

# SIRC Newsletter

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



### Seminar on Clause by Clause Analysis of Finance Act April 9, 2016



CA. V. Raghuraman  
Bangalore



CA. K. K. Chythanya  
Bangalore

### One Day Seminar on Ind AS April 23, 2016



CA. Chinnasamy Ganesan  
Chennai



CA. P. Shankar Raman  
Chennai



CA. Zubin Billimoria  
Mumbai

### Resource Persons of One day Seminar on Forensic Accounting and Fraud Prevention - April 29, 2016

Organised by the Committee on Information Technology, ICAI New Delhi  
Hosted by Southern India Regional Council of ICAI



CA. Sharath Kumar P  
Hyderabad



CA. Sripriya K  
Chennai



CA. Balasubramanian TV  
Chennai



CA. Vittal Raj R  
Chennai

### One Day Workshop on TN VAT, CST & Service Tax with Practical Case Studies - April 30, 2016



CA. J. Murali  
Chennai



CA. V.V. Sampath Kumar  
Chennai



CA. P. Sankaran  
Chennai



CA. J. Purushothaman  
Chennai

### Resource Persons of CPE Study Circle Meetings – April 2016

April 6, 2016



CA. T.G. Suresh  
Chennai

April 13, 2016



CA. H. Venkatesan  
Chennai

April 20, 2016



CA. Mathew Thomas  
Chennai

April 27, 2016



CA. K. Raamanathan  
Chennai

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## Chairman Writes...

### Dear Professional Colleagues,

Be a Complete Business Solution Provider: We are in the era of new and innovative entrepreneurial endeavours (known as start-ups). Enterprises like Whatsapp, Facebook have captured the imagination of all, mobilise large amounts of funds and set a rapid growth targets. Amazon, Flipkart, SnapDeal have transformed the way the businesses have been run for centuries but also influenced the prospects of millions of business enterprises which are hitherto run the businesses on the principle of face-to-face meet, choose and deal.

Members of our Institute have a great role to play as Complete Business Solution Providers to run these new age businesses to contribute positively to the national and global economy. They can also play an appreciable role to enable the traditional business entities to cope and sustain their businesses in this e-commerce era.

### Formation of New Branch of SIRC

We are extremely happy to share with all our members that the ICAI Head Office had issued a notification for the formation of "Kancheepuram District Branch of SIRC of ICAI" with its headquarters at Tambaram. With this SIRC has 44 Branches. Inauguration of this Branch will be held shortly. With the formation of this Branch, the members residing within the jurisdiction of the above Branch will have closer access to the activities of the Institute. I am confident that the Kancheepuram District Branch of SIRC would also contribute for the rich tradition of SIRC viz. selfless service to the members and students of ICAI and all of our other stake holders.

### ADDRESS to REDRESS

For the first time in all Regional Councils of ICAI, SIRC has taken an initiative towards Members and Students Services named "ADDRESS to REDRESS". First Monday of every month, between 10.00 a.m. and 05.00 p.m., Members and Students can call the Toll Free Nos. for the redressal of their grievances / queries. Details are given in this Newsletter. Members and Students are requested to make use this services.

### Activities - April 2016

As usual, the month of April 2016 was also eventful at SIRC. Many programmes were organised by SIRC and well received by the members. Apart from regular Wednesday CPE Programs, One day seminar on Clause by Clause Analysis of Finance Bill was held on 9th April 2016. Two experts from Bangalore shared their expertise in the areas of Indirect and Direct Taxes amongst the delegates. Similarly a One Day Seminar on Ind AS was held on 23rd April 2016. Technical sessions were handled by renowned resource persons from Chennai and Mumbai. One Day Regional Seminar on Forensic Accounting and Fraud Prevention organised under the auspices of Committee on Information Technology of ICAI was held on 29th April 2016. Technical sessions were handled by eminent speakers. Likewise a One Day Workshop on TN VAT, CST and Service Tax with

Practical Case Studies was held on 30th April 2016.

### Regional Residential Seminar at Munnar and Yercaud

To ease the summer heat and to enrich the knowledge of our members, SIRC has organised Regional Residential Seminar at Munnar from 29th April to 1st May 2016. It was hosted by Ernakulam Branch of SIRC. Similarly another Regional Residential Seminar at Yercaud was organised from 29th April to 1st May 2016, hosted by four Branches of SIRC viz. Bangalore, Coimbatore, Pondicherry and Salem. All these programmes were well attended by Members encouraging us to organise many more programmes.

### Forthcoming Programmes

The programmes scheduled for May 2016 are given in detail in this Newsletter. Workshop on Direct Taxes - Modules 1 to 10 have been lined up for the benefit of our members. It is our earnest desire that the members should utilise these programmes for furthering their competencies. I may once again suggest the members to utilise online registration for these programmes not only to avail 10% concession on the delegate fee but also avoid long queue during the registration time.

### Orientation Programme for all the Members of the Managing Committees of Branches of SIRC of ICAI

SIRC of ICAI has organised an Orientation Programme for all the Managing Committee Members of the Branches of SIRC of ICAI on 25th and 26th April 2016 at Tirupati. ICAI President CA. M. Devaraja Reddy and ICAI Vice-President CA. Nilesh Shivji Vikamsey have graced the occasion with their august presence. The Programme was inaugurated by Shri Chadalawada Krishnamurthy, Chairman Tirumala Tirupati Devasthanam Trust Board. I am confident that this kind of orientation programme will strengthen the Branch Management capabilities of our Members.

I would like to quote a saying of Swami Vivekananda "Arise, Awake and Stop not until the goal is achieved". Which necessitates everyone in general and professionals (in which public are substantially interested) like us should have dreams to achieve the maximum possible with our sincere efforts and hard work not only in the interest of ours but also in the interest of all our stakeholders.

Let us join together to bring laurels to our profession.

### Yours in professional service



**CA. E. Phalgun Kumar**  
Chairman, SIRC of ICAI



Contact: Dr. T. Paramasivan, Joint Director (Tech.), ICAI – Phone: 044 – 30210320 / 321 – E-mail: sircpcpe@icai.in

Sl. No	Programme Date	Programme Name	Resource Persons	Timings	Venue	CPE Credit	Delegate Fee*		Page No.
							For Pre-Regn.	For Spot Regn.	
1	May 4, 2016 Wednesday	CPE Meeting on <b>Companies Amendment Bill -2016</b>	<b>CA. T. V. Balasubramaniam</b> Chennai	5.00 pm to 8.00 pm	P. Brahmayya Memorial Hall	3	180	200	-
2	May 5-7, 2016 Thursday to Saturday	Workshop on <b>Direct Taxes – Module I</b>	Details Inside						14
3	May 9, 2016 Monday	Investor Awareness Programme <b>What Investor Should know in using Derivatives</b>		5.30 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	No Delegate Fee		-
4	May 11, 2016 Wednesday	CPE Study Circle Meeting on <b>Internal Financial Controls vis-à-vis Companies Act 2013</b>	<b>CA. S. Ravi Veeraraghavan</b> Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
5	May 12-14, 2016 Thursday to Saturday	Workshop on <b>Direct Taxes – Module II</b>	Details Inside						14
6	May 18, 2016 Wednesday	CPE Study Circle Meeting on <b>CARO-2016</b>	<b>CA. Bhavani Balasubramanian</b> Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	No Delegate Fee		-
7	May 19-21, 2016 Thursday to Saturday	Workshop on <b>Direct Taxes – Module III</b>	Details Inside						14
8	May 25, 2016 Wednesday	CPE Study Circle Meeting on <b>Foreign Tax Credit &amp; Double Tax Relief</b>	<b>CA. S. Dwarakesh</b> Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
9	May 26-28, 2016 Thursday to Saturday	Workshop on <b>Direct Taxes – Module IV</b>	Details Inside						14
10	May 27-29, 2016 Friday to Sunday	<b>Residential Seminar at Coorg</b>	Details will be hosted at <a href="http://www.sircoficai.org">www.sircoficai.org</a>						-
11	June 1, 2016 Wednesday	CPE Study Circle Meeting on <b>ICDS under Income Tax Act</b>	<b>CA. S. Sathiyarayanan</b> Chennai	6.15 pm to 8.30 pm	P. Brahmayya Memorial Hall	2	180	200	-
12	June 2-4, 2016 Thursday to Saturday	Workshop on <b>Direct Taxes – Module V</b>	Details Inside						14
13	June 3,4 & 5, 2016 Friday to Sunday	Regional Residential Seminar at <b>Goa</b>	Details will be hosted in website <a href="http://www.belgaum-icai.org">www.belgaum-icai.org</a>						-
14	June 18 & 19, 2016 Saturday & Sunday	Two Day Residential Refresher Seminar at <b>Hampi</b>	Details Inside						12

