guwahati@icai

E-Newsletter of the Guwahati Branch of EIRC of ICAI

Volume VII, Issue 3, May 2013

Contents

Editorial Board

Write to Editor

'Information is Power' and our ever-evolving profession needs more and more of that today than ever before. Do you have any relevant points to make, experiences to share, and views to spread among the CA fraternity? If yes, e-mail us at newsguwahati.icai@gmail.com.

Chairperson's Message ...

Professional Friends, Colleagues & my dear Students,

The month of May still brings butterflies to my stomach when I recall the tough ordeals we had to go through in preparation for our CA examination. This year's May examination which was supposed to have ended on 16th May 2013 was postponed due to some unavoidable circumstances & got over on 24th. I must tell you that this period still continues to put me & most of you I suppose, in a tight spot, in the sense that our articled students will be on study leave & we all will be fretting alone in our offices coping with the extra work.

The Profession of Accounting is passing through an age of rapid transition. Consequent to this changing environment, the profession is no doubt faced with numerous challenges. But these changes also bring with them newer opportunities & scopes. Gearing up to this changing scenario, we successfully conducted a Seminar "CA Profession–Changes in Horizon" in Jorhat on 19th May 2013. Further to our endeavour in harnessing newer talents specially among the young & vibrant members, we organized a workshop in ICAI Bhawan on "Presumptive Taxes" on 11th May 2013.

"*The purpose of Education is to replace an empty mind with an open one*" In this era of globalization and competition, it is very important for the students of Chartered Accountancy to equip themselves not only with professional skills but also with soft and technical skills. In this respect, I am indeed elated to announce that the Guwahati Branch is hosting a two-day Students' National Convention "*Transcript of Transformation*" in Guwahati on the 22nd & 23rd June 2013 for the second consecutive year in a row. An earnest request to all my professional friends is to please encourage your articled students to come out in large numbers and submit paper presentation & participate in this mega event which will give them a never before experience to match skills & rub shoulders with some of the finest from other parts of the country & also to show case & subsequently be guided by the cream of the speakers & faculties in various subjects & topics. Your presence at the inauguration event on 22nd June where Honourable President ICAI, CA. Subodh Kumar Agrawal will address the students will also go a long way in boosting the morale of the students from this part of the region.

Let us look forward to, and support a unique attempt on the part of the present EICASA MC members in releasing the first ever Students E-Newsletter to be published from this part of the Region. I laud this commendable performance of the dashing team in taking the pain of devoting time from their very busy schedule of office, studies, classes, tuitions, etc. etc.

I would specially like to congratulate Mr. Parikshit Somani, son of CA. Dilip Somani, for his commendable performance as a young & budding Tennis player and hope he continues to reach greater heights, bringing more laurels in the future too.

Enhancing the Quality of Audits – a full day CPE Seminar is being organised jointly with the Auditing and Assurance Standards Board on 8th of next month. Balancing professional & personal life should be our forte. In this line, we will be privileged on 1st June to hear an expert in this field from the Brahmakumari Society guide & advice us on this much ignored but very important matter of "Personality Development"

"The Mind is Everything - What You Think, You Become"

It is almost two months since we took over the reign, but these two months, let me tell you, does seem like ages; ages in the sense, a lot has been done and there is still more to do. "Rome was not built in a day" but there is no harm in dreaming, dreaming, dreaming.......

– CA. Kaberi Bhuyan

Face of the Month...

Thirteen year old Parikshit Somani, a student of Class VIII has earned a rare feat in "tennis" from this part of the country at National as well as Asia/Oceania level. He is **presently ranked 3rd in Under 14 age group** as per latest ranking list available from All India Tennis Association. He rose to the **1st position in U-12 in 2011**.

He was selected to **represent India in** Ajay Pathak Memorial Cup ITF 14-Under Developmental Championship 2013 Division I in **Manila** in two Individual competitions. He reached the semi final stage of these events and **secured "bronze medal" and "fair play award**".

He was also a **member of the Indian team to Kaching, Malaysia in Asia & Oceania Cup U-14** .Because of his performance at Manila he was invited to be part of the 14 & Under ITF/GSDF (ATF) touring team which will compete in a series of junior tournaments during the months of July and early August in Europe.

Born on 2nd December, 1999 to CA Dilip Kumar Somani & Mrs Rashmi Somani, Parikshit started his career by **participating in U-10 and U-14 age group** state ranking tournament at India Club, Guwahati in December 2006.

Presently he is under Coaching programme of Enrico Piperno in Kolkata and has recently won double crown in Pune in ATF Asian Under 14 Series tennis tournament.

readers write

Dear Editor,

Accolades for the Newsletter!

Congratulations on the prompt release of the second edition of the e-newsletter. Must say its eye-catching as well as informative and contains just about everything that one can ask for in an e-newsletter. And yes-thanks for including that article about Office Yoga....that was also articulate & medically correct. Now the only thing is that if you set the benchmarks so high, then things are going to be a bit tough for you to sustain.

But by now, don't we know that when the going gets tough..........

Manoj Sharma, Advocate

Guwahati

Editor's Desk...

Dear colleagues and student friends,

Greetings!

A warm welcome to the readers of "Guwahati@icai" in its third issue for the year 2013-14. We are overwhelmed by your continuous patronage and support.

This newsletter is the mirror of our institute and reflects its aims and objectives. It also highlights events, activities and achievements and we have tried to do just that in this edition as well. We do hope that the newsletter encourages many more readers to use it as a platform to express their creativity.

