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EASTERN INDIA REGIONAL COUNCIL
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

EIRC NEWSLETTER
₹10

ICAI INTERNATIONAL CONFERENCE

ACCOUNTANCY PROFESSION : EMERGING FRONTIERS OF FUTURE GROWTH

NOVEMBER 21-23, 2013
SCIENCE CITY AUDITORIUM, KOLKATA, INDIA

Values Virtues Vision

ICAI International Conference

Accountancy Profession: EMERGING FRONTIERS OF FUTURE GROWTH

November 21-23, 2013

at Science City Auditorium, Kolkata

H.E. Shri Pranab Mukherjee, Hon'ble President of India has kindly consented to inaugurate the International Conference on November 21, 2013 at 4.30 pm.

Panel Discussions/ Key Note / Special Addresses

- Enhanced Regulation as key to Sustainable Growth
- Raising the voice of Asia in Global Accounting Profession
- Global opportunities for Chartered Accountants
- Sustaining Growth through Financial Inclusion
- Sustainability and Value Creation: Emerging Paradigm
- Public Finance Management for Financial Inclusion
- Role of Public Sector Enterprises in Nation Building
- Public Sector Enterprises: Anchoring Economic Growth
- Happiness Index – Measurement for True Growth of Nation
- Competency Mapping for the Capacity Development
- Banking Sector – Navigating through Maze; Roadmap for Growth
- Developing Nation through Wealth Creation
- Emerging Paradigm in context of Education, Technical Standards and Company Law
- Empowerment as Key to Growth
- Landscaping India: Strategies for Winning Globally

Technical Sessions

- **Promoting Excellence – New Dimensions of Reporting**
- **Corporate Finance – Way Forward**
- **Beyond Accountancy – Management & Leadership**
- **Information Technology – Rewriting the Rules of Business**
- **Global Competitiveness : Evolving Dimensions of Trade**

Particulars	Delegate Fees
Members (ACA and FCA)	INR 2000
Non Members	INR 2500
Foreign Delegates	USD 100
SAFA Country members	INR 2000
CAPA Country members	INR 2000

14 CPE HRS

Confirmed Speakers

- **Mr. Keith Wedlock,** President, Confederation of Asian Pacific Accountants (CAPA)
- **Mr. Sujeewa Mudalige,** Deputy President, CAPA
- **Mr. Padmanabha Acharya,** Abu Dhabi Chapter of ICAI
- **Ms. Anuradha Venkatkrishnan,** Muscat Chapter of ICAI
- **Shri Dasho Ugen Chewang,** Chairman, AASB, Bhutan
- **CA P K Choudhary,** Chairman, ICRA
- **Shri Sudhir Vasudeva,** Chairman, ONGC
- **Shri Keki Mistry,** Vice - Chairman, HDFC Ltd
- **Shri Dilip Chenoy,** MD & CEO, National Skill Development Corporation
- **Shri Sunil Kanoria,** MD SREI Finance
- **Shri Harish Bijoor,** Bijoor Consulting
- **CA Amarjit Chopra,** Past President
- **CA Ved Jain,** Past President
- **CA Chetan Dalal,** Mumbai
- **CA T P Ostwal,** Mumbai
- **CA S P Tulsian,** Eminent Expert

for details :

link http://www.icai.org/post.html? post_id=9718.
http://www.icai.org/post.html?post_id=9790.

Cheque/DD should be drawn in favour of 'ICAI International Conference 2013'

For further details, please contact :

Shri Pradyut Chakraborty
Assistant Secretary
Tel No: 033- 30211133, Mob: 09831384972

Shri Amit Paul
Senior Executive Officer
Tel No: 033- 30211133, Mob: 09674073910

Dear Friends & Professional Colleagues,

A month of festivity is about to come to a close, and with it comes down the curtain to holidays, revelries and a u-turn from normal routines, which shackle us through the year. Even though Diwali and Guru Nanak Jayanti is around the corner, but the month of October is sorely missed by many I know. Rains have been a spoil-sport, not just for the festive period but even for the state, heavy downpour which have often exceeded the previous record for this month has been the cause of large-scale flooding both in the city and in the suburbs of Kolkata. Many districts of Bengal have been inundated, resultant loss to property, crops and life is beyond compensation.

There is good news to, the bell-weather index has been gradually crawling back and has compensated the stock-holders of some of their losses. The forex position, vis-à-vis the dollar has shown signs of stability and it is expected to show further improvements.

Despite this, the other economic parameters are still struggling, RBI has been trying to tackle the inflation issue with increasing of the repo rates, even though employment indices is showing some signs of marginal improvement, the GDP forecast up till March seems to be roped at 4.7 percent, which is far from encouraging.

Year closure pressures for Chartered Accountants should have finally ended. Some leeway in form of extended time limits for filing of tax returns electronically (31st October,2013)would have enabled them to get a breather. The ICAI continues to take proactive measures in its march towards professional excellence.

Year closure pressures for Chartered Accountants should have finally en ded. Some leeway in form of extended time limits for filing of tax returns electronically would have enabled them to get a breather. With the current financial period past its half-year mark, we are highly expectant that the second half would bring nicer tidings; with the present state of dismal tidings in the nation, perhaps the only thing the denizens can do is to hope for better days. The ICAI continues to take proactive measures in its march towards professional excellen

Some of the important activities and achievements of our Regional Council during the past month are listed below:

1.Mini Marathon on 2nd October, 2013

A small marathon was organized at Red Road,Kolkata on the occasion of Gandhi Jayanthi, to mark our social responsibilities and a small measure of our efforts towards the direction. The theme of our event was Curbing Violance in Education which was attended by more than 300 Members and Students.I must compliment all my Regional Council Colleaques and special mention must go to,CA Anirban data,Treasurer for taking initiative in the event and making it a successful one.

