

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



ERODE BRANCH - SIRC NEWSLETTER



September 2011 VOLUME : 10 ISSUE : 7



**Shri P.S. Chellaphan IRS, CCIT, Cbe.
Address on Cricket Tournament day**



**Shri P.S. Chellaphan IRS, CCIT, Cbe.
Shri A. Vasanthakumar IRS, CIT - II, Cbe. &
Shri M. Chandramohan IRS, Addl. CIT, Cbe.
Grace the Function of Cricket Match**



**CA. V. Murali, Chairman Board of Studies
CA course Awareness Programme @
Kongu Kalai Arangam, Erode.**



**CA. G. Ramaswamy
Hon'ble President, ICAI**



**CA. Jaydeep Narendra Shah
Hon'ble Vice- President, ICAI**

**Foundation Stone Laying Ceremony and
Felicitation Function to be held on
2nd September 2011**

Chairman
CA. C.P. Suresh Kumar
98427 42333

Secretary
CA. N. Thangavel
94433 79070

Lead Person for Newsletter
CA. P.S. Rajaram
94434 36551

From Chairman's Desk
Activity Report
Joke
NRI Provisions Under FEMA
Income Tax - Export Benefits
IT - Penalty u/s 271

Contents

2	Management Story	8
3	Important legal	
4	obligations for the month of September 2011	9
5	Birthday, Wedding day Wishes & Photos	10
6	Photo Gallery	11-12
7		



*From the Chairman's Desk.....
Esteemed Members,*

Beloved Members,

This month begins with Vinayaka Chaturthy. As it has been said that for every new endeavor one should pray to Lord Vinayaka, so that all the obstacles will be vanished. Yes, followed with Vinayaka Chaturthy prayers, we are

laying foundation stone for the new building on the 2nd of September 2011 and that too by our Honorable President Shri CA G. Ramasamy. and Vice President Shri CA. Jaydeep Narendra Shah

We take this opportunity to thank them for giving us the time despite their busy schedule. I request all the member to participate.

Other events of the month are put separately in the journal

Ramadhan:

May this Ramadhan be as bright as ever, may this Ramadan bring joy, health and wealth to All.

ACTIVITIES OF THE PREVIOUS MONTH:

a) INDEPENDENCE DAY:

"Some like Sunday, some like Saturday Some like Monday, but I like one day and that day is OUR INDEPENDENCE DAY " This day is celebrated by the people of 31 States having 1618 languages, 6400 castes, 6 religion, 6 ethnic groups, 29 major festivals and it is our Country and **BE PROUD TO BE AN INDIAN.** As you all aware the Independence day was celebrated at our Branch and it had a good gathering of our members.

b) CRICKET TOURNAMENT:

Sports and Games is for spreading friendship, cheer for the players to ease their stress by diverting attention. It is equally good for the viewers. It gives good qualities. It makes unity, brotherhood and everything. It helps in relationship building. With this view cricket tournament was arranged between members and Income Tax Officials. It had the participation of top Income tax Officials:

The tournament was inaugurated by Shri. Chellapan IRS, Chief Commissioner of Income tax, Coimbatore despite his busy schedule, which itself was a great honor to Erode Branch. Further the presence of Shri A. Vasanthakumar IRS, Commissioner of Income Tax II, Coimbatore, Shri. Chandramohan IRS, Additional Commissioner of Income Tax, Shri. Siddharamappa IRS, Deputy Director of Investigation, Shri. Vimalraj IRS, ACIT, Erode, added further colours. Shri Sanjay Gandhi Nataraj AC(IT), Erode remarked that he was happy that Erode Branch of SIRC as a part of Silver Jubilee celebrations arranged for cricket tournament and he further wished that this arrangement would be a great success. IT

department won the match by 100 runs and ACIT Shri Vimalraj IRS was declared man of the match. Both the players and the viewers enjoyed the match. At the outset, we thank the Income Tax Department Officials for sparing their time and participating in the tournament and honoring the Erode Branch.

c) CA course Awareness Programme:

CA course awareness Programme was organised by our Branch at Kongu Kalaiaramangam, Erode, on 1st August 2011. The resource persons being our Honorable Chairman of SIRC CA.K. Shanmukhasundaram and ever smiling and charming personality CA.V. Murali, Chairman Board of Studies and Central Council Member. The response from the students were overwhelming. The entire hall was packed with around 1000 students. The representations were from 19 schools. We hope more students would join the course.

