

SIRC Newsletter

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NOVEMBER 2012 | Volume 38 ■ Part 05



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



**Information
Technology**

SIRC CALENDAR

NOVEMBER & DECEMBER 2012

Contact: Dr. T. Paramasivan, Senior Deputy Director (Tech.) – ICAI - Phone: 044 – 30210361 / 323 – Email: sirc@icai.in

DATE and TIME	PROGRAM DETAILS	RESOURCE PERSON	FEE (₹)	CPE CREDIT
Nov. 03, Saturday 09.30 a.m. – 05.30 p.m.	*Industry focused CPE Seminar TRANSPORT INDUSTRY		750/-	6 hrs
Nov. 05 & 06, Mon. & Tue. 09.30 a.m. – 05.30 p.m.	*Workshop on ENABLING SERVICE TAX PRACTICE		1500/-	12 hrs
Nov. 07, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on FINANCIAL MODELS FOR STOCK PRICES AND VOLATILITY	CA. Dr. Mathew A Thomas Chennai	150/-	2 hrs
Nov. 09, Friday 04.00 p.m. – 08.00 p.m.	Workshop on VARIOUS ETHICAL ISSUES	Details Below	300/-	4 hrs
Nov. 14, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on ACCOUNTING FOR TAXES	CA. S. Sundararaman Chennai	150/-	2 hrs
Nov. 16, Friday 09.30 a.m. – 05.30 p.m.	*Industry focused CPE Seminar PHARMACEUTICAL INDUSTRY	Details will be hosted in the SIRC website www.sircoficai.org	750/-	6 hrs
Nov. 17, Saturday 10.00 a.m. – 05.30 p.m.	*CPE Seminar on INTERNATIONAL TAXATION	Details at page 05	750/-	6 hrs
Nov. 19, Monday 10.00 a.m. – 05.30 p.m.	*Industry focused CPE Seminar BANKING SECTOR	Details at page 05	750/-	6 hrs
Nov. 21, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on FINANCIAL INSTRUMENTS AN INTRODUCTION	CA. R.G. Rajan Chennai	No Delegate fee	2 hrs
Nov. 23, Friday 04.00 p.m. – 07.30 p.m.	INVESTOR AWARENESS PROGRAMME	Details at page 08	No Delegate fee	2 hrs
Nov. 24, Saturday 09.00 a.m. – 06.00 p.m.	**Hands on "Practical Workshop" on ADVANCED EXCEL FOR CHARTERED ACCOUNTANTS	Details at page 20	1200/-	6 hrs
Nov. 30, Friday 09.30 a.m. – 05.30 p.m.	ONE DAY CPE SEMINAR	Details at page 05	750/-	6 hrs
Dec. 01, Saturday 10.00 a.m. – 05.30 p.m.	CPE Seminar on COST AND FINANCIAL MANAGEMENT	Details at page 05	750/-	6 hrs
Dec. 12, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on TAXATION OF E-COMMERCE	CA. N. Madhan Chennai	150/-	2 hrs
Dec. 14, Friday 04.00 p.m. – 07.30 p.m.	INVESTOR AWARENESS PROGRAMME	Details at page 08	No Delegate fee	2 hrs
Dec. 14 & 15, Fri. & Sat. 09.30 a.m. – 05.30 p.m.	***IT SUMMIT	Details at page 04	3000/-	12 hrs
Dec. 19, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on FCRA- LATEST DEVELOPMENTS & IMPLICATIONS	CA. M. Kandasami Chennai	No Delegate fee	2 hrs
Dec. 26, Wednesday 06.15 p.m. – 08.30 p.m.	*CPE Study Circle Meeting on RECENT AMENDMENTS TO TN VAT ACT	CA. J. Murali Chennai	150/-	2 hrs

NO CPE PROGRAMMES ON NOV. 28, 2012 AND DEC. 5, 2012

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

** Programme at IIT Lab, 3rd Floor, Annexe Building, ICAI Bhawan, SIRC Premises, Chennai - 600034

*** Programme at Hotel Raintree, Anna Salai, Chennai.

WORKSHOP ON VARIOUS ETHICAL ISSUES

SIRC Premises, ICAI Bhawan

No.122, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034

CPE Credit

4
HOURS

Friday, November 9, 2012 - 04.00 p.m. - 08.00 p.m.

Registration: 03.30 p.m.

Technical Sessions

Issues and Cases relating to Unjustified Removal of Auditors and Independence of Auditors

Code of Ethics – Emerging issues

Resource Persons

CA. K. Ravi
ChennaiCA. G. Narayanaswamy
Chennai

DELEGATE FEE

Members - ₹ 300/-

Delegate fee by way of Cash or by Cheque/DD drawn in favour of SIRC of ICAI payable at Chennai may be sent to SIRC of ICAI, ICAI Bhawan, No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034. Phone: 044-30210320, Fax: 044-30210355; Email: sircce@icai.in

Chairman writes ...



My Dear Professional Colleagues,

October has been a comparatively quiet month, after the hectic schedule of the income tax season of August & September, and by now you would have also probably completed the third quarter limited reviews of all listed companies and other corporates. November & December will be months of reviewing what we have done these past few months, completion of billing in respect of services rendered, planning & scheduling for the future and training & education. I wish you all the very best!!

The Economy

As per one of the recent world economic statistics, in 2011, the United States (U.S), for the first time since 1949, became the net exporter of refined petroleum products. According to certain projections, by 2020, the U.S. will surpass both Russia and Saudi Arabia and become the World's largest producer of Oil and Liquid Natural Gas. The consequences of this breakthrough both economical and geopolitical, though difficult to assess at this juncture, will impact the world economic order. This vindicates the necessity for nations, like our country, to become energy self reliant through all possible means including exploration of alternative energy sources. Enterprises, whatever size, ownership pattern they may be, there is a pressing requirement for them to employ and explore alternative energy / fuel sources.

With one of the highest young, educated, English speaking population, India is now a world power. Nevertheless, the development has to be made more balanced to make India a more equitable and just nation. Furthermore according to the Organization for Economic Cooperation and Development, 40% of Indian Municipal waste remains uncollected; the figure is considerably higher in rural areas. This has lead to poor living environment for everyone of us in spite of the economic development which everyone of us witnessing and enjoying. We should be a driver, inter-alia, for a clean and healthy living environment.

Likewise, since the economic liberalization of the early 1990s, India has adopted the "market economy" model. Though the results have in many respects been highly encouraging, like new industries and

world class businesses lifting millions from poverty, still it has lead to unprecedented levels of unethical business practices and environmental degradation.

Members of our profession, both in practice and in industry have to rise up to the occasion and take due care of the new forms of deprivation and dispossession (of economic development) amongst our fellow Indians left behind by the economic reforms.

Similarly, members have to play a proactive role in promoting the interests of small (genuine) investors who are the fundamental strength for any quality/sound financial system. There have been many (reported and unreported) instances of financial frauds, depriving our fellow citizens their hard earned money necessitating the reiteration of the popular legal jargon 'buyers beware'. There have been numerous instances of wrong selling of insurance products (as savings schemes) promoting high risk high return schemes amongst the poor and ill informed investors.

There is a requirement for an efficient and effective investor awareness programme for which everyone of us should come forward to contribute whatever possible by us. Particularly, we have to equip our investors on the key areas of personal financial planning such as: Guide to Small Investors on Capital Market Operations, Understanding Corporate Disclosures, Investor Protection – Do's and Don'ts, Utility & Role of Professionals for Small Investors, Rights and Obligations for Small Investors, Role of Regulatory Authority in Capital Market Operations, Portfolio Risk Management, Trading Online- do's and don'ts, Leveraging Risk, Commodities Market in India, Role of intermediaries in Capital Market Operations, Systematic Investment plans etc.

SIRC congratulates Dr. K. Rahman Khan

It is indeed a proud moment for our profession that one of our fellow members CA. Dr. K. Rahman Khan has been inducted as the Hon'ble Union Minister for Minority Affairs. We are happy to inform you that Hon'ble Dr. Khan was a Treasurer of SIRC in the year 1976-1977. While SIRC salutes

Hon'ble CA. Dr. K. Rahman Khan for his strong and continuing spirit of public service, SIRC wishes him all success as the Union Minister for Minority Affairs.

Information Technology: Theme issue of this Newsletter

Adopting Information Technology (IT) and adapting to its requirements, has been the USP for our profession. Nevertheless, the advancements in the IT area have been so dynamic and members of our profession have to devote a considerable portion of their time in understanding and appreciating key developments in that (IT) area having direct and indirect impact on their functioning, so that they can provide appreciable quality of service to their stakeholders. Accordingly, it was thought it appropriate to bring out a theme issue on IT.

The write up 'Data Analytics for Business decision making' reviews the background of Data Analytics for business decision making and justifies, with reasons, to jump onto the analytical band-wagon right away.

Computer crimes are abundant and affecting many of us and our stakeholders. However, lack of appropriate and acceptable evidence result in the culprits going scot free in a majority of the cases. The write up 'Digital Evidence – Practical Implications' provides enough insights on the authentication, analysis, laws and jurisprudence of Indian Cyber Laws in this regard.

The emergence of the Cloud has changed forever the IT deployment options available to business enterprises. The article 'Making the cloud work for CA Firms' discusses the phenomenon of 'Cloud'. It also discusses the uses of clouds and their risks.

Enterprise Resource Planning (ERP) is intended to help an organization to gain competitive advantage by integrating business processes and optimization of resources. The article, 'Role of Chartered Accountants in ERP Consulting' discusses the basics of ERP and the Role of Chartered Accountants in ERP Consulting.

Programmes and Activities of SIRC

October month witnessed an appreciable number of CPE Programmes by SIRC

focusing on Commodities Market, IT Security, Service Tax, Information Technology, Internal Audit and Foreign Tax Credit. SIRC also started conducting industry focused programmes dealing with issues relating to Financial Reporting, Auditing, Internal Audit, Income Tax and Indirect Tax.

SIRC, jointly with Society of Auditors of Chennai also organized P. Brahmayya Memorial Lecture in fond memory of the visionary leader of our profession and Past President of ICAI CA. P. Brahmayya. CA. Chetan D. Dalal, Chairman and Managing Director, Chetan Dalal Investigation and Management Services P. Ltd. and CA. L. Ganesh, Chairman, Rane Group of Companies addressed a large gathering of our members as well as students.

Our Members in Industry

A report entitled 'Integrating Good Governance leads to sustainable success' released by the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has highlighted the role of members in industry to lead the performance of their organizations by integrating governance into the key drivers of sustainable organizational success.