**\*Delegate Fee: Pre-regn. will be considered upto immediate preceding day of the programme only.**

Online enrolment through <http://sircoficai.org/CPEcalendarnew.aspx?id=forth> is requested.

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](mailto:sirc@icai.in) sufficiently in advance.

**Members are requested to avoid SPOT Registration and Cash Payment.**

# Updates

## Direct Taxes

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- 1. Draft rules for granting relief or deduction for foreign tax paid:** The CBDT in its letter [ F.No.142/ 24/2015-TPL] dated 18.04.2016 took note of the suggestions of the Committee constituted for grant of Foreign Tax credit [FTC]. It has proposed the draft rules for grant of FTC credit. Some of the significant features are (i) a resident who has paid tax in a country or specified territory outside India can claim deduction in respect of tax paid outside India in the year in which the income corresponding to such tax has been offered to tax or assessed to tax in India; (ii) the foreign tax shall mean (a) in respect of a country or specified territory with which India has entered in to an agreement for avoidance of double taxation of income in terms of section 90 or 90A of the Act, the tax covered under the said agreement;(b) in respect of any other country or specified territory, the tax payable under the law in force in that country in the nature of income-tax referred to in clause(iv) of the Explanation to section 91; (iii) the credit for foreign tax shall be available against the amount of tax ,surcharge and cess payable under the Act but not in respect of any sum payable by way of interest, fee or penalty; (iv) no credit shall be available in respect of any amount of foreign tax which is disputed in any manner by the assessee; (v) the credit shall be the lower of the tax payable under the Act on such income and the foreign tax paid on such income and the credit shall be determined by conversion of the currency of payment of foreign tax at the telegraphic transfer buying rate on the date on which such tax has been paid or deducted; (vi) where tax is payable under section 115 JB or 115 JC of the Act, the foreign tax credit shall be allowed against such tax in the same manner as is allowable against any tax payable under the normal provisions of the Act; (vii) where the amount of foreign credit available against the tax payable under the provisions of section 115JB or 115 JC exceeds the amount of tax credit available against the normal provisions , then while computing tax credit under section 115JAA or section 115JD in respect of taxes paid under section 115 JB or 115 JC, as the case may be , such excess shall be ignored; and (ix) no foreign tax credit would be allowed unless the following documents are furnished: (a) certificate from the tax authority of a country or specified territory outside India specifying the nature of income and the amount of tax deducted therefrom or paid by the assessee. However, where the foreign tax is deducted at source, the assessee may furnish a certificate of tax deducted from the person responsible for deduction of such tax; (b) acknowledgment of online tax payment or bank counter foil or slip or challan for tax payment where the foreign tax has been paid by the assessee; and (iii) a declaration that the amount of foreign tax for which credit is claimed is not under any dispute. Comments and suggestions of stakeholders are invited by the CBDT.
- 2. Advisory for filing revised return by including interest incomes:** The CBDT in Press Release dated 23.03.2016 has advised individual taxpayers to view Form No 26AS which

contains interest income in respect of which tax was deducted at source and also payments for which no tax was deducted at source for the reason that declaration under section 197A was furnished to the payers by the payees. It cautioned that interest income unless exempt under section 10 will have to be admitted in the return of income furnished by the taxpayers. The CBDT has advised the taxpayers to file the return of income / revised return of income for assessment years 2014-15 and 2015-16 by including such income in the case of persons whose total income exceeds the maximum amount not chargeable to tax.

- 3. Online rectification of mistake under section 154:** The CBDT in its Press Release dated 01.04.2016 has stated that till 29.02.2016, CPC, Bengaluru has processed 6,53,763 online rectification requests in F.Y. 2015-16. The taxpayers can avail online rectification facility available on <http://incometaxindiaefiling.gov.in> . In respect of error in data entry of tax payment or TDS details, the tax payer can select "Rectification Request Type--taxpayer is correcting data for Tax Credit mismatch only" and in the case of error in any other schedule by selecting the option "Taxpayer is correcting Data in Rectification". In other cases, can select the option "No further Data Correction Required, Reprocess the case". ■

## Tamil Nadu VAT

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### Input Tax credit on the purchase of DEPB Licence

DEPB licences are goods within the meaning of Section 2 (21) of TNVAT Act, 2006. But, the mere fact that these licences constitute goods within the meaning of Section 2(21) of the said Act is not sufficient to make the petitioner entitled to input tax credit. It can be seen from the First Schedule that DEPB licences are not included in any of the parts namely Part A, Part B and Part C. Therefore, the goods in relation to which, the petitioner claims input tax credit namely DEPB licences, despite coming within the purview of the expression 'goods' under Section 2(21), do not constitute goods specified in the First Schedule. Hence, Section 19(1) has no application.

In **H. Anraj v. The State of Tamil Nadu** [1986 (1) SCC 414], the Supreme Court held that lottery tickets constituted "goods". After 10 years, another question arose before the Supreme Court in **Vikas Sales Corporation v. Commissioner of Commercial Taxes** [1996 (4) SCC 431] as to whether REP licence could be taken to be goods. The Supreme Court held that REP licences were goods.

But, in **Sunrise Associates v. Government of NCT of Delhi** [2006 (5) SCC 603], a Constitution Bench of the Supreme Court overruled the decision in H. Anraj and held that the sale of lottery ticket was not a sale of goods. When the Constitution Bench was considering the correctness of the decision in H. Anraj, with reference to the decision in Vikas Sales Corporation, an issue was raised by the State of Maharashtra as to whether DEPB licences could constitute goods attracting Sales Tax under the Bombay Sales Tax Act, 1959 or not. But, the Constitution Bench refused to go into the same.

Therefore, a question arose the Supreme Court in **Yasha Overseas v. Commissioner of Sales Tax** [2008 (17) VST 182 (SC)] as to whether the three-Judge Bench decision in Vikas Sales Corporation, [holding that the transfer/sale of an import licence called replenishment licence (REP licence) granted under the 1992-97 Exim Policy was

exigible to sales tax] stood impliedly overruled by the Constitution Bench decision in Sunrise Associates wherein it was held that lottery tickets were actionable claims and were, therefore, excluded from the definition of "goods" under the Sales Tax Act and concluded that DEPB licences constitute goods within the meaning of the Act.