Another CA Course Awareness Programme was conducted at KSR College of Educational Institution at Tiruchengode on 25.08.2011. SIRC Member on CA. Gopal Krishna Raju has addressed the student gathering and enlightened them about CA Course and motivated the students about their growth through CA Course. The Heads of KSR Educational Institutional complimented and appreciated the services rendered by Erode Branch of SIRC.

d) CPE PROGRAMMES:

During this month our Erode Branch has organised various seminars and workshops for the benefit of the members. We are sure that these seminars and workshops have certainly benefited the members and students on respective topics.

Due date for the completion of the Tax audits and filling of the IT returns for the corporate and other assessors are nearing and I hope members would use the knowledge gained from the various seminars organized by the Branch for effective discharge of their attest function..

BRANCH WEBSITE:

Our website is now fully operational and updated regularly. I earnestly request the members to view the website regularly at-least once in a day. This will help you keep updated with the branch activities.. We look forward for the feedback/suggestion to improve the website.

E-LIBRARY:

The E-Library would help the members and also students to know about:

Judgments /tribunal decisions (journal wise/party wise), case law analysis, SLP, IT act & rules, IT procedures, IT rules guide, Accountancy standards, Queries and replies, statutes, articles, Commentary on income tax, Double taxation Avoidance agreement, direct tax code draft., Etc.

It is a think tank and information can be dug from it. I request the members to use this facility and get enriched.

With Warm Regards
CA. C.P. SURESH KUMAR
Chairman

FORTHCOMING PROGRAMME FOR THE MONTH OF SEPTEMBER 2011

Date & Time	Programme	Resource Person	CPE Credit
02.09.2011 (Fri) 09.00 am to 10.00 am	Foundation Stone Laying Ceremony	CA. G. Ramaswamy Hon'ble President, ICAI and CA. Jaydeep Narendra Shah Hon'ble Vice- President, ICAI	
02.09.2011 (Fri) 10.00 am to 12.00 Noon	Felicitation Function to CA. G. Ramaswamy Hon'ble President, ICAI	Shri. DR.L.M .RAMAKRISHNAN , BVB, Erode. Shri. P.C. DURAISAMY MD, Sakthi Masala, Erode Shri. C.DEVARAJAN JMD, URC Constructions, Erode	
09.09.2011 (Fri) 11.00 am to 1.00 pm	Tax Audit under Section 44AB & 44AD	CA. Sanjay Agarwal , Central Council Member CA. Siddarth Jain , New Delhi.	2 Hrs
10.09.2011 (Sat) 5.30 pm to 8.45 pm	Practical Issues & case laws under Tax Audit	CA. Nadanagopal , Madurai	3 Hrs
16.9.2011 (Fri) 11.00 am to 1.00pm	Revised Schedule VI	CA. B. Ganesh , Hyderabad	2 Hrs
17.9.2011 (Sat) 10.00 am to 5.00 pm	Workshop on Social Network Essentials	Mr. S. Sathishkumar , M.Sc.,(IT) Erode	6 Hrs
24.9.2011 (Sat) 10.00 am to 5.00 pm	Legal aspects of information Technology	Mr. S. Sathishkumar , M.Sc.,(IT) Erode	6 Hrs

