence. Irrespective of the pressures to complete the audit in short time we need to keep in mind the responsibilities we owe.

To end .. I take this opportunity to personally invite each one of you to the inauguration of the Diamond Jubilee Celebrations of our Region on **Monday, the 25th April 2011 at Music Academy, Chennai** from 6.00 p.m. Our beloved President **CA. G. Ramaswamy** has kindly consented to preside over the Inaugural Session along with our beloved Vice-President **CA. Jaydeep Narendra Shah**. Please treat this as a personal invitation and join us in heralding the year in the presence of august dignitaries.

I look forward to meeting as many of you as I can on the 25th April 2011. My colleagues in the council and I join in wishing you all the best for this Diamond Jubilee Year of SIRC, and also look forward to your feedback in making this year an eventful year.

Looking back the performance of SIRC in the last one month, I am happy to express my sincere thanks to our Honourable President CA. G. Ramaswamy for guiding us in our road map for the year 2011-12.

Your affectionately

CA. K. SHANMUKHA SUNDARAM

DIAMOND JUBILEE CELEBRATIONS of SIRC of ICAI

Day : **Monday**

Date : **25th April 2011**

Time : **6.00 p.m.**

Venue : **Music Academy, Chennai.**

Inaugural Session: Presidential Address by **CA. G. RAMASWAMY, President, ICAI**

Special Address by **CA. JAYDEEP NARENDRA SHAH, Vice-President, ICAI**

High Tea : 5.30 p.m.

The detailed programme and the names of other dignitaries will be intimated to all the members through e-mail and SIRC Website in due course.

All are Welcome

ICAI JOINT PROGRAMME WITH ICAEW - March 16, 2011 - Chennai



ICAI Joint Programme with ICAEW at Chennai on March 16, 2011 on the benefits of the MoU, roadmap to membership and opportunities for further collaboration between ICAI and ICAEW. (L-R): Ms. Vanana Saxena Poria, Co-ordinator, ICAEW, CA. Jaydeep Narendra Shah, Vice-President, ICAI, Mr. Justin West, Head of New Business Opportunities, ICAEW & CA. K. Shanmukha Sundaram, Chairman, SIRC.



Presentation by Mr. Justin West
Head of New Business Opportunities, ICAEW



Address by CA. Jaydeep Narendra Shah
Vice-President, ICAI



Address by CA. K. Shanmukha Sundaram
Chairman, SIRC of ICAI



Vote of Thanks by CA. K. Viswanath
Vice-Chairman, SIRC of ICAI



Smt. Prema Malini Vasan, IRS, CCIT – I (CCA), Chennai inaugurating the Two Day Orientation programme for newly qualified Chartered Accountants organised by Committee for Members in Industry, ICAI at Chennai on March 3, 2011. (L-R): CA. V. Murali, Member, Committee for Members in Industry & CCM, ICAI & Chief Co-ordinator of Campus Interviews at Chennai, CA. K. Shanmukha Sundaram, Chairman, SIRC, Dr. C.K. Gandhirajan, IPS, ADGP, Enforcement, Tamil Nadu and CA. S. Santhana Krishnan, CCM, ICAI.

**CPE SEMINAR ON CENTRAL STATUTORY AUDIT OF BANKS
March 11, 2011 - Chennai**



CA. R. Balakrishnan, Past President, ICAI inaugurating the CPE Seminar on Central Statutory Audit of Banks on March 11, 2011 at Chennai. (L-R): CA. M. Naganathan, Chennai, CA. P.S. Narasimhan, Chennai, CA. G.V.V. Satyanarayana, Member, SIRC, CA. S. Murali, Secretary, SIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. Gopal Krishna Raju, Member, SIRC, Shri A. Madasamy, CGM, RBI, Mumbai and CA. P.R. Aruloli, Member, SIRC.

CPE SEMINAR ON BANK BRANCH AUDIT - March 12, 2011 - Chennai



Shri B. Ram Gopal, Executive Director, Indian Bank inaugurating the CPE Seminar on Bank Branch Audit on March 12, 2011 at Chennai. (L-R): CA. M. Naganathan, Chennai, CA. Gopal Krishna Raju, Member, SIRC, CA. S. Murali, Secretary, SIRC, CA. P.R. Aruloli, Member, SIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. G.V.V. Satyanarayana and CA. P.V. Rajarajeswaran, Members, SIRC.



Stray Thoughts on Finalisation – Panel Discussion. CA. M. Naganathan, Chennai moderating the panel discussion. (L-R): Panelists CA. P.S. Narasimhan, Chennai, CA. C.R. Sundararajan, Chennai, Shri K.R. Srivarahan, Member-Faculty, IOB Staff College, Chennai, CA. Venugopal C. Govind, Kochi and CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI.

Resource Persons



CA. S. Swaminathan
Pondicherry



CA. R. Sundararajan
Chennai



Shri S. Sivaramaswamy
Former GM, IOB



CA. Mahesh Krishnan
Chennai



CA. S. Pattabiraman
Chennai



CA. S. Santhana Krishnan
Chennai

Resource Persons



Shri A. Madasamy
CGM, RBI, Mumbai



Shri S. Pasupathy
AGM, Union Bank of
India, Mumbai



Shri K.R. Srivarahan
Member-Faculty
IOB Staff College, Chennai



CA. A. Gopalakrishnan
Kochi



CA. P. Anand
Chennai

SIRC CALENDAR**APRIL & MAY 2011**

Contact: Shri T.V. Srinivasan, Senior Assistant Secretary – ICAI - Phone: 044 – 30210320 / 321 – Email: sirc@icai.in