Students related Activities

SICASA and its branches, with their new leadership, were active during the month of October 2012 with the following academic and social development activities:

1. Crash (coaching) course for IPCE and Final Courses as well as two

rounds of mock examinations for the aspirants of November 2012 Examinations.

2. Study Circle meetings on practically relevant topics such as AS 10, AS 22, SAP Software, Transfer Pricing, Professional Ethics
3. Blood Donation Camp, 'Go Green' rally, free distribution of tree saplings.
4. Branch level and Regional level National Debate Competitions for Student studying in Class XI and XII.

As a tribute to Late Shri CA. P.P. Gururaja Upadhyaya, SIRC jointly with SICASA organized P.P. Gururaja Upadhyaya Memorial Lecture which was addressed by Padma Shri CA. T.N. Manoharan, Past President, ICAI on the topic 'Transcending Challenges' on 4th October 2012 which was well received by a large number of students.

On behalf of SIRC and SICASA, I wish the aspirants of November 2012 Chartered Accountants Examinations all success and may they come out with flying colours.

Elections 2012

The day that will decide the future of our Institute for the next three years is fast approaching. It is the time you exercise your right of franchise to elect the future leaders of our profession.

At this juncture, when the profession without any exception is facing dynamic and ever enlarging diverse demands of the

stakeholders, members should take time and come out in large numbers to vote for the candidates they feel will strengthen the organization and contribute to the effective and efficient working of the Institute and bring further glory to the profession and lead the profession in the right direction.

As you are kindly aware in view of the Single Transferable Voting System being followed in our Institutes' elections process, to say the least, every vote, including preferences indicated therein will have its importance and significance on the election outcome.

The polling will take place on 7th and 8th December 2012 at Bangalore, Chennai and Hyderabad and on 8th December 2012 at all other centres, and I request you all once again to exercise your franchise at these elections!

Feedback

With a view to further improve the quality, contents and presentation, we solicit your valuable feedback on our Newsletter. I wish to seek your valuable cooperation and indulgence in promoting this newsletter amongst your clients to show case their products and services through the pages of this Newsletter.

Until next month to share my thoughts with you again, I remain,

Yours in professional service



CA. K. VISWANATH
kviswanath.sirc@gmail.com

TWO DAY IT SECURITY SUMMIT – 2012 UNDER THE AUSPICES OF IT COMMITTEE OF SIRC OF ICAI GET AHEAD WITH THE LATEST IN IT AUDIT

CPE Credit

12
HOURS

Friday & Saturday
December 14 & 15, 2012

Venue: Hotel Rain Tree Anna Salai, Chennai

Timings: 9.30 a.m. to 5.30 p.m.

Topics (Day – 1 – Dec. 14, 2012 - Friday)	Topics (Day – 2 – Dec. 15, 2012 - Saturday)
IT Governance – Audit perspective	Enterprise 2.0 – Value & Risk Perspectives
Integrated ERP Audits	Auditing Service Organisations (ISAE 3402)
IT Regulatory Compliance	IS Audit for the Statutory Auditors
Managing Risks in Cloud Computing	Audit Analytics – Imperative for every auditor
IT Audit Issues – Financial Audit Perspective	Cyber Crime & Digital Forensics
Panel Discussion – Is IT Security strategic to business?	Panel Discussion – Do Financial Auditors need to be IT auditors?

DELEGATE FEE	Members	Non Members
	-	3000/-

Delegate fee by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai shall be sent to SIRC of ICAI, ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034. Phone:044-30210320; Fax:044-30210355; Email: sirc@icai.in

SEMINAR ON INTERNATIONAL TAXATION

SIRC Premises, ICAI Bhawan
No.122, Mahatma Gandhi Road,
Nungambakkam,
Chennai - 600034

CPE Credit
6
HOURS

Timings: 10.00 a.m. - 05.30 p.m.

Saturday, November 17, 2012

Topics	Resource Person
Foreign Payments – TDS u/s 195 of Income Tax Act	CA. T. Banusekar, Chennai
Issues in International Taxation (including NRI Taxation, DTAA, & Taxation in Foreign Countries)	CA. Sriram Seshadri, Chennai
Payments to the Non-residents – TDS implications under section 195 of the Income-Tax Act, 1961	CA. Ramana Kumar B, Chennai
FEMA – Rules & Regulations, Inbound Investments	CA. P. Venkatesan, Chennai

DELEGATE FEE

Members - ₹ 750/-

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BANKING SECTOR FOCUSED CPE PROGRAMME

SIRC Premises, ICAI Bhawan
No.122, Mahatma Gandhi Road,
Nungambakkam,
Chennai - 600034

CPE Credit
6
HOURS

Timings: 10.00 a.m. - 05.00 p.m.

Monday, November 19, 2012

Topics	Resource Person
Auditing Issues with respect to Banking Industry	Eminent Faculty
Accounting Standards- select issues with respect to Banking Sectors	CA. S. Ramakrishnan, Chennai
Taxation Issues with respect to Banking Sector	CA. P. Anand, Chennai
Audit in CBS Environment	CA. Mahesh Krishnan, Chennai

DELEGATE FEE

Members - ₹ 750/-

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ONE DAY CPE SEMINAR

SIRC Premises, ICAI Bhawan
No.122, Mahatma Gandhi Road,
Nungambakkam,
Chennai - 600034

CPE Credit
6
HOURS

Timings: 09.30 a.m. - 05.30 p.m.

Inaugural Session : 9.30 am – 10.00 am

Friday, November 30, 2012

Topics	Resource Person
Peer Review – Systems, Procedure and Documentation for Practice Units	CA. P R Ramesh, Secunderabad
Practical Issues in Transfer Pricing	CA. N S Srinivasan, Chennai
Recent Judgments in Indirect Tax Laws	Adv. K. Vaitheeswaran, Chennai
Compliance Aspects of Accounting Standards - Reporting and Disclosure Requirements	CA. M P Vijay Kumar, Chennai
IT Best Practices - A Review	CA. P. Selvamoorthy, Chennai

DELEGATE FEE

Members - ₹ 750/-

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SEMINAR ON COST AND FINANCIAL MANAGEMENT

SIRC Premises, ICAI Bhawan
No.122, Mahatma Gandhi Road,
Nungambakkam,
Chennai - 600034

CPE Credit
6
HOURS

Timings: 10.00 a.m. - 05.30 p.m.

Saturday, December 1, 2012

Topics	Resource Person
Financial Forecasting	CA. V. Pattabhi Ram, Chennai
Balanced Score Card	CA. S A Muraliprasad, Chennai
Cost Management	CA. R. Sivakumar, Chennai
Financial Due diligence	CA. R. Sundarajan, Chennai

DELEGATE FEE

Members - ₹ 750/-

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CA. V. Padmapriya
priya_vpp@yahoo.co.in

Recent Developments in Information Technology

Cloud Computing and Big Data are the notable developments in Technology in the recent years after the eras of Mainframes, Batch Transaction processing, POS terminals, PC Revolution and the World Wide Web.

CLOUD COMPUTING

Gartner defines Cloud computing as “a style of computing where massively scalable IT-related functions and information are provided as a service across the Internet, potentially to multiple external customers, where the consumers of the services need only care about what the service does for them, not how it is implemented. Cloud is not an architecture, a platform, a tool, an infrastructure, a Web site or a vendor. It is a style of computing. Many architectures can be used to support its implementation and use.”

The following diagrammatic representation gives a general idea about the same:

The three main types of cloud as given below are widely in usage,

Software as a Service (SaaS) is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet. SaaS has become a common delivery model for many business applications, including CRM, MIS, ERP, HRM. *Examples of SaaS: Google Apps, Quickbooks Online*

Platform as a Service (PaaS) is a way to rent operating systems, database and webserver over the Internet. The service delivery model allows the customer to rent virtualized servers and associated services for running existing applications or developing and testing new ones.

Examples of PaaS: Amazon Elastic Beanstalk, Google App Engine

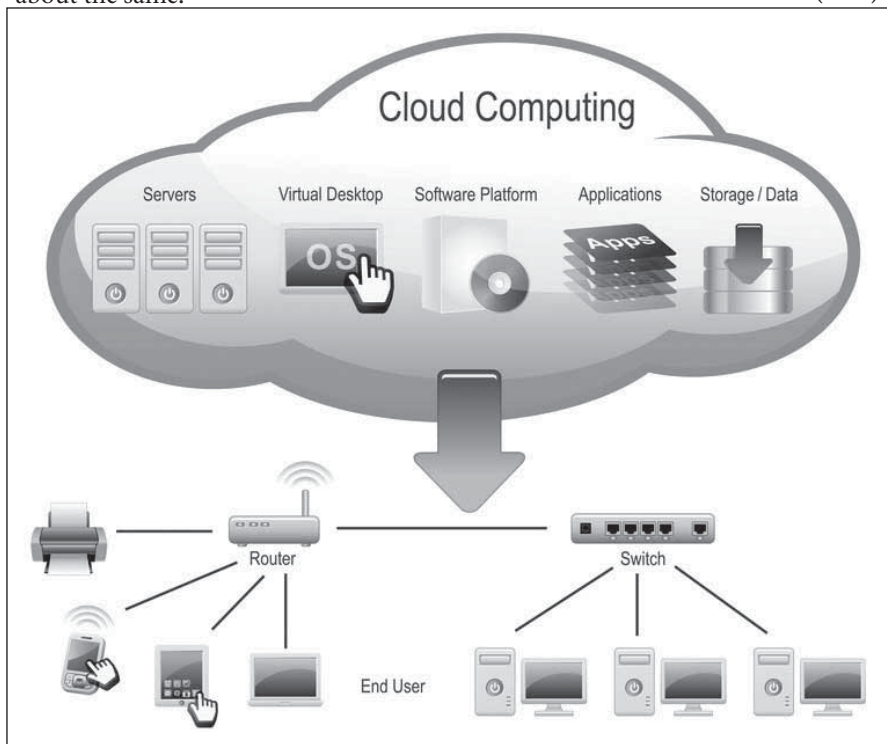
Infrastructure as a Service (IaaS)

is a provision model in which an organization outsources the equipment used to support operations. The service provider owns the equipment and is responsible for housing, running and maintaining it.

Examples of IaaS: Amazon Cloud Formation, Google Compute Engine.