ACTIVITY REPORT FOR THE MONTH OF AUGUST 2011

Date & Time	Programme	Resource Person	CPE Credit
01.08.2011 (Mon) 10.00 am to 1.00 pm	CA Course Awareness Programme - Kongu Kalaiarangam	CA. K.Shanmukhasundaram Chairman, SIRC of ICAI & Ex - Officio Member - Erode Branch CA. V.Murali Chairman, Board of Studies, Central Council Member - ICAI	2 Hrs
06.08.2011 (Sat) 6.30 pm	CPE Study Circle Meeting Information Systems security controls	Mr. S. Sathishkumar , M.Sc.,(IT) Erode	2 Hrs
13.08.2011 (Sat) 9.00 am	Cricket Match between IT officials with Members, Erode	Chief Commissioner , Commissioner of Income Tax Joint Commissioner & Asst. Commissioner	-----
15.08.2011 (Mon) 8.00 am	Independence Day Flag Hoisting	-----	-----
19 th & 20.08.2011	SIRC Conference at Coimbatore	-----	12 Hrs
25.08.2011 (Thu) 10.00 am to 1.00 pm	CA Course Awareness Programme - KSR Collage	CA. Gopal Krishna Raju SIRC Member, Chennai.	-----
27.08.2011 (Sat) 5.30 pm to 8.45 pm	Workshop on Social Network Essentials	Mr. S. Sathishkumar , M.Sc.,(IT) Erode	6 Hrs
29.08.2011 (Mon) 11.00 am	CPE Teleconference "Internal Audit"	CA. Rajkumar Adukia Central Council Member CA. Sanjeev sood	2 Hrs

FUNNY ACCOUNTANT JOKE

WHAT DO ACCOUNTANTS SUFFER FROM THAT ORDINARY PEOPLE DON'T?

ANS : DEPRECIATION

HOW DO YOU KNOW ACCOUNTANTS HAVE NO IMAGINATION?

ANS : THEY NAMED THE FIRM PRICE WATERHOUSE COOPERS

WHAT DO YOU CALL AN ACCOUNTANT WITHOUT A SPREADSHEET?

ANS : LOSS

WHAT IS A BUDGET ?

ANS : AN ORDERLY SYSTEM FOR LIVING BEYOND MEANS.

A BUSINESS MAN WAS INTERVIEWING APPLICANTS FOR THE POSITION OF DIVISIONAL MANAGER. HE DEvised A SIMPLE TEST TO SELECT THE CANDIDATE. HE ASKED THE APPLICANT "WHAT IS TWO AND TWO?"

THE FIRST INTERVIEWEE WAS A JOURNALIST, HIS ANSWER WAS TWENTY-TWO

THE SECOND WAS A SOCIAL WORKER HIS ANSWER WAS: I DO NOT KNOW THE ANSWER I DONT NOT KNOW THE ANSWER AND WE HAD NO TIME TO DISCUSS THIS QUESTION.

THE THIRD WAS AN ENGINEER HIS ANSWER WAS THAT IT SHOULD BE BETWEEN 3.999 AND 4.001.

THE NEXT WAS A LAWYER HIS ANSWER WAS TWO AND TWO WAS PROVEN TO BE FOUR.

THE LAST WAS AN ACCOUNTANT WHEN THE QUESTION WAS ASKED, HE WENT UPTO THE DOOR AND CLOSED IT CAME BACK AND SAT DOWN AND LEANED ACROSS THE DESK AND SAID IN A LOW VOICE "**HOW MUCH DO YOU WANT IT TO BE**" THE BUSINESS MAN SAID THE JOB IS FOR YOU.

1. I am thinking of becoming a doctor because i have the handwriting for it.
2. What do u use for washing the dishes? oh, I tried many things but found my husband is best.
3. They call our language as the mother tongue because the father seldom speaks.
4. Punishment to the Guilty, ten days or twenty dollars?? Guilty side, " I will take the twenty dollars", judge.

NRI Provisions under FEMA

CA. R. MURALIDHARAN, Erode

to be Continued.....