Date and time	Program details	Resource person	Fee (₹)	CPE credit
Apr. 6, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on COUPLE OF THINGS ABOUT PUBLIC & PRIVATE COMPANIES	CS. M.R. Thyagarajan Coimbatore	150/-	2 hrs
Apr. 20, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on TDS / TCS FOR FINANCIAL YEAR 2011-12	CA. D. Kannusami Cuddalore	No Delegate Fee	2 hrs
Apr. 22 to 24 Fri, Sat & Sunday	REGIONAL RESIDENTIAL COURSE AT YERCAUD	Details at page 11		12 hrs
Apr. 25, Monday 06.00 p.m.	**INAUGURATION OF DIAMOND JUBILEE CELEBRATIONS OF SIRC OF ICAI	Details at Front Cover		No CPE Credit
Apr. 27, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on LIMITED LIABILITY PARTNERSHIP – LEGAL ASPECTS, TAX ASPECTS AND MDF THROUGH LLP	CA. Gopal Krishna Raju & CS. S. Dhanapal Chennai	150/-	2 hrs
Apr. 29 to May 01 Fri, Sat & Sunday	NATIONAL RESIDENTIAL CPE SEMINAR AT MUNNAR	Details below		12 hrs
May 4, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on IMPLICATION OF DIFFERENT ASPECTS OF INTERNATIONAL TAXATION IN THE PRESENT DAY CONTEXT	CA. R. Balagopal Kochi	150/-	2 hrs
May 11, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on QUALITY MANAGEMENT SYSTEM - ENHANCING QUALITY IN AUDITS	CA. G. Sivaprakash Chennai	150/-	2 hrs
May 18, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on TAX IMPLICATIONS OF WAIVER OF INTEREST AND PRINCIPAL OF BANKS	CA. R. Raghunathan Salem	No Delegate Fee	2 hrs

* Programmes at P. Brahmayya Memorial Hall, ICAI Bhawan, SIRC Premises, Chennai - 34.

** Programme at Music Academy, TTK Road, Chennai.

No CPE Study Circle Meeting on April 13, 2011 on account of Elections to the Tamil Nadu Assembly.

NATIONAL RESIDENTIAL CPE SEMINAR AT MUNNAR**Friday - Sunday, April 29 to May 1, 2011**
Mountain Club Resort (4 Star Facility)**Organised By Committee for Members in Industry of ICAI**
Host: SIRC of ICAI & Ernakulam Branch of SIRC**Technical Sessions on**IFRS in Indian Context
Direct Tax Code
Relevance of Indian GAAP in emerging Scenario
IFRS Convergence – Professional Opportunities
Critical Issues in Direct Taxes
Emerging Professional Opportunities for CAs**Resource Persons****CA. M.P. Vijay Kumar**, Chennai
CA. T. Banusekar, Chennai
CA. K. Raghu, Bangalore
CA. Jomon K. George, Kochi.**Special Attractions:**

- 3 days & 2 nights stay in God's own country's best Hill station - Munnar
- Highly useful technical sessions by eminent Resource persons.
- Sight Seeing, Trekking, Visit to Munnar Tea Museum.
- Entertainments, camp fire, music etc.
- Four Star facility Resort
- Highly Discounted rates!
- Transportation arranged from Kochi.

Checkin: 12.00 noon on 29.04.2011 - Checkout: 1.00 p.m. on 01.05.2011

DELEGATE FEE**Residential****(includes 3 days, 2 nights stay, Breakfast, Lunch, Dinner, Seminar material etc.)**

For Members	₹ 6900/- (on twin sharing basis)
For Spouse & Ernakulam ARS Members	₹ 6500/- (on twin sharing basis)
Children under 6 years old	Free
Children without extra bed	₹ 1900/-
Children with extra bed	₹ 2900/-

Non-Residential**(includes Seminar material, Food and other attractions)**

For Members	₹ 3900/-
For Spouse & Ernakulam ARS Members	₹ 3500/-

For Registration details, kindly contact Ernakulam Branch Ms. Tessa - Ph: 0484- 2381170. Payment should be made by Cheque / DD in favour of "Ernakulam Branch of SIRC of ICAI" payable at Ernakulam and should be sent to Ernakulam Branch of SIRC of The Institute of Chartered Accountants of India, 'ICAI Bhawan', Diwan's Road, Kochi – 682 016. Phone: 0484 – 2369238 / 2369258 / 2372953. Email: ernakulam@icai.org Website : www.kochiicai.org

Seminar Director
Chairman, CMI of ICAI**Seminar Organizers**
Chairman, SIRC of ICAI &
Chairman, Ernakulam Br. of SIRC of ICAI**Seminar Co-ordinators**
Ex-Officio Members of Ernakulam Br. &
All MC Members of Ernakulam Br.CPE Credit
12
HOURS