BENEFITS

- **Cost Efficient:** Cloud computing is probably the most cost efficient method to use, maintain and upgrade. Traditional desktop software costs companies a lot in terms of finance. Adding up the licensing fees for multiple users can prove to be very expensive. There are many one-time-payment, pay-as-you-go and other scalable options available, which makes it very reasonable for the company in question. The IT resources can be expanded or reduced according to the needs of the company. This is particularly true of storage space and computing power. Software and hardware are updated by the cloud vendor. While these costs may be reflected in monthly or annual fees, they are implemented automatically - reducing implementation costs for the user.
- **Platform independent:** As it is a completely web based service; it is irrelevant whether the client device is running on Windows or Linux or mobile operating systems. Even all the applications used are standard to cloud system, and not specific to any particular operating system.
- **Location independent:** All the resources and services can be accessed on the go from anywhere on the world where Internet services are available. Even no external storage space is required as they are balanced over a common infrastructure.



Risks Involved

- **Technical Issues:** Though it is true that information and data on the cloud can be accessed anytime and from anywhere, there are times when this system can have some serious dysfunction and prone to outages and other technical issues. Besides, a very good Internet connection is required to be logged onto the server at all times.
- **Security:** The other major issue while in the cloud is that of security issues. We need to make absolutely sure that we choose the most reliable service provider, who will keep the clients' data/information totally secure.
- **Prone to Attack:** Storing information in the cloud could make the company vulnerable to external attacks and threats. Nothing on the Internet is completely secure and hence, there is always the lurking possibility of stealth of sensitive data.

Like everything else, cloud computing too has its pros and cons. While the technology can prove to be a great asset, it could also cause harm if not understood and used properly.

Cloud Computing Outages

2012 already saw three main cloud computing outages and except for the Microsoft Windows Azure Outage which was publicized on the internet widely, there has not been a major impact. There were some major outages in 2011 for major vendors like Amazon, Google, Microsoft and lot of discussion was centered on how to be prepared and tackle such outages that had significant business impact for both the vendors and customers. Most of the outages are still caused by human errors as evident in the recent Azure outage which was due to a bug in the programming which also highlighted the testing issues and the quality assurance in the clouds.

RECENT DEVELOPMENTS

Bharti Airtel has partnered with Microsoft India to offer cloud computing services to small and medium business enterprises (SMBs). It will deliver Microsoft's cloud-based Office365 solution to SMBs through its cloud platform.

AT&T, the largest US telecommunications group, and **IBM** plan to offer a highly secure, first-of-its-kind "network-enabled" cloud

service that uses private networks and virtual private network technology rather than the public internet. With the service, companies will be able to manage a remote cloud service that may be running in a data centre on the other side of the world as though it is running on their own servers within their firewall.

FUTURE OF CLOUD COMPUTING

The cloud services market in India is projected to grow 32.4 per cent in 2012 to total \$ 326.2 million (about Rs 1,665 crore), according to IT research and advisory firm Gartner. Software as a service (SaaS) is the largest segment and is forecast to grow to \$ 115.6 million in 2012, while infrastructure as a service (IaaS) is estimated to grow from \$ 35.2 million in 2011 to \$ 42.7 million in 2012, it said. Worldwide public cloud services revenue is on pace to total \$ 111 billion this year, it added.

Business process services also known as business process as a service or BPaaS is the next largest segment primarily because of the inclusion of cloud advertising as a sub-segment. BPaaS is forecasted to grow to \$ 112.1 million in 2012, up from \$ 90.3 million in 2011, adding cloud compute services will become the largest single segment within the public cloud services market in India growing to \$ 140.8 million, and accounting for about 14 per cent of total public cloud services spending in the next four years.

Despite the cloud outages for the major service providers like Amazon and Microsoft, Cloud computing is expected to see increased adoption particularly in the small and medium businesses as they see significant benefits in adoption. Even the large organizations are also increasing their investments in the cloud computing slowly as service providers are improving their infrastructures and offerings addressing the customer concerns of security, performance and governance. Major cloud service providers are also compensating the customers for the losses they suffer due to the outages and are communicating with customers and providing the detailed and comprehensive description of the outage, causes and corrective measure adopted to avoid future recurrence.

The cloud's impact on other parts of the economy will also be significant. According to the research firm IDC, jobs will be created across functional areas such as marketing, sales, finance and administration, production and

service. More than 50 per cent will be in small and medium businesses, two million plus each in communications and media, and manufacturing, and over 1.4 million in banking. Of the 13.8 million jobs created globally by 2015 because of cloud computing, two million will be in India.

Since companies save capex by using the cloud, the money can be ploughed back into their core business. "The rationale for job growth is that IT innovation allows for business innovation which leads to business revenues. This leads to job creation," says the IDC study.

GREAT NEWS AT A TIME OF ECONOMIC UNCERTAINTY!

BIG DATA

What is big data?

Data becomes "big data" when it basically outgrows our current ability to process it, store it efficiently. What is considered "big data" varies depending on the capabilities of the organization managing the set. For some organizations, facing hundreds of gigabytes of data for the first time may trigger a need to reconsider data management options. For others, it may take tens or hundreds of terabytes before data size becomes a significant consideration.

Big data sizes are a constantly moving target. As of 2012 it is [update] ranging from a few dozen terabytes to many petabytes of data in a single data set. With this difficulty, a new platform of "big data" tools has arisen to handle sensemaking over large quantities of data, as in the Apache Hadoop Big Data Platform.

Big data applies to information that can't be processed or analyzed using traditional processes or tools. IBM claims in its 2012 report that every day, we create 2.5 quintillion bytes of data —so much that 90% of the data in the world today has been created in the last two years alone.

This phrase is becoming a hype word in the recent year, resulting it being used even by Obama in one of his talks and earlier this year announcing the "Big Data Research and Development Initiative" in the amount of \$200 million dollars in March 2012.

Big data comes from everywhere: sensors used to gather climate information, posts to social media sites, digital pictures and videos, purchase

transaction records, and cell phone GPS signals to name a few.

IBM distinguishes between *four dimensions of Big data: Volume, Velocity, Variety, and Veracity.*

Volume, where enterprises are awash with ever-growing data of all types.

Velocity, time-sensitive processes such as catching fraud, big data must be used as it streams into your enterprise in order to maximize its value.

Variety, Big data is any type of data – structured and unstructured data such as text, sensor data, audio, video, click streams, log files and more.

And lastly veracity, as 1 in 3 business leaders don't trust the information they use to make decisions.

Big data Techniques

A wide variety of techniques and technologies has been developed and adapted to aggregate, manipulate, analyze, and visualize big data. These techniques and technologies draw from several fields including statistics, computer science, applied mathematics, and economics.

The techniques would comprise: A/B testing, Association rule learning, Classification, Cluster analysis, Crowdsourcing, Data fusion and data integration, Data mining, Ensemble learning, Genetic algorithms, Machine

learning, Natural language processing, Neural networks, Network analysis, Optimization, Pattern recognition, Predictive modeling, Regression, Sentiment analysis, etc.

The technologies being: Big Table, Business intelligence (BI), Cassandra, Data mart, Data warehouse, Distributed system, Dynamo, Extract, transform, and load (ETL), Google File System, Hadoop, HBase, MapReduce, etc.

Impact Of Big Data

Everything from the most trivial details of our personal lives to highly sensitive information at work is now stored and catalogued in bits and bytes; Big Data refers to the deployment of these vast troves of information to make businesses more efficient and responsive to clients and consumers. From healthcare to finance to professional sports, data is being collected and analyzed like never before. Big data analytics finally allows marketers to identify, measure, and manage what is positively impacting their brand.

An example of Big Data in action

You go shopping for a pair of shoes online, put them in your virtual shopping cart, but then for some reason change our

mind. Afterwards, seemingly every site you visit features an ad for that very pair of shoes at that same online store. The reason? Online retailers can give you a virtual identification number and track you as you go from site to site, and purchase targeted ads for products they already know you're strongly interested in.

Based on a user's behavior, sites like Amazon can present special offers or alert users of products they might not have otherwise been aware. According to a report issued last year by McKinsey Global Institute, Amazon has had tremendous success by using data it has collected to discover what additional products its users are likely to buy. As the study noted, "Amazon reported that 30% of sales were due to its recommendation engine."

With these technological developments, those Enterprises that don't start planning now to adjust their organizational structures and procedures in concurrence with the current scenario will be left far behind. ■

CLASSIFIED

A reputed CA Firm having Head Office at Chennai and Branch Office at Bangalore wishes to consolidate its practice. CA Firms / Sole Proprietary Concerns desirous of merger should send their profile by email to mergerca@gmail.com

Advt.

INVESTOR AWARENESS PROGRAMMES (2012-13)

EMPOWERMENT FOR INVESTOR EDUCATION & PROTECTION

organized by

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

under the aegis of

INVESTOR EDUCATION AND PROTECTION FUND (IEPF) OF MCA of Government of India

DATE: 23/11/2012

DAY: FRIDAY

TIME: 4:00 p.m. to 7:30 p.m.

Sessions	Topics (indicative)	Resource Persons
Session I	Guide to Small Investors on Capital Market Operations	Details will be hosted in the SIRC website www.sircoficai.org
Session II	Understanding Corporate Disclosures	
Session III	Investor Protection – Do's and Don'ts	

DATE: 14/12/2012

DAY: FRIDAY

TIME: 4:00 p.m. to 7:30 p.m.

Sessions	Topics (indicative)	Resource Persons
Session I	Utility Role of Professionals for Small Investors	Details will be hosted in the SIRC website www.sircoficai.org
Session II	Rights and Obligations for Small Investors	
Session III	Role of Regulatory Authority in Capital Market Operations	



CA. Deepjee Singhal
Mumbai

deepjee.singhal@samaaudit.com



CA. Manish Pipalia
Mumbai

Data Analytics for Business Decision Making

Introduction

All the analytics in the world won't help unless we use them to make and execute better decisions. Entrepreneurs who realize this will ride the wave for times to come. Analytics and fact-based decisions establish trends for the ages to come. Other decision approaches will ebb and flow, but the progress towards fact-based techniques are here to stay permanently. The writing is on the wall for us all to see – "We are becoming rational, analytical and data-driven in a far wider range of activity than we ever have been before".

Better information systems facilitate better decisions. The first fifty odd years of the digital age were spent largely in capture of data. Now that entities are beginning to master analytics, they can better justify the utilization of the captured data sets.

Let us begin by understanding the primer of fact-based decisions.

Fact-based decisions employ objective data and analysis as the primary guides to decision making. The goal of these guides is to get at the most objective answer through a rational and fair-minded process, one that is not colored by conventional wisdom or personal biases. Whenever feasible, fact-based decision makers rely on the scientific method – with hypothesis and testing – and rigorous quantitative analysis. They eschew deliberations that are primarily based on intuition, gut feeling, hearsay, or faith, although each of these may be helpful in framing or assessing a fact-based decision.