Deposits from NRI for a Proprietorship Concern / Firm in India	Only on non repatriation basis
Deposits from NRI for a Company in India	Only on Non repatriation basis
Capital Contribution by a NRI in a Firm in India	a. Firm should not be engaged in Agricultural / Plantation / Real Estate b. Non repatriable
Capital Contribution by a NRI in a Proprietorship Concern	a. Proprietary Concern should not be engaged in Agricultural / Plantation / Real Estate b. Non repatriable
Purchase and Sale of Securities other than Shares / Debentures by Non-residents	On repatriation basis the following can be purchased a. Government dated securities b. Bonds issued by PSU c. Shares in Public Sector Enterprises On Non repatriation basis a. Government dated securities b. Treasury Bills c. Units of domestic Mutual Funds / MMMF d. National Plan / Savings Certificates Sale proceeds may be credited to NRO account for non repatriable cases. NRE account for repatriable cases.
Transfer of Shares / Convertible Debentures by NRI	a. Sale or gift can be made to another NRI b. Sale can be made through recognised stock exchange
Purchase of Shares / Convertible Debentures by NRI	a. Can be done under portfolio investment scheme b. It can be both on repatriable and non repatriable basis
Transfer of Shares by Resident Indian to a NRI by way of Gift	Prior permission of RBI is needed.



Transfer of shares from Resident to Non Resident	<p>The restrictions are</p> <ol style="list-style-type: none"> Financial services sector not permitted It should be covered under automatic route Should not attract the provisions of SEBI Regulations. Should fall within sectoral cap Pricing guidelines should be adhered to
NRI's investment in Shares / convertible Debentures on Non repatriable basis	Upto 100% of paid up capital of the companies in all sectors on non repatriation basis except Agriculture / plantation, Real Estate, Chit Fund and Nidhi Companies engaged in print Media Sector.

Income Tax - Comparative statement on present Export Benefits

Following are comparative statements for sections 10A, 10AA, 10B, 10BA of the Act to have a quick reference:

Particulars	Section 10A	Section 10AA	Section 10B	Section 10BA
Business in	Unit in SEZ	New Unit in SEZ	Exemption to EOU	Hand made Wooden Article
Period of Deduction	10 years (100%)	10 years (Conditions to be seen)	10 years (100%)	Conditions to be seen
Deduction from	From the year of Manufacture	From the year of Manufacture	From the year of Manufacture	Conditions to be seen
Audit	Compulsory	Compulsory	Compulsory	Compulsory
Audit Report	In Form 56F	In Form 56FF	In Form 56G	In Form 56H
Amount of Deduction	Profit*Export T/O Total Turnover	Profit*Export T/O Total Turnover	Profit*Export T/O Total Turnover	Profit*Export T/O Total Turnover
Deduction Available	Till A.Y. 2012-13	From A.Y. 2006-07	Till A.Y. 2012-13	Conditions to be seen
Change of ownership	Benefit not lost	Conditions to be seen	Benefit not lost	Benefit not lost
Power of AO	Can re-compute Profits eligible for deduction	Can re-compute Profits eligible for deduction	Can re-compute Profits eligible for deduction	Can re-compute Profits eligible for deduction

Income Tax - Levy of Penalty under Sec.271

The Assessing Officer can indulge in Penalty proceedings subject to the following.

Particulars	Conditions
Initiation of Penalty	Before completion of Assessment
Amount of which penalty leviable	On the addition made by him in the Assessment or Reassessment
Cannot levy Penalty	On the addition made by CIT (Appeal) or CIT under Sec.263
No Penalty for	Increased by ITAT Addition made on Question of Law
Time limit for levy of penalty when no appeal has been filed.	End of Financial Year in which Assessments are completed or 6 months from the end of the month in which penalty proceedings are initiated whichever is later.
Time limit for levy of penalty when Appeal has been filed to CIT (A)/ITAT	End of Financial Year in which Assessments are completed or order passed by CIT (A) 1 year from the end of the month in which the order of CIT (A) is received by the CCIT or CIT whichever is later.
Time limit for levy of penalty when revision application by Assesses under Sec.264	Six months from the end of the month in which revision order under Sec.264 is passed.

Income Tax - Assessment reopened under Sec.147

Under Sec.152(2), the Assessee can claim that Assessment reopened under Sec.147 can be dropped on his showing that

- a. He had been assessed on an amount which is not lower than what he would be rightly liable for even if the income alleged to have escaped assessment had been taken into account.
- b. He has gone on appeal reference or revision against any part of original Assessment Order.