Published on the occasion of **DIAMOND JUBILEE YEAR OF SIRC OF ICAI**

FIRST ACCOUNTS OF THE MADRAS REGIONAL COUNCIL OF ICAI THE MADRAS REGIONAL COUNCIL OF ICAI Statement of Receipts and Disbursements for the year ended 31st March 1953.					
RECEIPTS		Rs. A. P.	Rs. A. P.	PAYMENTS	
				Rs. A. P.	Rs. A. P.
To Annual Subscriptions ...		2,715	0 0	By Printing and Stationery ...	57 10 3
" Grant from Institute ...		3,000	0 0	" Rent and Elec. Charges ...	20 0 0
" Donation from Sri. Kerala Varma ...		150	0 0	" Postage and Telegrams ...	38 14 3
" Miscellaneous Receipts ...		20	9 0	" Travelling and Conveyance :	
				To Mofussil Members of the	
				Regional Council ...	375 0 0
				Conveyance Charges ...	4 15 6
					379 15 6
				" Annual Meeting Expenses	
				General Body Meeting ...	372 11 9
				Extra-Ordinary General Meeting ...	180 14 3
					553 10 0
				" Refresher Course lectures ...	136 0 0
				" Sundries ...	38 0 0
				" Cash and other Balances on 31.3.1953 ...	
				Cash on hand ...	38 1 3
				Cash in Current Account with Bank ...	4,623 5 9
					4,661 7 0
Total Rs.		5,885	9 0	Total Rs.	5,885 9 0
Income and Expenditure Account for the year ended 31st March, 1953.					
EXPENDITURE		Rs. A. P.	Rs. A. P.	INCOME	
				Rs. A. P.	Rs. A. P.
To Printing and Stationery ...			57 10 3	By Annual Subscription ...	2865 0 0
" Rent, Electric Charges ...			20 0 0	" Grant from the Institute ...	3000 0 0
" Postage and Telegrams ...			38 14 3	" Donation from Sri Kerala Varma ...	150 0 0
" Travelling and Conveyance :				" Miscellaneous Receipts ...	20 9 0
To Mofussil Members of the					
Regional Council ...	475	0 0			
Conveyance Charges ...	4	15 6	479 15 6		
" Annual Meeting Expenses :					
General Body Meeting ...	372	11 9			
Extra-Ordinary General Meeting ...	180	14 3	553 10 0		
" Refresher Course lectures ...			136 0 0		
" Sundries ...			38 0 0		
" Excess of Income Over Expenditure ...					
for the year carried to General Fund ...			4,711 7 0		
Total Rs.			6,035 9 0	Total Rs.	6,035 9 0
Madras } (Sd) R. Sivabhogam 7-4-1953 } Treasurer		(Sd) A.Y. Sundram Secretary		(Sd) C.S. Sastri Chairman	
Examined and Found Correct. (Sd) Brahmayya & Co. Chartered Accountants, Hony. Auditors					
The Madras Regional Council of the Institute of Chartered Accountants of India Balance Sheet as at 31st March 1953.					
FUNDS & LIABILITIES		Rs. A. P.	Rs. A. P.	PROPERTY & ASSETS	
				Rs. A. P.	Rs. A. P.
General Fund :				Outstanding Subscriptions,	
Excess of Income over				Considered Good ...	150 0 0
Expenditure for the year ...			4,711 7 0	Cash	
Liabilities :				On Hand ...	38 1 3
For Expenses ...			100 0 0	In Current Account	
				with Bank ...	4,623 5 9
					4,661 7 0
Total Rs.			4,811 7 0	Total Rs.	4,811 7 0
Madras } (Sd) R. Sivabhogam 7-4-1953 } Treasurer		(Sd) A.Y. Sundram Secretary		(Sd) C.S. Sastri Chairman	
Examined and Found Correct. (Sd) Brahmayya & Co. Chartered Accountants, Hony. Auditors					

FIRST MEMBERS OF THE MADRAS REGIONAL COUNCIL OF ICAI

S/Shri		S/Shri	
S.G. Dastgir		C.S. Sastri	Central Council Member
Kerala Varma		Miss R. Sivabhogam	
M.S. Krishnaswami	Central Council Member	V. Soundararajan	
T.C. Minakshisundaram		D.S. Subrahmaniya	
A.S.A. Nataraja Iyer	Central Council Member	A.Y. Sundram	
C.A. Natarajan	Central Council Member	S. Suryanarayan	Central Council Member
R.N. Rajam Aiyer	Central Council Member	R. Venkatesan	
P.T. Sampathkumaran			



CA. S. Srikanth
Chennai
sreesri@airtelmail.in

Tax Implications of Conversion of a firm under Part IX of the Companies Act, 1956

Corporatization is a process by which any entity not having a separate legal identity acquires this by converting itself into a company under the Companies Act, 1956. A firm, whether registered under the Partnership Act or not, has no separate legal identity. Firms opt to convert into companies due to the need for raising funds and, in many cases, with a view to building a corporate image. While there are other routes like lease, acquisition and slump Sale for transfer of user of or title to the firm's properties to a company, Part IX conversion is touted as the best or most efficacious.

A firm in existence having seven or more partners may register itself as a company under Part IX of the Act. On compliance with the requirements of Part IX with respect to registration, the registrar shall issue a certificate of incorporation giving the entity (i.e. firm) legal status as a Company under the companies Act, 1956. The liability of the members may be limited or unlimited, though, invariably conversion under Part IX results in a private Limited company where the liability is limited by shares.

Conversion under Part IX confers numerous benefits to the entity like enhanced corporate image, ability to source low cost finance from banks and continuation of legacy performance achievements like cumulative export turnover etc; the advantage of part IX conversion is that there is a seamless continuation of business operations.

This article attempts to analyze the current statutory and judicial framework with a view to answering the specific question as to whether claim of exemption from Capital Gains on conversion under Part IX is subject to compliance with the provisions of S. 47(xiii).

S. 45 (1), the charging section begins with the words "any profits or gains arising from the transfer of a capital asset...shall...be chargeable to tax under the head capital gains." Thus, for a gain to be brought within the ambit of the charging section there must be a transfer.

Conversion under Part IX is a statutory exception from capital gains tax as there is no transfer at all.



The holy grail of Part IX conversion is S. 575 of the Companies Act, 1956. S. 575 uses the term "vest" while describing the process by which the company resulting from a part IX conversion becomes the owner of the assets of the erstwhile firm. The Bombay Highcourt in *CIT v. Texspin Engg. & Mfg. Works* (2003) 263 ITR 345 (BOM) has opined as follows:

"Generally in the case of a transfer of a capital asset, two important ingredients are: existence of a party and a counterparty, and secondly incoming consideration qua the transferor. When a firm is treated as a Company, the said two conditions are not attracted. There is no conveyance of the property executable in favour of the Limited Company. It is no doubt true that all properties of the Firm vests in the Limited Company on the firm being treated as a Company under Part IX of the Companies Act, 1956, but that vesting is not consequent or incidental to a transfer. It is a statutory vesting of properties in the company as the Firm is treated as a Limited Company. On vesting of all the properties statutorily in

the Company, the cloak given to the Firm is replaced by a different cloak and the same firm is now treated as a Company, after a given date. In the circumstances, there is no transfer of a capital asset as contemplated by S. 45 (1) of the Act."

It may be noted that the words "treatment of the Firm as a Limited Company" have been used four times in the above passage alone, thus reinforcing the nature of the conversion under Part IX of the Companies Act, 1956.

The Bombay High Court in this case also concludes that the vesting of properties in a firm in the hands of a company under part IX conversion by virtue of S. 575 does not amount to "distribution of assets" on "dissolution of a firm" within the meaning of S. 45 (4).