2.VAT Seminar :

A Seminar on Value Added Tax,Entry Tax and Profession Tax was organized at EIRC Premises on Saturday,19th October,2013 which was attended by more than 250 Delegates and was a huge success.

3.Inaguration of Reading Room for Girls Students at Howrah;

On Sunday,6th of October,2013 CA Subodh Kr Agarwal, President in the presence of undersign,Secretary,Treasurer and other Members and Students inaugurated a Reading Room for Girls Students in partnership with Lions Club of Calcutta Navnirman.It's the first Reading Room for Girls Students in our Eastern Region for the benefits of Girls Students of Howrah and nearby locality.

4.Income tax Return and Audit Report Filing date extended;

After the Order of Delhi High Court,where a case was filed with the Hon'ble High Court for the extention of Due date of filing of Return and Report,the Hon'ble Delhi High Court ordered for the said extention and hence CBDT issued the Order for the extention of the same.This is the big relief for our fraternity as lots of members faced problem in the last day of Filing of Return as system was not working properly.

5.Draft Rules for NFRA in Companies Act,2013

Last week MCA issued the Draft Rules on NFRA and other provisions for the comment of General Public at large and the last date of receving of suggestion is 5th of November.I request the Members of our fraternity to go through the draft rules,which has also been published in this newsletter,very carefully and suggest the same to ICAI or MCA as very stringent provisions are there which will bring a **paradigm shift** as far as Regulation of Fraternity is concerned.

Some of the major forthcoming events lined up in the month ahead are as under:

1.International Conference of Members:

For the first time in Eastern Region,International Conference of Members would be hosted on 21-23rd November at Science City. It will be inaugurated by our Hon'ble President of India,His Excellency Sri. Pranab Mukherjee. Memebrs are requested to send their registration not later than 15th of November,2013 as entire delegate list will be sent to President of India office one week in advance,for their verification.It;s going to be the biggest event of our Region so far and all the Members of Entire Eastern Region are requested to register in advance and make it a resounding success.The event will be followed by a Star studded Bollywood Night on 22nd of November,2013.

2.Bijoya and Deepawali Get-together

For the First time EIRC has taken the initiative to organize a Bijoya and Deepawali get together jointly with all the Study Cirlce of our Region at Bowlers Dane,Nicco Park,Salt Lake, so that the entire fraternity can meet and greet each other with their family and friends under one roof.The details has been given elsewhere in the newsletter for the benefits of all memebrs. I request all the members of our fraternity to join the get together and must register either through EIRC or any of their Study Circles.

A new Samvat Year commences, and the fireworks of Dipawali beckon – it is also called the 'Festival of Lamps' and I take this opportunity to wish every member and their families peace, joy and prosperity this season. May the lamps of piety light up every home with Lakshmi's choicest blessings and may none spend their days in hunger, helplessness and bereft of hope. Let us pledge to make the future better not just for ourselves but for others too!

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My best wishes to all for the remainder of the festive season; may you all stay in blissful peace and endless happiness.

Sincerely yours,

CA Ranjeet Kumar Agarwal
Chairman,EIRC
27th October, 2013

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The EIRC News letter can be downloaded from EIRC Website : eircicai.org

FORTHCOMING PROGRAMME
EIRC

Day and Date	Programme	Speakers	Coordinator	Venue	Duration	CPE Hours	Delegate Fees ₹
Wednesday 6th November, 2013	Code of Ethics	CA K. P. Khandelwal	CA Anirban Datta	R. Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150
Monday 11th November, 2013	Companies Act – 2013 New 98 Section	CA Manoj Banthia & Others	CA Sunil Kumar Sahoo	R. Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150
Friday 15th November. 2013	Recent Ammendments in Service Tax	CA Arun Agarwal	CA Manish Goyal	R. Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150
Thursday 21st, Friday 22nd & Saturday, 23rd November, 2013	ICAI International Conference	Eminent Speakers (Details in pg No-7)	EIRC	Science City Auditorium	10 am to 5.30 pm	14	2000
Tuesday 26th November, 2013	Right to Information Act	Eminent Speakers	CA Subhash Chandra Saraf	R. Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150
Wednesday 27th November, 2013	Seminar on Information Technology	Eminent Speakers	CA Pramod Dayal Rungta	R. Singhi Hall, EIRC Premises	4.30 pm to 8.30 pm	4	200
Tuesday 3rd December, 2013	Search & Seizure	Mr Gopal Mukherjee,DGIT CA Jinesh Vanzara	CA Anirban Dutta	R. Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150
Friday 6th December, 2013	GST	CS T. B. Chatterjee	CA Sunil Kumar Sahoo	R.Singhi Hall, EIRC Premises	5.15 pm to 8.30 pm	3	150

Important Dates

Day & Date	Programme Details	Venue	Duration
Saturday 9th November, 2013	Bijaya Diwali Gettogether jointly organised by EIRC & all Study Circles of EIRC	Bowlers Den, Nicco Park, Salt Lake	5.00 pm onwards
Thursday 21st, Friday 22nd & Saturday 23rd November, 2013	International Member Conference	Science City Auditorium	10 am to 5.30 pm
Friday 29th and Saturday 30th November, 2013	Joint Regional Conference (EIRC, WIRC, SIRC, NIRC & CIRC)	Ahmedabad	10 am to 5.30 pm
Friday 20th & Saturday 21st December, 2013	38th Regional Conference of EIRC	Science City Auditorium	10 am to 5.30 pm