Positive Side of Analytics

Analytics can yield significant benefits to business. Here are some of the reasons to jump onto the analytical band-wagon right away -

Better Strategic Decisions

If you're trying to conclude on buying or merging with another company, entering a new market or winning

over a different customer type, you will benefit from analytical decision making. Strategic decisions need good intuition, but analytics will certainly help you make sense of the impact of imponderables on growth and profit.

Improved Tactical and Operational Decisions

Decisions on production, pricing, market segment and selling are decisions that recur frequently and are based on operations that creates tonnes of data. The systematic collection and analysis of data can yield tangible and cognizable savings per transaction and super profits over a dramatic time scale.

Enhanced ability to take on problems head-on

If your supply chain has more inventory than you would expect for the quarter, analytics can help with a solution. Hence if something is going wrong, gathering and analysing data on the underlying causes of the problems is the best way to get to its source. Analytics work the numbers and demystify the cause, let alone treat the symptoms.

Streamlined Business Processes

Embedding analytics into the underlying business processes is just good business. Processes are a structured way to think about how work gets done. Analytics are a structured way to think about the decisions within those processes.

Decisions at the speed of analytics and consistent results

Analytics take time to develop at first instance. Once developed and set up, you can scale it and run it any number of times in shorts spans of time. By using analytic optimizers created by your experts, you can bet your bottom dollar that decisions will be made correctly and consistently across the board.

Anticipate varying trends and market conditions

Monitoring the outside business environment and its force-factors can

provide a compelling early warning alert mechanism of shifting economic and market dynamics. Analytics bring opportunities to the fore and help predict changing customer tastes, loyalties and spending tendencies. Assumptions made under various analytical scenarios can be tested for their relevance and applicability on an on-going basis.

Sharper Business Results

It's a known fact that entities which ride the analytic wave make better financial fortunes than their industry peers.

Traits of Analytical Leaders for Evolved Decision Making

Analytical leaders must demonstrate the following traits abundantly –

Develop People Skills

Analytical leaders must learn to develop a fine blend of the technical nuances and subtle people skills like sympathy and empathy.

Be a catalyst for more data and greater analytics

Individuals who plan to hone leadership skills in analytics must set a tone for data and analysis amongst all their teams. Sloppy logic and uninformed intuition must make way for hard-data analysis and related conclusions.

Lead from the front

Good analytical leaders set an example by crunching data in their own decisions.

Sign-up for Results

Seasoned analysts commit themselves to achieving a specific result in the part of the organization they serve or control.

Train

Budding analysts gently guide, orient and sensitize protégés into the analytical way of work.

One of the prominent CAATs – IDEA Data Analysis Software has been accepted across audit industry user

groups as being user-friendly, intuitive, convenient and seamless with quick payback and user adoption.

Set Strategy and Expected Results

Analytical Leaders at the helm of affairs know that analytics and fact-based decisions do not happen in a vacuum. Defining metrics will itself drive the organization in a more sustained analytical direction and motivate employees to begin tools usage and decision making thereof.

Look for Leverage

Strong analytical leaders know where to apply leverage – where a small improvement in a process driven by analytics can make a big difference in top line and bottom line figures.

Patience and Perseverance

Analytical leaders have to work doggedly and persistently for the long haul – because changes that apply analytics to decision making, business processes, information systems, culture and strategy hardly happen overnight.

Create an Analytical Ecosystem

Expert analysts build an ecosystem of employees, vendors, partners who work towards providing talent, advice, resources, tools and solutions to common problems.

Know thy Limit

Mature analytical leaders blend analytics with intuition and never lose sight of the big business picture. They focus on the soft issues in business models and customer values and let their intuition take over as and when required.

Introspection for Decision Makers on use of Data Analytics.

- Assessing where you are – what are your analytical capabilities, strengths and weaknesses?
- Recognizing where to go next – what strengths can you capitalize on, and what gaps should you try to close?
- Setting reasonable ambitions – what can you hope to accomplish and when?
- Monitoring progress – how fast and how far are you traveling on the journey to capitalize on analytics?
- Consensus with executive leadership and everyone else with an interest in succeeding with analytics – how can each decision maker come to mutual understanding about

capabilities and commitments to a plan of analytic action?

Conclusion

Traditional basis of competitive advantage like geographical proximities or protective regulation have been eroded by the sweeping effects of globalization. This leaves three key differentiators as the basis for competition – efficient and effective implementations, intelligent decision making and the skill to cull-out every ounce of value from business processes – all of which can be gained through the mature use of analytics.

The time has come for each of us to –

- Use data more intelligently to deduce critical business analytical insights.
- Build a framework of data, people and technology to administer

analytics.

- Groom analytical users and leaders.
- Set and monitor SMART targets for analytical pursuits.

Sources:

1. Analytics at Work – Smarter Decisions Better Results – Davenport, Harris and Morison
2. Competing on Analytics – The New Science of Winning – Davenport and Harris
3. Research papers on CAATs – IDEA Data Analysis Software – www.caseware-idea.com

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THE MONTH THAT WAS (OCTOBER 2012)	
4 th	P P Gururaja Upadhayaya Memorial Lecture
5 th	P Brahmaya Memorial Lecture
9 th	Industry Focussed Seminar – Software/KPO/BPO-ITES
12 th	CPE Seminar on IND ASs
13 th	Industry Focussed Seminar – Real Estate & Construction Industry
15 th & 16 th	Workshop on Enabling Service Tax Practice
16 th	CPE Hands on Practical Workshop on Advanced Excel
20 th	CPE Seminar on Internal Auditing
26 th	Industry Focussed Seminar – Automobile Industry

SIRC acknowledges the contribution and support extended by Immediate Past President of ICAI, Central Council Members of ICAI, Regional Council Members of SIRC, Resource Persons and the delegates/ participants for making all the programmes a resounding success.

Invitation for Contribution of Articles		
SIRC of ICAI invites Articles from Members for publication in the SIRC Newsletter. SIRC is releasing Theme Based monthly Newsletter. The theme finalized for the November, December 2012 & January 2013 issues are as follows:		
Month	Theme	Articles to reach SIRC on or before
December 2012	Financial Management & Capital Markets	November 10, 2012
January 2013	Insurance & Risk Management	December 10, 2012
February 2013	Business Management & Corporate Governance	January 10, 2013

Members may send the soft copy of their article, profile and passport size colour photograph to SIRC by email to sirc@icai.in and sircnewstr@icai.in for consideration by the Editorial Board on or before the above said dates.

NEW ARRIVALS AT SALES COUNTER			
Sl.No	Name of the Publication	Price `	Postage `
1	Technical Guide on Internal Audit Of Infrastructure Industry	150	30
2	Technical Guide on Audit of Non-Banking Financial COS.(Revised 2012)	300	30
3	Technical Guide On Internal Audit Of Mining & Extractive Industry	150	30
4	Transfer Pricing Compliances: A Practitioner's Hand Book	150	30
5	External Commercial Borrowings: A Practitioner's Guide	200	30
6	Revised Schedule VI: A Practitioner's Guide	200	30
7	Service Tax: A Practitioners Perspective	150	30

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CA. Dr. K. Paul Jayakar
Chennai
pauljayakar@gmail.com

Digital Evidence - Practical Implications

Though the laws relating to computer crimes are being strengthened, the challenge is to track down and prosecute those who intrude into computer networks and steal data. One key reason is the nature of digital evidence. Evidence must be presented in court to obtain a conviction, but in order to be admissible in court, evidence must be preserved and handled to ensure that it hasn't been changed. Unfortunately, IT or security personnel who are first responders to a hacking incident often inadvertently destroy the evidence - and along with it, destroy all chances of bringing the hacker to justice.

Rules of Evidence

In a criminal trial both the prosecution and the defense attempt to prove their cases by presenting irrefutable evidence. Evidence can be in various forms such as a testimony from a person who has personal knowledge of facts pertaining to the crime, or it can be physical evidence, which is a tangible item such as a murder weapon, a firewall log or a hard disk containing data.

The problem with digital data is that it's a lot less tangible than most physical evidence. It belongs to the category of fragile evidence, along with such things as footprints in the sand, because it is easily destroyed or changed. In fact, the very act of collecting or examining it can change it. The problem with this is that in order for evidence to be admissible, the party introducing it must prove that it has not been tampered with or modified since it was collected at the crime scene.

Crime scenes also tend to be complicated in computer crimes cases, since a computer criminal can commit the crime in absentia. In fact, most hacks and attacks are perpetrated remotely, mostly from locations outside the state or country where the damage occurs, thus bringing up questions regarding the jurisdiction of courts.

Evidence is subject to strict rules regarding its admissibility. In order for

the court to allow the evidence to be presented, recorded in the court record and considered in the verdict, evidence must be:

Relevant: It must pertain to the actual case. For example, evidence showing that a person hacked into a different computer system ten years ago generally would not be admissible in a trial to determine his guilt or innocence in an attack that occurred ten months ago (however, the past criminal history might be admissible in the sentencing phase of the trial, after guilt or innocence has already been decided).

Material: The evidence must prove or disprove facts that impact the question before the court (which is usually: "Did the defendant commit the crime with which he's charged?").

Competent: the evidence must be proven to actually be what it purports to be. Proving its competence is called authentication of the evidence.

How Evidence is Authenticated

Physical evidence is usually authenticated by the sworn testimony of one or more persons who can verify that it is what it purports to be. For example, the network administrator who checked the firewall logs immediately following an attack can testify that the log data presented in court matches the data he saw in the logs on that date and time. The police officer who arrived on the scene can testify that he packaged up the computer containing the log files and delivered them to the evidence lab. The computer forensics technician who took possession of the computer can testify that he received it from that officer and that he used standard forensics methods to make a bit level copy of the disk containing the logs.

This process of authenticating the evidence each time it changes hands is called preservation of the chain of custody. If the evidence is unaccounted for at any time during the process, its authenticity can become tainted

because there is a chance that someone could have made changes to it.

For this reason, it's important that everyone who handles the evidence keep written records of when they turned it over to someone else, to whom they turned it over, and why. These records make up the evidence log. Evidence should be locked up in a secure evidence room or locker when it must be left alone.

Incident Response Guidelines

When it comes to digital evidence, the bottom line should be the oath that physicians take: "First, do no harm." The usual first reaction upon discovering that the network has been breached may be to open the log files, shut down the system, and so on. However, if there is a chance that the case will be prosecuted criminally, the only thing to do is to disconnect the system from the network and protect the scene (ensuring that nobody else changes anything) until law enforcement personnel arrive.

Very specifically:

The system should not be turned off. Data that is in the volatile memory (RAM) will be lost.

The system should be disconnected from the network; otherwise, a hacker could delete log files and other evidentiary data.

