

SIRC Newsletter

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JULY 2011 | Volume 37 ■ Part 01



Southern India Regional Council ► THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ► SET UP BY AN ACT OF PARLIAMENT

Chairman Writes...

My Dear Colleagues,

The month of July heralds in a new season, they say all over the world, spring to winter, summer to rain - the season, sings a different song., and so do we humans as we make small little changes to enjoy the new season. That I think is the reason that most organizations, and Institutions open during this time.

Welcome back to one more page of history that so many of our colleagues have really worked hard to achieve. It is so heartening to see members of our organisation so selflessly working for the benefit of their fellow members and also for the student community. I must say they are an inspiration to many of our colleagues, who are so tied up with their practice and work that they hardly have time for the Institute and the activities. It is this tireless and selfless service that has seen our Institute reach these heights, and help the other members benefit the fruits of this August organisation.

I salute them and their tireless efforts, I salute all those who give their time, effort and ideas, whatever are their reason or motivation.

CA Course Awareness Programme:

SIRC has taken as one of its mission to disseminate the information about the CA Course amongst the students' fraternity and I would like to emphasize to our members to identify the schools which can be visited and inform us so that we at SIRC would depute the officials of ICAI if necessary to address them with the help of the respective local branches of ICAI. I also request through this column to the Chairmen of all the Branches of SIRC of ICAI, to organise on a continuous basis CA Course Awareness programme in their places.

At this point I recognise and congratulate the smallest branch in Tamil Nadu Tuticorin, which had recently conducted a CA Awareness Programme with record participants of around 800 students. Let us all nurture this mission so that in the course of time registration to our Course would increase.

Events specific:

SIRC has planned to have many programmes like "Workshop on Quality Review Board", "Service Tax" and "Management Accounting", besides our regular weekly study circle programmes. I am extremely happy that the responses to these programmes have been excellent and take this opportunity to request all of you to utilise these seminars/ workshops by attending in large numbers. Friday study circle meetings is being specially organised for equipping the members on Accounting Standard and I invite the members to take advantage of this initiative.

On 27th and 28th of June 2011, SIRC had organized an "Orientation Programme for Chairmen, Vice-Chairmen and Secretaries of the branches of the region, where the matters concerning the services of the branches to members, students and also about the eligible grants for the branches to carry on its activities were dealt upon. We had the honour of having our Hon'ble President CA. G. Ramaswamy delivering the inaugural address who had set the tone not only for the deliberations but also motivated the



CA. G. Ramaswamy, President, ICAI inaugurating the two day Orientation Programme for Chairmen, Vice-Chairmen & Secretaries of Branches of SIRC on June 27, 2011 at Mamallapuram. (L-R): CA. Rajendra Kumar P, CA. M. Devaraja Reddy, CCMs, ICAI, CA. K. Viswanath, Vice-Chairman, CA. S. Murali, Secretary, CA. K. Shanmukha Sundaram, Chairman, CA. E. Phalguna Kumar, Treasurer, CA. Sumermal D. Ostwal, Member, SIRC, CA. P.R. Aruloli, Chairman, Branch Co-ordination Committee, CA. Gopal Krishna Raju, Member, SIRC, CA. J. Venkateswarlu, CCM, ICAI and CA. D. Prasanna Kumar, Member, SIRC.

leaders of the branches to excel in performing their duties. SIRC has taken note of the issues concerning the members and students in the Region and would address them.

43rd Regional Conference at Coimbatore:

The Conference Committee of the 43rd Regional Conference has been making arrangements and put the entire team to make the stay of the delegates an enjoyable and comfortable one. The Sub-Committees have been working ceaselessly to provide you the feast of knowledge and feast of hospitality and I can exude confidence that every delegate would be carrying happy memories of the event. SIRC once again extend a warm welcome to all the members to be part of this grand occasion of 43rd Regional Conference "Jnana Sangamam" held in the Diamond Jubilee Year of SIRC. I would like to see a sea of our professionals partaking in this grand event. For any assistance please contact the Coimbatore Branch which is hosting the Conference at coimbatore@icai.org with specific details.

In the month of July, SIRC is organising seminars at Chennai which are published elsewhere in this newsletter such as -

- ONE DAY CPE WORKSHOP ON APPEALS TO CESTAT
- CPE INTERACTIVE SESSION WITH CPC OFFICIALS
- ONE DAY CPE WORKSHOP ON SERVICE TAX AUDIT
- REGIONAL RESIDENTIAL CONFERENCE AT HAMPI (In the first week of August 2011)

Besides we have the Study Circle Meetings on Wednesdays and Fridays, the details of which are given in the newsletter. All the Branches have also scheduled their programmes and I request the members to join and be benefited.

Looking forward to meet you all at the 43rd Regional Conference "Jnana Sangamam" at Coimbatore.

Yours affectionately

CA. K. SHANMUKHA SUNDARAM



CA. G. Ramaswamy, President, ICAI inaugurating. (L-R): CA. Rajendra Kumar P, CCM, ICAI & Seminar Co-ordinator, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. P.R. Aruloli, and CA. Gopal Krishna Raju, Members, SIRC.

CPE SEMINAR ON SERVICE TAX

June 12, 2011 - Chennai

Resource Persons



CA. Rajendra Kumar P
Chennai



CA. V. Prasanna Krishnan
Chennai



CA. PL. Subramanian
Chennai



CA. N.K. Bharath Kumar
Chennai



Group Photograph of Panel Chairman and Panel Members of Interactive Session with Chairman, SIRC at the Workshop of the Quality Review Board held jointly with ICAI organised by Peer Review Board, ICAI and hosted by SIRC of ICAI on June 11, 2011 at Chennai (L-R): CA. P.R. Ramesh, Secunderabad, Smt. Usha Narayan, CCM ICAI & Executive Director, SEBI, **Shri R. Bandyopadhyay, Chairman, QRB**, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI, CA. S. Santhana Krishnan, CCM, ICAI, Smt. Renuka Kumar, IAS, Joint Secretary, MCA and CA. Rajendra Kumar P, CCM, ICAI.



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI delivering the Inaugural address at the Two Day Seminar on International Taxation organized by Committee on International Taxation, ICAI and jointly hosted by SIRC of ICAI and Tuticorin Br. on 25th June 2011 at Tuticorin. (L-R): CA. J. Ignatius Maria Arul Roy, Secretary, Tuticorin Br., CA. Rajendra Kumar P, CCM, ICAI, CA. K. Ponpandi Inbarasu, Chairman, Tuticorin Br., Shri Ashish Bhansali, Secretary, Committee on International Taxation, ICAI and CA. T. Sudalai Muthu, Chairman, Tirunelveli Br.

CPE INTENSIVE WORKSHOP ON MANAGEMENT ACCOUNTING

Under the auspices of Management Accounting Committee of SIRC of ICAI - June 17 & 18, 2011 – Chennai



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI inaugurating. (L-R): CA. Gopal Krishna Raju, Member, Management Accounting Committee, SIRC CA. P.R. Aruloli, Member, SIRC, CA. R. Sivakumar, Chennai, Workshop Co-ordinator & Resource Person, CA. S.A. Murali Prasad, Resource Person and CA. E. Phalgun Kumar, Chairman, Management Accounting Committee, SIRC.