Therefore in the considered opinion of the Bombay High Court, neither S. 45(1) nor S. 45(4) stands attracted where there is a part IX conversion. The foregoing discussions on the legal framework of Part IX conversion as well as the ratio in *CIT v. Texspin Engg. & Mfg. Works* (2003) 263 ITR 345 (BOM) would go to show that a conversion under Part IX would be totally outside the scope of the charging section. **In other words conversion under Part IX is a statutory exception from capital gains tax as there is no transfer at all.**

Sec 47 identifies certain situations that would otherwise fall squarely within the ambit of the charging Section i.e. S. 45(1) and carves out specific exemptions or exceptions within a framework of preconditions and caveats.

S.47 (xiii) exempts from the ambit of the charging provision any "transfer of a capital asset" or intangible asset by a firm to a company as a result of succession of the firm by a company in the business carried on by the firm. The proviso gives certain conditions to be satisfied for claim of exemption under this section. The most important and arguably the most onerous of these is the condition that "the aggregate of the shareholding in the company of the partners of the firm is not less than fifty per cent of the total voting power in the company and their shareholding continues to be as such for a period of five years from the date of the succession."

REGIONAL RESIDENTIAL CONFERENCE AT HAMPI

Saturday & Sunday, August 6 & 7, 2011

Complete details will be published in forthcoming issues

The question to be answered is whether exemption from capital gains under Part IX is by virtue of the provisions of the Companies Act or by virtue of compliance with the conditions laid down in S. 47(xiii)?

Unfortunately, S. 47(xiii) uses the words succession of a firm by a company. But it also uses the word “transfer”. **So there should be a transfer of a capital asset in order to say that the exemption on conversion under Part IX is by virtue of s.47 (xiii). If we still want to link 47(xiii) to Part IX conversion we should logically conclude that there is a transfer of an immovable property when there is a vesting of the property in a company under Part IX conversion.**

To do this would result in opening up another issue. As already stated a majority of the Part IX conversions are done with a view to sheltering under the umbrella of exemption from stamp duty as well as Capital Gains Tax. The other benefit conferred by Part IX conversion of avoiding unnecessary stamp duty on transfer of immovable property on conversion of a firm into company is a very powerful incentive to convert. A sub registrar may find it difficult to understand the implications of S. 575 of the Companies Act, 1956 and may refuse to record the rectification of change in ownership in the name of the company without payment of stamp duty. In those cases we are advised to approach the jurisdictional court on a declaratory suit that the company is now the owner of the assets which belonged to the firm in an earlier avatar but that there is no transfer! We are supported in this by the decision in *Rama Sundari Ray v. Syamendra Lal Ray*, ILR (1947 2 Cal 1 where it was held that vesting being statutory, no registered instrument of transfer is necessary.

The fact that stamp duty is exempted on conversion under Part IX only goes to

strengthen the argument that Part IX conversion is totally outside the scope of S. 45(1) and is a stand-alone exemption like the principle of mutuality which exempts clubs and associations from paying tax. In a conversion under Part IX there is neither a transferor nor a transferee who deal with each other contemporaneously so as to result in a profit or gain.

The Bombay High Court emphatically rejects the premise that there is dissolution of the firm on conversion. Conversion merely changes identity in entity without in any way destroying the existence of the entity. What is surprising is that the authorities who quote S. 575 for avoiding stamp duty miss the point when it comes to S. 45(1). Doesn't the same principle apply?

If the exemption from Capital Gains Tax in a Part IX conversion arises not from operation of law but from compliance with the conditions laid down in S. 47(xiii), then the very need for conversion under part IX becomes purposeless. We might as well convert a firm into a company within the framework of S. 47 (Xiii). Moreover, S. 47(xiii) was inserted by the Finance (No. 2) Act, 1988, w.e.f 1-4-1999. But Part IX conversions have been happening since the enactment of the earliest Companies Act in India.

Texspin's case (supra) refers in passing to S. 47(xiii) to gain support that there is no transfer when a company succeeds a firm. It does not address the question raised here. But, the ITAT Bangalore in ACIT v. Unity Care and Health Services 106 TTJ 1086 has specifically addressed the issue of applicability of Part IX and has held as follows:

“When a conversion of a firm into company takes place under the provisions of Companies Law, such conversion can be construed only as occasioned by operation of law. Hence, no controversy can arise on the application of this principle even for purposes of capital gains under section

45(4) of the Act. **By insertion of section 47(xiii) in the Act, it cannot be said that the conversion of a firm into a company under Part IX is to be first treated as dissolution of firm within the meaning of section 45(4) and only if condition as contained in section 47(xiii) are complied, the exemption will be available.** Section 47(xiii) applies only to a case of transfer by sale, but there is no authority for capital gain at all in the absence of a transfer under Part IX of the Companies Act inasmuch as such conversions do not fall within the definition of transfer under section 2(47) of the Act.”

Be that as it may the question whether exemption from Capital Gains Tax on conversion under Part IX is subject to compliance with the condition laid down in S. 47(Xiii) is still not answered categorically by statute or clear judicial precedent. There is definitely a need for clarity in this regard.

It is humbly reiterated that in the absence of a transfer within the meaning of S. 2(47), the vesting of assets goes totally outside the scope of the charging section and therefore linking the exemption from capital gains to S. 47(xiii) subjecting the benefit to the conditions prescribed therein may not be correct. ■

INVITATION FOR FACULTY ON ICAI ETHICS

ICAI intends to utilize the services of Members of ICAI and others in the field of ICAI Ethics as **Faculty**. Interested members may please send their willingness along with their Bio-Data by E-mail esb@icai.org to the Secretary, Ethical Standards Board (ESB), The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi – 110002.