The system should be in the idle state. Running programs could inadvertently overwrite evidentiary data. It is also possible that the hacker might have planted a program that will erase data when triggered by some event (such as opening or closing a program).

Files should not be opened to examine them. This will modify the date/time stamp.

The best way to preserve digital evidence in its original state is to connect the computer to another computer onto which the digital information can be copied. This can be done through a private network connection between

the two computers and transferring data over an Ethernet connection between the two computers (by connecting them both to a private hub that is not connected to any other network) or through a serial or USB connection.

First the contents of the original (source) computer's memory should be transferred to the second (target) computer in small increments so as not to overwrite what's already in memory. The contents of the source computer's hard disk should be copied to the target computer as a bit level image (the image is an exact copy of all information on the source disk, including slack space). Software designed specifically for forensic purposes is available such as EnCase, made by Guidance Software (which offers a graphical interface) and the command line tools made by New Technologies, Inc. (NTI) or Symantec's Ghost, which can make bitstream images using the "ir" or "image raw" switch.

Digital Evidence Analysis

Digital Evidence Analysis involves the collection, investigation and analysis of digital evidence found in computer devices and storage units such as hard disks, cell phones, ipods, pen drives, digital cameras, CDs, DVDs, floppies, computer networks and the Internet. Such evidence can also be hidden in pictures (steganography), encrypted files, password protected files, deleted files, formatted hard disks, deleted emails and chat transcripts.

The evidence may relate to online banking / securities trading frauds, theft of source code, credit card fraud, tax evasion, virus attacks, cyber sabotage, phishing and spoofing attacks, email hijacking, denial of service, hacking, divorce cases, murder cases, organized crime, terrorist operations, defamation, pornography, extortion, smuggling and the list is growing based on the imagination of the criminal.

The digital evidence analysis extends to the forensic analysis of digital information using standard computer forensics and evidence handling techniques and identification of evidence of network computer intrusion by perpetrators. The analysis also employs tools and techniques to identify and examine malicious files, to crack file and system passwords, detect steganography and recover deleted, fragmented and corrupted data from digital media of all types.

Laws relating to digital crime and evidence in India

The Information Technology Act, 2000 (Cyber law) encompasses laws relating to:

1. Cyber Crimes
2. Electronic and Digital Signatures
3. Intellectual Property
4. Data Protection and Privacy

Cyber crimes are unlawful acts where the computer is used either as a tool or a target or both. The enormous growth in electronic commerce (e-commerce) and online share trading has led to a phenomenal spurt in incidents of cyber crime.

Electronic signatures are used to authenticate electronic records. Digital signatures are one type of electronic signature. Digital signatures satisfy three major legal requirements – signer authentication, message authentication and message integrity. The technology and efficiency of digital signatures makes them more trustworthy than hand written signatures.

Intellectual property refers to creations of the human mind like a story, a song, a painting or a design. The protection of intellectual property which are related to cyber space are covered by cyber law. These include:

- Copyright law in relation to computer software, computer source code, websites, and cell phone content
- Software and source code licences
- Trademark law with relation to domain names, meta tags, mirroring, framing, linking
- Semiconductor law which relates to the protection of semiconductor integrated circuits design and layouts,
- Patent law in relation to computer hardware and software.

Data protection and privacy laws strive to achieve a fair balance between the privacy rights of the individual and the interests of data controllers such as banks, hospitals, email service providers. These laws seek to address the challenges to privacy caused by collecting, storing and transmitting data using new technologies.

Jurisprudence of Indian Cyber Law

The primary source of cyber law in India is the Information Technology Act,

2000 (IT Act) which came into force on 17 October 2000. The primary purpose of the Act is to provide legal recognition to electronic commerce and to facilitate filing of electronic records with the Government. The IT Act also penalizes various cyber crimes and provides strict punishments (imprisonment terms upto 10 years and compensation up to Rs 1 crore).

An Executive Order dated 12 September 2002 contained instructions relating to the provisions of the Act with regard to protected systems and application for the issue of a Digital Signature Certificate.

Minor errors in the Act were rectified by the Information Technology (Removal of Difficulties) Order, 2002 which was passed on 19 September 2002.

The IT Act was amended by the Negotiable Instruments (Amendments and Miscellaneous Provisions) Act, 2002. This introduced the concept of electronic cheques and truncated cheques.

Information Technology (Use of Electronic Records and Digital Signatures) Rules, 2004 has provided the necessary legal framework for filing of documents with the Government as well as issue of licenses by the Government. It also provides for payment and receipt of fees in relation to the Government bodies.

On the same day, the Information Technology (Certifying Authorities) Rules, 2000 also came into force. These rules prescribe the eligibility, appointment and working of Certifying Authorities (CA). These rules also lay down the technical standards, procedures and security methods to be used by a CA. These rules were amended in 2003, 2004 and 2006.

Information Technology (Certifying Authority) Regulations, 2001 came into force on 9 July 2001. They provide further technical standards and procedures to be used by a CA. Two important guidelines relating to CAs were issued. The first are the Guidelines for submission of application for license to operate as a Certifying Authority under the IT Act. These guidelines were issued on 9th July 2001. Next were the Guidelines for submission of certificates and certification revocation lists to the Controller of Certifying Authorities for publishing in National Repository of Digital Certificates. These were issued on 16th December 2002.

The Cyber Regulations Appellate



CA. S. Thulasi
Madurai

sthulasi.ca@gmail.com

ROLE OF CHARTERED ACCOUNTANTS IN ERP CONSULTING

Information Technology has a great impact in all aspects of life and in economy as well. Technology has revolutionized the way business works and has resulted in structural transformations of business enterprises. Business corporations maximize their commercial advantage by making the right use of IT tools. ERP helps an organization to gain competitive advantage by integrating business processes and optimizing resources.

When a Chartered Accountant considers a career in Information Technology, the vast knowledge in business processes and functions comes handy to be an ERP consultant.

Let's have an overview of ERP before discussing the role of Chartered Accountants in ERP consulting.

Overview of ERP

At present, business environments are increasingly complex and require more interaction between the departments in decision making and sharing resources. Efficient information system provides a competitive edge to an organisation.

The Enterprise resource planning systems integrate internal and external management information across an entire organization, embracing finance/accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. The purpose of ERP is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders.

Evolution of ERP

What started as Inventory Control has now resulted in ERP. In 1970 Material Resource Planning (MRP) helped in improving manufacturing processes by harmonizing the material and production requirement. Slowly MRP was extended to floor shop operations, project and distribution management,

finance and human resource.

Later, add on modules like CRM & SCM were added to give birth to extend ERP.

ERP is a huge investment in terms of time & money for an organisation and is to be dealt with adequate diligence by the senior management.

Advantages of ERP

1. ERP system enables data centralization and eliminates data synchronization between multiple systems like finance, HCM, manufacturing etc.,
2. Enables process standardisation
3. Real time information availability facilitating faster decision making
4. Better reporting
5. Modularity – Automating / implementing some functions and not all (depends upon the nature of the business organisation)
6. Avoids redundancy in operations and data
7. Reduces the time taken for a complete business cycle
8. Results in cost reduction, improved scalability and maintenance

ERP has its own disadvantages as well, the process of implementation will be expensive, creates an external dependency on the vendor and complexity of modules will require adequate user training.

ERP vendors

SAP and Oracle are major ERP Vendors. Oracle has acquired other ERP packages like PeopleSoft, JD Edwards and has extended its product to all functions. Baan, Microsoft Dynamics, Ramco, Tally are other ERPs which come to our mind.

Apart from the above proprietary ERP's Open source ERPs are also available in the market. Examples are xTuple, Compiere, Apache OFBix/opentaps etc.

Financial accounting, Human resources management, Manufacturing, Supply chain management, project management, Selling and distribution and customer relationship management are the core modules in an ERP.

Role of Chartered Accountants

ERP consultancy is driven by the Functional consultants and Technical consultants. A functional consultant is an expert in a functional area of the business. On the other hand the technical consultant is responsible for code changes / customizations / fine tuning of delivered functionalities to suit the business process.

The functional knowledge of CAs is useful in evaluating an ERP package, Mapping business requirements, business process re-engineering (BPR), reports designing, ensuring business controls, customization of packages and documentation to name a few.

Business Process Reengineering

Understand, Simplify and Automate is the slogan for Business Process Reengineering,

The first step in implementing an ERP is to understand the existing business process and alignment of the processes with that of the ERP system.

Business Process Reengineering brings out deficiencies of the existing system and attempts to maximize productivity through restructuring and re-organizing the human resources and all other divisions and departments in the organisation.

At this stage we need to

1. Link the business process and the organisations strategy.
2. Analyze the effectiveness of those processes
3. Understand the existing automated processes.

In case of decentralised organisation ERP implementation is complex and post migration all units use

“standard process”. This results in loss of competitive advantage at the department / unit levels.

Evaluating an ERP

For selecting an ERP package for an organisation the following aspects need to be considered,

1. To check if all the business functions are duly covered by the package
2. Latest IT trend
3. Whether the product supports customization
4. Helps the organisation in cost reduction and optimum return on investment.

Configuration

Configuring an ERP system is nothing but balancing the way in which the customer wants the system to work and way in which the system is designed to work. ERP systems have many inbuilt parameters that can change the way system works.

Typical examples of configuration are inventory method (FIFO/ LIFO), currency conversion rate (Current / average), business calendar, revenue recognition.

Best practices (effective way to perform each business process) are incorporated into ERP systems. Implementing industry business practice reduces time consuming activities in configuration, documentation, testing and user training.

Requirement Mapping / Fit Gap Analysis

Having a clear understanding of the existing business process and the features offered by the selected ERP package, the next step would be to map the business requirements against the delivered functionalities.

The business process and the delivered functionalities which are in sync and require no customizations are considered as Fit (as is). Those requirements which don't fall in place with the delivered functions are known as Gap. The Gap can be handled in two ways

- Technical option – Customization (code changes to delivered functionality), interfacing with an external system to complete the business process.
- Non technical option would be to modify the business process.

Customization has its own pros and cons. While customization improves user acceptance as there is no change in the existing business process and potential competitive advantage.

It requires increased time & effort in implementing and maintaining ERP and good communication between the vendor and the organisation.

The functional consultants play an important role in deciding the option to handle the gaps. The options are to be evaluated in case to case basis considering the cost benefit for the organization as well.

Solution Design & Build Phase

The technical and functional consultants have to work hand in hand to come to with an optimum solution in terms of time required, cost, feasibility and users involved.

During the development the piece of customization undergoes several rounds of testing to assess and refine the prototype developed.

Data Migration

One of the most challenging areas is data migration. Data migration involves moving the data from existing system to new ERP. The data migration strategy plays a pivotal role in success of any ERP implementation \ upgrade.