Resource Persons



CA. S.A. Muraliprasad
Chennai



CA. R. Sivakumar
Chennai



CA. T. Banusekar
Chennai



CA. V. Pattabhi Ram
Chennai



CA. V. Annapoorna
Chennai



CA. Srividhya Ganesan
Chennai



CA. G. Ramaswamy, President, ICAI addressing the Press at the Press Meeting held on June 12, 2011 at Hotel Savera, Chennai. CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI and CA. P.R. Aruloli, Member, SIRC also seen in the picture.



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI addressing the Press at the Press Meeting organised on June 30, 2011 at ICAI Bhawan, Chennai in connection with 43rd Regional Conference of SIRC to be held at Coimbatore in the presence of Office Bearers and Members of SIRC.

SIRC CALENDAR

JULY & AUGUST 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
July 1, Friday	**CHARTERED ACCOUNTANTS DAY CELEBRATIONS			
July 1 & 2 - Fri & Saturday	**BLOOD DONATIONAL CAMP			
July 2, Saturday	**BRANCH LEVEL ELOCUTION & QUIZ CONTEST			
July 6, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on CAPITAL GAINS-TRANSFER OF SHARES & REDEMPTION OF MUTUAL FUNDS	CA. N. Sundar Chennai	150/-	2 hrs
July 8 & 9 Fri & Saturday	*CPE WORKSHOP ON APPEALS TO CESTAT	Details at page 10	900/-	6 hrs
July 13, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on THE PROMISE AND PERILS OF SOCIAL COMPUTING	CA. S. Kannan Chennai	150/-	2 hrs
July 15, Friday 11.00 a.m. – 01.00 p.m.	*CPE Teleconference on SALIENT FEATURES OF GOODS & SERVICE TAX	CA. Madhukar N. Hiregange Bangalore Central Council Member, ICAI	150/-	2 hrs
July 15, Friday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on "TAXES ON INCOME" AND "BORROWING COST"	CA. T.V. Balasubramanian Chennai	150/-	2 hrs
July 16, Saturday 09.00 a.m. – 01.00 p.m.	*CPE INTERACTIVE SESSION WITH CPC OFFICIALS	Details at page 15	No Delegate Fee	3 hrs
July 20, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on INTELLECTUAL PROPERTY RIGHTS	Adv. A.A. Mohan Chennai	No Delegate Fee	2 hrs
July 22, Friday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on "ACCOUNTING FOR AMALGAMATIONS" & "CONSOLIDATED FINANCIAL STATEMENTS"	CA. Chinnsamy Ganesan Chennai	150/-	2 hrs
July 23, Saturday 09.30 a.m. – 05.30 p.m.	*ONE DAY CPE WORKSHOP ON SERVICE TAX AUDIT	Details at page 15	750/-	6 hrs
July 27, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on CAPITAL GAINS	CA. A.P. Vijayendran Chennai	150/-	2 hrs
July 29, Friday 11.00 a.m. – 01.00 p.m.	*CPE Teleconference on ISSUES IN TDS UNDER SECTION 195	CA. Mahesh P. Sarda Jamnagar Chairman, Committee on International Taxation, ICAI	150/-	2 hrs
July 29, Friday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on "EFFECT OF CHANGES IN FOREX RATES" & "GOVERNMENT GRANTS"	CA. L. Venkatesan Chennai	150/-	2 hrs
Aug. 3, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on TAX ISSUES IN REAL ESTATE TRANSACTIONS	CA. S. Srivatsan Tiruchirapalli	150/-	2 hrs
Aug. 5, Friday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on "SEGMENT REPORTING" & "INTERIM FINANCIAL REPORTING"	CA. R.G. Rajan Chennai	150/-	2 hrs
Aug. 6 & 7 Sat & Sunday	REGIONAL RESIDENTIAL CONFERENCE AT HAMPI	Details at page 13		6 hrs
Aug. 10, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on CHANGES IN SCHEDULE VI OF THE COMPANIES ACT, 1956	CA. Vijaykumar N. Modi Puducherry	150/-	2 hrs
Aug. 12, Friday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on IND AS-38 – INTANGIBLE ASSETS	CA. N.R. Govindarajan Chennai	150/-	2 hrs
Aug. 15, Monday	**INDEPENDENCE DAY CELEBRATIONS	Details in next issue		Nil
Aug. 19 & 20 Fri & Saturday	@43 rd REGIONAL CONFERENCE OF SIRC OF ICAI	Details at page 07		12 hrs

No CPE Study Circle Meetings on August 17 & 19, 2011 on account of 43rd Regional Conference scheduled on August 19 & 20, 2011 at Coimbatore.

No Delegate Fee for ARS Members for
1. CPE Workshop on Appeals to CESTAT
2. CPE Workshop on Service Tax Audit
3. CPE Study Circle Meetings on Wednesdays and Fridays

* Programmes at P. Brahmayya Memorial Hall, ICAI Bhawan, SIRC Premises, Chennai – 600034.

** Programmes at ICAI Bhawan, SIRC Premises, Chennai – 600034.

Ⓐ Programme at CODISSIA Complex, Coimbatore.



CA. L. Venkatesan
Chennai

l.venkatesan@hotmail.com

NEW SCHEDULE - VI

Introduction

In exercise of the powers conferred by sub-section 1 of section 641 of the Companies Act, 1956, the Central Government has notified a New Schedule VI replacing the existing Schedule VI vide Notification No. S.O. 447(E) dated 28-2-2011. New Schedule VI will come into effect for all accounts prepared for accounting year commencing on or after 01.04.2011 as per Notification No. [F. NO. 2/6/2008-C.L-V] dated 30-3-2011.

The New Schedule VI sets out the minimum requirements for disclosure on the face of the Balance Sheet, and the Statement of Profit and Loss referred to as "Financial Statements" and Notes. Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under Accounting Standards.

It is possible that an item requiring disclosure, either on the face of the Balance Sheet or Statement of Profit and Loss may be 'Nil' or 'Not Applicable' for a company. The question may arise whether the same is to be disclosed as 'Nil' or 'Not Applicable' or is to be ignored. Para 3 of General Instructions of New Schedule VI requires the company to maintain a balance between providing excessive detail that may not assist users of financial statements and not providing important information as a result of too much of aggregation. Therefore, there is no need to make any disclosure if an item is 'NIL' or 'Not Applicable'.

Applicability

The requirements of New Schedule VI apply to all companies registered under Companies Act 1956. However this does not apply to Banking, Insurance companies and entities which are governed by special legislation and have their own format

as well as accounting guidelines for preparation and presentation of financial statements which are over and above the requirements of the Companies Act 1956.

