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BDKRAO, Beside SBI, Tilak Nagar
Shimoga-577201, **KARNATAKA**
April 19, 2013

To,

Hon'ble Minister for Corporate Affairs,
Shastri Bhawan, A-Wing,
Dr.Rajendra Prasad Road,
New Delhi-110001.

Hon'ble Sir,

**Sub : 46 Plus Chartered Accountants certificates in Income-Tax Act for Non
Corporate assesses, hurdle for collection of revenue under Indian
Tax Laws – requiring early action - Regarding**

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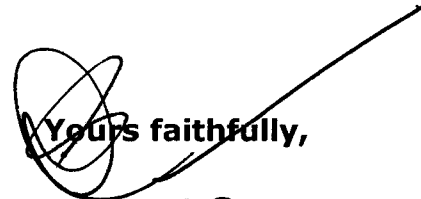
1. Legal Practitioners, Tax Practitioners, Cost Accountants, Company Secretaries and Chartered Accountants are the **five** class of Tax Professionals authorized to prepare return of income U/s 288(2) of Income-Tax Act, 1961 read with Rule 12A of Income-Tax Rules, 1962. Compliance of return filing in the entry door U/s 139 of Income-Tax Act is **voluntary** & comes through Tax Professionals only. Certificate from only Chartered Accountants U/s 44AB introduced in Income-Tax Act in 1984, Since then, CA certificates started entering Income-Tax Act. On date there are 46 plus CA certificates in Income-Tax Act, which is also inherited in draft Direct Taxes Code, 2010. These CA certificates **barricade support for voluntary compliance** from Non-CA Tax Professionals & new Non-CA Tax Professionals are not entering tax profession, but prefer employment.

2. CA certificates are causing strict hurdle for voluntary compliance not only in Income-Tax Act, but also in other Central & State Govt. tax laws (**Ex:- In Finance Act, 2012 negative list introduced in Service Tax requiring the assistance of more tax professionals, but number of tax professionals are stand still on date**). In the enclosed tax audit data provided by CBDT & published in CA Club Website on 16.11.2011, it is evident that only **59,472** Chartered Accountants are practicing throughout India (**See Exhibit-1**). There is ceiling of 45 tax audit assignment to be undertaken by each CA, irrespective of Corporates or Non-Corporates. In latest e-filing website of Income-Tax Deptt. only CA's are treated as Tax Professionals, now existing Non-CA Tax Professionals will also drop out from tax profession & Govt. has to rely on only **59,472** CA's for seeking compliance U/s 139 of Income-Tax Act.

3. Hitherto audit of Co-Operative Societies & Banks in Karnataka were undertaken by Govt. Auditors appointed by Dept. of Co-Operation. For the financial year 2012-13, Co-Operative Deptt. of Karnataka allotted audit work of such Co-Operative Societies & Banks to Chartered Accountants, each getting not less than 20 audit assignments with fees ranging from **Thousands to Lakhs**. List of such allotment made to 32 practicing Chartered Accountants of Shimoga Dist. comprising 6 taluks enclosed (**See Exhibit-2**). See link <http://sahakaradarpana.kar.nic.in>. I am afraid that Income-Tax Deptt. will not definitely get empty slots of CA Signature for Tax Audit U/s 44AB of Income-Tax Act, that relates to financial year 2012-13 to meet compliance of return filing U/s 139 of Income-Tax Act for Non-Corporate assesses, that too Shimoga Dist. in particular.

4. It is right time, our Central Govt. should seriously consider passing of Tax Practitioners Bill either in the lines of **Tax Agent Service Act of Australia** (www.tpb.gov.au) or in the lines of **Tax Practitioners Bill of Republic of South Africa** (www.sars.gov.za) to generate Tax Professionals to fully support voluntary compliance in Indian taxation laws to enjoy the privilege of **optimum** tax collection by **widening genuine tax base of assesses**. In developed countries like Australia 70% to 80% of population are under the Tax Net, **whereas in India only 2% of population are under the Tax Net**. This is mainly because of confining certification power only to CA's, indirectly barricade Non-CA's to enter tax profession to support voluntary compliance in Indian tax laws. In fact, there is no such type of certification in any country throughout the world in **revenue** side.

With Respects,


Yours faithfully,

B.S.K.RAO,

Auditor & Tax Advocate
BDK RAO Office, Beside SBI,
Tilak Nagar, SHIMOGA-577 201.