Data migration strategy

1. Identify the data need to be migrated
 - Master data – Active and inactive data. For example, the products, catalogs, suppliers and customers are part of master data of an organisation. The strategy would be to carry forward only those products which are currently manufactured/ traded (active items) and suppliers\ customers currently traded with.
 - Configuration data – Data relating to new configuration set up to be identified and moved.
 - Transaction data – Status (Open/ in process/completed) for different transaction sets need to be identified. A transaction in completed status in one module will be the source for a transaction in another module, strategy conflicts need to be resolved while moving such data.
 - For example, the purchasing module will not move Purchase

orders which are in dispatched and goods received status, where as the Accounts Payable module will require those transactions for corresponding invoice payments.

2. Determine the cut off date for data migration
3. Data migration templates
4. Data archiving procedures.

Business Controls & Security

Internal control in an organization depends upon the organization structure, work and authority flows, and management information systems. While an ERP is implemented, security should be defined for all the job levels to ensure adequate internal control.

For example, Purchase orders more than a specific limit created by the store employee should be approved by the Store Manager. And the store manager who has full authority in Production planning and purchasing will not be involved in making payments to the supplier.

A chartered Accountant, whose area of expertise includes audit, will be in better position in guiding the organization in implementing ERP security.

Testing

Testing happens at various levels in an ERP implementation.

- Unit testing.
- System integration testing
- User Acceptance testing

Testing extends to delivered functionalities, customizations and migrated data. In case of Integration and user acceptance testing the functional consultant is involved in user training.

Documentation

Last but not least is documentation. Many organisations follow standard policy for documentation. This helps in smooth transition and streamlining the implementation process.

Conclusion

ERP consulting is a promising career for Chartered Accountants. ERP career is global as there is an international demand for ERP consultants. It requires additional skill sets like good communication skills, analytical & problem solving skills, being a team player and fast learner. ■



Mr. Keith Prabhu
Executive Director, Confidis
keith.prabhu@confidis.co

Making the Cloud Work for CA Firms

INTRODUCTION

The emergence of the Cloud has forever changed the IT deployment options available to businesses.

Earlier, businesses who wanted to leverage the power of IT would necessarily need to budget for hardware purchases, Operating System software, Databases, Application software and an IT team to manage the complexity! Businesses had to deal with the headache of managing IT as a necessary evil to derive benefits from technology.

The Cloud gives businesses an opportunity to use IT without the associated hassles. All businesses have to do is to identify the need, shop for the right type of application and then pay a monthly fee to use it. Just think about it... No hardware purchases, shorter time to implement, no need for in-house expertise to manage the IT backend.

This article delves into the phenomenon of the Cloud. It explores what the Cloud really means and how it can be used. It also explores the risks of use this nascent technology.

WHAT IS THE CLOUD?

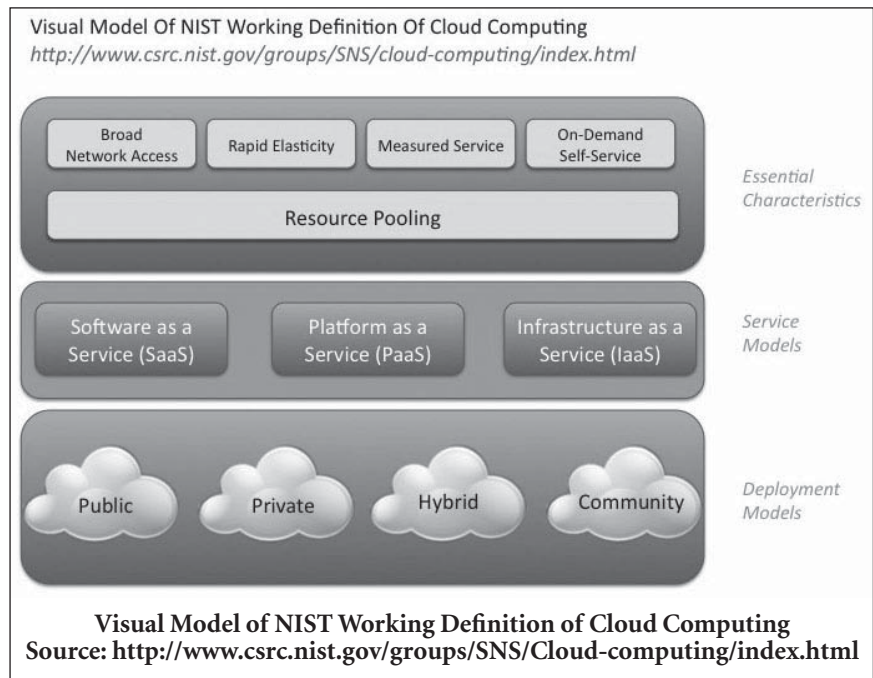
The most widely used definition of the Cloud as defined by NIST is:

“Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.”

In simple words, The Cloud refers to the process of sharing resources (such as hardware, development platforms and/or software) over the internet.

A PRIMER ON CLOUD MODELS

As depicted in Fig. 1, the Cloud has



two types of models that need to be understood when deciding which type of model to use.

1. **Service Models:** This describes what type of service will be delivered viz. Software, Platform or Infrastructure
2. **Deployment Models:** This describes how the Cloud will be actually implemented viz. Private, Public, Hybrid or Community

A description of each type of model is as below:

SERVICE MODELS

Software as a Service (SaaS) – Using this service means you can just use ready to run software that resides on infrastructure owned and managed by the service provider and pay a monthly subscription.

Platform as a Service (PaaS) - Using this service means that you can deploy your own custom developed software

onto the Cloud infrastructure using programming languages and tools supported by the provider.

Infrastructure as a Service (IaaS) - Using this service means that you can use fundamental computing resources like processing, storage, and networks, like you would, when you buy a computer and install within your own premises. However, in this case the computer will be at the premises of the service provider.

DEPLOYMENT MODELS

Private Cloud – The Cloud infrastructure is operated solely for a single organization. This is typically more secure but relatively costly model.

Public Cloud – The Cloud infrastructure is generally available to everyone to rent out and owned by an organization selling Cloud services.

Community Cloud – In this type of Cloud, organizations or persons with

similar interests e.g. groups of hospitals, share the Cloud infrastructure.

Hybrid Cloud - The Cloud infrastructure is a composition of two or more Clouds (private, community, or public) that remain unique entities but are bound together by standardized or proprietary technology that enables data and application to seamlessly flow.

HOW CAN CAs IN INDIA USE THE CLOUD

CA firms typically use two types of applications:

1. **Internal Applications:** These applications help boost internal efficiencies. E.g. Customer Relationship Management, Risk Management, Document Management, Knowledge Management etc.
2. **Client Facing Applications:** These applications directly interface with clients and help boost image and interaction. Websites, Accounting Package

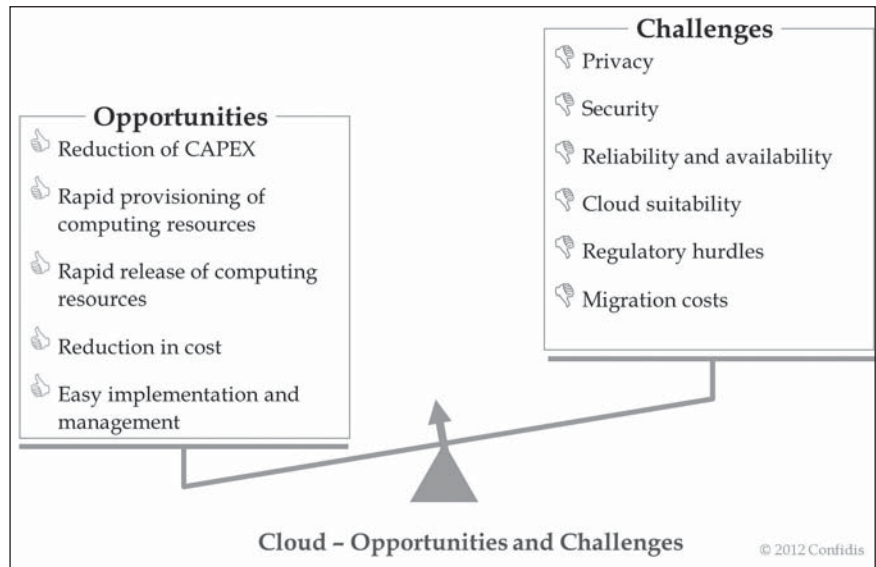
Barring the large multinational audit firms, many CA firms in India are smaller in size with limited access to latest applications like Customer Relationship Management, Document Management, Risk Management. The reason for this is the prohibitive cost and complexity in implementing and managing such applications which put them out of reach of most CA firms.

Cloud Computing makes that limitation history. CA firms in India can now implement applications that were hitherto the sole domain of larger companies.

Cloud applications are available today that can be implemented quickly both for internal and client facing use. The best bet for CA firms in India is to use the SaaS applications available in the marketplace. These are easy to implement and are also mature.

As with most technologies, the organizations that move fast on adoption stand to gain the most. However, at the same time, they also run the risk of getting on the bleeding edge of technology. In order to maximize the benefits of the Cloud, organizations while moving fast should perform a due diligence by taking into account risk factors prior to migration.

WHY USE THE CLOUD



The Cloud offers several opportunities for organizations as enumerated below:

- **Reduction of CAPEX:** The Cloud reduces the significant upfront capital expenditure which is needed to purchase and maintain IT infrastructure like hardware and software systems. Pricing in the Cloud is done on a usage based or subscription-based model which converts CAPEX into OPEX.
- **Rapid provisioning and release of computing resources:** Cloud services are available "On-Demand" which allows customers to upscale/downscale capacity without incurring any capital expenditure. Furthermore, Cloud services largely work on the self-service model wherein customers can add or reduce services with relative ease using intuitive dashboards.
- **Reduction in cost:** Multiple users share the infrastructure in the Cloud model which allows Cloud Service Providers to enjoy significant cost advantages, benefits of which are passed-on to the Cloud users making the Cloud solution a cost effective option.
- **Easy implementation and management:** Cloud resources in terms of hardware and the supporting software are managed by the Cloud Service Providers which enables customers to concentrate of their most important task i.e. business, instead of doing the routine and thankless job of maintenance.

RISKS OF USING THE CLOUD

As with any technology, risks to the business must be considered before embarking on the Cloud journey.

Privacy and Security: By far the biggest inhibitor of Cloud adoption is customer concern of the security and privacy of their data. The multi-tenant environment of the Cloud is causing concerns amongst enterprises. As the same underlying hardware may be used by other companies and competitors, it may lead to a breach of privacy. Moreover, any data leakage or virus attack would have a cascading effect on multiple organizations.