GENERAL INSTRUCTIONS TO NEW SCHEDULE VI

The requirements of New Schedule VI shall stand modified, if compliance with the requirements of the Companies Act including applicable Accounting Standards requires any change in the treatment or disclosure including addition, amendment, substitution or deletion in the head/sub-head or any changes inter-se, in the financial statements. It should be borne in mind that the generally applicable principle of law in India of over-riding the Accounting Standards will continue to prevail in all other contexts.

Notes to accounts shall contain information in addition to that presented in the Financial Statements and shall provide where required (a) narrative descriptions or segregations of items recognized in those statements and (b) information about items that do not qualify for recognition in those statements.

Each item on the face of the Balance Sheet and Statement of Profit and Loss shall be cross-referenced to any related information in the notes to accounts.

Depending upon the turnover of the company, the figures appearing in the Financial Statements may be rounded off as below:

Turnover	Rounding off
(i) less than one hundred crore rupees	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(ii) one hundred crore rupees or more	To the nearest, lakhs, millions or crores, or decimals thereof.

Once a unit of measurement is used, it should be used uniformly in all places in the Financial Statements including Notes to Accounts.

Except in the case of the first Financial Statements laid before the Company (after its incorporation) the corresponding amounts

(comparatives) for the immediately preceding reporting period for all items shown in the Financial Statements including notes shall also be given.

For the purpose of New Schedule VI, the terms used shall be as per the applicable Accounting Standards.

Disclosure of Assets and Liabilities

Classification and disclosures of various items of assets and liabilities is on "current" and "non-current" basis, in line with the requirements of Ind AS.

The following criteria have to be applied to classify an asset /liability as "current":

- If it is expected to be realized in / settled in, or intended for sale or consumption in the company's normal operating cycle;
- If it is held primarily for the purpose of being traded;
- If it is due to be realized / due to be settled within twelve months after the reporting date; or
- If it is cash or cash equivalent unless it is restricted from the exchange or used to settle a liability for at least twelve months after the reporting date.
- If the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities shall be classified as "Non Current".

Non Current Assets include fixed assets, non current investments, deferred tax assets (net), long term loans and advances and other non current assets. **Current Assets**, include current investments, inventories, trade receivable, cash and cash equivalents short term loans, advances and other current assets.

Non Current Liability include long term borrowings, deferred tax liabilities (net), other long term liabilities and long term provisions. **Current Liability** includes short term borrowings, trade payables, other current liabilities and short term provisions.

Important Changes

S.No.	Particulars	Schedule VI Old	New Schedule VI
1	Authority	Provisions of Schedule VI will prevail over Accounting Standard.	Provisions of AS will prevail over Schedule VI.
2	Form of Balance Sheet	Both horizontal and vertical forms were allowed.	Only vertical form is given.
3	Current Assets and Current Liabilities		Bifurcation to be made in current and non current.
4	Investments		Bifurcation to be made in current and non current.
5	P & L Debit Balance	Shown on asset side.	To be shown as negative value under the head Reserves and Surplus.
6	Quantitative Details	Quantitative details of raw materials, purchases, stocks and turnover to be given for each class of goods - Licensed, Installed and Production quantity.	Requirement omitted.
7	Proposed Dividend	Proposed dividend is required to be shown under provisions and debited to P & L.	Proposed Dividend to be shown in Notes. To be debited to surpluses a/c as and when paid.
8	Profit and Loss Appropriation	Opening surplus, proposed dividend and transfer to/from reserves were shown in P & L Appropriation a/c.	Transfer from/to reserves to be shown under the heading Reserves & Surplus only. No separate P & L Appropriation a/c.
9	Exchange gain on Fixed assets	Required adjustments in fixed assets.	No such requirements. Provisions of AS to be followed.
10	Term Loans	Amount repayable within one year to be shown by note.	Amount repayable within one year to be shown under the head "Other current liabilities". Terms of repayment to be disclosed. Period and amount of default as on balance sheet date in repayment of loans and interest to be disclosed.
11	Capital Advances	Used to be shown under the head "Capital Work in process" under Fixed Assets.	To be shown under the head "Long term Loans and Advances".
12	Debtors outstanding for more than six months	Debtors outstanding for more than six months from invoice date to be shown separately.	Debtors outstanding for more than six months from the date they became due to be shown separately.
13	Bank Balances	Required separate disclosure of Current account balance and fixed deposit balance. Required disclosure of balance with scheduled and non scheduled banks.	Fixed deposit with maturity of more than 12 months required separate disclosure. No such bifurcation is required. No requirement to disclose names and maximum balance outstanding of non scheduled bank.
14	TDS amount on interest, royalty received.	TDS amount was required to be shown for interest Income etc.	No requirement of disclosing TDS amount separately.
15	Share Capital		Number of bonus shares allotted during last five years to be disclosed. Names and Number of shares held by shareholders holding more than 5% of shares.
16	MSME Outstanding	Balance of MSME vendors to be disclosed separately.	No such disclosure. But MSME Act still not amended. Disclosure need to be continued.
17	Provisions for Warranty, employee benefits, etc.		Bifurcation to be made as current/non current provisions.
18	Managerial Remuneration and Commission	Payment to Directors and detailed calculation under sec 198 was required to be disclosed.	No disclosure required of Managerial remuneration. Related partly disclosure need to be given.
19	Part III - Interpretation	Provision, reserve, capital reserve, quoted investment were defined.	Part III removed.
20	Part IV - Balance sheet Abstract	Details of company's registration number, products, etc. were required to be attached with financials.	Part IV removed.

Issues concerning Implementation of New Schedule VI

Corresponding comparative previous year's figures for all items shown in the financial statement including notes shall also be given as per the revised format. The companies need to prepare financial statement for the year ended 31/03/2011 in the new format so that no problem is faced during the audit of Year ended 31/03/2011.

All assets and liabilities are to be disclosed and classified as "non current" and "current". The companies should decide operating cycle period taking into account various factors particularly companies falling under more than one segment.

Name and number of shares held by shareholder's holding more than 5% shares to be specified. This will involve also getting details from companies share transfer agents and depository participants and custodians for the Global Depository Receipts (GDRs).

Disclosure on share application money may pose a problem if the issue price is not agreed or determined.

Outstanding for a period exceeding six months under short term receivable is based on due date for payment. This may pose a problem if due date is not mentioned in the invoices. In cases where due dates have been re negotiated, the basis for due dates to be decided.

Period and amount of continuing defaults as on Balance sheet date in repayment of loans and interest need to be disclosed. This will pose a problem where repayment terms and due date are not agreed at the first instance.

Other non operating income has to be disclosed net of expenses directly attributable to such income. There may be difficulty in identifying related expenses.

Profit and loss account does not have provision for appropriation of dividend. Whereas existing accounting standards deals with declaration of dividend as an adjusting event.

More clarity is needed on the definition of deferred payment liabilities since existing standard do not address the same.

Investment in "Controlled Special Purpose Entity" is required to be disclosed. More clarification needed on the nature and definition of such entities.

Capital advances to be included as long term advance. Appropriateness of these practice needs discussion as it generally forms part of capital working progress.