Branches

Study Circle	Day & Date	Programme	Speakers	Co- ordinator	Venue	Duration	CPE Hour
Bhubaneswar Branch	Saturday 9th November, 2013	Workshop on Audit environment in SAP	Eminent Speakers	CA Ramesh Chandra Pradhan, Chairman 9437177221 bhubaneswar@icai.org	ICAI Bhawan, Bhubaneswar	10 am to 5 pm	5
Guwahati Branch	Saturday 9th November, 2013	IT. Workshop	CA Anil Agarwala CA Vivek Kr Jain	CA Vikash Jain 9535043223 vikash196@gmail.com	ICAI Bhawan, Guwahati	10.00 am to 5.00 pm	6
Sambalpur Branch	Saturday 16th November, 2013	Survey, Search & Seizure under the IT Act	Eminent Speakers	CA H S Barpanda 9437346200 hsb_associates@rediffmail.com	Hotel Sheela Tower, Sambalpur	10.00 am to 5.00 pm	6
Cuttack Branch	11th, 12th, 13th, 15th, 16th & 17th November, 2013	Certificate course on Concurrent Audit of Banks	Eminent Speakers	CA Rajesh Kr Agarwal 9861207210 rajesh_jgt@yahoo.co.in	ICAI Bhawan Cuttack Branch	10.00 am to 5.00 pm	13
Bhubaneswar Branch	Saturday 16th November, 2013	Seminar on Transfer Pricing : Domestic Transactions under section 92E of Income Tax Act.	Eminent Speakers	CA Ramesh Chandra Pradhan 9437177221 bhubaneswar@icai.org	ICAI Bhawan, Bhubaneswar	4 pm to 8 pm	3
Bhubaneswar Branch	Thursday 28th & Friday 29th November, 2013	National Convention for CA Students	Eminent Speakers	CA Vijaya Batth Chairperson, EICASA, 9437006081 bhubaneswar@icai.org	ICAI Bhawan, Bhubaneswar	10 am to 5 pm	
Cuttack Branch	Fri 6th & Saturday 7th December, 2013	National CA Conference-2013	Eminent Speakers	CA Rajesh Kr. Agarwal 9861207210, rajesh_jgt@yahoo.co.in	Sheed Bhawan, Cuttack	10 am to 5 pm	12

Study Circles

Study Circle	Day & Date	Programme	Speakers	Co- ordinator	Venue	Duration	CPE Hour
Rishra CPE study Circle for Members of Industry - ICAI	Saturday 9th November, 2013	Workshop on Companies Act- 2013	Debashish Mitra & C S T B Chatterjee	Ashish Losalka, 9088021122, ashish.losalka@adityabirla.com	C/O Jayashree Textiles, Prabasnagar, Rishra, Dist- Hooghly, Pin-712249	10 AM to 5 PM	6
Views Exchange Chartered Accountants Study Circle - EIRC	Friday 8th November, 2013	Recent Judicial Pronouncements and Domestic Transfer Pricing	CA S S Gupta and CA Vivek Newatia	CA Mohit Bhuteria 9331026475, m_bhuteria@yahoo.co.in	Bengal Chambers of Commerce	4.00 p.m. to 7.00 p.m.	3
Central Kolkata Chartered Accountants Study Circle - EIRC	Saturday 9th November, 2013	Domestic Transfer Pricing	CA Rajneesh Agarwal	CA K K Sarda, 9331008813, sarda_kks@yahoo.co.in	Bengal Chambers of Commerce	2.00 p.m. to 5.00 p.m.	3
Views Exchange Chartered Accountants Study Circle - EIRC	Saturday 16th November, 2013	VAT, Service tax and Entry tax	CA Rohit Surana and CA Vikram Khetan	CA Mohit Bhuteria 9331026475, m_bhuteria@yahoo.co.in	Bengal Chambers of Commerce	3.00 p.m. to 7 p.m.	4
Central Kolkata Chartered Accountants Study Circle - EIRC	Saturday 30th November, 2013	Related Party Transactions & New Companies Act 2013	CS Manoj Banthia	CA K K Sarda, 9331008813, sarda_kks@yahoo.co.in	Bengal Chambers of Commerce	3.00 p.m. to 6.00 p.m.	3
Views Exchange Chartered Accountants Study Circle - EIRC	Saturday 30th November, 2013	Companies Act, 2013	Eminent Speakers	CA Mohit Bhuteria 9331026475, m_bhuteria@yahoo.co.in	Bengal Chambers of Commerce	3pm to 7 pm	4

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HELP US TO SERVE YOU BETTER

e-Sahaayataa

To resolve your queries / grievances in time, ICAI provides a platform wherein the solutions to your problems are just a click away. E-Sahaayataa for Members & Studentsis a Grievance Solution Provider portal wherein members & Students can post their grievances and the solutions can be checked online with the grievance number provided.

Please visit - help.icai.org for e-sahaayataa

Post Your Query/ Complaint/ Grievance

Check Status

Dear Students,

Achieve most & more ...

Festive season is around and I extend warm greetings to your all for Durga Puja, Dussehra & Diwali & wish you a successful and bright career ahead. I extend my special wishes to all the students who are going to appear in Final & IPCC examination in the November, 2013 term for their success.

EICASA team has arranged following programmes during the month for the benefit of the students:

1. A Revision Class for IPCC & Final Examination was organised on 3rd & 4th October 2013 at R.Singhi Hall which was well attended.
2. A Seminar on "How to Crack CA Examinations" was organised on 8th October 2013 at R.Singhi Hall where students benefited.

New EICASA team is very vibrant and they have lined up following programmes in the coming months. I urge upon all the students to participate in the activities for their own professional and personal development.