SIRC OF ICAI CONGRATULATES RECIPIENTS OF ICAI AWARDS 2010 FROM SOUTHERN REGION

CA. AMARTHALURU SUBBA RAO, ACA, Bangalore (Group CFO, GMR Infrastructure Limited) –

Category: **CFO – Infrastructure and Construction**

CA. S.N. JAYASIMHAN, FCA, Hyderabad (Joint Director, The Insurance Regulatory and Development Authority) –

Category: **CA Professional Achiever – Public Sector**

CA. (Ms.) S.N. RAJESWARI, ACA, Chennai (Chief Manager, United India Insurance Company Limited) –

Category: **CA Professional Achiever - Woman**

The awards were given for the exemplary work of Chartered Accountants in industry by recognizing those who have demonstrated excellence in the professional life, personal life and are role models for others in industry.

DISCLAIMER

The SIRC/ICAI does not accept any responsibility for the views expressed in different contributions / advertisements published in this Newsletter.

FOR ATTENTION OF MEMBERS

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (II)]
GOVERNMENT OF INDIA
Ministry of Corporate Affairs
NOTIFICATION

New Delhi, dated the 2011

G.S.R (E)- In exercise of the powers conferred by clause (a) of sub-section (1) of section 642 read with sub-section (1) of section 210A and sub-section (3C) of section 211 of the Companies Act, 1956, [1 of 1956], the Central Government hereby makes the following amendment to paragraph 2 of the notification no.447(E) dated the 28th February, 2011:-

“The notification shall come into force for the Balance Sheet and Profit and Loss Account to be prepared for the financial year commencing on or after 1.4.2011”.

[F. No. 2/6/2008-C.L.V]

Avinash K. Srivastava, Joint Secretary

Note:- The principal notification was published in the Gazette of India, Extraordinary, vide G.S.R. No.414, dated the 21st March, 1961 last amended vide S.O. No.447 (E) dated the 28th February, 2011.



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Section 50C and Full value of the consideration

One of the most unacceptable and obnoxious provisions of law is found in s. 50C of the Income tax Act. The provisions are abhorred by one and all for the reason that they are believed to be unconstitutional or are bordering on unconstitutionality. A couple of the high courts though have recently upheld its constitutionality, the last remains to be said by the highest court of the land. The provisions are a slap in the face on the many decisions delivered by the apex court holding that, in the absence of the proof of actual receipt, it is not possible to surmise and imagine an income simply because the transactional values are found to be different or lower than those desired by the revenue departments. The provisions are also an open admission of the deep slumber of the Income tax Department, who, in spite of the vast powers invested in it, has consistently failed to rise to the occasion for bringing on record any evidence to unearth the illicit income.

S.50C incorporates a deeming fiction for substituting the full value of the consideration, for the purposes of s. 48, with the value adopted or assessed or assessable by the Stamp Valuation Authority ('SVA') for payment of the stamp duty. The provisions are made applicable only on satisfaction of the twin conditions. One, the capital asset being transferred is a land or a building or both and two, the full value of the consideration received or accruing as a result of the transfer is less than the stamp duty value.

This fantastic provision introduced by the Finance Act, 2002, w.e.f. 01.04.2003, has been recently amended by the Finance (No 2) Act, 2009 w.e.f. 01.10.2009. The provisions are found to be constitutional by the Madras high court in the case of K.R. Palani Samy, 306 ITR 61 and recently by the Bombay high court in the case of Bhatia Nagar Premises CHS Ltd, under an order dated 19.08.2010.

The provisions are made applicable only on transfer of a 'capital asset' and accordingly does not apply to a case of transfer of stock in trade. K.R. Palani Samy, 306 ITR 61, Tiruvengadam Investment, 320 ITR 346 (Mad.), Inderlok Hotels, 122 TTJ 145 (Mum)

"S.50C incorporates a deeming fiction for substituting the full value of the consideration, for the purposes of s. 48, with the value adopted or assessed or assessable by the Stamp Valuation Authority ('SVA') for payment of the stamp duty."



and Excellent Land Development, 1 ITR (Trib.) 563 (Del). The provisions will not apply on transfer of an agricultural land, it being not a 'capital asset'.

The application of s.50C is restricted to land and building or both. These terms (i.e.), the 'land' and 'building' are not defined in the Income Tax Act. Chapter XX-C of the Income tax Act, the provisions of the Transfer of Property Act and the General Clauses Act, as also the state enactments concerned with the levy of the stamp duty deal with the concept of an 'immovable property', the scope whereof is wider than the 'land and building' and includes any right, title and interest in the land and building. S. 27 of the Act provides that a member of a society to whom a building or part thereof is allotted shall be deemed to be the owner of that building. It also provides that a person in possession of the building in part performance of a contract shall be deemed to be the owner of that building. A provision is also contained in s.27 for deeming a person to be the owner of the building in a case where he acquires any rights

in a building by virtue of a transaction referred to in s. 269(UA)(f).

There is a considerable debate concerning the applicability of the provisions of s. 50C in the cases of transfer of the following assets-

- Tenancy rights.
- Premises in a building owned by a society.
- Development rights.
- Rights under an agreement for sale
- Leasehold rights.

The Mumbai tribunal in one of the cases has held that the provisions of s. 50C are not applicable to the transfer of tenancy rights. The same tribunal in another case however has held that the provisions of s. 50C are applicable to the case of the transfer under development rights.

The provisions may apply where a part of the land or building is transferred or to a transfer of an undivided interest therein. The Stamp Valuation Authority means any authority of a State Government. Under the circumstances, the applicability of s. 50C to a land and building situated within the Union Territory is doubtful.

The Stamp Duty is normally levied, on execution of an instrument under any of the two methods; on an ad valorem basis or in the alternative by payment of a fixed amount. For example, the Stamp Duty on a conveyance of a land is levied at a specified 5% on the True Market Value of the land while the Stamp Duty is levied of a specified amount or rate per square feet of the area transferred. It is therefore seen that no valuation of the property is made in cases where the Stamp Duty is not levied on an ad valorem basis i.e. on the value of the property. However it is seen that recently in many cases the documents of transfer of tenancy are stamped with reference to the ready reckoner rates for the land and building on ad valorem basis @ % of such value.