Additional information under raw material consumption para (d) requires "in the case of a company, which falls under more than one of the categories mentioned in (a), (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales

and consumption of raw material and the gross income from services rendered is shown under broad heads". It needs to be clarified whether the word Sales refer to raw material sales or sales of various classes of goods as per old schedule VI.

In the case of long term borrowings which falls due for repayment within next twelve months needs to be disclosed under current liabilities. But security will be common both for long term borrowings and current maturities of long term borrowings. Disclosure needs to be adequately addressed on this issue.

EPS - Basic and diluted: Disclosure of basic and diluted EPS is to be given as separate line items. The calculation for the same is based on Accounting Standard 20 "Earning per Share" as notified under the Companies Rules 2006 or Ind-AS 33. In case there are extraordinary items companies may give disclosure separately for Basic EPS for profit/Loss before and after extraordinary items.

Conclusion

The New Schedule VI is a fore runner for introduction of Ind AS. Every one advised to read the New Schedule VI to understand the full implications.

(These are personal views of the author and do not reflect SIRC views.) ■

A Mumbai based 25 years old CA firm (partnership) wishes to undertake Maharashtra VAT and other professional work at Mumbai on reasonable terms. Please contact on 022-2564 0650 (Off.) or 09224668893 (Nagendra Gupta); email: ngmumbai80@gmail.com Advt.

DISCLAIMER

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

Contribution to the Society by Tiruchirapalli Branch of SIRC of ICAI

As a small contribution to the society by the Tiruchirapalli Branch of SIRC, a stall was put up in front of the Branch office to distribute water and buttermilk free of cost to the general public from 2nd May to 23rd May sponsored by the members and Chairman of the Branch, which benefited more than 400 persons per day. The initiative taken by the Branch to quest the thirst of general public during peak summer was widely appreciated by them.

SIRC congratulates the Chairman, Office-bearers, Managing Committee Members and Members of Tiruchirapalli Branch.

THREE DAYS RESIDENTIAL SEMINAR ON SERVICE TAX

Organized by: CPE Committee of ICAI
Hosted by: Trivandrum Branch of SIRC of ICAI
August 12, 13 and 14, 2011

**Uday Samudra Leisure Beach Hotel & Spa
Thiruvananthapuram**

PARTICIPATION FEE

CPE Credit
12
HOURS

Residential

(Including accommodation, breakfast, lunch, dinner and course material)

Members (on twin sharing basis) - ₹ 7000/- per participant
Non-Members (on twin sharing basis) - ₹ 7500/- per participant

Non Residential (Including lunch on dinner)

Members - ₹ 3000/- per participant
Non-Members - ₹ 3500/- per participant

Delegate fee by way of Cheque / DD drawn in favour of 'Trivandrum Branch of SIRC of ICAI' payable at Thiruvananthapuram shall be sent to Chairman, Trivandrum Branch of SIRC of ICAI, ICAI Bhawan, P.B. No.416, T.C. 41/401, Pound Road, Thycaud, Thiruvananthapuram - 695014. Phone: 0471-2323789; 2328590 Email: trivandrum@icai.org

Limited Seats, Registration on
First Come First Serve Basis.

For details please refer page 5 of June 2011 SIRC News letter. For registration & further details contact Trivandrum Branch of SIRC of ICAI.

New Arrivals at Sales Counter

S.No.	Name of the Publication	Price ₹	Postage ₹
1	Study on Investigative Audits	175/-	30/-
2	Technical Guide on Internal Audit of Retail Industry	175/-	30/-
3	Technical Guide on Audit In Hotel Industry	150/-	30/-

Institute's Sales Counter at Chennai is open from 10.00 a.m. to 05.00 p.m. (Except lunch hour 01.00 to 02.00 p.m.). If required by post, send DD favouring "ICAI" payable at Chennai.

OBITUARY

Mem. No.	Name	Status	Place	Date of Death
005160	MR. GURURAJAN C V	FCA	BANGALORE	24/02/2011
007211	MR. BHASKARAN NAMBIAR K	FCA	BANGALORE	02/05/2011
011756	MR. RAJENDRAN K	FCA	BANGALORE	13/05/2011
022166	MR. SRIDHAR V	FCA	CHENNAI	08/03/2011
023191	MR. RAVI K	FCA	CHENNAI	15/03/2011
029724	MR. NARAYANAN S	FCA	CHENNAI	22/04/2011

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



Inana
Sangamam
2011



COIMBATORE CALLING 43rd Regional Conference of SIRC OF ICAI

Friday & Saturday – August 19 & 20, 2011
CODISSIA Complex, Coimbatore

All are cordially invited

The Mega Conference will have the privilege of receiving

CA. G. Ramaswamy
President, ICAI

CA. Jaydeep Narendra Shah
Vice-President, ICAI

Please block your dates in advance and plan your visit to
Coimbatore, the Manchester of South India.

Delegate Fee: ₹ 2500/-

The delegate fee may be paid by way of Cash / Cheque at par / Demand Draft and sent to SIRC Office (or) Coimbatore Branch of SIRC of ICAI as detailed below:

For Payment at SIRC:

Instruments drawn in favour of 'SIRC of ICAI' payable at Chennai and sent to SIRC Office addressed to Senior Assistant Secretary, SIRC of ICAI, ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034. Ph: 044-30210320/321; Email: sirc@icai.in; Website: www.sircoficai.org

For Payment at Coimbatore Branch:

Instruments drawn in favour of '43rd Regional Conference of SIRC of ICAI' payable at Coimbatore and sent to Coimbatore Branch addressed to The Chairman, Coimbatore Branch of SIRC of ICAI, MSS Memorial Building, No.8, D.B. Road, R.S. Puram, Coimbatore - 641002. Ph: 0422-2552872, 2547764; Email: coimbatore@icai.org; Website: www.coimbatoreicai.org

CPE Credit
12
HOURS



Secretary
SIRC of ICAI

Chairman
Coimbatore Branch of SIRC

Chairman
SIRC of ICAI

Tally RK Solutions

Power of Simplicity

Endless possibilities...