This is a busy time for the CA students of the region as Guwahati Branch is all set to organise a two-day National Convention for CA students on 22nd & 23rd June 2013. We take this opportunity to wish all the students the very best at the eve of this knowledge fest and also to share with all of them that patience, will power, determination, courage and confidence are the sterling qualities of the mind which are indispensable in the struggle of life.

As the saying goes, the mind, like a parachute, works best when open. Lives of great people are nothing but success stories, where it has been proved that the man who wins is the man who thinks he can. So develop a positive attitude because by being an optimist, you can turn scars into stars and thus win laurels in life. I would also like to share with all of you that "In the presence of trouble, some buy crutches, others grow wings." You may fall in problems, but these are to test you to do your best. The difficulty is that some of us stop trying in the trying times. We should always face a challenge with "How we can?" and not with "Why we cannot?"

It is always heartwarming to share the success stories. Success often follows failure. If you share your success story, you can help others avoid the pitfalls and find ways around the obstacles. With this dignified intention, we are adding a new column "Face of the month" to this edition of our newsletter.

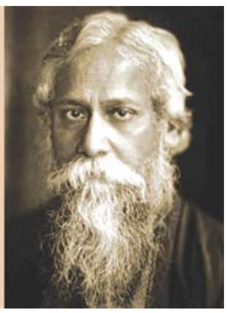
We sincerely hope that this month's edition makes for an interesting read.

Happy Reading!

– CA. K P Sarda

"I slept and dreamt that life was joy.
I awoke and saw that life was service.
I acted and behold, service was joy."

-Rabindranath Tagore
(May 7, 1861 - August 7, 1941)



SERVICE TAX ON REIMBURSEMENTS UNLAWFUL – DELHI HC

Intercontinental Consultants and Technorats Pvt Ltd vs. Union of India and other [2013] 59 VST 487 (Delhi)

The Hon'ble Delhi High Court in a recent judgment held that rule 5 of the Service Tax (Determination of Values) Rules,2006 which provide for inclusion of the expenditure or costs incurred by the service provider in the course of providing the taxable service in the value for the purpose of charging service tax is ultra vires section 66 and 67and travels much beyond the scope of those sections. It was therefore struck down to that extentas bad in law.

The court further held that apart from travelling beyond the scope and mandate of section, the rule may also result in double taxation. The Court further affirmed various judgments wherein it is settled that the power to make rules can never exceed or go beyond the section which provides for the charge or collection of tax.

While this decision is related to the period 2002-2007 but it will also hold good in the current regime of negative list based taxation. This is because the present charging section 66B is worded very similarly to the earlier section 66.

While it is a welcome decision, there is every possibility that the matter could go to the Supreme Court. In such a scenario, it would really be a tough decision for the service tax assessee, in the interim until the matter obtains finality, whether to take the risk of not charging service tax on out of pocket expenses.

More recently, the Delhi High Court in case of **Sercon India (P.) Ltd. [2013] 32 taxmann.com 390 (Delhi)** has confirmed its earlier ruling.

The Court in **Intercontinental Consultants and TechnoratsP.Ltd. v. Union of India and other** held:

Section 66 levies service tax at a particular rate on the value of taxable services. Section 67(1) makes the provisions of section subject to the provisions of Chapter V, which includes Section 66. This is a clearmandate that the value of taxable services for charging service tax has to be in consonance with Section 66 which levies a tax only on the taxable service and nothing else. There is thus in built mechanism to ensure that only the taxable service shall be evaluated under the provisions of 67. Clause (i) of sub-section (1) of Section 67 provides that the value of the taxable service shall be the gross amount charged by the service provider "for such service". Reading Section 66 and Section 67 (1) (i) together and harmoniously, it seems clear that in the valuation of the taxable service, nothing more and nothing less than the consideration paid as quid pro quo for the service can be brought to charge. Sub-section (4) of Section 67 which enables the determination of the value of the taxable service "in such manner as may be prescribed" is expressly made subject to the provisions of sub-section (1). The thread which runs through Sections 66, 67 and Section 94, which empowers the Central Government to make rules for carrying out the provisions of Chapter V of the Act is manifest, in the sense that only the service actually provided by the service provider can be valued and assessed to service tax.

Rule 5 (1) of the Rules runs counter and is repugnant to Sections 66 and 67 of the Act and to that extent it is ultra vires. It purports to tax not what is due from the service provider under the charging Section, but it seeks to extract something more from him by including in the valuation of the taxable service the other expenditure and costs which are incurred by the service provider "in the course of providing taxable service". What is brought to charge under the relevant Sections is only the consideration for the taxable service. By including the expenditure and costs, Rule 5(1) goes far beyond the charging provisions and cannot be upheld. It is no answer to say that under sub-section (4) of Section 94 of the Act, every rule framed by the Central Government shall be laid before each House of Parliament and that the House has the power to modify the rule.

For full text of the judgement, please visit:-

http://indiankanoon.org/doc/117316653/

(Contribution & comments by CA. Manoj Nahata)

SERVICE TAX UPDATES

The confusion about abatement of 75% or 70% for Residential Flat under construction is now settled by **Notification No. 09/2013 dated 8th May, 2013**. This is now clear that if Residential Flat is having carpet area 2000 sq. ft (or more) or ₹ 1 crore (or more) will get abatement 70% and tax is payable on 30% value. This clarifies that even one condition is satisfied, tax is payable on 30% value.

The abatement of 70% is also applicable for all commercial property.

Under the circumstances for the period from 1st March, 2013 to 7th May,2013, service tax can be paid on 25% value if only one condition i.e, 2000 sq. ft or ₹ 1 crore is satisfied and not both. Because as per understanding of earlier notification, service tax was leviable on 30% value only if both conditions were satisfied.