Copy With Respects to:-

- >The Chairman, CBDT,
- >Directorate of Income-Tax (S),
- >Task Force DTC, Ministry of Finance,
- >Task Force GST, Ministry of Finance,
- >Institute of Company Secretaries,
- >Institute of Cost Accountants,
- >Bar Council of India,
- >Shri.P.Chidambaram, Finance Minister,
- >Shri.J.Saravanan, US(TPL-III), CBDT,
- >Shri.Rajesh Kumar Bhoot, D(TPL-III), CBDT,
- >Shri.S.K.Misra, CCIT, Hubli,
- >Shri.B.L.Meena, CIT, Hubli,
- >Shri.S.Radhakrishna, CIT, Davanagere
- >Shri.R.Duraipandian, JC, Shimoga
- >Shri.Ashish Abrol, Addl. DIT, New Delhi

Exhibit - 1

CA Club

A portal for sharing updates on Taxation, Accounting, Auditing, Co

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NOV 16, 2011

TAX AUDIT DATA PROVIDED BY CBDT : ICAI TO REVIEW ??

Recently, the ICAI had represented before Central Board of Direct Taxes (CBDT) seeking tax audit data based on returns e-filed during the year 2010-11. Reportedly, in response to the representation made to CBDT, the ICAI has been provided with the data relating to number of tax audits conducted by the members along with the membership numbers of the tax auditors.

As per the data provided, the total number of tax audit returns filed in respect of the financial year 2010-11 was 16,16,096 which were conducted by 59,472 auditors. The data so provided is being further processed with regard to fake membership numbers, membership numbers which exceeded the specified number (ceiling) of tax audit assignments, etc. In order to prevent misuse of membership numbers of tax auditors, ICAI is planning that from next year onwards the uploading of tax audit report along with digital signatures should be made mandatory.

Reportedly, the ICAI has also suggested that on the basis of data of practising Chartered Accountants provided by ICAI, a user id and a password may be made available to all practising members so that they can view all the tax audit reports uploaded in their name, which in turn would further curb the malpractice of misusing the details of member by the assessee. A tax audit not done by the member may be then reported by him to the Income-tax Department for the action at its end.

The said suggestion found favor with the Department which has assured that the idea would be taken forward for further consideration.

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> CBDT, ICAI, News

781	C-01/03/2013-16:34:10	M.R.JAGADISH RAO	#443/1, 2ND FLOOR, SEETHARAGHAVA COMPLEX,	Mysore	9945852225	jagadishrao.mr@gmail.com
782	C-01/03/2013-10:51:57	BINDUMADHAVA K N	#1163, UPSTAIRS, BAJANNA LANE, CHAMARAJAPURAM,	Mysore	9901998821	bindumadhavakn@yahoo.com
783	C-01/03/2013-11:54:04	ASHWIN KUMAR B	21/F4, KALIDASA ROAD, J L PURAM	Mysore	9845125544	ashwinkumar123@gmail.com
784	C-01/03/2013-21:56:46	Sudhasri Addepalli	SGS Ashram, Datta Nagar , Mysore	Mysore	9535326750	sudhamuralidhara@gmail.com
785	C-02/03/2013-11:59:24	RAGHAVAN R & ASSOCIATES	120, "C" BLOCK, 6TH CROSS, J P NAGARA, MYSORE	Mysore	9341023111	caraghavan74@gmail.com
786	C-01/03/2013-14:45:54	VENKATESH HUNASIGI	No. 1-9-25, "VISHWAS" AKHIL PLAZA, GROUND FLOOR, AZAD	Raichur	9880274752	vharcrc@gmail.com
787	C-02/03/2013-18:05:21	R Sreepad Setty	No 7-6-175/3 1st Floor Near PGB Bank Vasavinagar Raichur-584103	Raichur	9448050001	rsreepadca@yahoo.in
788	C-03/03/2013-12:09:37	RAMACHANDRA PRABHU U	ROOM NO.101, HOTEL NRUPATUNGA STATION	Raichur	9845546660	ramchandraprabhu_u@yahoo.co.in
789	C-04/03/2013-10:35:25	SANJAY KUMAR MOOTHA	11-2-13/1, 1ST FLOOR, M.G.ROAD, RAICHUR	Raichur	9448022511	sanjaymjain74@yahoo.com
790	C-18/02/2013-16:02:53	SHEKAR PATEL & CO	1-10-67, 1Ind Floor, Siddarth Complex, Station Road, RAICHUR	Raichur	9448303339	shekarpatel_co@yahoo.com
791	C-21/02/2013-13:06:14	A.K. CHANNAMALLIKARJUNAGOUDA	CHARTERED ACCOUNTANTS, # 12- 10-51/3C, MARAM COMPLEX,	Raichur	9448104904	akcgoudafca@yahoo.com
792	C-27/02/2013-21:36:18	SHEELA S REDDY	SHAMBAVI, H.NO.6-1-1906/A149, ADARSH COLONY, SINDHANUR-	Raichur	9845312007	sheelasreddy.snd@gmail.com
793	C-21/02/2013-17:47:14	MAHAVEER JAYACHAND	Bhagwan Mahaveer Road	Raichur	9449020214	mahaveerchajed@rediffmail.com
794	C-22/02/2013-14:37:50	DINESH PIPARA & CO	3-11-71/2, BEROON QUILLA, RAICHUR 584101	Raichur	9448588010	dpoca@gmail.com
795	C-03/03/2013-16:33:54	V ESWARAPRASAD AND CO	GURUSHREE MANSION, 3RD FLOOR, ARKAVATHI BADAVANE, B	Ramanagar	9902556945	veswaraprasad203@gmail.com
796	C-02/03/2013-17:57:00	PRASAD.N.L	CHARTERED ACCOUNTANT, 1ST B- CROSS, GANDHINAGAR SHIMOGA	Shimoga	9845235125	nlprasadca1@gmail.com
797	C-01/03/2013-13:28:07	H. SRINIVASA MURTHY	"BANASHANKARI", 2ND CROSS, GANESHA COLONY,	Shimoga	9901188780	hriyoormurthy@gmail.com