Management Story

It's a fine sunny day in the forest and a rabbit is sitting outside his burrow, tippy-tapping on his typewriter. Along comes a fox, out for a walk.

Fox : "What are you working on?"

Rabbit : "My thesis."

Fox : "Hmm... What is it about?"

Rabbit : "Oh, I'm writing about how rabbits eat foxes."

Fox : "That's ridiculous ! Any fool knows that rabbits don't eat foxes!"

Rabbit : "Come with me and I'll show you!"

They both disappear into the rabbit's burrow. After few minutes, gnawing on a fox bone, the rabbit returns to his typewriter and resumes typing.

Soon a wolf comes along and stops to watch the hardworking rabbit.

Wolf : "What's that you are writing?"

Rabbit : "I'm doing a thesis on how rabbits eat wolves."

Wolf : "you don't expect to get such rubbish published, do you?"

Rabbit : "No problem. Do you want to see why?"

The rabbit and the wolf go into the burrow and again the rabbit returns by himself, after a few minutes, and goes back to typing.

Finally a bear comes along and asks, "What are you doing?"

Rabbit : "I'm doing a thesis on how rabbits eat bears."

Bear : "Well that's absurd ! "

Rabbit : "Come into my home and I'll show you"

As they enter the burrow, the rabbit introduces the bear to the lion.

Moral :

IT DOESN'T MATTER HOW SILLY YOUR THESIS TOPIC IS; WHAT MATTERS IS WHOM YOU HAVE AS A SUPERVISOR.

Management Lesson :

In the context of the working world :

IT DOESN'T MATTER HOW BAD YOUR PERFORMANCE IS; WHAT MATTERS IS WHETHER YOUR BOSS LIKES YOU OR NOT.

IMPORTANT LEGAL OBLIGATIONS FOR THE MONTH OF SEPTEMBER 2011

SEPTEMBER 01- ANNUAL INFORMATION RETURN

SEPTEMBER 07 - Deposit of TDS/TCS collected during AUGUST 2011

SEPTEMBER 15 - Due Date for 1st Instalment for Non -Corporate Assessee and 2nd instalment for Corporate Assessee for Payment of ADVANCE INCOME TAX.

SEPTEMBER 30-Return of Income /Wealth for previous year in case of a Corporate Assessee (whose Accounts are required to be audited) are working partner of a Firm Whose Accounts are require to be audited.

SEPTEMBER 30- audit report under section 44AB for the prior previous year in case of a corporate assessee or Non Corporate assessee

Central sales tax/VAT:

SEPTEMBER 20-Monthly return and payment of CST &VAT collected during AUGUST 2011

Indirect taxes:

Excise Duty:

SEPTEMBER 05-Payment of Excise Duty for AUGUST 2011.

SEPTEMBER 06- E-Payment of Excise duty for AUGUST 2011.

SEPTEMBER 10-Monthly Return for Production & Removal of Goods & cenvat for AUGUST 2011

SEPTEMBER 10-Monthly Return of Excisable Goods manufactured & receipt of inputs & capital goods by units in EOU, STP, HTP for AUGUST 2011.

Employee Provident fund:

SEPTEMBER 15-Payment of EPF contribution for AUGUST 2011.

SEPTEMBER 15-Return of Employee Qualifying to EPF during AUGUST 2011.

SEPTEMBER 26-Monthly returns of Employee Joined & Left the Organization during AUGUST 2011.

Service Taxes:

SEPTEMBER 05 - Payment of Service tax for AUGUST 2011 by corporate.