1. Deepawali Celebration for old age and physically challenged people on Thursday, 31st October 2013 at Srirampur. From 4.30pm onwards.
2. Workshop on English speaking skills - By Tostemaster Club on Tuesday, 12th November 2013 at R. Singhi Hall from 2.00pm to 5.00 pm
3. Seminar on Companies Act, 2013 – By CA Ankita Agarwal on Wednesday, 27th November 2013 at R. Singhi Hall from 4.00pm to 7.00 pm
4. Seminar on Specified Domestic Transaction - By CA Jayesh Gupta on Monday, 9th December 2013 at R. Singhi Hall from 2.00pm to 5.00 pm
5. Seminar on Service Tax - By CA Sushil Goyal on Monday, 23rd December 2013 at R. Singhi Hall from 2.00 pm to 5.00pm
6. An Industrial visit to Siliguri from Friday, 27th December 2013 to Sunday, 29th December 2013

It is advised that students should regularly visit the Institute's website www.icai.org and EIRC website www.eircicai.org for latest update. It is also advised to check students Notice Board at EIRC from time to time for various activities and events. I also strongly recommended you to read Student's Journal (The Chartered Accountant Student) issued by the ICAI for current valuable topics and updates. Our institute's "BOS knowledge portal" is very informative and contains valuable update for your reference.

You are requested to send your views and / or suggestions for improvement, correction or modification in student's activities and especially EICASA activities which you may send directly to me at subhash@sarafchandra.com while marking a copy to eicasakolkata@gmail.com

Wish you Most and more from Life. This and that and that too...

With Best Wishes,

CA Subhash Chandra Saraf
Chairman, EICASA, Vice Chairman-EIRC

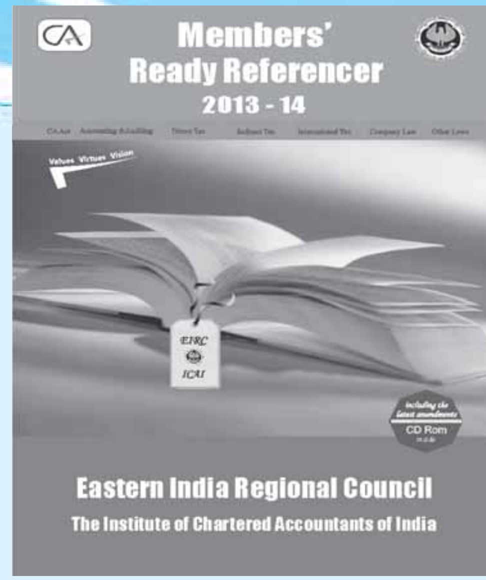
Seminar on "How to face CA exam" on 8th October 2013

L to R : CA Arijit Chakraborty, Mr Paras Ruthla, EICASA Vice Chairman & CA Subhash Chandra Saraf, Vice Chairman, EIRC.

Corrigendum

The article on 'Non Bailable offences under the New Companies Act' published in page 12 of the September, 2013 issue of EIRC Newsletter has been authored by **Ms Prachi Narayan**. We regret not acknowledging her name in the said issue.

1. **The Chartered Accountants Act and Regulations**
2. **Accounting and Auditing**
3. **Direct Tax**
4. **Indirect Tax**
   - Central Excise Law
   - Indian Customs Law
   - Service Tax Law
   - Central Sales Tax Act
   - WB Tax on Entry of Goods in Local Areas Act
   - West Bengal VAT Act, 2003
   - Assam VAT Act,2003
   - Odisha VAT Act,2003
5. **Company Law**
6. **Other Laws**
   - Foreign Exchange Management Act, 1999
   - Limited Liability Partnership Act, 2008
   - Apprentices Act 1961
   - Contract Labour Act, 1970
   - Employees' Provident Funds & Misc. Provisions Act, 1952
   - Employees' State Insurance Act, 1948
   - Factories Act, 1948
   - Employment Exchange Act, 1959
   - Industrial Disputes Act, 1947
   - Standing Order Act, 1946
   - Maternity Benefit Act, 1961
   - Minimum Wages Act, 1948
   - Sales Promotion Employees Act, 1976
   - Trade Union Act, 1926
   - Payment of Bonus Act, 1965
   - Payment of Gratuity Act, 1972
   - Payment of Wages Act, 1936
   - Workmen's Compensation Act, 1923



   - Right to Information Act
   - Stamp Duty
   - Special Economic Zones
   - NBFC Directions, 1998
   - Micro Small and Medium Enterprises Act
   - West Bengal Professional Tax
   - Assam Professional Tax
   - Odisha Professional Tax
   - Foreign Contribution (Regulation) Act, 2010
   - SEBI Regulations
   - Due Diligence
   - Competition Act
   - Prevention of Money Laundering Act

ADDITIONAL MATTER INCLUDED IN THE CD (Free with the book)

- **Peer Review Details**
- **Accounting and Auditing**
   - Auditing in ERP Environment
   - Tax Audit Checklist
- **Annexures to Service Tax**
   - List of Abatement for Various Services
   - Documents/Information/Undertaking For Centralized Registration
   - Compliance Check List For Service Tax Assesses
   - Your Obligations & Dates With Service Tax
   - List Of Declared Services
   - Check List Of Documents Required For Registration
   - Guidelines for e-filing of service tax returns
   - List of non-taxable/exempted services
   - List of taxable services
   - Negative list of services
   - Reverse-charge system — when recipient of service liable to pay service tax
- **Minimum Wages in West Bengal**
- **Stamp Duty**

   - Schedule IA[Stamp-Duty On Certain Instruments Under The Bengal Stamp (Amendment) Act. 1922 And The Indian Stamp (Bengal Amendment) Act, 1935 And West Bengal Taxation Laws (Amendment) Act, 2012]
- **Information Technology Act**
- **Period of Preservation of Accounts**
- **Succession and Will**