For details log on to:-

www.servicetax.gov.in/notifications/notfns-2013/st09-2013.pdf

After enactment of the Finance Act 2013 with accent of the President of India on 10th May 2013, the Central Government announces rules and forms for the purpose of the Service Tax Voluntary Compliance Encouragement Rules 2013.

The rules provided by **Notification No.10/2013 dated 13.5.2013** and clarification provided in the **Circular No.169/4/2013 dated 13.5.2013** could be viewed at:-

www.servicetax.gov.in/notifications/notfns-2013/st10-2013.pdf

www.servicetax.gov.in/circular/st-circular13/st-circ-169-2013.pdf

AMENDMENTS IN STATE TAX LAWS OF ASSAM

a) Exemption to user of Small DG Sets upto 25KVA from Payment of Electricity Duty w.e.f 14th May 2014. **Notification No: FTX_75_2006_5.** For details log on to:-

http://tax.assam.gov.in/agriculture/agri/aed/notification/FTX_75_2006_5.pdf

b) Change in Slab Rate of Luxury Tax Payable on Hotel Room Rents w.e.f 21st May 2013. **Notification No: FTX_143_2009_23.** For details log on to:-

http://tax.assam.gov.in/astl/atsl/atlhl/notification/htl/FTX_143_2009_23.pdf

Room Rent Less than Rs 1000	NIL
Room Rent Rs 1000 or more but less Less than Rs 2000	5%
Room Rent Rs 2000 or more but less Less than Rs 3000	8%
Room Rent Rs 3000 or more	12%

*(**Courtesy**: CA. Bikash Agarwala)*

CPE Programmes:

Real Estate Transactions

A 4 Hour CPE programme was held on Saturday, the 27th day of April 2013 in our branch auditorium on "Real Estate Transactions". CA. Ashok Pansari was the chairman of the technical session. CA. S. S. Gupta from Kolkata addressed on the topic "Transactions in Real Estate & its Implications on Income Tax". Senior Advocate Dr. S. S. Harlalka spoke on the topic "Legal Aspects in Real Estate Transactions" followed by CA. Vivek Jalan who spoke on "Real Estate - Indirect Taxation". This programme gave an opportunity to the participants to get an overview of various legal and tax related aspects of Real Estate Transactions which also turned out to be a big hit.

Alternate Method of Taxation - Direct & Indirect Tax

A Three Hour CPE programme was organized in our branch auditorium on Saturday, the 11th Day of May 2013 on "Alternate Method of Taxation - Direct & Indirect Tax". The seminar was addressed by two young speakers – CA. Chetan Gangwal & CA. Prabesh Agarwal. CA. Chetan Gangwal spoke on the topic "Presumptive Income Under Income Tax Act" while CA. Prabesh Agarwal spoke on "Composite Scheme Under VAT".

After listening to these newly groomed speakers, the senior speakers present were of the opinion that the young breed of our branch was almost ready to meet the standards set by them.

CA Profession - Changes in Horizon

The Guwahati Branch is trying hard to reach and communicate with the members staying in far flung areas of the state and with this dignified intention we are ready to hold seminars and other interactive programmes outside Guwahati.

As a first step towards this noble cause a CPE programme "CA Profession - Changes in Horizon" was organized by us on Sunday, the 19th of May at Jorhat in the Upper Assam region. Speaking on the subject of Recent Changes in Auditors' Report, CA. (Dr.) Debashish Mitra elaborately narrated the recent auditors' report format and discussed the member's responsibilities and limitations. Branch MC member CA. Sharad Agarwalla presented his paper on "HUF-Formation and Partition" with a detailed discussion on Hindu Undivided Family and the impact of amendments in Hindu Succession Act. CA. Sushil Goyal from Kolkata enlightened the participants on Service Tax, especially on recently introduced reverse and joint charge mechanism, while CA. O. P. Agarwalla of Guwahati discussed about the critical issues in CST Act. Participants from various places like Jorhat, Dibrugarh, Guwahati, Dergaon, Golaghat, Bokakhat attended the Seminar in large numbers.

In addition to this, arrangements were also made for viewing of teleconferencing programme on the following dates –

Date/Day	Topic	Faculty
26/04/2013 (Friday)	Taxation of Charitable Trust in NGO & NPO	Dr. N. Suresh & CA. Ranjan Chopra
17/05/2013 (Friday)	Role of Internal Auditor in Corporate Compliance & Peer Review	CA. Praveen Kumar & CA. Shashi Gupta

Forthcoming CPE Programmes :

At Guwahati :

Date/Day	Subject	Speakers
01/06/2013 (Saturday) *CPE Hours 2	Personality Development	BK Pushpa, Delhi BK Maushumi, Guwahati
08/06/2013 (Saturday) *CPE Hours 6	Enhancing the Quality of Audits	CA. Abhijit Bandyopadhyay, Kolkata CA. Khurshed Pastakia, Mumbai CA. Dr. Debashis Mitra, Guwahati CA. Ravi Kumar Patwa, Silchar

Glimpse of ISA Eligibility Test:

We have successfully conducted ISA Eligibility Test (ET) on Saturday, the 11th May 2013 at ICAI Bhawan, Guwahati. As many as 54 CAs appeared for the said test. It was conducted in a very professional manner under an extremely conducive and comfortable ambience. The arrangements were made in two big air conditioned halls keeping in mind the stature of the candidates.

Test was conducted in excellent and quiet environment. So, could concentrate well. Thanks.