Authorized Tally Integrater, Tally Sales & Service Partner

NOW TALLY IS CUSTOMIZABLE TO ANY EXTENT

🎧 Highlights 🎧

- ♣ Hospital Management Module 
- ♣ Milk Dairy Management Module 
- ♣ Temple / Trust / Church Module
- ♣ School / College Module
- ♣ Schedule Wise Balance Sheet
- ♣ Audit Trail
- ♣ Dash Board
- ♣ Standard Payment Auto Entry
- ♣ Cost Centre Wise P & L, Balance Sheet
- ♣ Easy BRS
- ♣ Security Control
- ♣ Voucher Authorization
- ♣ Standard Narration
- ♣ Voucher Auto Numbering
- ♣ Cylinder / Barrel Tracking
- ♣ Payroll Customization

EXTENSIBLE CUSTOMIZATIONS OUTSIDE TALLY

🎧 Highlights 🎧

- ♣ Document Management Module for Tally
- ♣ Web Interface for Tally
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ALERT FOR AUDITORS! - A SYNOPSIS FROM PCAOB FINDINGS

Introduction

The Public Company Accounting Oversight Board (PCAOB) is the watchdog of the United States (US) established by the US Congress to oversee the audits of public companies in order to protect investors and the public interest by promoting informative, accurate, and independent audit reports. The Sarbanes-Oxley Act of 2002, which created the PCAOB, required that auditors of U.S. public companies be subject to external and independent oversight. The PCAOB inspects registered public accounting firms to assess compliance with the Sarbanes-Oxley Act, the rules of the PCAOB, the rules of the Securities and Exchange Commission, and professional standards, in connection with the firms performance of audits, issuance of audit reports, and related matters involving U.S. companies, other issuers, brokers, and dealers. Such inspections are done on a regular/ continuous basis.

As required by the regulations, the PCAOB prepares a written report on each inspection and provides it, in appropriate detail, to the SEC and to certain state regulatory authorities. It also makes portions of the reports available to the public; however, certain information is restricted from public disclosure, or its disclosure is delayed, as stipulated by the Regulations. This article summarizes some of the critical findings of the PCAOB arising out of their inspections based on the information made available to the general public which focuses on the critical audit matters primarily related to audit procedures, approach, methodology, etc. where the auditors all around the globe have to be watchful and more diligent. This has been duly tailored taking into account the relevance/ applicability for the Indian environment.

Overview of the PCAOB Inspections

The significant observations of the PCAOB Inspectors arise from several important audit areas, both established and emerging. These areas include critical and high-risk parts of audits, such as revenue, management's estimates, and the determination of materiality and audit scope. These findings arise in the

"One fundamental issue that forms the basis of all their findings is the need for enhanced application of professional skepticism when performing the audit procedures and evaluating audit results."



audits of entities of all sizes, including in some of the larger audits they reviewed. One fundamental issue that forms the basis of all their findings is the need for enhanced application of professional skepticism when performing the audit procedures and evaluating audit results.

Audit Alerts based on Critical Findings

Audit Alerts arising from some of the critical findings of the PCAOB inspections are given below.

Performing Appropriate Audit Procedures to Recognize and Appropriately Address Departures from GAAP and Other Financial Reporting Requirements

This is one area where the PCAOB identified the greater need for performing the required audit procedures to identify and appropriately address departures from Generally Accepted Accounting Principles ("GAAP") and other financial reporting requirements. The GAAP deficiencies noted by the PCAOB encompassed a broad range of accounting areas. The most common of such departures

were related to income taxes, derivatives, revenues, and cash flow presentations, etc.

Evaluating the Reasonability of Accounting Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period like provision for warranties, provision for contingencies, provision for employee benefits, provision for doubtful debts/ advances, useful lives of fixed assets, allowance for slow moving inventories, provision for taxation etc. Estimates and assumptions also may be necessary to determine the amount of revenues and expenses to record during a given accounting period, as may be the case when sales are made with rights of return, or when future obligations related to, for example, a plant closure or pension benefits, need to be recorded in the current period.

Per PCAOB findings, while performing the audit of the Accounting Estimates, auditors need to keep in mind the following:

- Obtaining an understanding of the methodology management had used to develop the accounting estimate.
- Testing the reasonableness of management's key assumptions, including performing tests beyond inquiries of management, testing the data underlying management's calculation of the accounting estimate.
- Wherever the auditors have chosen to develop an independent expectation of the estimate, auditors have to test the underlying data they used in developing the independent expectation to support the assumptions.
- Reviewing events or transactions occurring after the period covered by the financial statements and before the date of the auditor's report.

Performance of Analytical Procedures

Analytical procedures, when properly designed and applied, could be a useful

tool for assessing the reasonableness of an account balance. They often consist of comparing an account balance, or a ratio based on the balance, with an expected amount or ratio to determine whether the account balance or ratio appears reasonable. For example, an auditor might compare the rental expense with an expected amount computed by annualizing the rentals per month. If the difference between the two is above an acceptable range that the auditor has predetermined, the auditor should investigate the reasons for the difference. Wherever, auditor decides to use an analytical procedure as a substantive test, the audit procedure should comply with all of the requirements for substantive analytical procedures.

Based on the findings of the PCAOB, auditors have to keep in mind the following points while applying Analytical procedures as part of their audit process;

- Developing appropriate expectations, including in some instances to appropriately disaggregate data in order to obtain the necessary level of precision for the expectation.
- Establishing a threshold for differences that the auditor could accept without further investigation.
- Establishing a threshold for differences that was low enough to provide the level of assurance that the auditor planned to achieve from the test.
- Testing the data that the auditor used in the analytical procedures, investigating significant unexpected differences from the auditor's expectations.
- Examining other evidences to obtain corroboration of management's explanations regarding significant unexpected differences.

Assessment of Internal Control

In all audits, the auditor should obtain an understanding of the entity's internal

control that is sufficient to plan the audit. If the auditor plans to assess control risk below the maximum level, he should perform procedures during the audit to obtain evidence about the effectiveness of both the design and operation of internal controls. Assessing control risk below the maximum allows the auditor to rely on controls and, in appropriate circumstances, to modify the nature, timing, and extent of the auditor's substantive procedures.

Based on the findings of the PCAOB, auditors have to consider the following items when they assess the internal controls as part of their audit process;

- Testing should be done for all the controls where the reliance is intended to be placed by the auditors.
- Controls should be tested for the entire period of intended reliance and not only for a portion of the time period.
- Reliance should not be based on controls which were identified as ineffective. If there are ineffective controls, auditors have to alter their assessments of control risk and reconsider the nature, timing, and extent of their substantive procedures.
- Auditors should not rely upon information in reports that were generated from the entity's computer systems without adequately testing whether the reports were complete and accurate or whether the underlying systems that generated the reports could be relied on.
- When the entity uses an outside service organization to process certain transactions, the entity's auditor should obtain adequate evidence about the effectiveness of the service organization's controls before placing reliance on the related controls.

Audit Sampling

Audit sampling is the application of an audit procedure to less than 100 percent of

the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class of transactions. While selecting samples, auditors have to keep in mind the following matters arising out of the PCAOB inspection reports.

- Auditors should not be using sample sizes that were too small to obtain enough evidence to form a conclusion about the account balance or class of transactions being tested.
- Auditors should appropriately project the effect of errors identified when testing the items selected to the entire population
- They should be selecting the sample in such a way that it could be expected to be representative of the underlying population.
- Auditors should appropriately test all the items in the sample.

Use of the Work of Specialists

Auditors might seek to use the work of a specialist that he engages for a specific purpose or that has been engaged by an entity's management. Based on the findings of the PCAOB, the auditor should consider the following items while using the work of specialists;

- Testing the data that the entity had provided to the specialists.
- Obtaining an understanding of the methods and assumptions that the entity's specialists had used.
- Evaluating the qualifications or objectivity of the specialist and the relationship of the specialist to the entity.
- Evaluating discrepancies between the auditor's specialist's conclusions and those of the entity or its specialists.

