

SIRC

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Newsletter

AUGUST 2013 | Volume 39 ■ Part 2



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



CA. Subodh Kumar Agrawal, President, ICAI, CA. K. Raghu, Vice President, ICAI meeting with His Excellency President of India Shri Pranab Mukherjee in Rashtrapati Bhavan, New Delhi in the presence of Hon'ble Union Minister for Minority Affairs CA. K. Rahman Khan on July 12, 2013



Residential Course at Tirupati held on 8th, 9th and 10th of July 2013. - On dais [L-R] CA. P.R. Aruloli, Secretary of SIRC of ICAI, CA. G. Sekar, CCM, ICAI, CA. M. Devaraja Reddy, CCM, ICAI, CA. C. Ramachandraiah, Hon'ble Minister for Endowment, Govt. of Andhra Pradesh, CA. K. Raghu, Vice-President, ICAI, CA. D. Prasanna Kumar, Chairman, SIRC of ICAI and CA. B. Krishna Murthy, Chairman, Tirupati Branch of SIRC, CA. E. Phalguna Kumar, Ex- Officio Member, Tirupati Branch of SIRC, CA. Naresh Chandra Gelli, V. Member, SIRC, CA. P.R. Suresh, Vice-Chairman, SIRC of ICAI, CA. Gopal Krishna Raju, Treasurer, SIRC of ICAI, Members of Managing Committee of Tirupati Branch of SIRC and other functionaries.

Glimpses of CA DAY Celebrations organized by SIRC of ICAI on 1st July 2013 at Chennai



Walkathon at Beach from Gandhi Statue to Kannagi Statue by the members, students and staff of the ICAI. Flagged off by CA. K. Gopal Rao, Past SIRC Member.



Hoisting of ICAI Flag by CA. D. Prasanna Kumar, Chairman, SIRC of ICAI



Planting of saplings by Chairman and Members of SIRC



Distribution of saplings to Members & Students



Distribution of stationery items to the inmates of Home for the Handicapped children (Guild of Service).



Providing lunch to differently-abled children at Chennai

Other Programmes



Seminar on "ISSUES ON TAX AUDIT" held on 18th July 2013 at Belgaum. Seen in the picture are: CA. Umesh G. Bolmal, Past Treasurer, SIRC, CA. D. Prasanna Kumar, Chairman, SIRC of ICAI, CA. P.R. Aruloli, Secretary, SIRC of ICAI, CA. Vijayeendra G. Patil, Chairman, Belgaum Branch of SIRC, CA. G. Sekar, CCM, ICAI, MC Members of Belgaum Branch and other functionaries.



National Seminar and 27th Annual Conference of Hubli Branch of SIRC held on 19th and 20th July 2013: CA. K. Raghu, Vice-President ICAI seen with CA. D. Prasanna Kumar, Chairman, SIRC of ICAI, CA. Nithin Mahadevappa, Member, SIRC, CA. M. Devaraja Reddy, CCM, ICAI, CA. Madhusudan D. Pise, Chairman of Hubli Branch, CA. Naveen N.D. Gupta, Chairman, Committee for Capacity Building of CA Firms and SMPs, ICAI, CA. P.R. Aruloli, Secretary, SIRC of ICAI, MC Members of Belgaum Branch and other functionaries.



GMCS Valedictory Session held on 16th July 2013. CA. V. Murali, Vice-Chairman, Board of Studies, ICAI presenting shawl to CA. N. Srinivasan, Past Chairman, SIRC and Past Central Council Member, ICAI (Chief Guest). CA. P.R. Aruloli, Secretary, SIRC, Dr. P.T. Giridharan, Joint Director, ICAI are also seen in the picture.



Career Counselling Programme for students held at New College, Chennai on 25th July 2013 - CA. V. Murali, Vice-Chairman, Board of Studies, ICAI with CA. U. Md. Khaleelullah, Chennai & Chairman, New College and Mr. A. Mohamed Ashraf, Secretary, New College.

Chairman writes ...



My dear Professional Colleagues,

The Chartered Accountants Day was celebrated across the country on 1st July 2013. In Southern Region, CA Day was celebrated with gay and gaiety with the participation of large number of members in various events organized at Chennai and all Branches. I offer my sincere thanks to everyone who are associated in the successful conduct of the CA Day throughout the Region.

I am extremely happy that at SIRC and at all the 36 Branches the Institute Flag was hoisted simultaneously at 9.00 a.m. a very unique feature on the Chartered Accountants Day. The Branches have meticulously followed the Advisory of Head Office and SIRC.

On this occasion, Blood Donation Camp, Walkathon with GO GREEN concept, planting of saplings, feeding and distributing of clothes to needy, sports and games for spouse and children of members were the other highlights of this day long CA Day Celebrations at all branches of SIRC.

Senior Members of our fraternity were honoured on the occasion at Chennai and all Branches. It is with utmost satisfaction that I share with you that the senior members who were felicitated were highly appreciative of the Institute's initiative. Their warmth, affection and blessings have instilled in us tremendous amount of vigour and enthusiasm to look ahead to serve the cause of members and students.

Residential Courses

SIRC in association with the Committee for Members in Industry of ICAI organized the Residential Course at Tirupati from 8th to 10th July 2013 which was inaugurated by CA. C. Ramachandraiah, Minister of Endowment, Govt. of Andhra Pradesh in the gracious presence of beloved Vice-President CA. K. Raghun. I thank CA. M. Devaraja Reddy, Central Council Member, CA. E. Phalguna Kumar, SIRC Member and CA. B. Krishna Murthy, Chairman, Tirupati Branch and his team for their support and guidance in successfully organizing the Course.

In the month of August, SIRC has planned two Regional Residential Courses, one at Courtallam, hosted by Tirunelveli Branch and the other at Dindi (East Godavari District-AP) hosted by Rajamahendravaram and Kakinada Branches of SIRC.

Sub-Regional Conferences

SIRC is organizing the First Sub-Regional Conference at Hyderabad on 16th and 17th August 2013, the Second Sub-Regional Conference on 24th August 2013 at Madurai followed by Pondicherry on 30th August 2013. The detailed programmes are published elsewhere in this Newsletter. SIRC would be organizing two more Sub-Regional Conferences as was communicated earlier through this column, the details

of which would be published in the next issue. I extend a warm welcome to the members to attend these conferences.

Course on Direct Taxes in a Capsule Form

Many young members started coming to practice in the recent past. To equip them with practical skills to carry on practice, particularly in core traditional areas, SIRC is proposing to organize twice a week Course on Direct Taxes covering the entire ambit of Direct Taxes commencing from October for a period of four months at SIRC Premises. The detailed schedule and fee structure are under preparation and would be communicated to the members in due course. I request the members to give suggestions to make the initiative a success.

Visit to Branches

During this month, I had the pleasure of inaugurating a CPE Seminar at Belgaum. Further it was my privilege to participate in the inaugural session of Two day Conference at Hubli. It was yet another opportunity to discuss and interact with the members of these Branches which also provided certain input in the functioning of the SIRC. I congratulate CA. Vijayeendra G. Patil, Chairman, Belgaum Branch and CA. Madhusudan D. Pise, Chairman, Hubli Branch and their team of Managing Committee members for successfully organizing these programmes.

Chartered Accountants Benevolent Fund (CABF)

As you are aware the Chartered Accountants Benevolent Fund was set up by the Institute in the year 1960 with the object of providing financial assistance to the members and the family members of the deceased members for maintenance, education or any other similar purpose to necessitous persons. .

I understand that the request for financial assistance from the Fund has increased over the years and the available resources are not sufficient to cater to the needs of Members. In order to augment the resources, I appeal to our members to contribute to the CABF by becoming either as a Life Member on single payment of Rs. 2500 or as an Ordinary Member, on annual subscription of Rs. 500. Apart from this members can contribute any amount as 'Voluntary Contribution' as they desire.

The contribution to the Fund is exempted under Sec. 80G of the Income-tax Act, 1961.