Cloud Service Providers have tried to address these concerns by deploying strong security controls using the formidable security skills that they have their disposal.

Reliability and Availability: There have been instances of outages at the facilities of the Cloud Service Providers which have raised concerns over the reliability of the Cloud solutions. What would be the repercussions to a business if their applications and data are not available for an extended period of time or worse, lost?

Cloud Service Providers have tried to allay these fears by making significant investments into redundancies that are unaffordable to most individual organizations..

Cloud suitability: The Cloud may not be suitable to run all types of

applications. For example mission-critical applications, needing 24x7 processing may be better off in an organization's datacentre, behind a corporate firewall, using dedicated computing resources.

Organizations need to perform a detailed feasibility and risk analysis before moving existing applications to the Cloud.

Regulatory hurdles: Cloud Service Providers choose datacentres which are cost-effective and can support their operations (availability of bandwidth, power, etc.) However, these locations may not be suitable from a customer's point of view due to security and regulatory compliance restrictions. Several Indian businesses are wary

of storing data on US-based hosting environments because US could have access to all such data under its Patriot Act which could lead to a breach of privacy. Business leaders should seek legal and risk inputs before moving such applications to the Cloud .

Migration Costs: Existing investments in infrastructure and high cost of migration may make it unfeasible for organizations to migrate to the Cloud. Legacy architecture may not be compatible with virtualized Cloud environments and may involve time and cost consuming upgrades.

However, organizations should not totally rule out Cloud adoption due to these existing investments. Efficiencies can be achieved by moving certain

applications to the Cloud and exploring Cloud options for new business requirements.

CONCLUSION

Organizations across sectors have learned that they can ignore disruptive technologies at their own peril. In the IT space a storm is brewing with the emergence of the Cloud. It is a disruptive technology which organizations can ill afford to ignore.

The Cloud has various benefits including cost savings, speed to market etc. that can be derived by organizations who adopt it. Being a new technology paradigm, challenges do exist but those who are ready to adopt the Cloud while addressing risks in a pragmatic manner, would be adequately rewarded. ■

SIRC OF ICAI - COACHING CLASSES FOR CA STUDENTS

1. Coaching Classes for IPCC and Final Courses

The next batch of the regular coaching classes for IPCC and FINAL courses for May, 2013 Examinations will commence on 26th November, 2012.

Course Fee

Final : For Both Groups – Rs.5,000/- For One Group Rs.2,500/-
 IPCC : For Both Groups – Rs.4,000/ For One Group Rs.2,000/-

Class Timings

Final & IPCC : Group-I : 6.30 am to 9.30 am
 Group-II : 5.30 pm to 8.30 pm

Course Fee : Rs.1,500/-

Class Timings

Fundamentals of Accounting : 06.30 am to 9.30 am & 05.30 pm to 8.30 pm

Mercantile Laws }
 General Economics } : 10.00 am to 1.00 pm & 2.00 pm to 4.00 pm
 Quantitative Aptitude }

Limited Seats only. Registration is on "first come first served basis".

Venue : SIRC of ICAI, "ICAI Bhawan", 122, M.G. Road, Nungambakkam, Chennai 600034.

2. 10-Day CPT Rapid Revision Classes for December, 2012 Exam

The 10-Day CPT Rapid Revision Classes will commence on 19th November, 2012. Students who have already appeared CPT Examination and yet to qualify and students who already attended CPT coaching classes in other institutions may join this CPT Rapid Revision Classes.

Senior Faculty Members will discuss the Model Test Papers (Questions) in detail. Fully Examination oriented. One CPT Model Examination will also be conducted on 01/12/2012.

The coaching class fee should be remitted through Syndicate Bank, Nungambakkam branch, Chennai-34. The application form and bank challan can be had from the SIRC office. The outstation students may remit the fee by demand draft drawn in favour of **SIRC of ICAI** payable at Chennai. The demand draft along with the details, viz. course and group to be attended should be sent to SIRC of ICAI, "ICAI Bhawan", 122 Mahatma Gandhi Road, Chennai 600034.

For assistance :

Ph: 044-30210322, Email: sircclasses@icai.in Website: www.sircoficai.org

GMCS COURSE ANNOUNCEMENT

The next batch of GMCS Course will commence on 21st November, 2012 and 10th December 2012. The duration of the course is 15 days. Preference will be given to the final passed students. The course fee is Rs.4,000/-

The fee should be remitted through Indian Bank, Uthamar Gandhi Salai Branch, Nungambakkam, Chennai-600034. The application and bank challan are available at SIRC office. Outstation students may send demand draft drawn in favour of "SIRC of ICAI" payable at Chennai. Seats are limited to 50 Numbers. Registration will be on first come first served basis.

For registration and further information please contact SIRC of ICAI, "ICAI Bhawan", 122 Mahatma Gandhi Road, Chennai 600034. Ph:044-30210322//320/321/323.

Email ID : sircclasses@icai.in Website : sircoficai.org

GMCS – 1 PROGRAMME REGISTRATION

As per the Board of Studies decision (Refer Announcement given in SIRC newsletter September - 2012 in page 19) SIRC is proposing to start organizing the GMCS-1 Course. Students who have registered for Articled Training on or after **1st May, 2012** are required to undergo GMCS-1 Course during the 1st year of Articled Training.

Eligible students are requested to register for the GMCS-1 Course as early as possible to avoid last minute rush. The Application form and challan for payment of fees may be obtained from SIRC office at "ICAI Bhawan, 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034. Details of the GMCS-1 Course are also posted in the SIRC website www.sircoficai.org under 'Students' section, the Application form can also be downloaded.

Date of commencement of the GMCS – 1 Programme (which will be decided based on the registrations as aforesaid) will be intimated to the registered candidates in due course.

Students Helpline for GMCS-1 : 044 30210321 Email ID : kirubakartl@icai.in

CORPORATE COMPLIANCE - NEED FOR IMPROVEMENT

Mr. Henry Richard
Registrar of Companies
Tamil Nadu, Andaman & Nicobar Islands
Chennai

The busy Annual Filing season for the current year has begun. The threefold concern of the Ministry relating to compliance need to be addressed for achieving good corporate governance practice in the Corporate Sector.

The First concern is regarding compliance itself. The compliance rate of the corporate sector in Tamil Nadu is far below the expected level. Out of **37709** active companies required to file Annual Return and Balance Sheet for the financial year 2010-11, only **23400** companies have filed the statutory returns which gives the rate of compliance at **62%**. This does not include several thousand Dormant Companies. (Dormant company means a company which has not filed either Annual Return or Balance Sheet continuously for more than 3 years). If such companies are also taken into account, the compliance rate would be abysmally low. This level of performance in Tamil Nadu compares very poorly, vis-à-vis, countries like UK, Singapore, Australia etc, where the compliance rate is between 95-99%. The bare minimum good Corporate Governance practice is that corporates must make known to the public their financial position by filing the Annual Return and Balance Sheet with ROC. Through the Companies' Balance Sheet and Annual Returns, the Stakeholders and

public at large will have the opportunity to know the status of the company. This is least expected from a company as a good corporate governance practice. Therefore, endeavour should be made to improve the compliance rate in the current Annual Filing season in which professionals and corporate consultants have a significant role to play.

The Second concern of the Ministry is complete and effective compliance. Mere filing of Balance Sheet and Annual Return would not suffice if the documents filed are incomplete. Annual Filings are found incomplete, especially in those cases where PDF attachment is made. The attachments to the eforms do not contain all the documents required under the statute, like complete notes on accounts, schedules, Directors, Auditors' Report etc. Even in the XBRL Filing, it was noticed that all the statutory requirements/ information were not available in some cases. Therefore, the corporates must endeavor to file Annual Returns and financial statements complete in all aspects so that the stakeholders and public at large will have the complete picture of the company.

The Third Concern of the Ministry is regarding phased filing of returns. It has been observed

that there is huge rush for filing of returns in the last week of October and last week of November which gives much stress on the system which might cause breakdown of the system. The Ministry has been advertising through Newspapers that the companies must file the statutory returns in a phased manner during the filing season, which will avoid pressure on the system. This will also enable smooth filing without any hassle. Therefore, efforts must be made to spread out the filing evenly throughout the filing period. Every year the Ministry announces a schedule for filing based on alphabets. The Corporates must cooperate to adhere to the Schedule so that the filing season would go smoothly without hitches.

The E-form under Revised Schedule VI and Taxonomy for XBRL filing are expected to be ready before the end of September 2012 and the companies will be provided extended time for filing the financial statements. The Ministry has already announced the extended period for all the companies and the companies should keep the documents ready including PDF attachments to file in a phased manner within the extended period of time. ■

HANDS ON "PRACTICAL WORKSHOP" ON ADVANCED EXCEL FOR CHARTERED ACCOUNTANTS

Organised by IT Committee of SIRC of ICAI

CPE Credit
6
HOURS

Saturday, November 24, 2012
09.00 a.m. to 06.00 p.m.

ITT Lab, Third Floor, Annexe Building, ICAI Bhawan
No.122 Mahatma Gandhi Road, Nungambakkam, Chennai – 600034

Course Contents:

- ◆ Absolute & Relative Referencing
- ◆ Conditional SUM- (SUM IF, SUM IFS)
- ◆ Sort, Filter, Subtotal
- ◆ Data Validations
- ◆ Logical, Date/Time Functions
- ◆ Text Functions

- ◆ Formula Auditing
- ◆ Pivot Table, Report
- ◆ Using Auditing Tools
- ◆ Goal Seek
- ◆ Lookup functions
- ◆ IF Functions
- ◆ Conditional Formatting

Resource Persons: **CA. K. Srinivasan,** Tiruchirappalli

- ◆ Advanced Sorting Data
- ◆ What if Table
- ◆ Date arrangement techniques
- ◆ Match & Index
- ◆ Protection
- ◆ Macros
- ◆ Scenario

DELEGATE FEE: 1200/-

Seats limited to 35 members only. Kindly send email to sirc@icai.in for early registrations. Since seats are limited, SPOT registrations are NOT encouraged.