- CA. Anuj Bajaj (M. No. 302104)

Good and Conducive environment & ambience of the hall.

- CA. Ankit Agarwala (M. No. 303726)

Extremely comfortable environment with best discipline.

- CA. Prabhesh Agarwal (M. No. 302042)

Exam was held in disciplined and proper manner.

- CA. Barsha Jalan (M. No. 301951)

Student Activities:

- The 26th Batch of Orientation Training Progamme has started on 20/05/13 and is expected to be completed by 27/05/13. Twenty three students have registered themselves for the classes.
- The First Batch of GMCS-I classes under the new scheme has also started on 16/05/2013 and a total number of 47 students have registered for the same. The expected completion date of classes is 31/05/2013.
- Two batches of Information Technology Training have been started simultaneously in Morning and Evening shifts from 20/05/2013 for the convenience of the students. As many as 40 students have enrolled themselves in each of the two batches. The classes are expected to get over by 26/06/ 2013

EICASA Guwahati has also proposed to organize the following student activities :

- Seminar for CA students : Proposed on 26th May 2013
  Faculty : CA. Niraj Harodia, Kolkata
  CA. Kamal Mour, Guwahati
  CA. Manoj Kumar Agarwala, Guwahati
- The most awaited National Convention for CA Students: Proposed to be held on 22nd & 23rd June 2013 (Details Annexed in page no. 6).

Forthcoming National Events for CA Students:

- National Convention at Chandigarh on 8th & 9th June 2013
  http://220.227.161.86/29905bos19532.pdf
- National Convention at Cuttack on 21st & 22nd June 2013
  http://220.227.161.86/29734bos300413.pdf
- National Convention at Guwahati on 22nd & 23rd June 2013
  http://220.227.161.86/29843bos19454.pdf
- National Convention at Ahmedabad on 29th & 30 June 2013
  http://220.227.161.86/29911bos19534.pdf

Revision of Fee for all GMCS Course(s)

The Council at its 324th Meeting held in April, 2013 decided that with effect from 1st July, 2013 fee for the General Management and Communication Skills (GMCS) Course i.e. existing GMCS Course, GMCS – I and GMCS – II courses shall be Rs. 5,500/- per participants for each course.

It is clarified that students who have already registered by paying Rs. 4,000/- and will be undergoing the relevant GMCS classes starting on or after 1st July, 2013 are required to pay the balance amount of Rs. 1,500/- to the organising centres before commencement of the batch of GMCS or GMCS – I Course.

13th May, 2013 **Director, Board of Studies**

Serious Financial Advice from a Comic Strip Creator

The cartoonist Scott Adams, whose Dilbert comic strip is a valuable educational tool that teaches what corporate life is really like. Here's a 'book' that he has written on investing. He calls it 'Everything You Need to Know About Financial Planning'. The book is 87 words long. That's words, not pages.

Here it is, in its entirety: "Make a will. Pay off your credit cards. Get term life insurance if you have a family to support. Fund your 401(k) to the maximum. Fund your IRA to the maximum. Buy a house if you want to live in a house and you can afford it. Put six months' expenses in a money market fund. Take whatever money is left over and invest 70% in a stock index fund and 30% in a bond fund through any discount broker and never touch it until retirement."

And these sentences do successfully encapsulate everything you need to know in order to plan your entire life's savings and investments. Of course, in India you would replace the 401(k) and the IRA with appropriate Indian equivalents. 401(k) and IRA are retirement planning tax-saving investments that are available in the United States. In India, you would replace them with your mandatory PF and other investments that are available under section 80C. Now, you would also add the RGESS to the list.

(Courtesy: Mr. Sanjay Kumar Jalewala, CA Finalist)

NATIONAL CONVENTION FOR CA STUDENTS – GUWAHATI

"TRANSCRIPT OF TRANSFORMATION"

22nd & 23rd June 2013

Venue: Royal Group of Institution, Guwahati

Organised by: Board of Studies, ICAI

Hosted by: Guwahati Branch of EIRC of ICAI & Guwahati Branch of EICASA

Day – 1 : Saturday, 22nd June 2013

Timing	Particulars of the session
9:30 am to 10:30 am	Inaugural Session - Chief Guest: CA. Subodh Kumar Agrawal, President ICAI Guest of Honour: CA. Sumantra Guha, Council Member CA. Ranjeet Kumar Agarwal, EIRC Chairman
10:45 am to 12.45 pm	First Technical Session – Corporate & Business Laws Expert Speaker – CS. Mamta Binani, Kolkata • Revised Schedule VI : Raising Presentation Level by Indian Corporate • Companies Bill 2012 : Enhancing Corporate Governance
1:00 pm to 2:00 pm	Special Session – Interaction with President, ICAI & Chairman, BOS
LUNCH : 2:00 pm to 3:00 pm	
3:00 pm to 5:00 pm	Second Technical Session – Indirect Taxes Expert Speaker – CA. Madhukar N Hiregange, Bengaluru • Negative List under Service Tax • Cenvat Credit
"Wake Your Dreams" Cultural Evening and Dinner from 7.00 pm to 9:00 pm	