Tax Audit

One of our professional responsibilities during the months of August and September is 'Tax Audit'. I am confident that members would rise up to the occasion and fulfill the

SIRC CALENDAR

AUGUST & SEPTEMBER 2013

Contact: Dr. T. Paramasivan, Senior Deputy Director [Tech.] – ICAI – Phone: 044 – 30210361 / 320 – E-mail: sirc@icai.in

S. No.	Date and Day	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fees	Page No
1	August 8, 2013 Thursday	Study Group Meeting on Exposure Drafts on Leases issued by IASB		04.30 p.m. – 06.30 p.m.	SIRC Premises	NA	NA	-
2	August 10, 2013 Saturday	Seminar on Accounting Standards		10.00 a.m. – 05.00 p.m.	P. Brahmayya Memorial Hall	6	750	Details in July 2013 Newsletter
3	August 10 & 11, 2013 Saturday & Sunday	Regional Residential Course at Dindi (E.G. Dist. AP)		Details Published in July 2013 issue of SIRC Newsletter				
4	August 14, 2013 Wednesday	CPE TELE CONFERENCE	Details will be hosted in ICAI Website	11.00 a.m. – 01.00 p.m.	SIRC Premises	2	150	-
5	August 14, 2013 Wednesday	Study Circle Meeting on Implications of Sec. 47A of Stamp Act	CA. P. Annamalai Chennai	06.15 p.m. – 08.30 p.m.	P. Brahmayya Memorial Hall	2	150	-
6	August 15, 2013 Thursday	Independence Day Celebrations	Flag Hoisting by CA. D. Prasanna Kumar Chairman, SIRC of ICAI	08.30 a.m.	SIRC Premises	NA	NA	-
7	August 16 & 17, 2013 Friday & Saturday	Sub Regional Conference of SIRC at Hyderabad		09.30 a.m. – 05.00 p.m.	Shilpakala Vedika Hyderabad	12	2000	7
8	August 17, 2013 Saturday	Workshop on Direct Taxes	Details available in July 2013 Issue	10.00 a.m. – 05.00 p.m.	P. Brahmayya Memorial Hall	6	750	6
9	August 21, 2013 Wednesday	Study Circle Meeting on Issues in Taxation of Firms with respect to DTC	CA. Umesh G. Bolmal Belgaum	06.15 p.m. – 08.30 p.m.	P. Brahmayya Memorial Hall	2	No Delegate Fee	-
10	August 23, 2013 Friday	CPE TELECONFERENCE	Details will be hosted in ICAI Website	11.00 a.m. – 01.00 p.m.	SIRC Premises	2	150	-
11	August 23 & 24, 2013 Friday & Saturday	Two Day National Conference on NPOs		10.00 a.m. – 05.00 p.m.	P. Brahmayya Memorial Hall	12	1500	6
12	August 24, 2013 Saturday	Sub Regional Conference of SIRC at Madurai		09.00 a.m. – 05.00 p.m.	Lakshmi Sundaram Hall Madurai	6	750	7
13	August 28, 2013 Wednesday	Seminar on Competition Act - An over view	Eminent Resource Person	05.30 p.m. – 08.30 p.m.	P. Brahmayya Memorial Hall	3	No Delegate Fee	-
14	August 30, 2013 Friday	Sub Regional Conference of SIRC at Pondicherry		10.00 a.m. – 05.00 p.m.	Hotel Anandha Inn Convention Centre Pondicherry	6	1000	8
15	September 11, 2013 Wednesday	Study Circle Meeting on Emerging Trends in Arbitration	Shri. V. Inbavijayan Chennai	06.15 p.m. – 08.30 p.m.	P. Brahmayya Memorial Hall	2	150	-

16	September 14, 2013 Saturday	Workshop on Practical issues in Accounting Standards	10.00 a.m. – 01.00 p.m.	P. Brahmajya Memorial Hall	3	300	6
17	September 18, 2013 Wednesday	Study Circle Meeting on Carbon Credits	06.15 p.m. – 08.30 p.m.	P. Brahmajya Memorial Hall	2	No Delegate Fee	.

Unless otherwise specified, the delegate fee for SIRC Programmes may be paid by way of Cash or by Cheque / DD drawn in favour of 'SIRC of ICAI' payable at Chennai and 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

BRANCH CALENDAR

AUGUST & SEPTEMBER 2013

S. No.	Date and Day	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fees	Website
1	August 23 & 24, 2013 Friday & Saturday	Two Day National Conference on Indirect Taxes Organised By Indirect Taxes Committee of ICAI Hosted by Ernakulam Branch of SIRC of ICAI	CA. C. Shenbagamoorthy Sivakasi	10.00 a.m. – 01.00 p.m. 06.15 p.m. – 08.30 p.m.	Hotel Gokulam Convention Center, Kaloor, Ernakulam	12	Ernakulam ARS Members: Nil Others: Rs. 1500	www.kochiicai.org

CHAIRMAN WRITES (Contd..)

professional obligations with acumen. We are happy to inform you that ICAI has brought out the Guidance Note on Tax Audit under Sec. 44AB of the Income-tax Act, 1961 (Revised Edition-2013) and is priced at Rs. 250. The publication is available at SIRC and at all Branches. Members may benefit out of this booklet which is considered the 'Magna Carta' of Tax Audit.

Branch Programmes in Newsletter

Besides publishing the programmes being held at Chennai (Headquarters of Southern Region), we would like to publish major programmes organized by the Branches of SIRC in the Newsletter. I request members to participate in the branch programmes also and be benefited.

Welcome to our Professional Fraternity

The results of the CA Final Examination have been declared on 16th July 2013. SIRC congratulates all who have successfully passed the Examination and welcomes them to our professional fraternity. We wish them all the best in their professional career.

Interaction with CPC, Bangalore

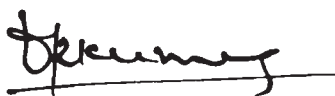
All the Income Tax Returns filed by the Assesseees are processed by the Central Processing Centre at Bangalore. Though the system is working well and came handy, still there are many doubts, grievances etc., which needs clarifications / enlightenment from the Department. CA. Adusumilli Venkateswara Rao, Chairman of the Committee on Taxation of SIRC is planning to hold Interactive Meetings with CPC Officials in 15 Branches in Southern Region during the next three months.

45th Regional Conference of SIRC at Visakhapatnam on 13th and 14th December 2013

We are happy to inform that the 45th Regional Conference will be held at Visakhapatnam on 13th and 14th December 2013 and hosted by the Visakhapatnam Branch. The delegate fee has been fixed at Rs. 3000. The detailed programme would be communicated to the members in due course through mails / website of SIRC / and in the next issue of the Newsletter. We will be launching Online Registration of delegates on 24th August 2013 at sirc@icai.org and request all of you to register. We invite members to participate in large numbers.