DEPB licences do not even fall under any of the categories mentioned in Section 19(2) of TNVAT Act 2006. The case of the petitioner does not even fall under Sub-Section (3) or Sub-Section (4) of Section 19 - Despite the fact that DEPB licences are goods, they are certainly different and distinct from the goods that can be imported on the strength of those licences. In addition, the petitioner has used these DEPB licences, for the purpose of payment of import duty. Therefore, the benefit claimed now under the TNVAT Act appears to be a double benefit and held that the Department was right in denying the benefit of input tax credit on the purchase of DEPB licences. Stating so, the Court dismissed the revision petition of the Dealer.

**M/s Sha Kantilal Jayantilal Vs. The State of Tamil Nadu [MAD]  
Tax Case Revision No.63 of 2015 DATED 12/04/2016** ■

## Andhra Pradesh VAT

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### Advance Rulings

- D. Chinnappa - A.R.Com/21/2009 dt 22.3.16 (AO 12/2016) & Sai Rani Agencies - A.R.Com/22/2009 dt 22.3.16 (AO 13/2016) - authority cannot give rulings on CST matters.
- Sri Krishna Fashions - A.R.Com/ 68/2010 dt 24.3.16 (AO 14/2016) - the computer and its stationery is not building materials - eligible to claim the credit of VAT paid.
- G.K. Electronics - A.R.Com/42/2010 dt 18.3.16 (AO 15/2016) - sale of inverters is taxable @5% - Battery is not integral to the inverter - Battery is liable to tax @14.5%
- Manoharamma Hotel - A.R.Com/96/2009 dt 18.3.16 (AO 16/2016) - VAT 14.5% (w.e.f. 15.01.2010) on the taxable turnover of the sale or supply of goods or any other article for human consumption or drink served in restaurants, etc., falling under Section 4(9)(a)
- Consolidated Construction A.R.Com/4/2015 dt 26-3-16 (AO 17/2016) - : Undertaking Works to registered dealers in SEZ exempted. Main contractor Opted for composition - Sub-contractors exempted. The subcontractors are required to submit copy of agreement with main contractor, proof of application for compounding in Form 250
- Durha Constructions - A.R.Com/13/2010 dt 31.3.16 (AO 19/2016) - main-contractor had got the liabilities of its works compounded, the applicant sub-contractor is exempted - Late filing of VAT returns attract penalty @ Rs.2500 under Section 50 (1) of APVAT Act, 2005.
- B. S Innovative - A.R. Com/5/14 dt 29.3.16 (AO 20/2016) - (1) applicant is eligible for the refund of the excess paid amounts in the case no tax is added. Undue enrichment is against the public policy (2) deduct wages and salaries to arrive at the value of goods incorporated (3) adjust excess TDS amount towards CST liability
- Sri Sairam Prasad Agencies - A.R.Com/67/ dt 22.3.16 (AO 21/2016) - Advance Ruling given in A.R.Com/100/2008, dt 7.04.2010 that the Gulkhand attracts @12.5% till 15.1.2010 and @14.5% thereafter.
- Umesh Agencies - AR.Com/17/16 dt 7.4.16 (AO 22/2016) - Ganga brand milk is UHT milk, and hence exigible to tax @5% under entry 58 of Schedule-IV
- Vakkal Impex - AR Com/53/10 dt 26.3.16 (AO 23/2016) - moving taxable goods in goods vehicle, though accompanied by gate pass cum invoice, either inter-state sales or local sales or branch transfer they are required to accompany them by waybill in Form 600
- M.R. Services - A.R. 49/2009 dt 19.3.2016 (AO 24/2016) - tax adjustment on discounts given would come only when it is earlier declared as the liability in his returns. Payment of discount the farmers issue would come only when it is earlier collected from the farmers.

### Additional Commissioner Orders

Sirus Overseas - CCT's Ref.No.LV(2)/127E/2012 Dated: 31-3-2016 (ACO 33/2016) Revision of ADC orders by imposition of penalty for late payment of CST amount (arguable case exists whether Penalty provisions of VAT Act can be applied to CST tax payment)

### DC Orders

Sri Jayalakshmi Oil Mill - Rc.No. 46/2014/F1 & RR.No. 18/2014/F1 dt 28.3.16 (DC Order 164) - Penalty not imposed by AA - revision made - penalty imposed by revision orders - (penalty to be imposed within time limit specified and not later)

### Supreme Court

- ABB Ltd - AC 2989-3008/2016 dt 5.4.16 - Revenue appeal on usage of material procured in interstate or imports in works contract - HC exempted - goods were of specific quality and description for being used in the works contract awarded on turnkey basis to the assessee and there was no possibility of such goods being diverted by the assessee for any other purpose. Hence the law laid down in K.G. Khosla's case has rightly been applied to this case by the High Court.
- Eveready Industries - AC 4231/2006 dt 13.4.16 - once the conditions contained in the exemption notification are satisfied and the assessee gets covered by the exemption notification, for the purpose of giving benefit notification has to be construed liberally.

### Delhi High Court

- Hari Durga Travels - STA 62/14 dt 14.5.2015 - hiring of buses by Delhi Transport - not involving transfer of right to use and not liable for VAT (Delhi HC taken same decision - International Travel House - STA 10/2009 dt 8.9.2009).
- Tata Power Delhi Distribution STA 16/2008 dt 11.3.2016 2016-TIOL-559-HC-DEL-VAT - lease agreement entered into between RASL and DVB has occasioned the movement of goods from Maharashtra to Delhi. The said transaction is deemed to be an inter-state sale within the meaning of that expression in Section 3 (a) of the CST Act.

### Gujarat HC

Gandhi Oil Mill STA 2/1999 - 88 VST 108 - Tribunal considering evidence; found purchases to be genuine - revenue failed to rebut and amount involved small - Reference made by Tribunal dismissed. ■

## Telangana VAT

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### Memo issued

Memo No. 14949 dt 4.4.16 – Waiving demands for the period 1.4.2009 to 31.3.2015 in the absence of C forms over and above scheduled rate for CST transactions with C form subject to production of relevant document as proof.

### Advance Rulings

1. Century Plyboards - A.R.Com/12/2016 (AR 9/2016) - PVC sheets with thickness of about 15 mm and in white colour not falls in IV Schedule – taxable at 14.5%.
2. Southern Cylinders AR.Com/5/2016 dt 19.4.16 (AR 10/2016) - no application be entertained on the issues pending before any officer or authority or Appellate Tribunal or any Court.
3. Sony India – AR.Com/68/15 dt 19.4.16 (AR 11/2016) - “Game Software” dealt by the applicant is taxable @ 5%.
4. Ferrari Video - A.R.Com/37/2015 dt 19.4.16 (AR 12/2016) - LCD monitors, LCD displays / plasma displays purchased by the applicant from M/s L.G. Electronic India (P) Ltd are liable to tax @ 14.5%

### Commissioner's Circulars

CCT's Ref No. Enft/D2/172/2010 dt 13-4-16 – Mandatory usage of away bills for VAT and CST transactions – physical way bills given earlier are invalid.

### Commissioner's Orders

Lyophilisation Systems CCT's Ref.,No.L.III(2)/6/2016 dt 26.3.16 (CO 7/2016) commodities lyophilizer and heat exchanger have different functions and characteristics of work. Lyophilizer cannot be considered as heat exchanger. Hence, lyophilizer / and its parts are unclassified goods of Schedule V of the TVAT Act, 2005 and taxable @ 12.5% but not 4%.