Please collect your Member Ready Referencer from EIRC Sales Counter at : ICAI Bhawan, 7, Anandilal Poddar Sarani, Kolkata – 700071. Price of Referencer with Free CD is Rs 450/-

National Financial Reporting Authority (NFRA)

(Draft rules as hosted in: mca.gov.in. Last date for sending suggestions is 5th November 2013)

1. **Composition of the NFRA:** (1) For the purposes of sub-section (1) and sub-section (3) of section 132, the Central Government may, by notification, constitute the Authority consisting of following, namely:

   i) Chairperson being a Chartered Accountant who is a person of eminence having expertise in accountancy, auditing, finance or law;

   ii) Member – Accounting;

   iii) Member – Auditing;

   iv) Member - Enforcement;

   v) One representative of the MCA not below the rank of Joint Secretary or equivalent (ex-officio);

   vi) One representative of RBI, being a Member of the RBI Board, to be nominated by RBI;

   vii) One representative of SEBI, being the Chairman of SEBI or whole-time Member of SEBI, to be nominated by SEBI;

   viii) A retired Chief Justice of a High Court or a person who has been the Judge of a High Court for 5 years or more, to be nominated by the Central Government;

   ix) President of the Institute of Chartered Accountants of India (ex-offico)

   (2) The Chairperson may invite any other person to the meeting of the Authority as and when required to give expert opinion.

2. **Structure of the NFRA**

   The Authority shall have thee Committees namely:-

   i) Committee on Accounting Standards,

   ii) Committee on Auditing Standards,

   iii) Committee on Enforcement,

3. **Functions of the NFRA**

   (1) Standard Setting: The NFRA shall -

   (a) receive recommendations from the Committee on Accounting Standards and Committee on Auditing Standards;

   (b) consider and review the recommendations;

   (c) give an opportunity of being heard to the Committee on any clarification that may be sought;

   (d) make amendments as may be required;

   (e) recommend the standards to the Central Government for being considered and notified.

   (2) **<u>Monitoring, compliance review and overseeing quality of service</u>**:The Authority shall

   (a) receive reports from the Committee on Accounting Standards and Committee on Auditing Standards;

   (b) approve the report to be issued on the investigated companies or their branches;

   (c) forward reports to the Committee on Enforcement for further action, if required, along with its recommendations.

   (3) **<u>Enforcement:</u>** The Authority may -

   (a) receive any reference from the Central Government for investigation;

   (b) receive, consider and decide upon any recommendation from the Member – Accounting and Member – Auditing for any investigation to be carried out based on the monitoring and compliance review or investigation of auditor or audit firm undertaken by them;

   (c) suomotu determine any investigation to be undertaken by the Authority;

   (d) forward such requirements to the Committee on Enforcement;

   (e) receive the final investigation report from the Committee on Enforcement on matters referred to them whether arising out of the Quality Review process or based on investigation requests made to the Committee on Enforcement;

   (f) issue a notice in writing to the company or its branch investigated or the Professional on whom action is proposed to be taken;

   (g) provide the opportunity of being heard to the company or its branch investigated or the professional concerned;

   (h) accept or overrule, in writing, clarifications received and objections raised;

   (i) take suitable action or pass orders imposing penalty or debarring the Professional or firm concerned.

   (4) The Authority shall undertake investigation or conduct quality review of audit of following class of companies-

   a) Listed Companies;

   b) Unlisted companies with net worth not less than Rs.500 crores or paid up capital not less than Rs.500 crores or annual turnover not less than Rs.1,000 crores as on 31st March of immediately preceding financial year; or

   c) Companies having securities listed outside India

   (5) The Authority shall undertake investigation in accordance with the provisions of sub-section (4) of section 132 of the Act and rules made thereunder against the auditors or audit firms which conduct the audit of the following category of companies or their branches (including through the network or brand to which it belongs), whether "directly or indirectly", as defined in Explanation to Section 144 of the Act -

   a) audit of 200 companies or more in a year;

   b) audit of 20 or more listed companies;

   c) company or companies (including listed company or companies), having net worth not less than Rs.500 crores or paid up capital not less than Rs.500 crores or annual turnover not less than Rs.1,000 crores as on 31st March of immediately preceding financial year ; or

   d) company or companies having securities listed outside India

   Provided further that the provisions in respect of class or classes of companies provided under sub-rule (4) and sub-rule (5) shall not be applicable where a reference is made by the Central Government or any Regulator or where the Authority, in public interest, suomotu decides to exercise powers under sub-rule (4) or (5), as the case may be.

   (6) In cases where the Authority comes to the conclusion that any company has not complied with the requirements under this Act or rules, it shall refer the matter to the Central Government.

   (7) Where any officer of the Central Government or the Regional Director or the Registrar of Companies has any information in respect of any auditor or audit firm who or which is not complying with the provisions of section 132 or rules made thereunder, he shall refer the matter to the Authority.

4. **Committee on Accounting Standards and its functions**

   (1) The Committee on Accounting Standards shall comprise of 8 members, namely:

   1. Chairperson – Being the "Member – Accounting";

   2. One representative of MCA not below the rank of Director (I&I) or

Regional Director;

3. One Member representing RBI not below the rank of Chief General Manager to be nominated by RBI;

4. One Member representing SEBI not below the rank of Executive Director to be nominated by SEBI;

5. Chairman of Accounting Standard Board of ICAI (Ex Officio);

6. An eminent academician with specialization in the field of accountancy to be nominated by Central Government on the recommendation of Authority;

7. One Chartered Accountant, being a Chief Financial Officer of a listed company to be nominated by Central Government on the recommendation of Authority;

8. One eminent Chartered Accountant with at least 20 years' experience in accounting to be nominated by Central Government on the recommendation of Authority;

(2) The Committee on Accounting Standards shall examine the matters relating to formulation and laying down accounting standards or any amendments thereto and shall submit the same for consideration by the Authority.