Until we meet through this column, my warm regards,

Yours in professional service



CA. D. PRASANNA KUMAR
chairmansirc@gmail.com

EDITORIAL BOARD

Editor	: CA. D. Prasanna Kumar	
Members	: CA. P.R. Suresh	CA. M. Devaraja Reddy
	CA. P.R. Aruloli	CA. V.G. Aravindanayagi
	CA. Gopal Krishna Raju	CA. K. Pattabhiraman
	CA. P.V. Rajarajeswaran	CA. Siva Prasad Nandyal
	CA. Babu Abraham Kallivayalil	

TWO DAY NATIONAL CONFERENCE ON NPOsOrganised by: Committee on Cooperatives & NPO Sector, ICAI
Host: SIRC of ICAI**Friday & Saturday
August 23 & 24, 2013****P. Brahmayya Memorial Hall**
'ICAI Bhawan'
No.122, MG Road, Nungambakkam
Chennai - 600 034**CPE Credit
12
HOURS****Day - 1**

Topics	Resource Persons
An overview of 97th Constitutional Amendments Act, 2011	CA. S. Santhana Krishnan, Chennai
Taxation of Charitable Institutions	Dr. CA. Girish Ahuja, New Delhi
Taxation of Cooperative Societies including Deduction u/s 80P & Concept of Mutuality, Provisions of TDS & Section 269SS & 269 T of Income Tax Act, 1961	CA. G. Sekar, Chennai
Formation of Trust, Society and Companies under Section 25 of the Companies Act, 1956	Dr. Manoj Fogla, Cuttack

Day - 2

Issues relating to FCRA, 2010	Adv. Aditya Rao, New Delhi
Legal Status Options for foreign Donors Working in India	Dr. CA. N. Suresh, Bangalore
Accounting and Governance aspect of Charitable Institutions	CA. M. Kandasami, Chennai

DELEGATE FEE: ₹ 1500

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

Conference Chairman**CA. Anuj Goyal**
Chairman, CCONPO**Conference Directors****CA. S. Santhanakrishnan**
Central Council Member, ICAI**CA. V Murali**

Central Council Member, ICAI

CA. G. Sekar

Central Council Member, ICAI

Conference Co-ordinators**CA. D. Prasanna Kumar**
Chairman, SIRC of ICAI**CA. P.R. Aruloli**
Secretary, SIRC of ICAI**WORKSHOP ON DIRECT TAXES****Saturday
August 17, 2013****P. Brahmayya Memorial Hall**
'ICAI Bhawan'
No.122, MG Road, Nungambakkam
Chennai - 600 034**CPE Credit
6
HOURS****DELEGATE FEE: ₹ 750****Timings: 10.00 AM to 05.00 PM**

Topics	Resource Persons
Minimum Alternate Taxes- Select Case Laws & Provisions	CA. T. Banusekar , Chennai
Deemed Dividend- Issues & Latest Developments	CA.V. Karthikeyan , Chennai

CA. D. Prasanna Kumar
Chairman, SIRC of ICAI**CA. P.R. Aruloli**
Secretary, SIRC of ICAI**3RD SEMINAR ON PRACTICAL INSIGHTS
INTO ACCOUNTING STANDARDS****Saturday
September 14, 2013****P. Brahmayya Memorial Hall**
'ICAI Bhawan'
No.122, MG Road, Nungambakkam
Chennai - 600 034**CPE Credit
3
HOURS****DELEGATE FEE: ₹ 300****Timings: 10.00 AM to 1.00 PM**

Topics	Resource Persons
AS 22 Accounting for Taxation of Income	CA. Chinnsamy Ganesan , Chennai
AS 29 Provisions, Contingent Liabilities & Contingent Assets	CA. Paul I , Chennai

CA. D. Prasanna Kumar
Chairman, SIRC of ICAI**CA. P.R. Aruloli**
Secretary, SIRC of ICAI

SUB-REGIONAL CONFERENCE OF SIRC OF ICAI**Host: Hyderabad Branch of SIRC of ICAI****Friday & Saturday
August 16 & 17, 2013****Shilpakala Vedika
Hyderabad****CPE Credit
12
HOURS****Inaugural Session: 09.30 a.m.**

CA. Subodh Kumar Agrawal, President, ICAI
CA. K. Raghu, Vice-President, ICAI
CA. D. Prasanna Kumar, Chairman, SIRC of ICAI

Day - 1

Topics	Resource Person
Increasing Regulatory Trends - Impact on the CA Profession	CA. P.R. Ramesh, Hyderabad
Cloud Computing – The New Buzzword	CA. Anand Jangid, Bangalore
Bless the Couple: Internal Audit weds ERM	CA. Naren K Aneja, Mumbai
Taxation of NRIs – Compliance with provisions of Income Tax and FEMA	CA. Dr. Girish Ahuja, New Delhi

Day - 2

Provisions of New Companies Bill – Relating to audit and accounts	CA. Kamlesh Vikamsey, Mumbai
Domestic Transfer Pricing – Critical Analysis	CA. P.V.S.S. Prasad, Hyderabad
Service Tax - Review of latest amendments	CA. Ashok Batra, New Delhi
Business Deductions – Recent Judicial Trends	CA. K.K. Chaitanya, Bangalore

DELEGATE FEE: `	For Members	For Non-Members
	2000	2500

Demand Draft / Cheque shall be drawn favouring "Hyderabad Branch of SIRC of ICAI" payable at Hyderabad and sent to Chairman, Hyderabad Branch of SIRC of ICAI, 'ICAI Bhawan', No. 11-5-398/C, Red Hills. Hyderabad – 500 004 [E-mail – hyderabad@icai.org – Phone: 040 – 2331 7026 / 040 – 2339 2182]

Conference Convenors

CA. D. Prasanna Kumar
Chairman, SIRC of ICAI

CA. P.R. Aruloli
Secretary, SIRC of ICAI

Conference Co-Convenors

CA. Tirupathiah Yarra
Chairman, Hyderabad Branch of SIRC

CA. Ramamurthy Tejomurtula
Secretary, Hyderabad Branch of SIRC

Conference Co-ordinators

CA. Adusumilli Venkateswara Rao
CA. Naresh Chandra Gelli V
CA. E. Phalguna Kumar
CA. B. Sekkizhar
Members, SIRC of ICAI

Conference Directors

CA. J. Venkateswarlu
CA. M. Devaraja Reddy
Central Council Members, ICAI

SUB-REGIONAL CONFERENCE OF SIRC OF ICAI**Host: Madurai Branch of SIRC of ICAI****Saturday
August 24, 2013****Lakshmi Sundaram Hall
Madurai****CPE Credit
6
HOURS****Inaugural Session: 09.30 a.m.**

Dr. E.M. Sudarsana Natchiappan
Hon'ble Union Minister of State, Ministry for Commerce & Industry
CA. V. Murali, Central Council Member, ICAI
CA. D. Prasanna Kumar, Chairman, SIRC of ICAI

Topics	Resource Persons
Survey, Search & Seizure	Shri. Firoze Andhyarujina, Mumbai
Clause by Clause Discussion on FORM 3CD	Dr. Vinod K Singhania, New Delhi
Domestic Transfer Pricing	CA. T Banusekar, Chennai
Panel Discussion	Shri. Firoze Andhyarujina, Dr. Vinod K Singhania and CA. T Banusekar

DELEGATE FEE: `	On or before Aug 22	After Aug 22 & Spot Registration
For Members	750	1200
For Students	350	600

Demand Draft / Cheque shall be drawn favouring "MB SIRC of ICAI - Sub Regional Conference" payable at Madurai shall be sent to Chairman, Madurai Branch of SIRC of ICAI, 'ICAI Bhawan', Old Natham Road, Opp. Bala Mandir School, Visalakshipuram, Madurai – 625 014 [E-mail – madurai@icai.org – Phone: 0452 – 2640 968]

Conference Convenors

CA. D. Prasanna Kumar
Chairman, SIRC of ICAI

CA. P.R. Aruloli
Secretary, SIRC of ICAI

Conference Co-ordinator

CA. P V Rajarajeswaran
Ex-officio Member, Madurai Branch
Member, SIRC of ICAI

Conference Co-Convenors

CA. P Saravanan
Chairman, Madurai Branch of SIRC

CA. Dungar Chand U Jain
Secretary, Madurai Branch of SIRC

SUB-REGIONAL CONFERENCE OF SIRC OF ICAI**Host: Pondicherry Branch of SIRC of ICAI****Friday
August 30, 2013****Hotel Anandha Inn
Convention Centre
Pondicherry****CPE Credit
6
HOURS****Inaugural Session: 09.00 a.m.****Thiru. N. Rangasamy, Hon'ble Chief Minister of Pondicherry
CA. D. Prasanna Kumar, Chairman, SIRC of ICAI**

Topics	Resource Person
Recent Issues in Taxation of Capital Gains & Taxation of Real Estate Transactions	CA. R Bupathy, Past President ICAI, Chennai
Transfer Pricing – Latest Developments & Applicability of Domestic Transactions	Dr. Anitha Sumanth, Advocate, Chennai
Recent Issues in Direct Tax Laws	CA. Sriram, Chennai
Reopening & Reassessments under Income Tax Act	CA. J. Prabhakar, Chennai