### DC Orders

Powermech projects - RR.No. J1/14/ 2015-16 dt 7.4.16 TIN: 28130267328/April 2010 to February 2012(VAT)- works contract – taxing the goods purchased from outside State at regular rates instead of rate specified in composition – goods purchased from outside the state for works contract not taxable as per SC judgment in ABB Ltd – AC 2989-3008/2016 dt 5.4.16 (arguable case exists due to SC judgment).

### Joint Commissioner's Orders

IL & FS Transportation Networks - CCT's Ref. No. L.III(2)/ 11 /2016 dt 04-04-16 (JCO 36/2016) – TDS for laying roads (Works Contract) said as 2.5% of 70% of value of the contract.

### VAT Appellate Tribunal

1. Britannia Industries Limited 28 TTR 48 – basic form for a Rusk is bread, as per the standards prescribed by the India Standards Institute also, for the said reasons, the Tribunal held that the “SUJI RUSK” which is a bread made rusk is falling within the category of “Branded Bread” under Entry 158 of Schedule – IV (4/5%)
2. Hindustan Unilever Limited 28 TTR 53 – in restricting the Input Tax Credit division wise is not mandated by the law as held by the Hon'ble High Court in the case of the dealer (TREV No: 286/2009, Dt: 13-11-2014)

3. Hindustan Aeronautics Limited 28 TTR 55 - Materials, spare parts or any other goods used in the works contract and remain so even after the completion of the works contract. This is because both the appellant company and India Air Force are two arms of the same Government of India and there was, therefore no transfer of property in goods during the execution of works contract. ■

## Kerala VAT

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- NIZAMUDEEN Vs. Deputy Commissioner [924 KTR 16 / WP (C) 30537 of 2016]: - The issue was the rate of tax payable at compounded rates in respect of works for the Kerala State Construction Corporation Ltd., under a sub-contract. The Court held the Kerala State Construction Corporation Ltd., cannot be equated with the Government of Kerala for the purposes of the concessional rate of tax as an exemption provision in a fiscal statute has to be strictly construed against an assessee and when so construed, the concession envisaged cannot be extended to Government Companies.
- Sathish Kumar Purushothambhai Patel Vs. Commercial Tax Officer [89 VST 390 / WP(C).No. 1071 of 2016 (H)] :- Petitioner had contended that before granting an opportunity to revise the returns, the respondents were proceeding to complete the assessment on best judgment basis. The court held that “this was a case where the procedure contemplated under Sections 20 to 25 of the KVAT Act have not been followed seriatim by the assessing officer while completing the assessment in relation to the petitioner. Under Section 22 of the KVAT Act, where the assessing officer finds a return to be defective, then an opportunity is to be given to the dealer to file a fresh return curing the defects and only thereafter is the assessing officer expected to go ahead with a proposal for completion of assessment on best judgment basis, if the need arises. In the decision of this Court in Shamon v. State of Kerala and Others [2015 (5) KHC 318] this Court has clearly indicated the procedure that has to be followed by an Assessing Officer before resorting to an assessment on best judgment basis“. The Court went on to hold that “Since in the instant case, I do not find such an exercise having been done by the 1st respondent, I direct that, before proceeding further with Ext.P4 notice issued to the petitioner, the 1st respondent shall comply with the requirements of Sections 22, 23 and 24 as applicable by allowing the petitioner to revise the returns for various months in the assessment year in question“.
- It is directed by Commissioner of Commercial Taxes that tax rate wise summary of the stock held as on 31st March 2016 has to be furnished in the closing stock statement to be uploaded along with annual return. ■

## Karnataka VAT

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### KARNATAKA TAXATION LAWS (AMENDMENT ACT, 2016)

An act further to amend certain laws in force in the state of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter

1. This act may be called the Karnataka taxation laws (amendment) act 2016 & It shall come into force with effect from first day of April 2016
2. **Repeal of Karnataka act 22 of 1957-** the Karnataka agricultural income tax act 1957(Karnataka act 22 of 1957) is here by repealed
3. **Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958) – In Section 4 – G for the words “six per cent” the words “ten percent” shall be substituted.
4. **Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) in sub-section (3) of section 5 for the words “within thirty days of the receipt of the application” the words “within three days of the receipt of the application” shall be substituted.
5. **Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-
  - (1) In sub-section (1) of Section 3-E after the words “and the like,” the words, brackets and letters “other than facilities provide in a Intensive Care Unit (ICU)” shall be inserted;
  - (2) In sub-section (1) of Section 7-A after the words “charges for luxuries provided in a marriage hall”; the words “or charges for luxuries provided in a hospital or charges for luxuries provided in a club” shall be deemed to have been inserted from 1st day of April 2011.
6. **Amendment of Karnataka Act 27 of 1979,-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),- (1) in Section 13,-
  - (i) in sub-section (3),-
    - (a) in clause(a) for the words “tax and personality” the words “tax and other amount” shall be substituted;
    - (b) in first proviso, for the words and punctuation “stay payment of one half of tax,” the words and punctuation “stay payment of seventy percent of tax and other amount,” and for the words “makes payment of the other half of the tax” the words” makes payment of the balance thirty per cent of the tax and other amount “shall be substituted; and
    - (c) in second proviso for the words “payment of one half of the tax” the words “payment of thirty percent of tax and other amount “and for the words “other half of such tax or amount” the words “balance seventy percent of such tax and other amount “shall be substituted.
  - (ii) After sub-section (4), the following proviso shall be inserted, namely:-
 

“Provided that the commissioner may notify the website in which appeal shall be filed electronically.”
- (2) In section 14,-
  - (i) in sub-section (3) for the words “ one-half of tax or other amount” the words “ thirty per cent of the tax and other amount “ shall be substituted;
  - (ii) in first proviso to sub-section (4), for the words” stay payment of one half of tax or other amount” the words “stay payment of seventy percent of tax and other amount” and for the words “makes payment of the thirty per cent of the tax and other amount” shall be substituted; and

- (iii) in second proviso to sub-section (4) for the words “ one half of tax or other amount” the words “ seventy percent of tax and other amount” and for the words “tax or other amount “the words “ tax and other amount” shall be substituted. ■

## Banking and Insurance

Contributed by: **CA. P.S. Narasimhan**  
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Reserve Bank of India recently held a meet with Central Statutory Auditors of banks belonging to southern and western regions. Here is a gist of the discussions of what transpired for the benefit of the members.

In a veiled reference to provisions suggested under the Asset Quality Review undertaken by the regulator, it was explained that accounts were made NPAs not necessarily based on record of recovery but due to stipulations not having been met. Some of them were:

- DCCO- date of completion and date of commencement of commercial operations not spelt out;
- Differences in the records of members on these dates; commencement and completion not evidenced by any external authority/expert
- Host of stipulations like promoters contribution.MRA/ TRA,pledge of shareholding, fully secured clause etc .not having been met

The Regulator pointed out that additional finance being extended as rectification finance which was used for settling outstandings in violation of para 27.1.(a) of the Master Circular and which was followed by restructure, clearly pointed to the efforts by the financiers to avoid the NPA tag

The Regulator made it clear that in the case of SDR( Strategic Debt Restructure), authorization from borrower necessary. In the case of SDR, date of reference date would be the date when they decided on SDR. It was pointed out that the earlier time schedule under CDR has been compressed together as 210 days for the initiation and completion of SDR efforts. RBI made it abundantly clear that during the stand still period, Income recognition is based on record of recovery.. Also the date of commencement of commercial operations cannot be merely based on the declaration of the promoters but should be evidenced by an external agency possessing technical expertise.