Materiality, Audit Scope, and Audit Differences

The concept of materiality recognizes that some matters, either individually or in

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Under the auspices of Taxation Committee of SIRC of ICAI

Friday & Saturday

July 8 & 9, 2011

P. Brahmayya Memorial Hall ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.

Day 1 - July 8, 2011

Inaugural Session – 04.00 p.m. to 05.00 p.m.

Technical Sessions - 05.00 p.m to 08.00 p.m

Drafting of Appeal & Stay Petition

CA. V.P. Manavalan, Chennai

Representation before CESTAT & Additional Grounds

CA. V. Alagappan, Tiruchirappalli

Day 2 - July 9, 2011

Technical Sessions - 10.00 a.m to 01.00 p.m

CESTAT Rules

CA. V. Prasanna Krishnan, Chennai

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CA. Rajesh Kumar & Team, Bengaluru

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the aggregate, are important for the fair presentation of financial statements in conformity with GAAP, while other matters are not important. Auditors consider materiality both in (a) planning the audit and designing audit procedures and (b) evaluating whether the financial statements taken as a whole are presented fairly, in all material respects, in conformity with GAAP. In this regard, auditors should keep in mind the following aspects based on the PCAOB inspection findings;

- Materiality threshold amounts set by auditors should reflect an appropriate consideration of the factors that could be most important to the users of the financial statements.
- With respect to evaluating the effects of waived audit adjustments, the auditor should accumulate all such waived adjustments (other than those amounts that were inconsequential) identified during the audit.
- Auditor should evaluate sufficiently, the relevant materiality considerations, especially qualitative factors, when considering the effects of waived adjustments on the financial statements.
- Auditor should evaluate sufficiently, the effects of identified misstatements on the adequacy of the audit procedures performed.
- Auditor should evaluate the effects of known misstatements on prior period financial statements.
- Auditor should quantify the identified misstatements in reaching a conclusion that the effects of the misstatements were not significant.

Related Party Transactions

Auditors should be aware of the possible existence of material related party

transactions that could affect the financial statements, as well as of possible common ownership or management control relationships that should be disclosed in accordance with the accounting requirements. With respect to the Related Party Transactions, the auditor should consider the following items arising out of the findings of the PCAOB;

- Sufficient audit procedures should be performed identify and address the lack of disclosure of related party transactions.
- Auditors encountering related party transactions need to be mindful both of applicable disclosure requirements and of the fact that the substance of particular transactions could be significantly different from their form and that accounting principles require that financial statements should recognize the substance of particular transactions rather than merely their legal form.
- Auditors should ensure the effectiveness of their testing of the nature, economic substance, and business purpose of transactions with related parties.

Going Concern Considerations

Auditors have a responsibility to evaluate whether there is substantial doubt about the entity’s ability to continue as a going concern. This may be especially important for auditors of smaller or newer public companies with limited operations and limited access to credit or capital because such companies can be susceptible to events or conditions giving rise to a going concern uncertainty. As regards going concern,

the key aspects to be considered by the auditors, based on PCAOB findings, are as under;

- Auditors should identify and evaluate the significance of conditions that indicated an entity may not have been able to continue as a going concern, such as cumulative losses since inception, accumulated capital deficits, and negative working capital.
- Auditor should not only identify conditions that could affect the entity’s ability to continue as a going concern, but should also evaluate management’s plans to mitigate the effects of such conditions
- Auditor should also obtain information about the likelihood that Management’s revival plans could be implemented effectively.
- Auditors should also evaluate the adequacy of an entity’s disclosure of the going concern conditions and managements’ plans to address the same.

Conclusion

Auditors should always be watchful and alert and should be continuously looking out for insights available to improve their processes. In the era of globalization, such awareness is a need of the hour!

The main thrust of the PCAOB inspection findings is the need for auditors to enhance their application of professional skepticism and ensuring objectivity in audits to test or challenge management’s forecasts, views, or representations that constituted critical support for amounts recorded in the financial statements. The extent of valuable insights and the inputs that are available through these inspection reports could be used purposefully in fine tuning and improving the audit process.

Auditor should give importance to each and every audit process. Be it a routine/ repetitive audit process or a detailed/ unique audit process, the extent of importance to be attached to the process should never be diluted. Even if there are little things which come to the attention of the auditor, he should never ignore them; Even a small leak could sink a great ship!

As indicated by Oliver Holmes, “A moment’s insight is sometimes worth a life’s experience”. By way of ensuring continuous professional enrichment and improving the audit process continuously and enhancing the audit quality, the auditors can definitely protect the interests of investors by way of providing informative, fair, and independent audit reports by performing audits effectively and efficiently. ■

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Section 10(23C)

In **Priyadarshini Educational Academy v. DGIT & Ors. (2011) 333 ITR 347 (AP)** where the assessee-society running educational institutions made an application seeking exemption under section 10(23C)(vi) for the assessment year 2008-09 and it was found that it had made investment in a chit fund in the previous year relevant to the assessment year 2007-08, the Andhra Pradesh High Court held that the Director General was justified in rejecting the application for grant of exemption on the ground of investment in a chit fund in the preceding previous year as it was not one of the modes of investment specified in section 11(5).

Income from House Property

The Full Bench of the Delhi High Court has in **CIT v. Moni Kumar Subba (2011) 333 ITR 38 (Del) (FB)** opined that if the Assessing Officer finds that the actual rent received by the assessee is less than the fair/market rent due to acceptance of abnormally high interest-free security deposit and because of that reason, the actual rent received is less than the rent which the property might fetch, he can undertake necessary exercise in that behalf but he cannot take the notional interest on the interest-free security deposit as the determinative factor to arrive at the fair rent since the provisions of section 23(1)(a) do not mandate this.

Capital Receipt

Non-compete fee received under a negative/restrictive covenant has to be treated as a capital receipt till the assessment year 2003-04 and section 28(va) introduced by the Finance Act, 2002 with effect from 1.4.2003 providing that such receipt is taxable is not clarificatory, ruled the Supreme Court in **Guffic Chem (P) Ltd. v. CIT & Anr. (2011) 239 CTR (SC) 225**.

Capital Expenditure

The Andhra Pradesh High Court has in **CIT v. Sarvaraya Textiles Ltd. (2011) 332 ITR 553 (AP)** taken the view that expenditure incurred by the assessee-company in purchasing speed frames, ring frames and tandem breaker cards which were separate units of machinery performing different processes in its textile mill constituted capital expenditure as it was incurred for replacement of machinery which resulted in bringing into existence new assets and not for preserving and maintaining already existing assets.

Revenue Expenditure

In **CIT v. Priya Village Roadshows Ltd. (2011) 332 ITR 594 (Del)** where the assessee carrying on the business of running cinemas got technical and financial feasibility studies carried out for the purpose of taking over cinemas for conversion into multiplexes and the projects were shelved as they were not financially and technically viable, the Delhi High Court held that since the feasibility studies conducted were for the same and existing business of the assessee with a common fund and administration and no new asset was created, the expenditure incurred by the assessee on feasibility studies was in the nature of revenue expenditure.