(3) For the purpose of formulation of accounting standards under the Act, the Committee on Accounting Standards shall follow the process as under:

(a) Make recommendations for any new standard or amendments which the Committee on Accounting Standards may want to be examined, to the Institute of Chartered Accountants of India;

(b) Receive New Standards or amendments to standards to be recommended by the Institute of Chartered Accountants of India within a reasonable time;

(c) Examine the recommendations made by the ICAI;

(d) Where, the Committee on Accounting Standards is not in agreement with the recommendation, send the recommendations of the ICAI back to them for a final view from the ICAI on the matters on which the Committee is not in agreement, within a reasonable period;

(e) Consider the final view from the ICAI, if any, received within a reasonable time;

(f) Make recommendations to the Authority on the new standards or amendment to standards for approval by the Authority to be forwarded to the Central Government for their consideration for being notified as part of the prescribed standards.

(4) For the purpose of monitoring compliance of accounting standards under the Act, the Committee on Accounting Standards shall follow the process as under:

(a) conduct scrutiny of financial statements of such class of companies and in such manner as may be decided by the Committee or the Authority:

Provided that for a period of two years from the commencement of these rules, the Committee may conduct scrutiny under this rule through the Registrars of Companies or in cooperation with Financial Reporting Review Board set up by the ICAI;

(b) seek clarifications on observations arising from such scrutiny from the Company as well as its auditors as may be required;

(c) discuss the draft findings with the company concerned and obtain its response before the reports are finalized by the Committee;

(d) issue such reports (having a public and non public portion separately) arising from such scrutiny to the Authority for it to consider for further necessary action

(e) Refer matters to the Authority for the Authority to decide on further course of action, through the Committee on Enforcement.

5. Committee on Auditing Standards and its functions

(1) The Committee on Auditing Standards shall comprise of 7 members, namely:

1. Chairperson – Being the "Member – Auditing";

2. One representative of MCA not below the rank of Director (I&I) or Regional Director;

3. One Member representing RBI not below the rank of Chief General Manager to be nominated by RBI;

4. One Member representing SEBI not below the rank of Executive Director to be nominated by SEBI;

5. One Member representing Comptroller and Auditor General of India (CAG) to be nominated by CAG;

6. Chairman of Auditing and Assurance Standard Board of ICAI (Ex Officio); and

7. One eminent Chartered Accountant with at least 20 years' experience in audit of companies to be nominated by Central Government on the recommendation of the Authority.

(2) The Committee on Auditing Standards shall examine the matters relating to formulation and laying down auditing standards and shall submit the same for consideration by the Authority.

(3) For the purpose of formulation of auditing standards under the Act, the Committee on Auditing Standards shall follow the process as under:

(a) make recommendations for any new standard or amendments which the Committee on Auditing Standards may want to be examined to the Institute of Chartered Accountants of India;

(b) receive new standards or amendments to standards as recommended by the Institute of Chartered Accountants of India within a reasonable period;

(c) examine the recommendations made by the ICAI;

(d) where the Committee is not in agreement with the recommendation, send the recommendations of the ICAI back to them for a final view from the ICAI, with the suggestions or views of the Committee;

(e) consider the final view from the ICAI, if any, received within a reasonable period;

(f) make recommendations to the Authority on the new standards or amendment to standards for approval by the Authority to be forwarded to the Central Government for their consideration for being notified as part of the prescribed standards.

(4) For the purpose of monitoring compliance, Committee on Auditing Standards shall monitor the compliance of auditors including individual auditors, audit firms and audit LLPs, with the notified accounting standards and auditing standards and submit such periodical report(s) to the Authority as the Authority may specify.

Provided that for the above purpose it shall:

a. investigate or review selected audit and review engagements, including specifically the working papers, of any auditor including an individual, a firm or an LLP;

b. evaluate the sufficiency of the quality control system of the auditor, and the manner of the documentation and communication of that system by the auditor;

c. perform such other testing of the audit, supervisory, and quality control procedures of the auditor as are considered necessary or appropriate;

d. carry out investigations through dedicated, qualified and whole time investigation teams. Minimum qualification for such inspectors shall be at least 10 years auditing experience and exposure to audit of the relevant industry. The Board may also seek assistance of ICAI in conducting such investigation or in any other manner as may be approved by the Authority. The Board may, subject to prior approval of the Authority, also outsource, upto a period of two years from the commencement of these rules, such resource as may be required for this purpose;

e. subject to the approval of the Authority, issue a non-public portion of the report of the company or the professional, whose books and other records have been investigated in accordance with these rules;

f. refer matters to the Authority to decide on further course of action, through Committee on Enforcement, where violations of laws, rules or professional standards have been observed triggering investigations, disciplinary action, or reference to other regulators or law enforcement agencies. There will be no direct referrals to Committee on Enforcement before referring to Authority.

(5) The Committee on Auditing Standards may take the help of resources available with Quality Review Board established under Chartered Accountants Act, 1949 until it is provided with its own resources.

6. Committee on Enforcement and its functions

(1) The Committee on Enforcement shall comprise of 7 members, namely:

1. Chairman being the Member – Enforcement
2. Member- Accounting
3. Member - Auditing
4. One representative of MCA, not below the rank of Director (I&I) or Regional Director
5. Director, Serious Fraud Investigation Office;
6. Chairman of Disciplinary Committee of ICAI (Ex Officio)
7. One eminent Chartered Accountant having at least 20 years' experience in audit or accounting to be nominated by Central Government on the recommendation of Authority.