The Regulator expressed the need for better reporting in LFA covering

- a) Asset Quality- detailing any unacceptable practices being adopted
- b) Frauds- being on the increase, regulator wanted the professionals to suggest ways and means to prevent them
- c) Retail Lending- This sector has witnessed accelerated growth –Regulator sought the views of the professionals on its pros and cons
- d) System of identifying NPA- Regulator wanted the professionals to comment on the efficacy of the system and suggestions from the professionals to improve the same
- e) Regulator wanted the professionals to be aware of the practice of LC/BG being kept outside mainstream and report their impact on asset classification



- f) RBI wanted the professionals to focus on the collaterals- their availability and valuation especially under stress
- g) The Regulator noted that Loan against property to be on the increase and wanted the professionals to note the end use verification of such loans especially from the angle of clearing NPA dues and its impact on security dilution.
- h) Monitoring came in for detailed discussion and wanted the professionals to review the compliance to stipulations angle.
- i) RBI wanted the auditors to assist the regulator by providing Early Warning Signals
- j) Professionals were also requested to comment on KYC and its implementation, the preparedness of the banks to meet IT Risks such as cyber attacks, on FEMA issues etc.,.

Analysing the causes for divergence, the regulator pointed out some of them:

- a) Drawing Power Modification diluting security, extending cover period
- b) Devolved LCs/LGs
- c) EPBG abuse
- d) Round tripping- here the need for Review group accounts was stressed
- e) Interchangeability at the time of stress
- f) DCCO- cosmetic with facts pointing otherwise
- g) Incomplete TEV study
- h) Project Loans-fall in DE ratio
- i) Loans extended for odd purposes essentially used to clear overdues--for example loan for meeting Maintenance CAPEX
- j) using SPVs for borrowals

Post Balance Sheet realization has been a major bugbear for the auditors. RBI indicated that they had no problem in taking into consideration realizations after 31 March but wanted the entire overdues to be met and not just the critical amount. ■

## FEMA

Contributed by: **CA. G. Murali Krishna**  
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### I. Grant of EDF Waiver for Export of Goods Free of Cost

RBI vide A.P. (DIR Series) Circular No. 53 dated March 03, 2016 has invited the attention of the AD Category-I, in terms of which Status Holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs 10 lakh or 2% of average annual export realization during preceding three licensing years, whichever is **higher**.

Government of India notified that the Status Holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs 10 lakh or 2% of average annual export realization during preceding three licensing years whichever is **lower**. AD Category – I banks may, therefore, consider requests from Status Holder exporters for grant of Export Declaration Form (EDF) waiver, for export of goods free of cost based on the revised norm.

### II. Diamond Dollar Account (DDA) – Reporting Mechanism

RBI vide A.P. (DIR Series) Circular No. 54 dated March 23, 2016 has invited the attention of the AD Category-I bank that they shall submit quarterly reports giving details of the name and address of the firm/company in whose name the Diamond Dollar Account is opened, along with the date of opening / closing the Diamond Dollar Account to Chief General Manager-in- Charge, Foreign Exchange Department, Reserve Bank of India, Trade Division, Amar Building, Mumbai – 400 001. Further, AD Banks are also required to submit fortnightly statements giving data on DDA balances maintained by them to the Reserve Bank at the abovementioned address.

### III. FDI into Insurance Sector – Amendment

The RBI has issued FEM (Transfer or Issue of Security by a Person Resident Outside India) (Fifth Amendment) Regulations, 2016, dated 30-03-2016 whereby the FDI cap is enhanced from 26% to 49% under automatic route. In this regard DIPP has issued Press Note No. 1 of 2016, dated 23rd March, 2016 and RBI has issued AP (DIR Series) Circular No. 58, dated 31st March, 2016

For further details please refer to the above documents

### IV. ECB Revised framework

The RBI has issued AP (DIR Series) Circular No. 56, dated 30th March, 2016 for revising the framework of ECB under automatic route and has liberalised various issues related to ECB to infrastructure sector, delegation of powers to AD etc.,

For further details please refer to the above documents

### V. FDI into E-Commerce Sector – Amendment

DIPP has issued Press Note No. 3 of 2016, dated 29th March, 2016 whereby for the first time has given more clarity about the E-Commerce Business and has segregated the Inventory Model and MarketPlace Model. With this amendment the E-Commerce business having Inventory model is equated with Multi Brand Retail Trade or Single Brand Retail Trade and relevant guidelines will be applicable. For further details please refer to the above documents

For further details please refer to the above documents ■

## Corporate Laws

Contributed by: **Dr. P.T. Giridharan**  
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### Highlights of the Companies (Amendment) Bill, 2016

#### (As introduced in the Lok Sabha)

- Simplification of the private placement process by doing away with separate offer letter, by making filing of details or records of applicants to be part of return of allotment only, and reducing number of filings to Registrar.
- Allow unrestricted object clause in the Memorandum of Association dispensing with detailed listing of objects, self-declarations to replace affidavits from subscribers to memorandum and first directors.
- Provisions relating to forward dealing and insider trading to be omitted from the Act.
- Requirement of approval of the Central Government for Managerial remuneration above prescribed limits to be replaced by approval through special resolution by shareholders.

- A company may give loans to entities in which directors are interested after passing special resolution and adhering to disclosure requirement.
- Remove restrictions on layers of subsidiaries and investment companies.
- Allow for exempting class of foreign companies from registering and compliance regime under the Act.
- Align prescription for companies to have Audit Committee and Nomination and Remuneration Committee with that of Independent Directors.
- Test of materiality to be introduced for pecuniary interest for testing independence of Independent Directors.
- Disclosures in the prospectus required under the Companies Act and the Securities and Exchange Board of India Act, 1992 and the regulations made thereunder to be aligned by omitting prescriptions in the Companies Act and allowing these prescriptions to be made by the Securities and Exchange Board of India in consultation with the Central Government.
- Provide for maintenance of register of significant beneficial owners by a company, and filing of returns in this regard to the Registrar.
- Removal of requirement for annual ratification of appointment or continuance of auditor.
- Amend provisions relating to Corporate Social Responsibility to bring greater clarity. ■

## SEBI

Contributed by: **CA. VMV. Subba Rao**  
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vmvsr@rediffmail.com

### SEBI directs issuer Cos. to disclose financial information in offer document in line with Ind-AS

#### CLARIFICATION REGARDING APPLICABILITY OF INDIAN ACCOUNTING STANDARDS TO DISCLOSURE IN OFFER DOCUMENTS UNDER SEBI (ICDR) REGULATIONS, 2009 PRESS RELEASE, DATED 11-3-2016

#### CIRCULAR NO. SEBI/HO/CFD/DIL/CIR/P/2016/47, DATED 31-3-2016

1. SEBI (ICDR) Regulations, 2009 require disclosure of financial information for each of the five financial years immediately preceding the filing of the offer document while following uniform accounting policies for each of the financial years.
2. Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 providing revised roadmap on implementation of Indian Accounting Standards ('Ind AS') which stipulates implementation of Ind AS in a phased manner beginning from accounting period 2016-17 ('MCA Roadmap').
3. Disclosure of financial information in offer documents in accordance with Ind AS:

To align the disclosure requirements for financial information in the offer document as specified under SEBI (ICDR) Regulations, 2009 with the requirements of Ind AS specified under MCA Roadmap, the disclosure of financial information in accordance with Ind AS in the offer document shall be in the following manner:

- a. For issuer companies to which Ind AS is applicable in Phase 1 of MCA Roadmap (beginning from FY 2016-17):

Period of filing of Offer Document	Latest financial year	Second latest financial year	Third financial year	Second earliest financial year	Earliest financial year
Upto March 31, 2017	Indian GAAP	Indian GAAP	Indian GAAP	Indian GAAP	Indian GAAP
Between April 1, 2017 and March 31, 2018	Ind AS	Ind AS	Ind AS*	Indian GAAP	Indian GAAP
Between April 1, 2018 and March 31, 2019	Ind AS	Ind AS	Ind AS	Indian GAAP	Indian GAAP
Between April 1, 2019 and March 31, 2020	Ind AS	Ind AS	Ind AS	Ind AS	Indian GAAP
On or after April 1, 2020	Ind AS	Ind AS	Ind AS	Ind AS	Ind AS

\* To be disclosed by making suitable restatement adjustments to the accounting heads from their values as on the date of transition following accounting policies consistent with that used at date of transition to Ind AS

Disclosures of interim period, if any, shall be made in line with the accounting policies followed for latest financial year.