DELEGATE FEE:	For Members	For Students	For Non-Members
	1000	650	1250

Demand Draft / Cheque shall be drawn favouring "Pondicherry Branch of SIRC of ICAI" payable at Pondicherry and sent to Chairman, Pondicherry Branch of SIRC of ICAI, 'ICAI Bhawan', No.8, Second Main Road, Ilango Nagar, Pondicherry – 605 011 [E-mail – pondicherry@icai.org – Phone: 0413 – 4308 081]

Conference Convenors**CA. D. Prasanna Kumar**
Chairman, SIRC of ICAI**CA. P.R. Aruloli**Secretary, SIRC of ICAI
Ex-officio Member, Pondicherry BranchConference Co-Convenors**CA. Meenakshi Sundar**
Chairman, Pondicherry Branch of SIRC**CA. K. Kumaraguru**
Secretary, Pondicherry Branch of SIRC**INTERNATIONAL CONFERENCE ON ACCOUNTANCY PROFESSION:
EMERGING FRONTIERS OF FUTURE GROWTH****Saturday - Sunday
November 22 & 23, 2013****Science City Auditorium
Kolkata****CPE Credit
12
HOURS**

Accounting profession has been recognized worldwide as key facilitator in promoting investment, enhancing economic stability, improving management of scarce resources, facilitating public revenues and strengthening enterprises. The Accountancy profession has grown tremendously in terms of capability and capacity. It has met the challenges of a high growth economy, the opening up of the country and competition due to globalisation. The ICAI being amongst the largest accounting bodies in the world has always endeavoured to position brand Indian Chartered Accountancy globally.

The Institute of Chartered Accountants of India (ICAI) has been instrumental in providing quality education and continuous professional education to its members. As part of the continuous professional development of the members, ICAI is organizing 2 days International Conference on "Accountancy Profession: Emerging Frontiers of Future Growth" on November 22-23, 2013 at Science City Auditorium, Kolkata.

Technical Sessions	Particulars	Delegate Fees
<ul style="list-style-type: none"> Promoting Excellence – New Dimensions of Reporting Corporate Finance – Way Forward Beyond Accountancy – Management & Leadership Competency Mapping for the Capacity Development of Profession – Country Perspective Financial Sector – Navigating through Maze; Roadmap for Growth Information Technology – Rewriting the Rules of Business Global Competitiveness: Evolving Dimensions of Trade Confluence – Profession & Society 	Members (ACA and FCA)	INR 2000
	Non Members	INR 2500
	Foreign Delegates	USD 100
	SAFA Country members	INR 2000
	CAPA Country members	INR 2000

Complete details regarding the Conference will be available on the website www.icai.org shortly.

For further details, please contact:

Shri Pradyut Chakraborty, Assistant Secretary, 'ICAI Bhawan', 7, Anandilal Poddar Sarani (Russell Street), KOLKATA- 700 071.
E-mail: pradyut.chakraborty@icai.in; ia@icai.in, Tel No: 033- 3021133, 011-30110448

Invitation for Contribution of Articles

SIRC of ICAI invites Articles on **Indirect Taxes** from Members for publication in the SIRC Newsletter for the month of September which should reach SIRC by email to sirc@icai.in and sircnewsltr@icai.in for consideration by the Editorial Board.



The Institute of Chartered Accountants of India
Set up by an Act of Parliament



ICAI, New Delhi

Joint Education Programmes with Various Indian Universities

**Opportunity to pursue
B.Com, M.Com, BBA and MBA**

with exemptions in certain papers exclusively for Members and Students of the Institute.



IGNOU, New Delhi
Course: BCom (A&F), MCom (F&T)



Netaji Subhas Open University, Kolkata
Course: BCom



Bharathiar University, Coimbatore
Course: BCom, BBA, MCom, MBA



University of Madras, Chennai
Course: BCom, BBA, MCom, MBA

! For further details and to download the Application form visit the Official Website of the Respective University or follow the "students" icon on the Homepage of ICAI website www.icaai.org
! Duly filled in application form along with the enclosures can be sent to the respective University.

Board of Studies
The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No.36,
A-29, Sector-62, Noida - 201 309
Phone 0120-3045949 / 35/30/31
E-mail: moubos@icaai.org, bosnoida@icaai.org

Issues in Tax Audit - Employee's Contribution to PF, ESI & other Social Welfare Schemes u/s 36(1)(va)



CA. T.G. Suresh
Chennai
tgs@sandca.com



CA. K. Sudarshan
Chennai
sudarshan@sandca.com

Social Security Contributions (SSS) in India which provide for retirement, pension planning and social welfare of employees are principally governed by the Employees' Provident Fund and Employee State Insurance. It is essential to note that under such schemes it is the responsibility of the employer to deduct and contribute a portion of the income of the employee to the social welfare organization. Therefore both employer's and the employees' contribution to the SSS has to be deposited by the employer. The Government has cast responsibility on the tax auditor by virtue of Section 44AB of the Income Tax Act, 1961 ('the Act'), inter alia, to report on such social welfare contributions under clause 16(b) in the statement of particulars given in Form 3CD.

This article will dwell upon the never ending controversy with regards to the employer's tax deductibility under the Act, towards the employee's contribution to the obligatory SSS which are deposited beyond the due date of the respective statutes' but before the date of filing return of Income as specified under Section 139 of the Act.

Employees' contribution to SSS treated as "Income"

Section 2(24) which enumerates different components of Income, inter alia defines "Income" to include for an employer any sum received from his employees' as contribution towards certain specified social welfare schemes. However deduction for such income are available under section 36(va), provided the specified social welfare contributions collected by the employer are credited to the respective schemes within the due date specified under the relevant legislation of the social welfare scheme. Therefore on a cumulative reading of Section 2(24)(x) with Section 36(va) it can be deciphered that employees' contribution towards the SSS shall be treated as an Income for the employer, if such contributions are not deposited within the due date specified under the relevant legislation of the SSS. This treatment is also logically correct if we look at it from an accounting perspective. The whole of the salary paid to the employee including the amount deducted as employee's contribution, is debited to the Profit and Loss account as an expense and therefore non-payment of the employee contribution is to be treated as income as the same is held by the employer. However the issue is should it be treated as income even if it is remitted belatedly? It would be pivotal to note that once the employees' PF contribution is disallowed under the provisions of section 36(1)(va), the same cannot be claimed as deduction in the subsequent year when the payment is made.

Section 43B – Controversy

Section 43B was introduced by the Finance Act with effect 1st April 1984, to ensure that the deductions on statutory liabilities viz, duties, tax, employer's contributions towards SSS

etc are allowed, only if such payments are actually paid by the assessee irrespective of whether the assessee follows due basis of accounting. Further the first proviso to this section, gives a benefit to the assessee to claim deduction provided such specified statutory liabilities are remitted within the due date for filing the return of income under section 139. There was a second proviso which specifically referred to clause (b) to section 43B namely contributions to employee Provident fund or Superannuation fund, etc, wherein it mentioned that the deduction will be available only if the sum is paid before the due date as defined in Explanation to sec 36 (1) (va) which reads as "due date" means the date by which the assessee is required as an employer to credit an employee's contribution to the employee's account in the relevant fund under any Act, rule, order or notification issued there under or under any standing order, award, contract of service or otherwise." Therefore the due date shall be the date as specified in the relevant statute.

However Finance Act 2003, w.e.f AY 2004-05 deleted the second proviso and also amended the first proviso which stated that no disallowance will be called for if the payment is made before the due date of filing of return of income u/s 139(1). This amendment was brought so as to ensure equality in the treatment of tax, duty, cess etc on the one hand and employer's PF, superannuation fund and other welfare funds on the other hand. Therefore on a plain reading of Section 43B as amended, it seems that deduction shall be allowed on the Employer's contribution towards the SSS made before the due date for filing the return of income.