798	C-01/03/2013-17:20:04	H.N.SHIVASWAMY & CO	PARK EXTENSION, 3RD CROSS, SHIMOGA 577201	Shimoga	✓	9448319579	hnshiva@gmail.com
799	C-02/03/2013-11:20:22	N S NAGENDRA UDUPA & CO	CHARTERED ACCOUNTANT, 1ST FLOOR, NOOR BUILDING, BH	Shimoga	✓	9986221991	nsnudupa@gmail.com
800	C-04/03/2013-11:47:03	G M CHANNAPPA SETTY	NO 02 & 13, BASAVASADANA NEHRU ROAD SHIVAMOGGA	Shimoga	✓	9448137195	gojanur_cs@rediffmail.com
801	C-04/03/2013-11:56:44	H.R.SURESH KUMAR	CHARTERED ACCOUNTANT, KONERU COMPLEX,	Shimoga	✓	9449101104	hrskumar2008@gmail.com
802	C-04/03/2013-12:47:25	M/s Jaded Siddappa & Co.,	M/s Jaded Siddappa & Co., No.6, Darga Complex, Tilak Nagar main	Shimoga	✓	9448127197	jadedsidappa@yahoo.com
803	C-19/02/2013-18:48:06	VASANTHKUMAR SHETTY V	II FLOOR, BELAGUR COMPLEX, DURGIGUDI MAIN ROAD,	Shimoga	✓	9845325755	brv.kumar@gmail.com
804	C-18/02/2013-13:18:33	DHARMA PRASAD G	DHARMA PRASAD G AND CO KOTI NILAYA C N ROAD RANGAPPA	Shimoga	✓	9880261169	gdharmaprasad@yahoo.com
805	C-18/02/2013-10:55:44	Anil Kumar S C	Anil Chandraghatgi & Co., 75, Vijaya Sadana, Savalanga Road,	Shimoga	✓	9448319555	anilkumarsc@yahoo.com
806	C-18/02/2013-11:58:43	M.G. RAMACHANDRA MURTHY	"NELLI KRUPA COMPLEX", 1ST FLOOR, 1ST CROSS, PARK	Shimoga	✓	9844077236	mgrmurthy@gmail.com
807	C-18/02/2013-12:04:41	HS JAGADEESH ASSOCIATES	489 BSK I STAGE II BLOCK III CROSS BANGALORE 560050	Shimoga	✓	9845047337	hsj@hsjassociates.com
808	C-18/02/2013-18:19:25	NARENDRA KV	# F-5, FIRST FLOOR, DURGIGUDI CO-OPERATIVE SOCIETY	Shimoga	✓	9845572531	kvnaren2007@gmail.com
809	C-18/02/2013-18:59:18	RAGHURAMA BHATT H S	M/s H S R Bhatt & Co., Chartered Accountants, I Floor, Belagur	Shimoga	✓	9448229328	hsrbhatt@gmail.com
810	C-19/02/2013-14:25:09	MANJUNATHA.N.E	RATNESH KUNJ GANDHINAGAR 5TH CROSS B - BLOCK SHIMOGA	Shimoga	✓	9844144120	ne_manjunath@bsnl.in
811	C-05/03/2013-12:57:08	B.N.Bhatt & Co.	No.98, 4th 'B' Cross, Gandhi Nagara, Shimoga - 577 201.	Shimoga	✓	9844429595	cabnbhat@gmail.com
812	C-04/03/2013-22:55:58	K.M. BADREESH& CO	K.M. BADREESH, MARKET ROAD, SAGAR 577401	Shimoga	✓	9448337660	badareeshkm@yahoo.com
813	C-17/02/2013-12:49:01	NAGARAJA K.M	CHARTERED ACCOUNTANT, LBR COMPLEX, 1ST FLOOR, NEAR	Shimoga	✓	9481500304	ngjrjao2@gmail.com
814	C-17/02/2013-10:19:30	RAVIPRAKASH M S	II CROSS, A BLOCK, GANDHINAGAR, SHIMOGA	Shimoga	✓	9731147175	malurraviprakash@gmail.com