Day – 2 : Sunday, 23rd June 2013

Timing	Particulars of the session
9:30 am to 11:30 am	Third Technical Session – Information Technology Expert Speaker – CA. Babu Jayendran, Bengaluru • IT & Information System Audit – Future Benefits, Opportunities as a CA • SAP & ERP Implementations
11:45 am to 1:45 pm	Fourth Technical Session – Direct Taxes Expert Speaker – CA. (Dr.) Girish Ahuja, Delhi • Section 56 : Broadening of Scope by the successive Annual Finance Acts • Tax Incentives : Investment linked vs. Profit linked
LUNCH : 1:45 pm to 2:45 pm	
2:45 pm to 4:45 pm	Fifth Technical Session – Economics & General Topics Expert Speaker – CA. Amarjit Chopra, Delhi • Inflation in Emerging Economies • Balancing of time by an articled student : Training/Study/Co-Curricular
5:00 pm to 6:00 pm	Valedictory Session – Mr. Vijay Kapur, Director, Board of Studies

Students are requested to register for the Convention at the earliest as per details as under:-

Registration fees	₹ 500/- per student
Payment Mode	Registration fees can be paid in Cash/Demand Draft drawn in favour of "Guwahati Branch of EIRC of ICAI" payable at Guwahati

For Registration Contact:

Guwahati Branch of EIRC of ICAI, ICAI Bhawan, 2nd Bye Lane, Manik Nagar, R G Baruah Road, Guwahati – 781 005 (Assam)
Phone No.:+91 361- 2207660; Mobile: +91 9707078491; Email : icai.guwahati@gmail.com; Website: www.icaiguwahati.org

Students are invited to contribute papers for presentation (1500 to 2000 words) for topics in technical sessions and submit for approval a soft copy of the paper at icai.guwahati@gmail.com by 31st May,2013 and hard copy of the same along with students photo (with name on the back of the photograph), registration number, course pursuing, complete postal address, mobile, landline numbers and e-mail ID be also sent to the Guwahati Branch of EIRC of ICAI, ICAI Bhawan, ICAI Bhawan, 2nd Bye Lane, Manik Nagar R G Baruah Road, Guwahati – 781 005 (Assam)

Outstation students selected for paper presentation shall be reimbursed actual traveling expenses equivalent to 2 tier AC train fare and DA @ ₹1,500/- per day for lodging etc.

Students who are interested to participate in the cultural program are requested to register on or before 31st May 2013 at icai.guwahati@gmail.com or contact CA. Dhiraj Kumar Jain, Chairman, EICASA, Guwahati Branch.

CA. Dhiraj Kumar Jain
Chairman, EICASA, Guwahati Br. &
Convention Coordinator
Mobile: +91 9435013867

CA. Kaberi Bhuyan
Chairperson, Guwahati Branch &
Convention Coordinator
Mobile: +91 9864095563

CA. Vijay Kumar Garg
Convention Chairman &
Chairman, Board of Studies
Mobile: +91 9414041872

e-Filing of Income Tax Return - AY 2013-14

Key rules to be followed to ensure trouble free processing:

For hassle free processing of the income tax returns, we should keep in mind the following issues :

1. Once E filing is done (without digital signature), ITR V needs to be sent in time to CPC. In case ITR V acknowledgement is not received within reasonable time, the assessee may call up the CPC call centre to verify status. Nearly 10% of assessees have failed to send the ITR V to CPC after E filing.
2. Assessee needs to fill his email address, mobile no. correctly to ensure appropriate communication from the Income Tax Department. The use of the Tax practitioner/CA's email address may not be appropriate.
3. The assessee should make sure the correct (latest) address, bank account, MICR no. is filled.
4. The assessee should verify tax credits available in Form 26AS/NSDL websites. Mismatches are the single largest cause of incorrect tax computation. Non credits may be taken up with the TDS deductor and/or the banker as soon as they are noticed.

Dos & Don't - ITR 1-7 : With the recent changes in the procedure of income tax filing, every return filer should take the following precautions while filing income tax return for the assessment year 2013-14 :

Part A - Personal Information Schedule

- Name: Has to match the PAN database.
- Date of Birth: Mistakes here will result in computation of higher taxes in case of senior citizens.
- Address: House/Flat no, City, PIN Code, is mandatory fields. Non filling will result in refund delays.
- E mail Address: Needs to be filled correctly, is the basis of all communication from CPC.
- Mistake will result in non receipt of all intimations from CPC. Use of Auditor/Tax practitioner's ID may be avoided
- Mobile No: Full Mobile No. without use of +91 needs to be entered. This is essential for all SMS based communication.
- Sex: Should match the PAN database. If PAN database is wrong, it results in mistakes in computation
- Status : Should be correctly filled.
- Residential Status - the status of NOR and NRI should be mentioned only where applicable as they are not eligible for certain benefits available to resident assessee.

Part B - TI

- Salary amount entered in B-TI should be same as in TDS Salary and final value in Schedule salary.
- CYLA or BFLA loss has to be mentioned in the appropriate rows, else loss will not be allowed.
- In STCG many users confuse between STCG under section 111A and STCG others and enter against one another leading doubling to income from Capital Gains.
- In case of HP loss, B-TI value for Income HP should be 0 or null and final value in schedule HP should be a loss.
- It is not enough if just part B TI is filled. Respective schedules also need to be filled for E.g. Schedule HP, Sch Depreciation etc. Else the return can be treated as a defective return u/s 139 (9).

Part B - TTI

- Relief under 89, 90, and 91 is to be entered ONLY if applicable. The value entered in schedule TDS, IT and TCS has to be entered in Part B-TTI also. E.g. Schedule IT is entered but if no amount is mentioned in TTI section as Advance Tax or SAT, tax credit will not be allowed.
- The Bank account no. has to be given correctly and entered even if no refund is due. This is to ensure that refund arising from re computation of income by the ITD can be paid to the assessee. The A/c no and the name in the bank account has to tally.
- The MICR No. should be in 9 DIGITS and first 3 digits of MICR code denote the place of residence as mentioned in address's PIN Code.Eg. 781001025- '781' refers to Guwahati whose PIN starts with 781 001. The assessees may avoid giving bank accounts where MICR starts with '0'.