However the controversy that has arisen in the recent past is whether Section 43B is applicable on the employees' contribution that is paid after the due date mentioned in the relevant legislation of the SSS but before the due date of filing the return of income as there has been no corresponding amendment to section 36(1)(va).

Judicial precedents : See-Saw Scenario

There have been considerable numbers of judicial precedents, which has addressed the issue, where in different observations have been made. The Madras High court (HC) in the case of Synergy Financial Exchange (288 ITR 366) has held that employees' contribution shall be paid within the due date as per the relevant SSS, failure of which it will be treated as income of the employer. The same view was also held by the Kerala High Court in the case of South India Corporation (242 ITR 114) where it was held that PF payments made after the due date as mentioned in Section 36(1)(va) are not allowable as deduction even though they have been paid within the previous year.

However the Karnataka HC in the case of Sabari Enterprises

& Others [298 ITR 141] and also the Gauhati HC in the case of George Williamson [284 ITR 619] has held a contrary view to the Madras HC & the Kerala HC's Judgement, for which the revenue went on an appeal along with other matters to the Supreme court in Vinay Cement [213 ITR 268], where the Apex Court, dismissing the special leave petition by a speaking order, held that assessee was entitled to claim benefit under Section 43B on the fact that the social security contributions paid after the due date under the relevant legislation of the social security scheme, but within the due date for filing the return of Income. The Apex Court's view was also subsequently affirmed by the Delhi HC in the cases of Aimil Limited [321 ITR 508], PM Electronics [313 ITR 161] & Dharmendra Sharma [297 ITR 320], by the Madras HC in the case of Nexus Computers [313 ITR 144] and more recently by the Uttarakhand High Court in the case of Kicha Sugar Company Limited [ITA No. 50 of 2009]

The Vinay Cement Judgement [supra] seems to have finally shown some light in the tunnel for many business class assessee's; however the light seems to have etiolated, by virtue of the Kolkata tribunal, where it made an interesting observation in the case of Bengal Chemicals & Pharmaceuticals Limited [ITA No. 1680/Kol/2010]. The tribunal held that a deduction which is otherwise not allowable under section 36(1)(va) or for that matter any other provision of the Act can neither be considered nor is allowed under Section 43B as section 43B starts with a non-obstante clause which says "Notwithstanding anything contained in any other provision of this Act a deduction otherwise allowable under this Act in respect of EC.". Therefore Employee's contribution to PF deposited after the due date of the relevant statute but before the filing of return of Income cannot be allowed under Section 43B as the same is not in compliance with the provisions of 36(1)(va) and is therefore not allowed under other provisions of the Act. Further it has also categorically remarked that the Apex court's view in the case of Vinay Cements and Alom Extrusions [319 ITR 306] is not on the issue of Employees' contribution to SSS, it relates primarily to Employer's contribution & the omission of second proviso to Section 43B.

The above views of the judgment in Bengal Chemicals [supra] has been followed recently by the Mumbai Tribunal in the case of LKP Securities Limited [ITA no. 638/Mum/2012]. The Kolkata bench's observations has just prolonged the controversy and there appears to be a 'double whammy' for the assessee as the employee contribution shall be treated as Income and also that there shall be no deduction in subsequent year when the contributions are paid. Further the precedential validity of the Apex court's view in Vinay Cements [supra] still hangs in balance.

Better late than never

It is to be noted that Section 36(1)(va) of the Act was introduced by the Finance Act, 1987. The circular explaining the amendment

in respect of introduction of section 36(1)(va) is as follows:

"Measures of penalizing employers who misutilise contributions to the provident fund or any fund set up under the provisions of the Employees' State Insurance Act, 1948, or any other fund for welfare of employees".

From the reading of the above it is evident that the intention for the introduction of provisions of section 36(1)(va) was to merely curb the defaulting employers from misutilising the employees' PF contributions without depositing the same to the credit of the employees and at the same time claiming it as tax deductible expenditure. It would be important to reiterate here that once the employees' PF contribution is disallowed under the provisions of section 36(1)(va), the same cannot be claimed as deduction in subsequent year when payment is made.

It is also imperative to note that the Delhi HC in the case of AIMIL Ltd [supra] has categorically mentioned that relevant legislations of the SSS themselves allows employers to pay after the due date mentioned in the relevant statute for which interest & penalty are charged and therefore with respect to Income tax, deduction shall be allowed on the employees' contributions to the SSS so long as they are paid before the due date of filing the return of Income..

Therefore by virtue of the above precedents, the moral of the article seems to be better late than never for the employer's to make the employee's contribution to SSS.

Further before bringing down curtain to this article, it is imperative to note that the revised edition of the Guidance Note on Tax Audit under Section 44AB of the Act ['GN'] issued by ICAI, has mentioned under Para 28.2 the following:

"28.2 Under Clause 16(b), the requirement is only in respect of the disclosure of the amount and the tax auditor is not expected to express his opinion about its allowability or otherwise. The tax auditor should verify the employment/ contract details of the employees so as to ascertain the nature of payments."

Therefore the GN does not want tax auditor to express his opinion on the allowability or otherwise on such social welfare contributions. Further with the Form 3CD to be submitted online, would also make it intricate for the tax auditor to express his opinion on the allowability or otherwise.

Therefore this issue shall make the assessee's a schmuck for unnecessary legal hassles and litigation cost. Hence the moral "better late than never" shall also equally apply for the Government to make the necessary amendments to arrest this prolonged controversy. ■

DISCLAIMER

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

OBITUARY

S. No.	MRN	Name	Status	Place	Date of Death
1	002275	MR. UMAMAHESWARA VADLAMANI RAO	FCA	HYDERABAD	02/03/2013
2	020060	MR. SIVARAMAN K P	FCA	TENKASI	05/04/2013
3	205137	MR. JANARDHANAN K	FCA	CHENNAI	07/06/2013

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

Tax Audit under Section 44AB



CA. Vaishnavi K
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The tax audit was introduced by section 11 of the Finance Act, 1984, which inserted a new section 44AB with effect from 1st April, 1985 [Assessment Year 1985-86].

Purpose:

The purpose of Tax Audit is to ensure that the books of accounts have been maintained in accordance with the provisions of

the Income Tax Act, 1961.

(In due course, it ensures tax compliance to a certain extent)

Applicability:

The applicability of Audit under section 44 AB can be drawn up from the chart given below:

Case I	<ul style="list-style-type: none"> any person carrying on business whose total turnover or gross receipts exceed ` 1 Crore 	Case II	<ul style="list-style-type: none"> any person who is carrying on a profession whose gross receipts exceed ` 25 Lacs 	Case III	<ul style="list-style-type: none"> income is assessed under section 44 AE, 44 BB or 44 BBB, where an assessee declares income lesser than that presumed under the respective sections* 	Case IV	<ul style="list-style-type: none"> Persons who declare a lower income than the amount presumed under section 44 AD*
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*difference between the third and fourth case is that in Case IV the assesseees are subject to audit under section 44 AB only if their income exceeds the basic exemption limit.

Note: The benefit of presumptive taxation under section 44 AD and 44 AF is now not restricted to civil contracts and retail trade alone.

Audit:

Any person falling under the above 4 cases needs to get his books of accounts audited by a Chartered Accountant before 30th September every year. Section 44 AB stipulates that only a Chartered Accountant should perform the tax audit.

Quite a lot of issues arise as and when we deal with the tax audit cases. ICAI, to clarify these issues has issued a Guidance Note on Tax Audit. Now let us walk have a glimpse of what those issues may be.

ISSUE NO.1

- Say a person carries on both business and profession. He has a turnover of ` 98 Lacs from business and gross receipts of ` 23 Lacs from profession. The primary question that arises is whether he is subject to tax audit? The answer to the same is NO as the receipts from business and profession are to be considered separately and the same in this case do not exceed the limits

ISSUE NO.2

- Say a person carries on both business and profession. His turnover from business is ` 1.20 Crores and gross receipts from profession is 22 Lacs. What is the applicability of Tax Audit in this case?
- Tax Audit is applicable in this case as the gross receipts from business exceed ` 1 Crore.