SEPTEMBER 06- E-Payment of Service tax for AUGUST 2011

Birthday & Wedding Day Wishes

S.No	Name of the Children	Name of the Member	Date
01.	Abhay	CA. Dineshkumar jain	4 th Sep
02.	Harject K.S	CA. N.Shivakumar	4 th Sep
03.	Vinirudh Aadityan S	CA. C.Selvaraj	4 th Sep
04.	Adith Ilankumaran	CA. N.Ilankumaran	6 th Sep
05.	Unnamalai C	CA. K.Chidambaram	6 th Sep
06.	Fahad faraz S A	CA. J.S.Auyb	8 th Sep
07.	Anand T	CA. K.Thangamuthu	14 th Sep
08.	Ilankumaran N	CA. A.Natarajan	12 th Sep
09.	Aditi kumawal	CA. Mahoudra Prasad Kumawat	14 th Sep
10.	Asvethsreiram R	CA. R.Shanmuggam	15 th Sep
11.	Darani C V	CA. C.Veusami	17 th Sep
12.	Aditya Kumawat	CA. Mahoudra Prasad Kumawat	18 th Sep
13.	Sachin G K	CA. Gomathi Karuppusamy	19 th Sep
14.	Devasooriya N	CA. T.Natarajan	20 th Sep
15.	Arunraju S	CA. T.Saminathan	21 st Sep
16.	Arun prasath A	CA. P.Sivasubramanian	24 th Sep
17.	Keerthana C	CA. M.R.Umamaheswari	26 th Sep
18.	Siddarthan A M	CA. A.Muruganandan	28 th Sep
19.	Pranavsankar M	CA. N.Mohanraj	23 rd Sep
20.	Madhumurari .K	CA. R.Krishnakumar	29 th Sep

S.No	Name of the Member	Wedding Day
01.	CA.Natarajan A	1 st Sep
02.	CA. K.Selvaraj	3 rd Sep
03.	CA. S.Ragunathan	5 th Sep
04.	CA. S.N.Duraiswamy	6 th Sep
05.	CA.S.V.Srinivasan	6 th Sep
06.	CA. A. Balu	9 th Sep
07.	CA. S.V.Harikesavan	10 th Sep
08.	CA. S.Kanakasabapathy	10 th Sep
09.	CA. M.Arthanaari	12 th Sep
10.	CA. P.Balasubramaniam	12 th Sep
11.	CA. G.N.Jayaram	12 th Sep
12.	CA.V.Jagadeesan	14 th Sep
13.	CA. C.Dippah	14 th Sep
14.	CA. P.Shanmugam	14 th Sep
15.	CA. M.Ramesh	15 th Sep
16.	CA. T.Thandapani	15 th Sep
17.	CA. R.Shanmuggam	16 th Sep

PHOTO GALLERY

CA Course Awareness programme Conducted at Kongu Kalaiarangam, Erode & KSR Educational Institution Tiruchengode.



CA. V. Murali, Chairman - BOS



CA. Gopal Krishna Raju, SIRC Member



CA. Shanmukha Sundaram, Chairman, SIRC



CA. V. Murali inaugurates SICASA website



CA. V. Murali inaugurates SICASA website



Students at Kongu Kalai Aranggam



Students at Kongu Kalai Aranggam



Students at Kongu Kalai Aranggam



Students at KSR Educational Institution, Tiruchengode.

PHOTO GALLERY

Cricket Tournament on 13th August 2011 Income Tax Top Officials and Dignitaries with Chartered Accountants Place : Railway Colony Ground, Erode.



Receiving Shri PS. Chellaphan IRS, CCIT & Shri A. Vasanthakumar IRS, CIT - II, Cbe.



Receiving Shri M. Chandramohan IRS, Addl. CIT & Shri. Siddaramappa IRS, DD (Investigation), Cbe.



Receiving Shri A. Vimalraj IRS, Asst. CIT & Shri. Sanjaygandhi Nataraj IRS, Asst. CIT, Erd.



Bouquet to Shri P.S. Chellaphan IRS, CCIT, Cbe.



Dove Releasing by Shri P.S. Chellaphan IRS, CCIT, Cbe.



Award to Shri. Siddaramappa IRS, DD (Investigation), Cbe.



Bouquet to Shri A. Vasanthakumar IRS, CIT - II, Cbe.



Bouquet to Shri M. Chandramohan IRS, Addl. CIT, Cbe.



Dove Releasing by Shri A. Vasanthakumar IRS, CIT - II, Cbe.



Cricket Team Income Tax Department, Erode.



Cricket Team Chartered Accountants, Erode.



Man of the Match Award to Shri. A. Vimalraj IRS, Asst. CIT, Erd.