815	C-23/02/2013-19:15:22	B.V.RAVEENDRANATH	SRI ANEGUDDE, G.P. ROAD,	Shimoga	✓	9845460896	bvrnath@gmail.com
816	C-22/02/2013-14:13:58	RAMACHANDRA K	RAMACHANDRA K CHARTERED ACCOUNTANT NO 2 SHIVADEVI	Shimoga	✓	9448943833	ramandcompany@yahoo.com
817	C-22/02/2013-10:57:33	CHAITANYA.N	3rd cross nehru road	Shimoga	✓	9900688444	chetushimoga@gmail.com
818	C-23/02/2013-23:18:07	SANTHOSH KUMAR R	1ST MAIN ROAD SHARAVATHI NAGAR CHURCH ROAD DOWN	Shimoga	✓	9620134200	santhoshkumarsmg@gmail.com
819	C-24/02/2013-05:33:33	RAVISHA P G	CHARTERED ACCOUNTANT 1ST FLOOR SAHAKARA SHREE 3RD	Shimoga	✓	9886047917	ravisha009@gmail.com
820	C-24/02/2013-08:01:00	NARASHIMHAMURTHY.B.R	SHARADA, 3RD CROSS, A BLOCK, GANDHINAGAR, SHIMOGA	Shimoga	✓	9945332180	nmurthy_smg@bsnl.in
821	C-24/02/2013-19:02:01	M C RAJENDRA	CHARTERED ACCOUNTANT, SSK COMPLEX, 1ST FLOOR, 1ST	Shimoga	✓	9448120748	rajendramc1@gmail.com
822	C-24/02/2013-19:32:17	H C MANJANATHA	CHARTERED ACCOUNTANT, HVK COMPLEX, OPP. SANMAN HOTEL,	Shimoga	✓	9448137051	hcmmanju12@gmail.com
823	C-25/02/2013-20:07:42	PRASHANTH D S	CHARTERED ACCOUNTANT, SRI CHOWDESHWARAI COMPLEX, 1ST	Shimoga	✓	9880065897	dsp.prashanth@gmail.com
824	C-28/02/2013-11:30:20	AJITH KUMAR ASSOCIATES	G N COMPLEX PARK EXT ROAD SHIMOGA	Shimoga	✓	9448134103	ajithiddya11@gmail.com
825	C-26/02/2013-17:48:33	N.RAMACHANDRA	3rd cross nehru road	Shimoga	✓	9448218871	ennarsmg@gmail.com
826	C-27/02/2013-11:56:02	CA KRISHNA M	1st Floor, Amoga Video Vision Building, New Bridge Road,	Shimoga	✓	9611877521	krishnageetha.21@rediffmail.com
827	C-26/02/2013-11:59:44	RAJESH S	R M C Road Opp:venkataramanaswamy	Shimoga	✓	8050515072	rajeshsrmc@gmail.com
828	C-25/02/2013-11:11:22	MANJUNATHA S	S. MANJUNATHA & CO., CHARTERED ACCOUNTANTS, 1ST	Tumkur		9844145331	rsrrmanju@gmail.com
829	C-17/02/2013-11:42:24	K R VEERESHA	I FLOOR, SRI CHELUVA KRUPA, II CROSS, VIDYANGAR, TUMKUR	Tumkur		9845220709	veesush261107@yahoo.co.in
830	C-18/02/2013-21:15:52	S VISWANATH	PVSV PLAZA, BLOCK-1, BEHIND RTO OFFICE, WATER TANK ROAD,	Tumkur		9845109905	vtwocas@gmail.com
831	C-19/02/2013-12:00:21	B S RAMESH & CO	UPSTAIRS PANDURANGA CLINIC, VIVEKANANDA ROAD	Tumkur		9845010007	rameshbs.ca@gmail.com

Total CA's 32