- b. For issuer companies to which Ind AS is applicable in Phase 2 of MCA Roadmap (beginning from FY 2017-18), the above timelines w.r.t. filing of offer documents shall be followed with time lag of one year.
- c. The issuer company may, at its discretion, choose to present all the five year periods using the Ind AS framework instead of accounting standards otherwise applicable for such period(s).
- d. The issuer company shall clearly disclose the fact that the financial information has been disclosed in accordance with Ind AS while suitably explaining the difference between Ind AS and the previously applicable accounting standards, and the impact of transition to Ind AS. For this purpose, the issuer company shall ensure compliance with the requirements of para 22 of Ind AS 101 on First time adoption of Indian Accounting Standards. Further, the issuer company shall also provide transitional disclosures as envisaged in para 23 to 26 of Ind AS 101 in the annual financial statements and in para 32 of Ind AS 101 in the interim financial statements presented in the offer document.
- e. All the financial information disclosed in the offer document for any particular year shall be in accordance with consistent accounting policies (Ind AS or applicable accounting standards).
- f. All other requirements with respect to disclosure of financial information in the offer documents shall remain the same. Further, all the information disclosed in the offer document as per Ind AS shall be audited/reviewed in accordance with requirements of SEBI (ICDR) Regulations, 2009.
  4. Applicability: This circular is applicable for all the companies which are required to disclose the financial information in accordance with Ind AS as per MCA roadmap and whose offer document is filed with the Board on or after April 1, 2016.
  5. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
  6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Legal Framework". ■

## Central Excise and Service Tax

Contributed by: CA. G. Saravana Kumar  
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### UNION BUDGET UPDATES IN SERVICE TAX Amendments to take effect from 01.03.2016

- Exemption to construction, erection, commissioning or installation of original works pertaining to monorail or metro (under S. No 14 of the notification No. 25/12-ST) is being withdrawn, in respect of contracts entered into on or after 1st March 2016. (Sl. No(vi)A of notification No. 9/2016-ST, dated 1st March, 2016).
- Services by way of construction, erection, etc., of original works pertaining to low cost houses up to a carpet area of 60 sq.m per house in a housing project approved by the competent authority under the "Affordable housing in partnership" component of PMAY or any housing scheme of a State Government are being exempted from service tax - new entry at S. No. 14 (ca) of notification No. 25/2012-ST.
- Services provided by the Indian Institutes of Management (IIM) by way of 2 year full time Post Graduate Programme in Management (PGPM) (other than executive development programme), admissions to which are made through Common Admission Test conducted by IIMs, 5 year Integrated Programme in Management and Fellowship Programme in Management are being exempted from service tax. New entry at S. No. 9B of notification No. 25/2012-ST.
- Service tax is exempted on media with recorded information technology software falling under chapter 85 of First Schedule to the CETA, on which MRP is required to be printed as per Legal Metrology Act, 2009. Notification No. 11/2016-Central Excise dated 01.03.2016.

### Amendments to take effect from 01.04.2016

- Exemption available to senior advocate is withdrawn. Now tax is applicable when he renders services to other advocates, firm of advocates and other business entity is taxable. However exemption is available to senior advocate when he renders service to a person other than the business entity. Also Person represented on an arbitral tribunal to an arbitral tribunal is withdrawn. Not. 09/2016 - Dated 1-3-2016 w.e.f. 1st of April, 2016. Service tax assessee above a certain threshold will also be required to file an annual return.
- Exemption available to Transport of passengers with or without accompanied belongings by ropeway or cable car or aerial tramway is withdrawn. (Sl. No (ix) B of notification No. 9/2016-ST, dated 1st March, 2016).
- The liability to pay service tax on any service provided by Government or a local authority to business entities shall be on the service recipient. Consequently, notification No. 30/2012-ST is being amended so as to delete the words "by way of support services" appearing at Sl. No. 6 of the Table in the said notification with effect from 1st April, 2016. Further, 1st April, 2016 is being notified as the date from which the words "by way of support services" shall stand deleted from paragraph 1, clause A (iv), item (C) of notification No. 30/2012-ST.
- Quarterly payment of service tax is extended to One Person Company and HUF having aggregate value of taxable services provided is Rs. 50L or less in the previous financial year. Notification No. 19/2016-ST dated 01.03.2016. ■

## ICAI-ANNOUNCEMENT

### The Institute of Chartered Accountants of India ANNOUNCEMENT – RESPONDING TO TENDERS

4th April, 2016

The matter pertaining to responding to tenders issued by various users of professional services or organization in areas exclusively reserved for the members of the Institute was recently considered by the Council of the Institute. The Council on a consideration of the matter has decided that –

- a) In the exclusive areas of practice of Chartered Accountants, like audit and attestation services i.e. those areas where the assignments can be performed only by Chartered Accountants or where only Chartered Accountants have been invited for audit assignments, members should not respond to such tenders. In such cases, entities may avail the multipurpose empanelment data available with ICAI. However, wherever minimum fee of the assignment is prescribed in the tender document itself, members may participate in such tendering process.
- b) In those areas, where along with Chartered Accountants, other professionals can also apply for the tender, there is no restriction for the Chartered Accountants to respond to the tenders floated by authorities from time to time.

The Council has further decided that its aforesaid decision be suitably issued as a guidelines of the Council under clause [1] of Part II of the Second Schedule to the Chartered Accountants Act, 1949 and any member who contravenes any of the provisions of the above guidelines shall be liable for disciplinary action under Section 21 of the Chartered Accountants Act, 1949.

While the guidelines of the Council on the above matter is being issued separately under clause [1] of Part II of the Second Schedule to the Chartered Accountants Act, 1949, this Announcement is being issued for advance information of the members at large.

**[V. SAGAR]**  
Secretary

## ICAI - NOTIFICATION

[PUBLISHED IN PART III SECTION 4 OF THE GAZETTE OF INDIA,  
EXTRAORDINARY, DATED 7TH APRIL, 2016]

### The Institute of Chartered Accountants of India NOTIFICATION

7th April, 2016

Guideline No. 1-CA[?]/03/2016 – In exercise of the powers conferred on it under Item [1] of Part II of the Second Schedule of the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby issue the following guidelines for compliance by the members of the Institute –

- (i) A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants.
- (ii) This Guideline shall come into force with immediate effect.