(2) Subject to the provisions of subsection (4) of section 132, the Committee on Enforcement shall examine the matters referred to it for investigation and shall submit its recommendations for consideration by the Authority.

(3) The functions of the Committee on Enforcement shall be:-

(i) to examine the matters referred to it by the Authority (whether emanating from the Committee on Accounting, Committee on Auditing, or otherwise) requiring further enquiry or investigation

(ii) to investigate, on a reference made by the Authority, matters relating to professional and other misconduct committed by the professional or auditor (individual or firm or LLP) and recommend to the Authority appropriate action under sub-section (4) of section 132

Provided that all the actions of the Committee on Enforcement shall be effective only on the recommendation of the Authority.

(4) Committee on Enforcement shall complete the examination or investigation on any matter referred to it within a period of 6 months and in case there is any delay in completion of the examination or investigation, specific time extension must be sought from the Authority, after placing justifications and reasons for the extension of time being sought. Examinations or investigations for which time extension is not sought or approved by the Authority shall be concluded based on the available information within a period of 30 days from the expiry of the 6 months or such extended time frame as approved by the Authority.

Procedures of Investigation related to Complaints and Information

7. Procedure for filing complaint.-

(1) A complaint under section 132(4) of the Act against a professional or an auditor (including audit firm or LLP) shall be filed in Form I, in triplicate before the Member-Enforcement in person or by post or courier :

Provided that the complaint sent by post or courier under this sub-rule shall be deemed to have been presented to the Member-Enforcement on the day on which it is received in the Office of Committee on Enforcement.

(2) A complaint filed by or on behalf of the Central Government or any State Government, shall be authorized by an officer holding a post not below the rank of a Joint Secretary or equivalent and shall be signed by an officer holding a post not below the rank of an Under Secretary or equivalent in the Central or State Government, as the case may be.

(3) A complaint filed by or on behalf of any statutory authority, such as Reserve Bank of India or Securities and Exchange Board of India or any other Regulator, shall be authorised by an officer holding a post equivalent to the post of Joint Secretary in the Government of India and shall be signed by an officer holding a post not below the rank of an Under Secretary or equivalent in the Central or State Government, as the case may be.

(4) A complaint filed by or on behalf of a company or bank or a firm, shall be accompanied by a resolution, duly passed by the Board of Directors of the company or bank or the partners of the firm, as the case may be, specifically authorizing an officer or a person to make the complaint on behalf of the company or the bank or the firm.

Explanation - In the case of a bank or financial institution, the general resolution or power of attorney authorizing an officer holding a particular position to file complaints on behalf of the bank or financial institution, shall be deemed to be the specific resolution passed by the bank or financial institution concerned, for the purposes of these rules.

(5) In case of complaints filed by any Government, statutory authority, bank or financial institution, a change in the name of complainant at any later stage, shall be duly supported by a specific authorization made by an officer holding a post equivalent to that of the original complainant.

(6) Every complaint received by the Office of Committee on Enforcement shall be acknowledged by ordinary post together with an acknowledgement number.

8. Registration of complaint.- (1) The Member-Enforcement or an officer or officers authorized by the Member-Enforcement, shall endorse on every complaint the date on which it is received or presented and the Member-Enforcement or the officer or officers so authorized, shall sign on each such endorsement.

(2) The Member-Enforcement or an officer or officers authorized by him shall scrutinize the complaints so received.

(3) If, on scrutiny, the complaint is found to be in order, it shall be duly registered and a unique reference number allotted to it, which shall be quoted in all future correspondence, and shall be dealt with in the manner as prescribed in these rules, after obtaining approval of the Authority to proceed with the matter.

(4) If the subject matter of a complaint is, in the opinion of the Member-Enforcement, substantially the same as or has been covered by any previous complaint or information received and is under process or has already been dealt with, he shall take any of the following actions, as the case may be,-

(*a*) if such a previous complaint is still under the examination of the Member- Enforcement, then the new complaint may be clubbed with the previous complaint, after obtaining approval of the Authority and in such case the fact may be conveyed to the first complainant, new complainant and respondent respectively.

(*b*) if *prima facie* opinion has been formed by the Member-Enforcement in such a previous complaint and the case is pending before the Committee on Enforcement, then the Member-Enforcement shall bring the new complaint before the Committee on Enforcement, and the latter shall either club the complaint with the previous complaint or close it or ask the Member Enforcement to deal with it as a separate complaint, as it deems fit, after obtaining the approval of the Authority.

(*c*) if orders have already been passed by the Committee on Enforcement on such a previous complaint, then the Member-Enforcement shall present the new complaint before the Committee on Enforcement for its closure :

Provided that even in case where the new complaint is clubbed with a previous complaint under this sub-rule, only the first complainant would be the complainant for the purposes of investigation under these rules.

(5) If, the complaint, on scrutiny, is found to be defective, including the defects of technical nature, the Member-Enforcement may allow the complainant to rectify the same in his presence or may return the complaint for rectification and resubmission within such time as he may determine.

(6) If, the complainant fails to rectify the defect or defects within the time allowed under sub-rule (5), the Member-Enforcement shall form the opinion that there is no *prima facie* case and present the complaint before the Committee on Enforcement for its closure.

(7) The Committee on Enforcement may, after the presentation of the complaint by the Member-Enforcement under sub-rule (6), either -

(*a*) agree with the opinion of the Member-Enforcement and pass an order for the closure; or

(*b*) disagree with the opinion of the Member-Enforcement and advise him to further investigate the matter, after obtaining approval from the Authority.