The fiction of s. 50C, introduced for the purpose of substituting the full value of the consideration for the purpose of s. 48, is somewhat similar to the one contained in s. 50 and 50B(2) of the Act. The fiction contained in

s.50 has been found to have a limited application, by the court, and the benefit of reinvestment u/s 54EC, 54ED, etc. has been found to be not deniable in respect of a deemed short term capital gains. In the circumstances, the participants may examine the possibility of the benefit of reinvestment oriented exemptions u/s 54 to 54ED of the Act in a case where the apparent consideration is invested in the prescribed assets. In the alternative is it possible to give effect to the said provisions of s. 54 to 54ED, first, in the order of preference and thereby exhausting the capital gains before applying the provisions of s. 50C. This line of thinking has found favour with the tribunal in some cases but consensus remains to be achieved at the tribunal level.

S. 50B provides for the manner of computation of capital gains in a case of a slump sale. A slump sale ordinarily means the sale of one or more undertakings, for a lump sum consideration, without values being assigned to individual asset and liabilities, transferred under such a sale. The asset and liabilities in such a sale may include land or building or both. In execution of the deed for slump sale, it is possible that the value of the said land and building might have been specified for determination of stamp duty payable thereon. In the circumstances, the provisions of s. 50C should not apply in computing the capital gains u/s 50B as has been consistently held by the tribunal.

Likewise, when a building on which the depreciation has been allowed is transferred, the income thereof will be computed under the special provisions of s.50. Again the question arises about the application of section 50C where one is required to determine whether the stamp duty value or the agreement value would be relevant for the purposes adjustment in block of assets. There is division of the opinion amongst the different benches of the tribunal about the application of s. 50C to the transfer of a depreciable asset and the matter has been referred to the special bench for bringing some finality as far as the tribunal is concerned.

S. 45 (1A), 45(2), 45(3) and 45(4) and 46 are the deeming provisions which contain certain fictions for substituting the full value of the consideration for the purposes of s. 48. These fictions are similar to that of section 50C. The question that arises for consideration,

"S. 50C(2) provides for a possible remedy to address the grievance of an assessee, arising on account of the stamp duty valuation."



under the circumstances, more particularly in the context of s.45(3), is about the precedence of application of these provisions in preference to s. 50C for ascertaining the full value of the consideration. The applicability of section 50C in such cases and particularly in a case where a partner has introduced a plot of land into a firm by way of a capital contribution in which he is a partner are fiercely debated by both the sides and shall take a long time before the issue is settled.

S. 50C, on its introduction, provided for the substitution of the value adopted or assessed by a Stamp Valuation Authority. The use of the restricted term "adopted or assessed" has led some of the benches of the tribunal to hold that the provisions of s.50C were not attracted in cases where the instrument of transfer was not registered (stamped). Fearing the severe consequences of a possible glitch, the parliament has introduced an amendment, with the objective of bringing in an unstamped instrument of transfer within the ambit of s. 50C. With this objective in mind, the substitution of even an 'assessable' value is made possible w.e.f. 1.10.2009. The amendment possibly confirms that the decisions of the tribunal are final for the transfers effected up to 30.9.2009, unless a view is taken that the amendment is clarificatory.

The term "assessable" is defined vide Explanation 2 to mean that price which the Stamp Valuation Authority would have adopted or assessed if

"it" were referred to such authority for the purposes of the payment of the stamp duty. The Explanation is very ambiguous and seems to be raising more issues than solving the one on hand. The Assessing officer is likely to face serious difficulties in ascertaining the value to be substituted in computing capital gains arising out of an unstamped instrument of transfer after the amendment. An amount of assessable value can not be ascertained without the help of the Stamp Valuation Authority.

S. 50C(2) provides for a possible remedy to address the grievance of an assessee, arising on account of the stamp duty valuation. It authorizes the Assessing Officer to refer, the valuation of the capital asset, to a Valuation Officer ('V.O') appointed u/s 12A of the Wealth Tax Act by the Central Government. An Assessing Officer may refer the valuation to the V.O. on satisfaction of the two conditions. One, that the assessee claims before the A.O. that the Stamp Valuation Authority's value exceeds the Fair Market Value of the "property" and two, that such SVA value has not been disputed in any appeal or revision or reference before any other authority or a court.

Several procedural aspects need to be attended to in order to make the most of this remedy available to the assessee. While no specific method or form is prescribed, for records, it will be essential to apply to the Assessing Officer requesting him to refer the valuation to the V.O. by placing the objection to the SVA valuation on record. The time for such an application may be carefully determined in the regime of the electronic returns.

The A.O., it is believed is bound to notify his intention of substituting the returned consideration with the SVA value before completing the assessment. On receipt of the application by the A.O., he is bound to refer the valuation to the V.O. It appears that he has no discretion in the matter as has been held consistently by the tribunal. A claim by the assessee, for objecting to the SVA valuation, however is essential for invoking the reference to V.O., failing which the A.O. would not be bound to make any reference for valuation. *Ambattur Clothing Co. 221 CTR 196 (Mad.)*. The tax payer may examine the possibility of making such a claim in the appellate proceedings where he has failed to make such a claim before the A.O.

S. 50C(3) mandates that the SVA value shall be substituted for the full value of the consideration in cases where the value determined u/s 50C(2) by the V.O exceeds the SVA value. Needless to say that the V.O.'s value should be

OBITUARY

Mem. No.	Name	Status	Place	Date of Death
006348	MR. NAGABHUSHANA RAO H S	FCA	BANGALORE	26/12/2010
008623	MR. RAMANATHAN L	FCA	COIMBATORE	22/01/2011

May the Almighty Architect of the Universe rest their souls in peace.

substituted where such value is less than the SVA value. The A.O has no power to refer the valuation to the V.O in cases where the assessee has accepted the stamp duty value or the higher agreement value. It is not permissible for the A.O. to adopt a value higher than the said values even where he is of the opinion that such values are lower than the market value.

An all important aspect of the provision that requires deeper consideration is about the finality of the valuation by the SVA or V.O. Is it possible for an Assessing Officer to desist from making an addition in cases where the difference between the agreement value and the final valuation is found to be range bound, say 20% of agreement value by relying on the Supreme Court decision in C. B. Gautam's case, 199 ITR 530. The courts have consistently held that the valuations under the stamp laws, while being the guiding post, cannot be the conclusive evidence for substituting the valuation in other laws.