**[V. Sagar]**  
Secretary



## TWO DAYS RESIDENTIAL REFRESHER COURSE AT HAMPI

Organised by SIRC of ICAI  
Jointly with Bellary and Bangalore Branches of SIRC of ICAI

CPE Credit  
**12**  
HRS

Venue : Royal Orchid Central, Kireeti, Station Road Hospet, Hampi

Date: June 18 & 19, 2016

### Day 1 – June 18, 2016

Topics	Resource Persons
Inauguration & I Technical Session: Assessment of Trusts	CA. E. Phalguna Kumar, Chairman, SIRC of ICAI
II Technical Session: ICDS	CA. K. Gururaj Acharya, Bangalore
III Technical Session: Acceptance and Repayment of Loans / Deposits – u/s 269SS & 269T	CA. G.S. Prashanth, Bangalore

### Sightseeing

### Day 2 – June 19, 2016

Topics	Resource Persons
IV Technical Session: Tax Audit u/s 44AB of Income Tax Act 1961	CA. G. Naveen Khariwal, Bangalore
V Technical Session: Capital Gains	CA. Rajesh Bhagrecha, Bellary

### Sight Seeing, Valedictory & Checkout by 8.30 pm

**DELEGATE FEE** (On Twin Sharing Basis):  
Members (Residential): Rs.5500/-  
(Early Bird before 31/05/2016 - Rs. 5,000)  
Members (Non-Residential): Rs.2500/-  
Spouse / Children (Above 8 years) : Rs.5000/-

**Registration on First come First Served Basis  
For Registrations, please contact**  
Telephone: 080 30563500, 30563541, 30563543  
e-mail: blrregistrations@icai.org  
Website: www.bangaloreicai.org

### Mode of Payment


Bank A/c. details for online deposit of Delegate fee  
in favour of "Bellary Branch of SIRC of ICAI"  
Axis Bank Ltd, Bellary Branch  
Current A/c. No.: 911020012579720, IFSC: UTIB0000267

Delegate fee by way of Cheque / DD drawn in favour of  
"Bangalore Branch of SIRC of ICAI" payable at Bangalore shall be sent to  
Bangalore Branch of SIRC of ICAI, ICAI Bhawan,  
16/0, Millers Tank Bed Area, Bengaluru - 560052.

<b>CA. Phalguna Kumar E</b> Chairman, SIRC of ICAI 94418 86303	<b>CA. Jomon K George</b> Secretary, SIRC of ICAI 98470 31343	<b>CA. Pannaraj S</b> Course Director 94490 73398	<b>CA. Siddarameshwara Gowda</b> Chairman, Bellary Branch of SIRC of ICAI, 98405 69117	<b>CA. Pampanna B.E.</b> Chairman, Bangalore Branch of SIRC of ICAI, 99867 52428
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## ADDRESS REDRESS

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### ANNOUNCEMENT – GMCS BATCHES

The Next GMCS – I batch commences on Thursday, the 12th May, 2016 at SIRC, Chennai. For Registration, please logon to [http://www.icaionlineregistration.org/Admn\\_Module/login.aspx](http://www.icaionlineregistration.org/Admn_Module/login.aspx). Fees can be remitted by way of DD only in favour of 'SIRC of ICAI' payable at Chennai.

### NEW ARRIVALS AT SIRC PUBLICATION COUNTER

S.No	NAME OF THE PUBLICATION	RATE Rs.	POSTAGE Rs.
1	THE CHARTERED ACCOUNTANT JOURNAL DVD From July 1952 to June 2015 (Vol 1 to 63)	150	30
2	ICAI CALENDER 2016	60	30
3	GUIDANCE NOTE ON AUDIT OF BANKS	750	70

Institutes Sale Counter at Chennai is open from 10.00 a.m. To 05.30 p.m. (Except Lunch hour 01.00 p.m. To 01.45 p.m.). If required by Post, please send Demand Draft / at par Cheque favouring "The Secretary, ICAI" payable at Chennai.

### DISCLAIMER

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

## ADVERTISE IN SIRC NEWSLETTER TO REACH 47,000 CHARTERED ACCOUNTANTS WITH TOTAL READERSHIP POTENTIAL OF 1,50,000

The Southern India Regional Council of the Institute of Chartered Accountants of India is bringing out the Newsletter monthly which is sent to more than 47,000 Chartered Accountants in Southern Region comprising of States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telangana and Pondicherry, besides other readers like government senior functionaries, public servants, etc. SIRC invites advertisements for publication in the Newsletter.

### Tariff (per insertion) w.e.f. September 2013

Full Page	Four Colours Back Cover	[185 mm (w) x 235 mm (h)]	₹ 90,000/-
Full Page	Four Colours Inside Cover/Pages	[185 mm (w) x 260 mm (h)]	₹ 60,000/-
Full Page	Single Colour	[172 mm (w) x 240 mm (h)]	₹ 45,000/-
Half Page	Single Colour (Horizontal)	[172 mm (w) x 118 mm (h)]	₹ 25,000/-
Half Page	Single Colour (Vertical)	[ 85 mm (w) x 240 mm (h)]	₹ 25,000/-
Classified	Single Colour (5 Lines)	[ 85 mm (w) x 30 mm (h)]	₹ 5,000/-

The hard copy of the advertisement matter along with soft copy in a CD can be handed over in person (or) could be sent by email to [sirc@icai.in](mailto:sirc@icai.in); [sircnewsltr@icai.in](mailto:sircnewsltr@icai.in) for publication along with the payment to reach the SIRC Office latest by **20<sup>th</sup> of preceding month** of publication. The remittance may be made by way of At Par Cheque / Demand Draft in favour of "SIRC of ICAI" payable at Chennai

### Discount on Tariff

For continuous 3 months commitment with two advance payments	5%
For continuous 6 months commitment with two advance payments	10%
For continuous 12 months commitment with two advance payments	15%

### For further details please contact

**Dr. T. Paramasivan**, Joint Director (Tech.)

### Southern India Regional Council of the Institute of Chartered Accountants of India

'ICAI Bhawan', 122, Mahatma Gandhi Road Nungambakkam Chennai - 600 034	Telephone : 044-30210362 / 321 Fax : 044-3021 0355 E-mail : <a href="mailto:sircnewsltr@icai.in">sircnewsltr@icai.in</a> / <a href="mailto:sirc@icai.in">sirc@icai.in</a> Website : <a href="http://www.sircoficai.org">www.sircoficai.org</a>
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### MEMBERSHIP AND CERTIFICATE OF PRACTICE FEE FOR THE YEAR 2016-2017

Annual Membership Fee and Certificate of Practice Fee for the year 2016-2017 is payable on 1<sup>st</sup> April 2016 and the last date for paying the same is 30<sup>th</sup> September 2016. The schedule of fee is as under:

For Members	Below 60 Years	Above 60 Years
Associate Membership Fee:	₹ 800	₹ 600
Fellow Membership Fee:	₹ 2200	₹ 1600
Certificate of Practice Fee:	₹ 2000	₹ 1500

Individual circulars are being mailed to members giving details of scale of fee and also the manner of remittance of the fee. The fee can, therefore, be remitted to the concerned Decentralised Office of the Institute.

It may be noted that remittance of fee has to be made by local cheque [in case of Members who are residing in the cities in which respective Decentralised Office is situated] or by way of demand draft in favour of 'Secretary, The Institute of Chartered Accountants of India', payable at the place where the concerned Decentralised Office is located. No remittance should be made directly to the Head Office or to a different Decentralised Office.

Members can also pay fee in advance in accordance with details given in the communication being mailed to the members.

Members are advised to remit the fee by 30<sup>th</sup> September 2016. For more details visit our website [www.icai.org](http://www.icai.org).