Income Schedules Salary, HP

- Net Salary should be entered and not Gross Salary. This will result in higher taxes.
- The Salary value should tally with that entered in Schedule TDS.
- In Schedule HP, the loss from house property has to be entered with all mandatory details of the property including details as to whether it is let out. Entering only the loss as summary makes it incomplete.
- Co-owners of property should enter only the income pertaining to their share in the property.
- Entering the gross rental receipt and thereafter offering this share of income from such rental will increase total income.

Capital Gains

- Deemed Capital Gains arising out of Schedule deprecation should be considered by the assessee in schedule CG.
- Non filing of full value of consideration or filling only expenditure under various sub categories of CG leads to incorrect computation of income.
- Filling of only cost of acquisition also leads to incorrect computation.
- The quarterly breakup of capital gains in the CG schedule should be post set off of all losses.
- Filling of accurate quarterly breakup is necessary for computation of interest u/s 234C.
- Correct section codes should be used depending upon the type of capital gains income in the SI schedule.
- Exempt LTCG should not be entered in CG schedule as well as in BTI, it has to be mentioned in Schedule EI .

Schedule BP

- PBT should be filed excluding the Deprecation value.
- Income from speculative business included in PBT should be shown separately in Sl. 2 and Sl. 38 of schedule BP.
- Income offered under other heads other than BP included in P&L should be reduced in Sl. 3 of Schedule BP.
- All disallowances in Part A of OI should be considered in Schedule BP.
- Income offered under section 44AD (Deemed Income) if included in PBT should be reduced from PBT at the appropriate column.

Sl. 4 of Schedule BP.

- Deprecation as entered In P&L should be shown in Sl.11 of Schedule BP alone and not in Sl 22 or 7 or another row in BP. The schedule DPM, DOA should be mandatorily filled.
- Assessee claiming benefit of rule 7A 7B 7C should mention appropriate code in nature of business schedule.
- PBT in P&L and PBT shown in Sl. No.1 of Schedule BP should be same.
- Specific schedule for ESR, 10A etc should also be filled when a claim is made in schedule B.

SCHEDULES DPM, DOA, DCG AND DEP

- All the relevant values to arrive at the deprecation mentioned in Schedule BP are to be filled in Schedule DPM, DOA.
- DCG arising out of depreciation schedules should be accounted for in CG and taxes paid.
- The value of depreciation as per Schedule DEP and value mentioned in Schedule BP should be the same.

e-Filing of Income Tax Return - AY 2013-14

Chapter VI A, MATC

- In case of deductions where separate schedules are also required to be filled, the same should be FILLED WITHOUT FAIL- E.g. 80G, 80IA, 80IB, etc. Deductions will not be allowed If specific schedules are not filled,
- Entering of only total deductions alone in Schedule VIA total will result in wrong computation of deductions. Section wise (amount claimed for 80C, 80IA, 80G etc) should be broken up and mentioned in as per the schedule
- To compute and avail MAT credit in MATC, sl. No. 1 to 6 should be filled with relevant details and the final value should be claimed in sl. No. 7 (Lower value of that in Sl.No. 3 or Sl. NO 6) should be specifically filled.

Schedule CYLA

- Loss sought to be adjusted should be claimed against a specific income and also under the loss to be adjusted heading. If lottery income is offered as part of OS income, the value to the extent of lottery income should be excluded while claiming income from OS in CYLA.
- The respective schedules should also contain loss details for CYLA.

Schedule CFL

- Date of filing of return for relevant year in CFL should be filled.
- Loss details should be entered under respective income sources.

Schedule BFLA

1. Specific differentiation in allocating the losses under BFLA should be made and the claim of adjustment should be made based of the relevant heads

Schedule SI (Special Income) & Schedule EI (Exempt Income)

- The assessee has to verify the nature of special income and enter appropriate Section Code.
- Entering wrong section code can lead to consideration of the incorrectly offered income for taxation
- The assessee needs to bifurcate incomes taxable at special rate and normal rate and if there is no provision in respective schedules like CG or OS, he/she has to offer income chargeable at special rate- they need to be disclosed on in Schedule SI.
- The income exempt from tax shown in P&L or BP or BTI should also be filled in EI and they should tally

Schedule TDS and TCS

- TDS on salary should be claimed ONLY in schedule TDS Salary (ITR1) or TDS1 (ITR 2-4).
- TDS on Interest should be claimed ONLY in TDS on interest (ITR 1) or TDS2 (2-4).
- Claiming of TCS claims in TDS schedules and vice versa will lead to mismatch translating into excess demand or lower refund The claim of TDS amount should be made in TDS deducted as well as TDS Claimed for the year columns in schedule TDS2 and TCS.
- TDS claims should tally with Form 26AS or NSDL database which are accessible very easily.

Schedule IT

- Dates of deposits should be entered in DD/MM/YYYY format and not in any other format like MM/DD/YYYY format. This will lead to mismatches
- Exact amount paid in the challan should be claimed in return- rounding off to nearest 10 or 100 leads to mismatch.
- Individual payments should be separately claimed. Clubbing of multiple challans or entering consolidated payment will lead to mismatch.

Compiled by : CA. Ankit Kumar Jain

Source : Income Tax Website and simple tax india.com

Note on e-Filing of Tax Audit Report u/s - 44AB of the Income Tax Act

A person carrying on business

- If the total sales, turnover or gross receipts in business for the previous year relevant to the assessment year exceed or exceeds ₹ 1 crore from the Assessment year 2013-14 onwards is required to get their accounts compulsorily audited by a Chartered Accountant.