Speculation Loss

Where the assessee-company whose business was purchase and sale of shares of other companies did not effect purchase and sale of shares in a financial year, it will be deemed to be carrying on speculation business in that financial year under the Explanation to section 73 and the loss in book value of shares will constitute speculation loss, opined the **Bombay High Court in Prasad Agents (P) Ltd. v. ITO (2011) 333 ITR 275 (Bom)**.

Capital Gains

In **CIT & Anr. v. Smt. K.G. Rukminiamma (2011) 239 CTR (Kar) 435** where the assessee gave her property comprising of site and residential house thereon to a builder for construction of flats under a joint development agreement in terms of which the builder agreed to construct and deliver 48 per cent of the super built up area to the assessee in the form of residential flats and accordingly, the builder constructed and handed over four flats to the assessee, the Karnataka High Court held that all the four flats situated in a residential building constitute "a residential house" for the purpose of section 54 and that the assessee was entitled to exemption under section 54 in respect of all the four residential flats acquired by her.

Special Audit

The Assessing Officer can under section 142(2C) extend the period for furnishing the audit report on the request of the auditor, held the Kerala High Court in **CIT v. Popular Automobiles (2011) 333 ITR 308 (Ker)**.

Reassessment

The Delhi High Court has in **Central Warehousing Corporation v. ACIT & Anr. (2011) 239 CTR (Del) 460**

expressed the view that a subsequent decision of the Supreme Court constituted a valid basis for reopening of assessment.

Appeal

In **CIT v. Varindera Construction Co. (2011) 239 CTR (P & H) (FB) 1**, the Full Bench of the Punjab & Haryana High Court has ruled that Circular No. 5 issued by the Central Board of Direct Taxes on 15.5.2008 laying down monetary limits for filing appeals by the Department does not apply to appeals filed prior to 15.5.2008 and that appeals filed before 15.5.2008 will be governed by the monetary limits laid down at the time of filing of those appeals.

Revision

Where the order of the Assessing Officer was in consonance with the decisions of the Tribunal on the date of passing of the order under section 263 by the Commissioner, the order passed by the Assessing Officer cannot be said to be erroneous and prejudicial to the interests of the Revenue and the Commissioner could not have invoked his revisional power under section 263, opined the **Delhi High Court in CIT v. Honda Siel Power Products Ltd. (2011) 333 ITR 547 (Del)**.

Penalty

In **CIT v. Backbone Enterprises (2011) 238 CTR (Guj) 197** where the facts were that the assessee-firm filed a return of income for the assessment year 2001-02 on 24.10.2001 claiming deduction under section 80-IA, the Assessing Officer issued a notice under section 154 on 14.3.2002 in respect of the assessment year 2000-01 requiring the assessee to show cause as to why deduction under section 80-IA should not be disallowed as it was allowable only in the cases of Indian companies, the assessee filed a revised return on 15.3.2002 withdrawing the claim for deduction under section 80-IA and the Assessing Officer issued a similar notice under section 154 on 18.3.2002 in relation to the assessment year 2001-02, the Gujarat High Court took the view that the assessee had bona fide made a claim for deduction under section 80-IA which was withdrawn by filing a revised return and that there was no concealment or furnishing of inaccurate particulars on the part of the assessee warranting levy of penalty under section 271(1)(c) ■

CPE INTERACTIVE SESSION WITH CPC OFFICIALS

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Mr. P. Ravishankar
Tower head, Infosys BPO

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Under the auspices of Taxation Committee of SIRC of ICAI

Saturday - July 23, 2011
09.30 a.m. to 05.30 p.m.

P. Brahmayya Memorial Hall

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Inaugural Session – 09.30 a.m. to 10.00 a.m.

Technical Sessions - 10.30 a.m. 05.30 p.m.

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Audit Review and Auditors' Responsibilities
CA. P.C. Anand, Chennai*

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Announcement regarding working hours of the Articled Assistants

The Council has considered the issue regarding the working hours of the articled assistants. The Council is of the view that the article training is an important part of the CA curriculum and the same needs to be carried out in accordance with the scheme framed by the ICAI in this behalf. Accordingly, to clarify the doubts being raised by various quarters about the working hours of the articled assistants and for pursuing graduation/other course, the Council decided to issue the following directions:-

1. The articled assistants should undergo practical training in accordance with the Chartered Accountants Regulations, 1988 as explained hereinafter.
 - i. The working hours for the articled assistants shall be 35 hours in a week excluding the lunch break.
 - ii. The office hours of the Principal for providing article training to the articled assistants shall not be generally before 9.00 A.M. or after 7.00 P.M.
 - iii. The normal working hours for the articled assistants shall not start after 11.00 A.M. or end before 5.00 P.M.
 - iv. The working hours for the articled assistants should not exceed 35 hours in a week excluding the lunch break and normally an articled assistant be required to work during the normal working hours fixed for articled assistants.
 - v. **In case of the exigencies of work with the Principal, an articled assistant may be required to work beyond his/her normal working hours. However, under such circumstances, the aggregate number of working hours shall not exceed 45 hours per week. The requirement to work beyond 35 hours in a week should not be a practice but only in exceptional circumstances. Further, where the articled assistant is required to work beyond normal working hours, and aggregate of such hours exceed 35 hours per week, he/she shall be entitled to compensatory leave calculated with reference to number of completed working hours, over and above, 35 hours per week.**
 - vi. The facility of allowing flexible office hours stands withdrawn.
2. During the working hours, the articled assistant is not permitted to attend college/other institutions for pursuing any course including graduation. Accordingly, college timings of such course should not be such (after taking into account the time required to commute) which clashes with the normal working hours of the article training.
3. To ensure that the working hours do not clash with the graduation or any other course, if any pursued by the article assistant, each articled assistant registered on or after 1st April, 2008 shall now be required to obtain specific permission from the ICAI for pursuing graduation or other course as permitted under the Chartered Accountants Regulation by submitting Form No.112, within one month from the date of joining the college or course to the ICAI.
4. The Certificate in Form No. 112 indicating college timings etc. shall be counter-signed by the concerned Principal of the college with the seal and stamp of the College and also indicating the telephone number/s and full address of the College.
5. In case a student does not comply with the above requirements or violates any of the above guidelines, his/her articleship period shall not be recognised.
6. In this connection, attention is invited to the Regulations 65 and 66 read with Regulation 60 of the Chartered Accountants Regulations, 1988. (Refer C.A. Regulations, 1988)