Delegate fee by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai shall be sent to SIRC of ICAI, ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034. Phone: 044-30210320; Fax: 044-30210355; Email: sirc@icai.in

Updates on Direct Taxes

1. *When asset acquisition is treated as application by the trust, the claim of depreciation on the same asset is to be added back:*

In *Lissie Medical Institutions v. CIT* (2012) 76 DTR (Ker) 377 the assessee a charitable institution claimed acquisition of medical equipments such as x-ray units, scanning machines etc as application of income for charitable purposes under section 11(1)(a) of the Act. Again it also claimed depreciation on those assets acquired which were treated earlier as application of income. The Revenue contested the claim of depreciation on assets after having claimed the acquisition cost as application of income. The court held that when the original cost of assets have been claimed as application of income by the trust any claim of depreciation in respect of those assets has to be added back to the income for the purpose of computing the percentage of application of income by the trust towards its objects. The Revenue took an opinion from CBDT which confirmed that after allowing cost of acquisition of assets as application of income for charitable purposes and if depreciation is claimed on those assets subsequently so much of the depreciation allowed will have to be written back to determine the income available for application for charitable purposes by the trust. This decision is somewhat unique but seems to be fair and reasonable.

2. *Landing and parking charges paid to airport authority is not rent within the meaning of section 194-I :*

In *CIT v. Singapore Airlines Ltd* (2012) 76 DTR (Mad) 420 the assessee did not deduct tax at source towards landing and parking charges paid to the airport authority. In the assessment, it was held that the assessee ought to have deducted tax at source under section 194-I of the Act. The tribunal held that the landing and parking charges did not satisfy the description of 'rent' specified in section 194-I as the payments were towards various services such as air traffic services, ground safety services, aeronautical communication facilities, installation and maintenance of navigational aids and meteorological services at the airport and hence it is liable for tax deduction only under section 194C.

The court held that the Explanation to section 194-I is meant to cover use of land under a lease, sub-lease or tenancy which means a systematic of use of land for a consideration under an agreement. Mere use of land for landing coupled with technical services would not fall within the coverage of section 194-I. The court accordingly confirmed the order of the tribunal which held that the payment is liable for tax deduction under section 194-C and not by section 194-I. The court gave reasons for differing from the decision of the Delhi High Court in the case of *CIT v. Japan Airlines* (2010) 325 ITR 298 (Del).

3. *Notice under section 148 to be issued for each assessment year separately:*

In *Mohd. Ayub v. ITO* (2012) 346 ITR 30 (All) the assessee a post office agent earning income by way of commission and incentive bonus received a combined notice under section 148 for four assessment years. In appeal before the tribunal, the assessee raised the question of the validity of issuing a combined notice for four assessment years and non-issue of notice under section 143(2) of the Act before the completion of assessment. He sought the entire proceedings to be quashed since they were vitiated and lacked jurisdiction. The tribunal repelled both the contentions of the assessee. However, the court held that each assessment year is to be taken as an independent unit of assessment and the provisions of the Act would apply separately. Thus non-issue of separate notice under section 148 for each of the assessment year did not meet the requirements of law. Thus the decision was in favour of the assessee. Readers may note that this decision was for the assessment years 1994-95 to 1997-98 and the order of assessment was passed in the financial year 2004-05. This decision has to be applied taking into account section 292BB inserted by the Finance Act, 2008 w.e.f. 01.04.2008.

4. *Difference between assets transferred and quantum of consideration constitutes goodwill and eligibility for depreciation:*

In *CIT v. SMIFS Securities Ltd* (2012) 75 DTR (SC) 417 the assessee had paid more than the value of net assets acquired from the amalgamating company. The excess was treated as goodwill representing the reputation

enjoyed by the amalgamating company which the amalgamated company benefited. The excess amount was claimed as goodwill and on which depreciation under section 32 was also computed. In the assessment it was held that goodwill is not an asset under Explanation 3 to section 32(1) of the Act. The court referred to the expression 'any other business or commercial rights of similar nature' and held that the expression includes 'goodwill'. Applying the principle of *ejusdem generis* the court held that goodwill is an asset and is eligible for depreciation under section 32 of the Act.

5. *Payment of commission is not deductible when the deed does not authorize the same:*

In *Dr. Bidari Ashwini Hospital v. ITO* (2012) 347 ITR 679 (Kar) the assessee an authorized drug distributor with five partners paid commission to two partners who were partners in representative capacity. There was no provision in the deed of partnership for payment of commission though the two partners possessed certificates of diploma in pharmacy which is very much essential to the business of the firm. The commission payment was disallowed in assessment. The tribunal justified the disallowance as the deed did not authorize the payment of commission to the partners. Before the court it was argued that the HUFs were the partners in the firm and not the individuals and the individuals were paid commission for the specialized services rendered by them. Such commission to persons who possess specialized qualifications without which the business could not be carried on is eligible for deduction under section 37 of the Act in spite of not having an authorization in the deed as per section 40(b) of the Act. The court made reference to the apex court decision in *Rasiklal & Co v. CIT* (1998) 229 ITR 458 (SC) and the Partnership Act, 1932 and held that a HUF is not and cannot be a partner in partnership firm. A partner qua the firm is an individual and his representative capacity will not have any effect on the firm. Hence, the payment made to partners despite their representative capacity has to be authorized by the deed of partnership. The decision hence was in favour of the Revenue. ■



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**INDUSTRY FOCUSED CPE SEMINAR ON
REAL ESTATE AND CONSTRUCTION INDUSTRY**

October 13, 2012 - Chennai

Resource Persons



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Shankar
Chennai



CA. Bhavani
Balasubramanian
Chennai



CA. P. Sankaran
Chennai



CA. K.E. Rangarajan
Chennai

CPE SEMINAR ON INTERNAL AUDITING

October 20, 2012
Chennai

Resource Persons



CA. Chimsamy Ganesan
Chennai



Mr. N. Balaji
Chennai



CA. H. Venkatesan
Chennai



Dr. CA. Paul Jayakar
Chennai

WORKSHOP ON ENABLING SERVICE TAX PRACTICE

October 15 & 16, 2012 - Chennai



CA. V. Prasanna Krishnan
Chennai



CA. Shaikh Abdul Samad Ahmad
Chennai



CA. N.K. Bharath Kumar
Chennai



CA. V. Vijay Anand
Chennai



CA. P. Sankaran
Chennai



CA. J. Purushothaman
Chennai

**INDUSTRY FOCUSED CPE SEMINAR ON
AUTOMOBILE INDUSTRY**

October 26, 2012 - Chennai

Resource Persons



CA. R. Bupathy
Chennai



CA. Chimsamy Ganesan
Chennai



CA. Sriram Gopalakrishnan
Chennai



CA. Mariju Peter
Chennai



CA. Hari Sudhan
Chennai

CPE STUDY CIRCLE MEETINGS

Resource Persons

03.10.2012



CA. A.P. Prakashan
Chennai

10.10.2012



Mr. Ravishankar
Mumbai

17.10.2012



Dr. CA. V. GOPALAN
Chennai

NATIONAL DEBATE COMPETITION

Chennai

September 28, 2012



Branch Level : Inauguration by (L to R) Dr. P.T. Girdharan, Joint Director, ICAI, CA. M.S. Kandavel, Dr. T. Sankaravel and Ms. Jayanthi Balachandran.

October 15, 2012



Regional Level : Winners of National Debate Competition Regional Level Mr. S. Ganeswar and Ms. V. Keerthana with judges of the Competition Ms. Rajarajeswari, Mr. S. Parthiban and CA. R. Marimuthu.

Published and Printed by Dr. P.T. Girdharan, Joint Director on behalf of Southern India Regional Council of the Institute of Chartered Accountants of India, ICAI Bhawan, # 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034. Phone: 044 39893989, 30210320. **Email:** sro@icai.in / sirc@icai.in. **Website:** www.sircoficai.org - Printed at M/s. Chennai Micro Print [P] Ltd., # 130, Nelson Manickam Road, Aminjikarai, Chennai - 600029. **Editor:** CA.K. Viswanath, Chairman, SIRC of ICAI.

**SIRC HEARTILY GREETES
HON'BLE DR. CA. K. RAHMAN KHAN**



CA. Dr. K. Rahman Khan was inducted as the Union Minister of Minority Affairs on 28th October 2012.

SIRC congratulates him on his assumption as the Union Cabinet Minister, a richly deserving reward for his strong and sustained spirit of public service. CA. K. Rahman Khan was a Member of the Southern India Regional Council in the term 1976-79 and was Treasurer of SIRC in the year 1976-77. He was Secretary of the Bangalore Branch of SIRC in the year 1968-69 and 1969-70 and Chairman of the Bangalore Branch in the year 1970-71. He was also Chairman of the Karnataka Legislative Council and Deputy Chairman Rajya Sabha.

It is a proud moment for our entire profession. SIRC conveys its heartiest greetings and good wishes to Hon'ble CA. Dr. K. Rahman Khan.

**P P GURURAJA UPADHYAYA MEMORIAL LECTURE
October 4, 2012 - Chennai**



Floral tributes to Late CA. P.P. Gururaja Upadhyaya by (L to R) CA. G. Saraswathy, CA. S. Venugopalan, CA. M. Bheema Bhat, Past Chairman, SIRC, Padma Shri CA. T.N. Manoharan, Past President, ICAI, CA. K. Viswanath, Chairman, SIRC, Mr. P.R. Amudhan Amirtharaj, Secretary, SICASA and CA. G.V. Raman, Past Chairman, SIRC.

**INDUSTRY FOCUSED CPE SEMINAR ON
SOFTWARE / KPO / BPO-ITES
October 9, 2012 - Chennai**

Resource Persons



CA. L. Venkatesan
Chennai



CA. Sriram Gopalakrishnan
Chennai



CA. Mathew A Thomas
Chennai



CA. B. Ramana Kumar
Chennai



CA. K. Sivarajan
Chennai

CHAIRMAN VISIT

Mysore Branch of SIRC of ICAI



CA. K. Viswanath, Chairman - SIRC of ICAI is seen with office bearers of Mysore Branch of SIRC of ICAI during his official visit to Mysore Branch.

P BRAHMAYYA MEMORIAL LECTURE

Organised by SIRC of ICAI jointly with Society of Auditors, Chennai
October 5, 2012 - Chennai



Floral tributes to Late CA. P. Brahmayya by (L to R) CA. L. Mallikharjuna Rao, CA. P.S. Kumar, Past Chairman, SIRC, Dr. P.T. Giridharan, Joint Director, ICAI, CA. P. Anand, President, Society of Auditors, CA. L. Ganesh, Chairman, Rane Group of Companies, CA. M. Bheema Bhat, Past Chairman, SIRC and CA. Chetan D. Dalal, Chairman and Managing Director.

**CPE PROGRAMME ON IND ASs
October 12, 2012 - Chennai**

Resource Persons



CA. L. Venkatesan
Chennai



CA. Vinay Gullati
Chennai

ADVANCED EXCEL FOR CAs

October 16, 2012 - Chennai

Resource Person



CA. Despak Kumar
Chennai



CA. Pradeep Gadhvi
Chennai