One usually comes across cases wherein an assessment is completed pending the receipt of the report from the V.O. In such cases, the course of action to be followed, subsequent to the finalization of assessment, needs to be examined. S. 155(15) provides for a case for rectification of the value substituted for computation of capital gains by such value determined in appeal, revision or reference proceedings within a period of 4 years from the end in which the order revising the value was passed. This provision appears to have a limited application which is restricted to the

proceedings under the stamp laws; it does not facilitate rectification of the order on subsequent receipt of V.O's report, requiring the tax payer to file an appeal for keeping the issue alive, failing which there may be an unpleasant difficulty. In this connection, one may refer to the decision of the Madras High Court in the case of Rajni Venugopal wherein a view is taken that an order of assessment could not be stayed for an indefinite period, 16 DTR 319. The Madras High Court in a latter decision in case of N. Meenakshi, 30 DTR 1 has held that an Assessment Order, passed pending the receipt of V.O's report, requires to be rectified for giving effect to the V.O's report on its receipt. The act of substitution of the assessed value with the V.O's value, post assessment may be in fruitless, in the absence of any specific powers vested in the Act for such substitution.

The right of an assessee to seek a reference to the V.O. in cases where the stamp duty valuation has been disputed by the purchaser should not be questioned. The assessee himself shall be presumed to have a power, under the respective stamp duty enactments, to dispute such a valuation by the SVA.

An interesting issue arises in cases where the value received by the assessee as per the order of the court or under the public auction is found to be less than the value adopted by the Stamp Authority. In such cases, it is submitted that the value so ordered or agreed should be accepted as the fair market value of the asset even for the purposes of levy of the stamp duty value by the SVA.

There are cases where a conveyance is executed in pursuance of the agreement executed on or before 01.04.2003. In such cases the value adopted for payment of stamp duty on conveyance should not be substituted and the agreement value shall be taken as final even in cases where the capital gains is brought to tax in the year of the conveyance.

In many of the cases, the additions are made in the hands of the purchasers of the property on the basis of the stamp duty value by applying the provisions of s. 50C r.w.s. 69B or without such application. The Punjab & Haryana high court recently, in the context of what is being discussed here, has held that no addition could be sustained in the hands of a purchaser by resorting to S. 50C Chandni Bhuchar, 223 ITR 510 (P&H).

The remaining question is about the need for the assessee to substitute the stamp duty value in computing the capital gains while filing the return of income. Will not doing so attract the penalty for concealment of income, Apparently it appears that no penalty should be levied however, failure to compute the correct capital gains in the absence of any dispute with the SVA valuation may invite penalty proceedings unless the tax payer is grossly unaware of the provisions of s.50C. It is not uncommon to come across the cases where the A.O. fails to invoke the provisions of s. 50C in assessing the capital gains. The lapse, whether can invite the revision or reassessment of the completed assessment is an open issue. ■

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- The course is intended to focus on practical aspects rather than on mere theoretical aspects.
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Particulars of Fees	Revised Fee ₹
Membership Fee	1200
Entrance Fee	1800
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Annual membership Fee	800
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Certificate of Practice Fee	2000
Restoration Fee	1200

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THE MONTH THAT WAS (MARCH 2011)

2nd	Public Meeting on Union Budget 2011.
5th	Meeting with Shri R. Bandyopadhyay, Chairperson, Quality Review Board and former Secretary, Ministry of Corporate Affairs.
6th & 7th	Regional Residential CPE Seminar at Vijayawada (Theme: Union Budget).
8th	CPE Seminar on Clause by Clause Analysis on Finance Bill-2011.t
11th	CPE Seminar on Central Statutory Audit of Banks.
12th	CPE Seminar on Bank Branch Audit.
16th	CPE Seminar on Emerging Trends
18th to 20th	Regional Residential Course at Ooty (Theme: Bank Audit).
9th, 16th, 23rd & 30th	CPE Study Circle Meetings

SIRC acknowledges the contribution and support extended by the resource persons, Guntur, Vijayawada and Coimbatore Branches and the delegates for making all the programmes a resounding success.

CPE STUDY CIRCLE MEETINGS - March 2011 at SIRC, Chennai



Mar. 9, 2011
CA. Govind M. Joshi
Coimbatore



Mar. 16, 2011
CA. S. Ramachandran
Coimbatore



Mar. 23, 2011
CA. K. Ravi
Coimbatore



Mar. 30, 2011
CA. R. Mohan
Coimbatore

REGIONAL RESIDENTIAL SEMINAR ON UNION BUDGET & DTC

March 6 & 7, 2011 - Haailand - Organised by SIRC of ICAI
Hosted by Vijayawada & Guntur Branches of SIRC



Shri. Vinay Kumar, IRS, Commissioner of Income Tax, Guntur inaugurated the Regional Residential Seminar on Union Budget on March 6, 2011 at Haailand (Between Vijayawada and Guntur). (L-R): CA. Bhimavarapu Shivaji Prasad, Secretary, Vijayawada Br., CA. D. Prasanna Kumar, Member, SIRC, CA. J. Venkateswarlu, CCM, ICAI, CA. P. Subbarayudu, Chairman, Vijayawada Br., CA. E. Phalguna Kumar, Treasurer, SIRC, CA. K.V. Brahmum, Chairman, Guntur Br., CA. G.V.V. Satyanarayana, Member, SIRC & Ex-Officio Member, Guntur & Vijayawada Br. and CA. Gopal Krishna Raju, Member, SIRC.



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI addressing the delegates. (L-R): CA. K.V. Brahmum, Chairman, Guntur Br, CA. P. Subbarayudu, Chairman, Vijayawada Br. and CA. P.R. Aruloli, Member, SIRC.