A person carrying on profession

- If the gross receipts in profession for the previous year relevant to the assessment year exceeds ₹ 25 lakhs from the assessment year 2013-14 onwards is required to get their accounts compulsorily audited by a Chartered Accountant.

A person covered under Section 44AD

- If such person claims that the profits and gains from the business are lower than the profits and gains computed in accordance with the provisions of Section 44AD(1)(8% of total turnover) and if his income exceeds the maximum amount which is not chargeable to tax is required to get his accounts compulsorily audited by a Chartered Accountant.

➢ As per Section 44AB the tax audit is required to be done before the due date of for furnishing the return of income under sub-section (1)) of Section 139 and also furnish by due date of return. (wef 01/07/1995 "obtain before" has been replaced with "furnish by").

➢ The following clarification is issued by CBDT vide Circular No.05/2007 dt.26/07/2007 for furnishing tax audit report:

- The report of audit under section 44AB is not to be attached with the return. It should not be furnished separately also before or after the due date. However, an assessee should get the report of audit from an accountant under said section before the due date of the furnishing of the return and should fill out the relevant columns of these forms on the basis of such report. The assessee should retain the report with himself. It may be furnished in original during the assessment proceedings. No penalty under section 271B shall be initiated or levied for not furnishing the tax audit report on or before the due date. However, if the audit report has not been obtained before the due date, provisions of section 271B shall be attracted.

➢ As per amendment made to Rule 12 of Income-tax Rules,1962 vide Notification No.34/2013 (F.No.142/5/2013-TPL)SO 1111(E), Dated 01-05-2013 that where an assessee is required to furnish a report of audit under sections 44AB he shall furnish the same electronically.

➢ A provision is already made in the user account of CA in Income-tax Website to furnish tax audit report electronically with digital signature of CA.

➢ Based on the above amendments made to IT Act/Rules now it is mandatory to furnish the tax audit report electronically on or before the due date of filing of income-tax return.

CA. V.M.V. Subba Rao
Nellore - 524003, Andhra Pradesh

Take a Break !!

Few Must Have Applications For Your Android Smartphone:

COMMUNICATION	
WhatsApp	WhatsApp Messenger is a cross-platform mobile messaging app which allows you to exchange messages without having to pay for SMS. In addition to basic messaging WhatsApp users can create groups, send each other unlimited images, video and audio media messages.
Hike	Hike is a new messenger that lets you send free messages to your friends and family. With hike you can message friends that are on hike and also those who aren't on hike too.
Skype	Skype uses your phone's front and rear facing cameras to place voice calls over 3G or Wi-Fi. Also it allows you to send SMS and transfer pictures, videos and files to any of your contacts.

UTILITIES	
avast!	This app packs in a ton of security features, like app management, cell phone tracker/ locator, safe Web browsing, SMS/Call Filtering, a battery manager, and as an added bonus, a top-rated anti-virus engine.
Opera Mini 7	Opera Mini 7 is one of the fastest, easy and economic android browser. It comes with the special features like speed dialing, smart page, multiple tabs etc.
Google Maps	Google Maps has long helped people navigate streets, landmarks, parks, and other outdoor locations all over the world. Whether you need directions to your destination, the closest good place for a bite to eat, or just a sense of where you are, Google Maps for Android can help.
Google Translate	Google Translate translates texts and speech between more than 70 languages, and dictates them aloud. It's fast and stable, and works well for quick translations of a few words or a single sentence.
TubeMate Downloader	TubeMate YouTube Downloader is a free app that lets you download and watch YouTube videos on an Android device. It allows you to download YouTube videos in a variety of video formats and resolutions, or as MP3 files for offline viewing.
Google Drive	With google drive you can store your files in one place, so that you can access them from anywhere and share them with others. With it you can edit and manage your documents and spreadsheets and also view pdf files.
truecaller	Truecaller is the world's largest collaborative phone directory that makes it easy to get in touch with people across the globe. truecaller also shows you who the caller is instantly, blocks unwanted calls and so much more.

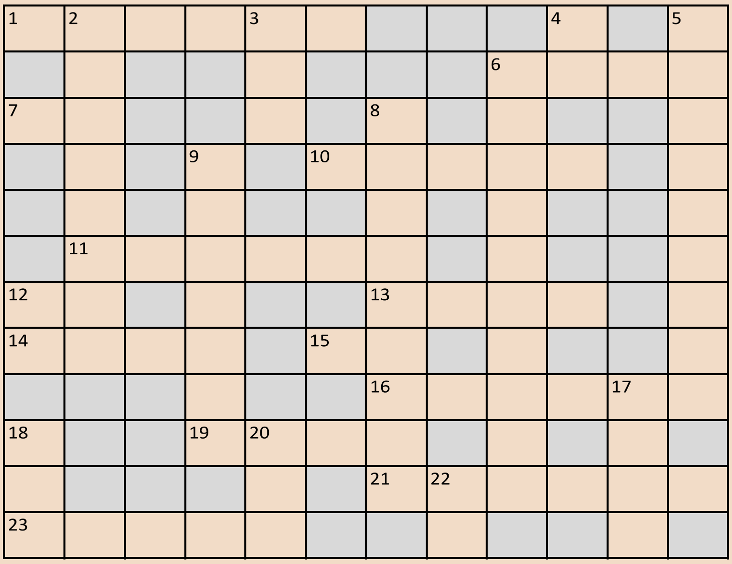
TRAVEL	
Indian Rail	This app is designed to allow user to fetch transit related information about Indian Railway. This App now supports: * PNR Status * Train Search * Seat Availability * Arrival & Departure * Train Running Status * Seat Upgrade Status * Fare Enquiry
Flight Track	One of the best flight tracking app out there. It helps to track flights with beautiful, zoom able maps or to get real-time departure info, delays and gate numbers at a glance. You can track all your flights worldwide and even get yourself updated on cancellations and help for finding an alternate flight.