### WORK DISPOSAL POSITION

The position of disposal of various matters relating to Members and Students of Regional Office, Chennai as on 26.04.2016 is as under:

Particulars	Disposal Position
<b>Members</b>	
Enrolment of Members	21-04-2016
Fellow Admission	18-04-2016
Grant of COP	21-04-2016
Restoration of Name	18-04-2016
Constitution of Firms	21-04-2016
Reconstitution of Firms	21-04-2016
Paid Assistant	21-04-2016
Change of Address – Members	21-04-2016
Change of Address – Firms	21-04-2016
<b>Students</b>	
Registration of Articles	10-04-2016
Re-registration of Articles	18-04-2016
Industrial Training	19-04-2016
Termination of Articles	18-04-2016
Completion of Articles	19-04-2016
Permission to pursue Other Courses	19-04-2016
Despatch of Materials – CPT	24-04-2016
Despatch of Materials – IPCC	08-04-2016
Despatch of Materials – ATC	08-04-2016
Despatch of Materials – Final	18-04-2016
Despatch of Materials – ITT	08-04-2016

### COACHING CLASSES AT SIRC CHENNAI for IPCC & FINAL Students appearing for November 2016 Examinations

The SIRC intend to commence the next batch of Coaching Classes for IPCC & FINAL Students appearing for November, 2016 Examinations on MAY 25, 2016. For confirmation about the commencement and details, please see SIRC website [www.sircoficai.org](http://www.sircoficai.org) under the link Home>Student. You may directly view the details at URL: <http://www.sircoficai.org/ipcc-pcc.aspx> for IPCC classes and <http://www.sircoficai.org/final.aspx> for Final Classes.

## INTENSIVE WORKSHOP ON DIRECT TAXES- SEC.2 – SEC.298

Dates		Timings	Venue
May 5, 2016 – June 12, 2016 (Only on Thursday, Friday, Saturday & Sunday)		Thursday & Friday : 4.00 p.m. - 8.00 p.m. Saturdays : 10.00 a.m. - 5.00 p.m. Sunday : 10.00 a.m. - 5.00 p.m.	P Brahmayya Memorial Hall, 'ICAI Bhawan' No.122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034
Module	Date	Topics	
First	05-05-2016	Basic Concepts, Residential status, etc., and Exemptions (Except Sec 9)	
	06-05-2016	Charitable trust	
	07-05-2016	Salaries - Flexi pay Vs Variable pay - Practical issues Income from House Property & Income from Other sources	
Second	12-05-2016	Profits and Gains from Business / Profession - Deductions	
	13-05-2016	Profits and Gains from Business / Profession - Disallowances	
	14-05-2016	Capital Gains - Sec 45 to 50 C Capital Gains - Exemptions ( including 10 (37) & 10 (38) )	
Third	19-05-2016	Clubbing of Income and Aggregation of Income	
	20-05-2016	Set off and Carry forward of losses & Chapter VIA Deductions	
	21-05-2016	Business restructuring – Mergers & Demergers. Part IX conversions, etc.,	
Fourth	26-05-2016	Corporate taxation ( MAT, DDT etc.)	
	27-05-2016	Firms, AOP and HUF	
	28-05-2016	Returns, Asst. Rectification and Revision ( Except Sec 147)	
Fifth	02-06-2016	Income Escaping Assessment	
	03-06-2016	TDS & TCS ( Except 195)	
	04-06-2016	Appeals ( including Mock tribunal) Search and Seizure, Penalty and Miscellaneous provisions	
Sixth	09-06-2016	Sec 9 and Sec 195	
	10-06-2016	Double taxation relief and Unilateral relief	
	11-06-2016	Non Resident taxation – Chapter XII and XIIA and AAR ; Transfer pricing	
	12-06-2016	Brain trust - Eminent Panel will deal with member's questions (Question must be sent in advance and the panel will select the questions).	

### DELEGATE FEE:

CPE Credit	
Thursdays & Fridays :	4 Hours / Day
Saturday & Sunday :	6 Hours / Day

	Participation	Members	Non-Members
One Module		Rs. 2,000/-	Rs. 3,000/-
All Modules		Rs. 10,000/-	Rs. 15,000/-

Further Details & Online Registration at [www.sircoficai.org](http://www.sircoficai.org)

CA. E. Phalguna Kumar  
Chairman, SIRC

CA. T.G. Suresh  
Workshop Co-ordinator

CA. Jomon K George  
Secretary, SIRC

### OBITUARY

S.No.	MRN	Name	Status	Place	Date of Death
1	002258	Mr. Swaminathan Krishnamurti	FCA	Chennai	1/26/2016
2	002602	Mr. Mahalingam Mahadeva	FCA	Kumbakonam	10/16/2015
3	003021	Mr. Basavapurnaiah Chalasani	FCA	Bengaluru	7/20/2015
4	003181	Mr. Padmanabhan V	FCA	Bengaluru	12/15/2015
5	003247	Mr. Subrahmanyam E V	FCA	Chennai	12/17/2015
6	003348	Mr. Murlidhar T	FCA	Hyderabad	12/9/2015
7	005780	Mr. Chenoy N N	FCA	Hyderabad	11/21/2015
8	005974	Mr. Panduranga Rama M R	ACA	Mangaluru	2/10/2016
9	007152	Mr. Satyanarayana Rao R S R	FCA	Chennai	1/27/2016

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



Group Photograph taken on the occasion of Regional Residential Seminar held at Yercaud

Orientation and Inaugural session for students of SIRC - CPT Classes commenced on April 6, 2016.



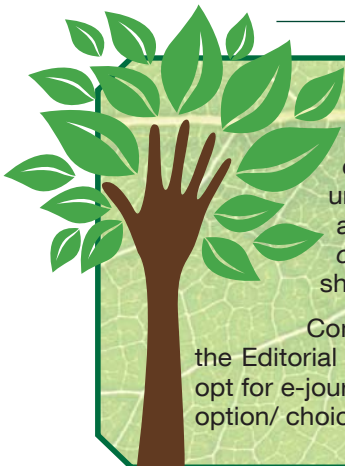
Senior Accounts Faculty CA. S. S. Prathap addressing the students.

### Opt for e-Journal and Go Green

Receding green space of the earth is a serious environmental issue today. As responsible community, we need to address this concern—and sooner the better. Let us not underestimate the power of a group of thoughtful and committed professionals. British architect Richard Rogers says: *The only way forward if we are going to improve the quality of the environment is to get everybody involved.* We need to leave the earth in a better shape to our generation next. Let us correct our ways and save paper to save trees.

Considering trees as symbols of hope and in accordance with the ICAI's *Go Green initiative*, the Editorial Board has decided to collect an opinion from ICAI members regarding their choice to opt for e-journal/linked Journal Highlights instead of a hard copy of Journal. Readers may send their option/ choice at [board@icai.in](mailto:board@icai.in) or they may contact +91-120-3034955 for any clarification.

— Editor



### Glimpses of Orientation Programme for Managing Committee Members of Branches of SIRC - April 25 & 26, 2016 at Tirupati



Shri Chadalawada Krishnamurthy, Chairman Tirumala Tirupati Devasthanam Trust Board inaugurating the Orientation Program in the presence of ICAI President CA. M. Devaraja Reddy, ICAI Vice-President CA. Nilesh Shivji Vikamsey, Chairman SIRC CA. E. Phalguna Kumar, Office bearers of SIRC and Central Council Members.



Shri Chadalawada Krishnamurthy, Chairman TTD Trust Board is being presented with a Memento by ICAI President CA. M. Devaraja Reddy, Vice-President CA. Nilesh Shivji Vikamsey and Chairman SIRC CA. E. Phalguna Kumar are also seen.

### Inauguration of "ADDRESS to REDRESS"



President ICAI CA. M. Devaraja Reddy inaugurating "ADDRESS to REDRESS" an initiative of SIRC of ICAI towards Members and Students Services.