From the above 2 issues, we can arrive at the conclusion that irrespective of whether a person carries on business or profession or both, the key is the limit of ` 1 Crore / ` 25 Lacs. The moment gross receipts exceed the limit, the assessee falls into the tax audit bracket. In case the assessee's gross receipts fall below the limit, then tax audit is NOT applicable.

ISSUE NO.3

Where a person has more than one business, then in calculating the turnover for Section 44 AB, the total turnover of

all the businesses should be taken together. Say a person has 2 businesses A and B. the turnover of Business A is 80 Lacs and Business B is 35 Lacs. The question that arises is whether tax audit is applicable? The answer to the same is YES as the total turnover from his 2 businesses amount to 1.15 Crores.

ISSUE NO.4

- A person who runs a business has a total turnover of 95 Lacs. Apart from this, during the year he has sold a car and made a gain of about 6 Lacs. Lets assume that the car was being used entirely for business purpose. The sum of the two i.e 1.01 Crore being greater than 1 Crore, will tax audit be applicable? the answer for the same is NO. ICAI has clarified that the turnover will not include any amount received on account of sale of fixed assets.

ISSUE NO.5

- Lets say a person has achieved a turnover of 1.05 Crores. Sales return during the year add up to 6 Lacs. Out of 6 Lacs, say 4.5 Lacs belong to previous year. What is the applicability of tax audit in this situation? If the sales return of 6 Lac is deducted then tax audit is not applicable. It is quite plain and simple. A doubt might creep in because the sales return comprises of 2 figures, one relating to the current year and the other relating to the previous year. ICAI has clarified through the Guidance Note that NO distinction needs to be made as to the current year and previous year. the assessee will not fall under the tax audit net.

Penalty for failure to get accounts audited:

Non compliance of section 44 AB attracts penalty under section 271 B of the Income Tax Act, 1961. The amount of penalty shall be half percent of turnover or gross receipts OR ` 1,50,000/-, whichever is lower. However, no penalty may be levied if there is a reasonable cause for such failure.

Some of the instances which the Tribunals/ Courts have accepted as reasonable cause are as follows:

- Non availability of the partner in charge of accounts in the country during the period
- Death of the partner in charge of accounts
- Labour problems like strike, lock out etc for a long time
- Natural calamities like floods, earthquakes, etc
- Loss of accounts by fire, theft etc beyond the control of the assessee

But, what serves as a reasonable cause is always uncertain.

Limitation on number of tax audits:

In order to ensure quality and equitable work distribution of audit work done by CAs, ICAI has fixed a maximum limit for the tax audit assignments that can be taken up by a CA (or CA firms). This limit is set at 45 assignments per CA (in case of CA firm with 2 partners the limit shall be $45 \times 2 = 90$). If a person is found to have accepted more than 45 assignments in a year, he would be deemed to have been involved in professional misconduct.

Audit Report:

Section 44AB requires the tax auditor to submit the audit report in the prescribed form and setting forth the prescribed particulars. The report of audit of accounts of a person is required to be furnished under section 44 AB. The relevant forms for the same as prescribed are:

- FORM 3CA: This form is to be used in a case where the accounts of the business or profession of a person have been audited under any other law.

- FORM 3CB: This form is to be used in a case where the audit of the accounts of the business or profession of a person is not required under any other law.

- FORM 3CD: The statement of particulars given in Form 3CD forms an annexure to the audit report given in 3CA and 3CB. Form 3CD contains 32 clauses and an Annexure consisting of Part A and Part B. The tax auditor has to report whether the particulars are true and correct. This form is a statement of particulars required to be furnished under section 44AB.

Mandatory e-filing of audit reports under section 44 AB for the A.Y 2013-14:

E-filing of audit report has been made mandatory for assesseees from A.Y 2013-14. We all are well aware that tax payers are not required to enclose any documents with their Income Tax Return. However, as per the new amendment which has been issued vide Notification No. 34/2013 (F. No. 142/5/2013/TPL)/SO 1111(E), dated 01-05-2013; the assessee is required to furnish a report of audit electronically with the Income Tax Return. This has been enforced by the Department after having found the discrepancies in filing of Income Tax Returns. The ICAI has brought to the notice of the Department that some companies were furnishing fake name and registration numbers of auditors in their returns. To curb all such practices and in order to bring about transparency, mandatory e-filing of audit reports has been initiated.

After having taken such measures let us hope for a more organized and transparent returns on the go. ■

BRANCH LEVEL ELOCUTION CONTEST AND QUIZ CONTEST

Organised by SIRC of ICAI & SICASA

[For CA students belonging to Chennai and places which do not fall under the jurisdiction of any of the branches of SIRC of ICAI]

Saturday, August 10, 2013	'ICAI Bhawan', # No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034
ELOCUTION CONTEST	10.00 a.m. to 01.00 p.m.
QUIZ CONTEST	02.00 p.m. to 05.00 p.m.

WHO CAN PARTICIPATE IN THE CONTEST?

Students registered with the Institute for Final Course, Professional Competence Course and Integrated Professional Competence Course are eligible to participate in the contest. However, a person who has qualified in the Final examination and completed Articles/Audit training is not eligible to participate. No TA/DA will be paid for the participants.

For complete details of the contest, scheme and registration, please log on to SIRC Website www.sircoficai.org

SCHOOL LEVEL DEBATE COMPETITIONS - 2013

ORGANISED BY SIRC OF ICAI

FRIDAY, AUGUST 23, 2013 (09.00 A.M. TO 05.00 P.M.)

Topic: Social Media: Whether a boon or a bane?

Branch Level - [For Classes XI & XII students belonging to Chennai and places which do not fall under the jurisdiction of any of the branches of SIRC of ICAI] At 'ICAI Bhawan', # No.122 Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034

WHO CAN PARTICIPATE IN THE COMPETITION? - Students of XI & XII studying in Government Recognised Higher Secondary / Senior Secondary Schools. They should send their nominations through their schools.

Students/Schools desirous to participate in this Competition may contact SIRC office at 044-30210363 or 30210361

Schools who wish to register may kindly send their registrations to sirc@icai.in

Winners of the Branch Level Debate Competitions 2013 participate in Regional Level Debate Competitions at Chennai.

Updates on Direct Taxes

CA. V.K. Subramani, Erode
vksintax@gmail.com

1. Time limitation in section 12AA(2) is only directory and does not envisage automatic registration:

In CIT v. Sheela Christian Charitable Trust [2013] 354 ITR 478 (Mad) the assessee trust created on 04.08.2003 applied for registration under section 12AA on 31st August 2005 which was beyond the time prescribed under the Act for obtaining registration right from its inception. Since the details sought for were not filed, the application was lodged by the then Commissioner of Income-tax. Again, the assessee filed yet another application on April 25, 2007 and sought registration with retrospective effect from April 1, 2005. This application was also dismissed by the Commissioner of Income-tax. The tribunal set aside the order of the Commissioner and remanded the case for deciding the matter afresh by the Commissioner. The Commissioner rejected the request of the assessee for granting registration w.e.f. 01.04.2005 ascribing that there was no just and reasonable cause for the delay in filing of application. The tribunal held that the original application filed by the assessee must be taken as accepted and the registration is to be assumed to have been granted to the trust. It observed that the CIT kept the application pending for registration beyond the time and hence it could be assumed that the registration has been granted to the trust if the same was not either accepted or rejected within the prescribed period viz. six months. The court held that the time limitation of six months given in section 12AA(2) for granting or rejecting the application is only directory and would not give automatic grant of registration to the trust. The court accordingly set aside the order of the tribunal and remanded the matter to Commissioner again for considering the matter afresh.