PRODUCTIVITY & ORGANIZATION	
Task List Taskos:	Task list is a free, simple & intuitive way to manage your tasks on android. With Task list to you can add tasks by voice, edit or delete tasks using simple gestures, share them with your friends, write notes, and alerts and even take actions.
Any. DO	Any.DO helps to remember all the tasks you want to-do and make sure you get them done. Key features are Seamless cloud sync, Speech recognition, Alerts, Any.DO Moment, Snooze tasks, Google Task Sync, Notes, Sub tasks, Amazing Widgets, Repeating / Recurring Tasks, Missed call, Auto complete, In app actions, Gesture support etc
CamCard Lite:	This app is used extract the scanned the business cards using camera and save all the info like name, phone number, fax etc into contacts. Also it will automatically trim and enhance card image before saving it into contacts.
CamScanner:	This app helps you to scan and manage your documents, whiteboard discussions and receipts easily. Also the smart image cropping and enhancement algorithm ensures that the scanned images are clear and recognizable.

TAX APPLICATIONS	
MyTaxIndia:	My Tax India instantly calculates your tax, tax splits, and can decide how much more investment is needed to save a given amount from your income. My Tax India also comes with added features like the ability to export your details (to mail accounts) and enable multiple user entries etc
Tax Reckoner	Ever thought how useful a quick pocket tax reckoner will be when in meetings or discussions? Well! Look no further! This App is a quick tax reference of Indian Income Tax Act which gives tax rates, tax due dates, updates and tax calculator.

(Compiled by Dr. Vineet Maheshwari, Barpeta Road)

CROSSWORD # 03



Compiled by: CA. Kamal Mour and CA. Anil Kumar Agarwala

QUICK CLUES

Across:

1 Derivative that gives the right but not the obligation to execute a transaction. (6)
6 Telecom Regulator (Abbr)(4)
7 Approximation for the average distance between the Earth and the Sun (Abbr)(2)
10 Data Transmission device that connects a computer to a standard telephone line (5)
11 Most Liveable Indian City famous for its oranges (6)
12 Silicon chip with electronic circuits (Abbr) (2)
13 Block cipher designed by James Massey and Xuejia Lai; also a Mobile Operator (4)
14 Project Management Tool (4)
15 Amitabh or Abhishek (Abbr) (2)
16 Low cost Tablet PC for Indian Students developed by DataWind (6)
19 May enjoy concessional fares during this period (4)
21 Coconut Land (6)
23 Cause of Loss (insurance) (5)

Down:

2 Principle of conservatism (acountancy) 8
3 Switch Position at 0 (3)
4 Matrix Barcode (Abbr)(2)
5 Transaction Limit for deduction of tax on property transactions (5,4)
6 DTAA rule which prevents an individual being resident of two countries (3, 7)
8 Leading South Korean Bank with first Indian Branch at Chennai (5,4)
9 Type of signature is used for e-filing of document (7)
12 Principal communications protocol in the Internet protocol suite (Abbr) (2)
17 Passing of Title for consideration (4)
18 Processing of information by computer as opposed to handwritten records (3)
20 UK's primary football competition (Abbr) (3)
22 An economic and political union of 27 member states (Abbr)(2)

SOLUTION CROSSWORD #2

1 A	N	A	2 L	3 O	4 G						5 W
			6 A	U	R	O	7 B	I	N	D	O
	8 I		9 P	R	E		A				R
	N		T		Y		S		10 S	O	L
11 Q	S	H	O	P		12 S	E	B	I		D
	O		P				L		X		B
	L			13 E	T	H	I	C	S		A
	V						I		14 I	O	N
15 N	E	T	W	O	R	16 K	I	N	G		K
	N					O			M		
	C		17 M	A	N	D	E	L	A		18 P
19 K	Y	C				A				20 A	I

Congratulations to **CA. Mousam Agarwal & CA. Deepak Jain** for submitting correct solution to crossword #2

Guwahati Branch Managing Committee for the Session 2013-16 and Office Bearers for the year 2013-14

Designation	Name	Contact No.	E-mail
Chairperson	CA. Kaberi Bhuyan	9864095563	kaberibhuyan@sify.com
Vice-Chairman	CA. K P Sarda	9864060803	kpsarda@gmail.com
Secretary	CA. Rakesh Agarwala	9864020068	rakeshagrl_ca@yahoo.com
Treasurer	CA. Mahabir Agarwala	9435198133	mahabir_agarwala@rediffmail.com
Member	CA. Vikash Kumar Jain	9435043223	vikash196@gmail.com
Member	CA. Sharad Agarwalla	9435051237	sharad.agarwalla@gmail.com
Member	CA. Dhiraj Kumar Jain	9435013867	dhiraj@icai.org
Member	CA. Rohit Agarwal	9435058514	aknc@rediffmail.com

Contact us:
Guwahati Branch of EIRC of ICAI
ICAI Bhawan
Manik Nagar, 2nd Bye Lane
R G Baruah Road, Guwahati-781005
Telefax: +91-361-2207660
E-mail: icai.guwahati@gmail.com

चलते चलते.....