"Taxmann Advertisement" Double Taxation -1

"Taxmann Advertisement" Tax Computation -2

SICASA PROGRAMME For the month of July 2011

- Study Circle Meetings** on Thursday
Date: 7th, 14th and 21st July 2011
Time: 06.00 p.m. to 08.00 p.m.
- Talent Hunt**
Date: 16th July 2011
Time: 04.00 p.m. to 08.00 p.m.
- Two Days Seminar on Soft & Life Skills**
Date: 23rd & 24th July 2011
Time: 10.00 a.m. to 05.00 p.m.
- AGM of SICASA**
Date: 30th July 2011
Time: 05.30 p.m. onwards

For Further details, visit <http://sicasa.sircoficai.org>

Secretary, SICASA

Chairman, SICASA

SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION

ICAI Bhawan, No.122, Mahatma Gandhi Road Nungambakkam, Chennai – 600034

NOTICE

Notice is hereby given that the **Fifty-Fourth Annual General Meeting** of the Members of the Southern India Chartered Accountants Students' Association will be held on **Saturday, July 30, 2011 at 5.30 p.m.** at the premises of the Institute at ICAI Bhawan, No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 to transact the following agenda:

54th Annual General Meeting of SICASA**AGENDA**

- Item No 1: To adopt the accounts for the year 2010-11;
Item No 2: To receive the report of the activities of the Association;
Item No 3: To elect twelve [12] members to the Managing Committee for the year 2011-12; and
Item No 4: Any other matter with the permission of the Chairman

By Order of SICASA

Chairman, SICASA

Note: Nomination form to contest for Managing Committee can be had from the SIRC Office at the above address.**THE MONTH THAT WAS (JUNE 2011)**

11 th	Workshop of the Quality Review Board jointly with ICAI organized by Peer Review Board, ICAI and hosted by SIRC of ICAI
12 th	CPE Seminar on Service Tax
17 th & 18 th	CPE Intensive Workshop on Management Accounting
27 th & 28 th	Orientation Programme for Branch Chairmen, Vice-Chairmen & Secretaries of SIRC of ICAI
30 th	60th Annual General Meeting of SIRC of ICAI
1 st , 8 th , 10 th , 15 th , 17 th , 22 nd , 24 th , 29 th	CPE Study Circle Meetings & Teleconferences

SIRC acknowledges the contribution and support extended by the President-ICAI, Resource Persons, Co-ordinators, Branches and the delegates for making all the programmes a resounding success.

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IMPORTANT ANNOUNCEMENT ATTENTION OF MEMBERSKind attention of Members is invited to the revised schedule of Membership and related fee **effective from 01st April, 2011** as given below: -

Particulars of Fees	Revised Fee ₹
Membership Fee	
Entrance Fee	1200
Fellow Admission Fee	1800
Annual membership Fee	
Associate Fee	800
Fellow Fee	2200
Certificate of Practice Fee	2000
Restoration Fee	1200

Members who are senior citizens i.e. have attained the age of 65 years as on 1st April of the relevant year will be required to pay the fees at lower rates which is as under: -

Particular of Fees	Revised Fee ₹
Annual membership Fee	
Associate Fee	600
Fellow Fee	1600
Certificate of Practice Fee	1500

Members are requested to remit the fee for membership / Certificate of Practice / Fellow membership at the prescribed amount as applicable to them.

Members can pay their fee online by clicking online payments link on the homepage of www.icai.org**WORK DISPOSAL POSITION***The position of disposal of various matters relating to members and students of Regional Office, Chennai as on 30.06.2011 is as under:*

Particulars	Disposal of records received upto
Members	
Enrolment of Members	25.06.2011
Fellow Admission	27.06.2011
Grant of COP	27.06.2011
Restoration of Name - Recommended upto	27.06.2011
Restoration of Name - Cleared upto	22.06.2011
Constitution of Firms	27.06.2011
Reconstitution of Firms	27.06.2011
Paid Assistant	27.06.2011
Change of Address - Members	28.06.2011
Change of Address - Firms	29.06.2011
Students	
Registration of Articles	23.06.2011
Re-registration of Articles	22.06.2011
Industrial Training	20.06.2011
Termination of Articles	23.06.2011
Completion of Articles	20.06.2011
Permission to pursue Other Courses	20.06.2011
Change of Address - Students	28.06.2011
Despatch of Materials - CPT	28.06.2011
Despatch of Materials - Final	27.06.2011
Despatch of Materials - IPCC	29.06.2011
Despatch of Materials - ATC	29.06.2011
Despatch of Materials - ITT (By Post)	24.06.2011

ORIENTATION PROGRAMME FOR CHAIRMEN, VICE-CHAIRMEN & SECRETARIES OF BRANCHES OF SIRC OF ICAI

June 27 & 28, 2011 - Mamallapuram.



◀ **CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI** addressing the Members at the Valedictory Session.
(L-R): CA. P.R. Aruloli, Chairman, Branch Co-ordination Committee, SIRC and CA. E. Phalguna Kumar, Treasurer, SIRC.

Resource Persons



CA. Nanu R. Mallaya
Bangalore



CA. Madhukar Narayan Hiregange
Bangalore

▼ **Group Photograph of Chairmen, Vice-Chairmen & Secretaries of Branches of SIRC along with Office Bearers & Members of SIRC and Central Council Members of ICAI.**



CA. V. Murali, Chairman, Board of Studies, ICAI addressing the students at the Inauguration of the GMCS Course held on June 21, 2011 at Chennai. (L-R): CA. P.R. Aruloli, Member, GMCS Co-ordination Committee, SIRC and Major Lakshman, Faculty.



CA. V. Murali, Chairman, Board of Studies, ICAI addressing the students at the Valedictory Session of the GMCS Course held on June 5, 2011 at Chennai. (L-R): CA. P.R. Aruloli, Member, GMCS Co-ordination Committee, SIRC, CA. V. Sankar (Chief Guest) and CA. Gopal Krishna Raju, Member, SIRC.



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI addressing the students at the Inauguration of the CPT Coaching Classes on June 30, 2011 at Chennai. (L-R): CA. C.S. Srinivas, Chairman, Students Committee, SIRC and CA. P.R. Aruloli, Member, Students Committee, SIRC.



CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI addressing the Faculty Members at the Faculty Meeting held on June 29, 2011 at Chennai. (L-R): CA. C.S. Srinivas, Chairman, Students Committee, SIRC, **CA. V. Murali, Chairman, BOS, ICAI**, CA. P.R. Aruloli, Member, Students Committee, SIRC and CA. Gopal Krishna Raju, Member, SIRC.

CPE STUDY CIRCLE MEETINGS – June 2011 at SIRC, CHENNAI

JUNE 1, 2011



CA. T. Raghunathan
Chennai

JUNE 8, 2011



CS. Sayee Mohan
Chennai

JUNE 10, 2011



CA. S.A. Muraliprasad
Chennai

JUNE 15, 2011



CA. K.M. Padmanabhan
Chennai

JUNE 17, 2011



CA. Chinnsamy Ganesan
Chennai

JUNE 22, 2011



CA. Sriram Gopalakrishnan
Chennai

JUNE 24, 2011



CA. L. Venkatesan
Chennai

JUNE 29, 2011



CA. PL. Subramanian
Chennai



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