2. Fresh claim for credit of TDS could be made even though it was not claimed in the return filed:

In CIT v. Digital Global Soft Ltd [2013] 354 ITR 489 (Karn) the assessee filed return and claimed credit for tax deducted at

source which was accepted and processed under section 143(1) of the Act. The credit for TDS granted was lower by Rs.108.66 lakhs. Subsequently, the assessee filed a petition for rectification in respect of credits not given and also made a fresh claim of Rs.19.44 lakhs since the TDS certificates were not available with it at the time of filing the return. The Assessing Officer passed an order granting credit for TDS as per the rectification petition. The Commissioner invoked his power under section 263 and held that the Assessing Officer was at fault in granting credit for fresh claim of TDS which were not made in the return filed by the assessee. The tribunal allowed the claim of the assessee by holding that the tax deducted at source partakes the character of advance tax. On appeal of the revenue, the court held that section 155(14) was inserted to mitigate the hardship of the taxpayers by allowing claim for TDS when the certificate is furnished within two years from the end of the assessment year in which the income to which it relates is assessable. It held that the Assessing Officer has rightly applied the provisions of section 154 to give effect to section 155(14) which entitled the taxpayer its legitimate refund of tax. It held that the order of the Commissioner under section 263 as not tenable in law.

3. Extended time available for remittance of employees contribution to PF and ESI:

In Spectrum Consultants India (P) Ltd v. CIT [2013] 89 DTR (Kar) 274 the assessee claimed deduction in respect of employees EPF contribution and ESI payments remitted after the end of the year but before the due date for filing the return prescribed in section 139(1) of the Act. The claim of the assessee was disallowed in assessment. The court held that the Finance Act, 2003 has brought in uniformity in allowing deductions in respect of contributions to welfare funds both of employer's and employees'. It accordingly held that the claim of the assessee as tenable in law.

Updates on Indirect Taxes

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1. TNVAT VAT AUDIT :

SEC 63A of TNVAT ACT 2006 was introduced in the year 2012 . When the total turnover of the Dealer under TNVAT and CST (including the stock transfers and other exemptions) crosses Rs.1 crore during the financial year 2012-13 onwards then the accounts of the dealers are to be Audited by a Chartered Accountant or Cost Accountant in form WW before 31st October and the reports are to be submitted (Manually) on or before the 31st October. The Vat Auditor can report the deficiencies in the accounts and can suggest the dealer to file revised returns wherever it is necessary. He should also suggest the dealers to pay the difference of tax if there is any short payments or omission to pay. The Vat Auditor is to verify the declarations collected and report if there is any turnover which is not covered by the declaration forms. He should also suggest the penal interest if any to be paid if there is any delay in payment. This is Audit is on par with the Tax Audit under Income tax in a sense that it will be a basis for the Assessments. Out of the Vat Audit Reports filed 20% of the same may be selected for the random scrutiny .

2. CLARIFICATION FOR THE SEZ TRANSACTIONS:

Commissioner of Commercial Taxes, Tamilnadu clarified the zero rated sales in the sez transaction in his Circular No.9/2013 /Acts cell III/22237/2013 dated 24.7.13. It was clarified that the transactions done to the UNITS in SEZ are alone eligible for the zero rated sales as per sec 18 of TNVAT Act 2006. The contract work done by the Contractor to the sez or its developer is not eligible for the zero rated as these goods were not exported. The contract is liable for Tax at the respective rate and TDS Provisions will apply to the contractee and he will have to deduct TDS on these transactions. The Government is having power to grant exemption for the specific SEZ.

3. Entertainment tax to be levied on the DTH services :

The DTH services are liable for the Service tax but this does not prevent the Entertainment Tax Authorities from levying the Entertainment tax on the Entertainment content on the DTH services as both the acts are two different taxable event and there is no trespass into Parliament's exclusive domain of legislation of service. This was decided by the Hon. Allahabad High Court and Hon. Uttarakhand High Court in two different cases ; 61 VST 481 In the case of SUN DIRECT TV PVT LTD Vs State of U.P and others And 62 VST 5 Tata Sky Limited Vs State of Uttarakhand and others.

4. Reverse Charge under service tax :

The reverse charge mechanism is introduced in the service tax where the service provider and service recipient will pay tax proportionately on the services involved. It was decided by the CESTAT Bangalore bench that the available Cenvat Credit can be utilized for the payment of service tax under reverse .

5. Rent a cab – providing a cab on call and demand at scheduled rates is not classifiable under rent a car service

The Assessee was providing the cab service on demand and collected scheduled rate from its passengers and this was treated as a rent a cab service by the Adjudicating Authority but decided in favour by the Commissioner of Appeals but the state preferred an appeal before the tribunal which observed that the contract is only for transporting and the vehicle was not hired fully ie there was no condition of providing service on term basis but on call basis and hence the Tribunal confirmed the orders of Commissioner (Appeals). Delhi Tribunal 30 STR 96 Commissioner of central excise Vs Singh travels. Abacus Training is a recreation training that is exempt under the Notification B0.24/2004 ST dated 10.09.2004. It was decided by the Banagaluru Tribunal in the case of Abacus Brain study (P) Ltd Vs CCE (A) Hyderabad reported 30 STR401.

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AN OVERVIEW OF CA DAY CELEBRATIONS IN SOUTHERN REGION

S.No	Name of Branch	Walkathon	Saplings Planted in the Campus / Distributed	Blood Donation	Providing Food / Clothes /Other Items	Honouring of Senior Members
1	SIRC of ICAI	200	500	250	150	60
Branches of SIRC						
1	Alleppey	15	8	-	7	10
2	Bangalore	-	100	52	60	13
3	Belgaum	-	60	6	100	1
4	Bellary	107	24	38	45	8
5	Calicut	-	50	49	75	2
6	Coimbatore	-	35	69	-	57
7	Ernakulam	60	50	35	100	20
8	Erode	-	150	104	60	5
9	Guntur	150	120	50	30	50
10	Hubli	-	30	30	-	-
11	Hyderabad	500	3500	103	300 Health Camp: 108	16
12	Kakinada	85	25	73	100	4
13	Kannur	-	-	71	-	11
14	Kottayam	-	-	-	136	46
15	Kumbakonam	-	-	-	67	4
16	Madurai	-	20	30	-	5
17	Mangalore	70	6	46	149	12
18	Mysore	-	17	-	-	18
19	Nellore	-	2	40	32	1
20	Palghat	-	5	-	48	2
21	Pondicherry	-	10	42	-	55
22	Quilon	-	12	8	230	5
23	Rajamahendravaram	20	-	15	100	4
24	Salem	65	10	22 Eye Camp: 125	310	22
25	Sivakasi	-	-	Eye Camp: 100	60	16
26	Tiruchirapalli	-	200	34	150	14
27	Tirunelveli	-	200	Eye Camp: 81	190	4
28	Tirupati	100	-	-	60	4
29	Tirupur	200	300	25	40	25
30	Trichur	10	100	20	70	7
31	Trivandrum	50	300	-	175	10
32	Tuticorin	40	10	26	125	4
33	Udupi	-	5	38	15	3
34	Vellore	-	100	-	50	6
35	Vijayawada	160	80	125	49	12
36	Visakhapatnam	32	300	58	25	5

Empanelment of Faculty for Coaching Classes at SIRC

Members desirous of teaching students in the subjects of CPT/IPCC/FINAL in the Coaching Classes organized by SIRC may empanel in the proforma hosted in the Website of SIRC of ICAI www.sircoficai.org latest by 31st August 2013.

The existing faculty who are taking classes are also requested to submit the application afresh for empanelment with their updated profile in the above-said format.

Filled in applications may be submitted in person or through post along with a passport size photograph to SIRC Office at 'ICAI Bhawan', No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034.