Resource Persons



CA. Anil D. Doshi
Mumbai



CA. Harish N. Motiwalla
Mumbai



CA. Kishore B. Karia
Mumbai



Shri Firoze B. Andhyarajina
Advocate, Mumbai

REGIONAL RESIDENTIAL COURSE ON BANK AUDIT

March 18 to 20, 2011, Ooty
Organised by SIRC of ICAI – Hosted by Coimbatore Branch of SIRC

Resource Persons



CA. M. Naganathan
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CA. P. Sharath Kumar
Hyderabad



CA. A. Gopalakrishnan
Kochi



CA. S. Pattabiraman
Chennai



Inaugural Session. (L-R): CA. S. Murali, Secretary, SIRC, CA. M. Naganathan, Chennai, Co-ordinator, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. R. Kandasamy, Chairman, Coimbatore Branch of SIRC of ICAI and CA. P.R. Aruloli, Member, SIRC.

SEMINAR ON CLAUSE BY CLAUSE ANALYSIS ON FINANCE BILL - 2011



Seminar on Clause by Clause Analysis of Finance Bill 2011 at Chennai on March 8, 2011. (L-R): CA. P.R. Aruloli, Member, SIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. K.K. Chythanya, CA. H. Padamchand Khincha, CA. S. Ramasubramanian, Resource Persons from Bengaluru and CA. E. Phalguna Kumar, Treasurer, SIRC of ICAI.

GENERAL MANAGEMENT & COMMUNICATION SKILLS COURSE



CA. T.N. Manoharan, Past President, ICAI distributing the GMCS Certificates to the Students at the GMCS Valedictory Function on March 13, 2011 at Chennai. (L-R): CA. P.R. Aruloli, Member, SIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. V. Murali, Chairman, Board of Studies, ICAI and CA. Gopal Krishna Raju, Member, SIRC.



Shri. R. Bandyopadhyay, Chairperson, Quality Review Board and Former Secretary, MCA addressing at the Interactive Meeting on Promoting Confidence in Corporate Reporting and Governance at Chennai on March 5, 2011 flanked by CA. S.A. Murali Prasad, Chennai and CA. R. Bupathy, Past President, ICAI.

CHAIRMAN, SICASA
(SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION)



CA. C.S. Srinivas
Bangalore



CA. G. Ramaswamy, President, ICAI addressing the members at the Meeting organised to felicitate him by the Coimbatore Branch of SIRC of ICAI and the Auditors' Association of Southern India, Coimbatore on March 27, 2011 at Coimbatore. CA. K. Shanmukha Sundaram, Chairman, SIRC, CA. R. Kandasamy, Chairman, Coimbatore Branch, CA. M. Ramji, President, Auditors' Association of Southern India, Office Bearers of Coimbatore Branch and Office bearers of Auditors' Association of Southern India.



CA K. Shanmukha Sundaram, Chairman, SIRC of ICAI inaugurating the CPE Seminar on Clause-by Clause Analysis of Union Budget 2011 organised by Ernakulam Br. of SIRC on March 4, 2011 at Kochi. (L-R): CA. (Ms.) Minu Mathew, Secretary, CA R. Balagopal, Member, Ernakulam Br., CA Babu Abraham Kallivayalil, Immediate Past Chairman, SIRC & Ex-Officio Member, Ernakulam Br., CA Saji Mathew, Chairman, Ernakulam Br., CA Pradip N. Kapasi, Resource Person, CA M O Poulouse, Treasurer, CA V X Jose, Member, SIRC & Ex-Officio Member, Ernakulam Br. & CA. P.P. Mathukutty, Vice-Chairman, Ernakulam Br.



CA. G. Sitharaman, Past President, ICAI inaugurating the CPE Seminar on Emerging Trends on March 16, 2011 at Chennai. (L-R): CA. P.R. Aruloli, Member, SIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC & CA. C.S. Srinivas, Chairman, SICASA.

CPE SEMINAR ON EMERGING TRENDS March 26, 2011 - Chennai

Resource Persons



CA. K. Sivarajan
Chennai



CA. L. Venkatesan
Chennai



CA. G.
Balasubramaniam
Chennai



CA. R. Vasudevan
Chennai



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI inaugurating the Seminar on Bank Audit organised by Madurai Br. of SIRC on 19.03.2011 at Madurai. (L-R): CA. Babu Abraham Kallivayalil, Immediate Past Chairman, SIRC, CA. P.V. Rajarajeswaran, Member, SIRC & Ex-Officio Member, Madurai Br., CA. Rajendra Kumar P, CCM, ICAI, CA. P.R. Suresh, Member, SIRC, CA. S. Murali, Secretary, SIRC, CA. V. Sivakumar, Chairman, CA. P. Saravanan, Secretary, Madurai Br., Shri G. Ramanujan, Regional Manager, SBI, Madurai.



CA K. Shanmukha Sundaram, Chairman, SIRC of ICAI addressing the members at the Felicitation Meeting to SIRC Chairman and CPE Seminar organised by Tiruchirappalli Branch of SIRC of ICAI on March 5, 2011 at Tiruchirappalli. (L-R): CA. R. Rajaram, Treasurer, CA. V. Jayaraman, Chairman, Tiruchirappalli Branch and CA. P.R. Aruloli, Member, SIRC.



Dr. C.K. Gandhirajan, IPS, ADGP, Enforcement, Tamil Nadu being felicitated by CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI at the Two Day Orientation programme for newly qualified Chartered Accountants organised by Committee for Members in Industry, ICAI at Chennai on March 3, 2011. CA. V. Murali, Member, Committee for Members in Industry & CCM, ICAI looks on.



Chief Guest Mr. T.R. Dharmalingam, Former T.N. Ranji Trophy Cricketer, Chennai presenting the trophy to one of the student winners of the SICASA Sports Events at the Valedictory Session of the Seminar on Bank Audit organised by SICASA on March 26, 2011 at Chennai. (L-R): Mr. C. Naresh, Secretary, SICASA, CA. P.R. Aruloli, Member, SIRC, CA. C.S. Srinivas, Chairman, SICASA, CA. K. Shanmukha Sundaram, Chairman, SIRC and Ms. M. Srikrupa, Vice-Chairperson, SICASA.