CA, D. Prasanna Kumar
Chairman, SIRC of ICAI

CA. B. Sekkizhar
Chairman, Students Committee, SIRC of ICAI

CA. P.R. Aruloli
Secretary, SIRC of ICAI

SUMMARY OF RESULTS OF CA EXAMINATIONS

The details of percentage of candidates passed in the above said examinations are given below:

CPT EXAMINATIONS – JUNE 2013

GENDER	No. of candidates appeared	No. of candidates passed	% of pass
MALE	86109	21906	25.44
FEMALE	52637	15583	29.60
TOTAL	138746	37489	27.02

IPC EXAMINATION – MAY 2013

GROUP	No. of candidates appeared	No. of candidates passed	% of pass
Both Groups	63871	7489	11.73
Group– I	124310	24161	19.44
Group–II	112465	16675	14.83

FINAL EXAMINATION – MAY 2013

GROUP	No. of candidates appeared	No. of candidates passed	% of pass
Both Groups	27556	2764	10.03
Group– I	45822	6319	13.79
Group–II	50354	9389	18.65

Kind Attention of the Members

Have you paid the Membership Fee and Certificate of Practice Fee for the year 2013 -14?

PARTICULARS OF FEE	AGE OF THE MEMBERS ON 01.04.2013		Note: Payment of Fee can be made through Local or at par cheque/ DD favoring The Secretary, ICAI payable at Chennai. Member may also make payment online http://www.icai.org/memfee.html
	UP TO 60 YEARS	ABOVE 60 YEARS	
Associate Membership Fee	800	600	
Fellow Membership Fee	2200	1600	
Certificate of Practice Fee	2000	1500	

**WANTED**

VITAE International Accounting Services Pvt. Ltd., specializes in high end financial services in the fields of taxation, investment research and analysis, financial accounting compilation / assurance and pension administration for overseas clients.

We need intelligent, hard working, self driven individuals, strong in analytical ability and logical reasoning, determined and capable of hardwork. Should be proficient in English.

Chartered Accountant with IFRS exposure

CA with about 5 years of relevant experience in reporting on financial statements compiled within the framework of Indian and International Accounting standards and possessing,

- ✓ Ability to interpret and apply International Financial Reporting Standards (IFRS) and to quickly understand new developments in the context of the IFRS Framework.
- ✓ Ability to construct specific disclosures in accordance with the requirements of IFRS accounting standards.
- ✓ Familiarity with the components of financial statements and how changes to account values can have a pervasive effect to other elements of the financial report.
- ✓ Ability to identify deficiencies, anomalies or errors in financial statements
- ✓ Ability to interpret complex disclosure standards and, where possible, provide reworded requirements to be included in published checklists so that they are "user friendly"

Salary not a constraint for the right candidate. Interested candidates visit www.vitaeintl.com and email your resume to,

Recruitment@vitaeintl.in and Recruitment.vitae@gmail.com

VITAE International Accounting Services Pvt. Ltd., 39, Ramakrishna Nagar, New Siddhapudur, Coimbatore – 641 044.

WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on **29.07.2013** is as under:

Particulars	Disposal of records received upto	Particulars	Disposal of records received upto
Members		Students	
Enrolment of Members	23.07.2013	Registration of Articles	25.07.2013
Fellow Admission	23.07.2013	Re-registration of Articles	15.07.2013
Grant of COP	24.07.2013	Industrial Training	14.07.2013
Restoration of Name – Recommended upto	28.07.2013	Termination of Articles	16.07.2013
Restoration of Name – Cleared upto	19.07.2013	Completion of Articles	15.07.2013
Constitution of Firms	20.07.2013	Permission to pursue Other Courses	20.07.2013
Reconstitution of Firms	23.07.2013	Despatch of Materials – CPT	30.06.2013
Paid Assistant	20.07.2013	Despatch of Materials – IPCC	30.06.2013
Change of Address – Members	25.07.2013	Despatch of Materials – ATC	30.06.2013
Change of Address – Firms	23.07.2013	Despatch of Materials – Final	17.07.2013
		Despatch of Materials - ITT	30.06.2013

MULTIPURPOSE EMPANELMENT FORM (MEF)

MEF 2013-14 is live on www.meficai.org. Last date of online submission of MEF 2013-14 is 26th August 2013. For further details, please visit ICAI Website: www.icai.org

APPEAL TO ALL MEMBERS AND STUDENTS OF ICAI

SIRC appeals to all members, students and others to donate generously towards **ICAI Uttarakhand Flood Relief**. The details of bank account are as under:

ICAI Uttarakhand Flood Relief Account – 33079969989

State Bank of India, IFSC Code - **SBIN0001187**, I.P. Estate Branch, New Delhi – 110 002

The collected amount will be given to PMNRF. All contributions towards the PMNRF are exempted from Income-tax under Section 80(G). The donors are requested to follow up their donations with a letter/email to the Institute giving their name, address, amount and date of contribution, so that receipts could be obtained from PMNRF for onward transmission to the donors. The letter/email can be sent to: The Additional Secretary [Accounts], The Institute of Chartered Accountants of India, 'ICAI Bhawan', A-29, Sector-62, Noida – 201 309. Email: accounts@icai.in

SEMINAR ON PRACTICAL INSIGHTS INTO ACCOUNTING STANDARDS - 06.07.2013



CA. Chinnasamy Ganesan
Chennai



CA. Mohan Ramakrishna
Chennai



CA. G. Shanmuganathan
Chennai

SEMINAR ON E-FILING & CPC 27.07.2013



Shri. M.G. Kotresh
Bangalore

SEMINAR ON TAXATION - 12.07.2013



CA. N.S. Srinivasan
Chennai



CA. P. Anand
Chennai



CA. J. Prabhakar
Chennai

WORKSHOP ON INDIRECT TAXES 20TH JULY 2013



CA. V. Prasanna Krishnan
Chennai



CA. K. Sivarajan
Chennai

CPE STUDY CIRCLE MEETINGS - JULY 2013 - RESOURCE PERSONS

03.07.2013



CA. Sriram Gopalakrishnan
Chennai

10.07.2013



CA. S. Krishnan
Chennai

17.07.2013



CA. Ganesh Prabhu
Chennai

23.07.2013



CA. K. Ranjith Kumar
Pondicherry

31.07.2013



CA. G. Paari
Vellore

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HYDERABAD :	Mobile No. : +91-9989345344	E-mail : anily@hdfc.com
KOCHI :	Mobile No. : +91-9895814641	E-mail : sanjayankm@hdfc.com
THIRUVANANTHAPURAM :	Mobile No. : +91-9446553465	E-mail : karthiks@hdfc.com

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WELCOME TO

45th SIRC Regional Conference at Visakhapatnam
Hosted by Visakhapatnam Branch of SIRC of ICAI

13th & 14th December 2013
Detailed Programme in the Next Issue

AN AERIAL VIEW OF HARBOUR BEACH AREA - VISAKHAPATNAM



Shortened and anglicised: Visakhapatnam is a major Port and the second largest city in the State of Andhra Pradesh and the third largest city on the East Coast of India after Kolkata and Chennai, with a population of approximately 1.3 million. It is located 625 kilometres (388 mi) east of state capital, Hyderabad. The city is nestled among the hills of the Eastern Ghats and faces the Bay of Bengal to the east. It is the administrative headquarters of Visakhapatnam District and is also home to the Eastern Naval Command of the Indian Navy. Visakhapatnam is often referred to as "The Jewel of The East Coast" or "The City of Destiny". It is some times popularly referred to as "Goa of the East Coast." Just like its west coast counterpart, it has beautiful virgin beaches, literite hillocks, smooth roads and stunning landscape. Health-tourism is a fast developing industry. Visakhapatnam is variously referred to as jewel on the Coramandel Coast or Steel City also.



CA. Day Celebrations on 1st July 2013 at Chennai. CA. P.S. Kumar, Past Chairman, SIRC and Chief Guest with CA. D. Prasanna Kumar, Chairman, SIRC of ICAI, CA. V. Murali, CCM, ICAI, CA. P.R. Aruloli, Secretary, SIRC of ICAI, CA. Gopal Krishna Raju, Treasurer, SIRC of ICAI and Senior Members who were felicitated on the occasion.

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