9. Withdrawal of a complaint.- The Member-Enforcement, on receipt of a letter of withdrawal of a complaint by the complainant, shall place the same before the Committee on Enforcement and the Committee on Enforcement, if it is of the view that the circumstances so warrant, permit the withdrawal, at any stage, including before or after registration of the complaint:

Provided that in case the Member-Enforcement has formed his *prima facie* opinion on such a complaint, he shall place the same before the Committee on Enforcement, and the Committee on Enforcement may, if it is of the view that the circumstances so warrant, permit the withdrawal, after obtaining approval of the Authority.

10. Information.- (1) Any written information containing allegation or allegations against a member or a firm, received in person or by post or courier, by the Office of Committee on Enforcement, which is not in Form I under sub-rule (1) of rule 10, shall be treated as information and shall be dealt with in accordance with the provisions of these rules.

(2) On receipt of such an information, the sender of the information, including the Central Government, any State Government or any statutory authority, shall be, in the first instance, asked whether he or it would like to file a complaint in Form I apprising him or it of, the following information,-

(*a*) that relatively longer time is taken for disposal of any information than the complaint;

(*b*) that the person giving information will not have the right to be represented during the investigation or hearing of the case;

(*c*) that the Authority or Committee on Enforcement will be under no obligation to inform the sender the information of the progress made in respect of the information received under sub-rule (1) including the final orders :

Provided that where the sender of the information is the Central Government, any State Government or any statutory authority, a copy of final order shall be sent to such sender.

(3) An anonymous information received by the Office of Committee on Enforcement will not be entertained by the Office of Committee on Enforcement.

11. Procedure of Investigation:- (1) The Member Enforcement or an officer or officers authorized by the Member Enforcement, within sixty days of the receipt of a complaint under rule 10, shall,-

(*a*) if the complaint is against an individual Professional, send particulars of the acts of commission or omission alleged or a copy of the complaint, as the case may be, to that Professional at his professional address;

(*b*) if the complaint is against a firm, send particulars of the acts of commission or omission alleged or a copy of the complaint, as the case may be, to the firm at the address of its head office, as entered last in the Register of Offices and Firms maintained by the ICAI, with a notice calling upon the firm to disclose the name or names of the member or members concerned and to send particulars of acts of commission or omission or a copy of the complaint, as the case may be, to such members :

Provided that while disclosing the name or names of the member or members, the firm shall also send a declaration signed or, as the case may be, jointly signed by the member or members concerned to the effect that he or she or they shall be responsible for answering the complaint and that the particulars of acts of commission or omission or the copy of the complaint sent to the firm by the Member Enforcement had been duly received by him, her or them.

Explanation - A notice to the firm shall be deemed to be a notice to all the members who are partners or employees of that firm as on the date of registration of the complaint.

(2) A member whose name is disclosed by the firm shall be responsible for answering the complaint, provided such a member was associated, either as partner or employee, with the firm, against which the complaint has been filed, at the time of occurrence of the alleged misconduct :

Provided that if no member, whether erstwhile or present, of the firm, own responsibility for the allegation or allegations made against the firm, then the firm as a whole shall be responsible for answering the allegation or allegations and, as such, all the members who were partners of that firm, as on the date of occurrence of the alleged misconduct, shall be responsible for answering the allegation or allegations as contained in the complaint.

(3) A member who has been informed of the complaint filed against him (hereinafter referred to as the respondent) shall, within 21 days of the service of a copy of the complaint, or within such additional time, not exceeding thirty days, as may be allowed by the Member-Enforcement, forward to the Member-Enforcement, a written statement in his defence.

(4) On receipt of the written statement, if any, the Member-Enforcement may send a copy thereof to the complainant and the complainant shall, within 21 days of the service of a copy of the written statement, or within such additional time, not exceeding thirty days, as may be allowed by the Member-Enforcement, forward to the Member-Enforcement, his rejoinder on the written statement.

(5) On perusal of the complaint, the respondent's written statement, if any, and rejoinder of the complainant, if any, the Member-Enforcement may call for such additional particulars or documents connected therewith either from the complainant or the respondent or any third party or parties, as he may consider appropriate :

Provided that if no reply is sent by the respondent, within the time allowed under sub-rule (3) or by the complainant within the time allowed under sub-rule (4), the Member-Enforcement shall presume that the respondent or the complainant, as the case may be, have nothing further to state and take further action as provided under these rules.

12. **Examination of the Complaint**.- (1) The Member-Enforcement shall examine the complaint, written statement, if any, rejoinder, if any, and other additional particulars or documents, if any, and form his *prima facie* opinion as to whether the member or the firm is guilty or not of any professional or other misconduct.

(2) (*a*) Where the Member-Enforcement is of the *prima facie* opinion that the member or the firm is guilty of professional or other misconduct he shall place his opinion along with the complaint and all other relevant papers before the Committee on Enforcement within 60 days of conclusion of investigation;

(*b*) If the Committee on Enforcement agrees with the *prima facie* opinion of the Member-Enforcement then the Committee on Enforcement may proceed further under these rules, after obtaining approval from the Authority.

(*c*) If the Committee on Enforcement disagrees with the *prima facie* opinion of the Member-Enforcement, it shall either close the matter or advise the Member-Enforcement to further investigate the matter.

(3) Where the Member Enforcement is of the *prima facie* opinion that the member or the firm is not guilty of any professional or other misconduct, he shall place the matter before the Committee on Enforcement within 60 days of conclusion of the investigation, and the Committee, -

(*a*) if it agrees with such opinion of the Member-Enforcement, shall pass order, for closure.

(b) if it disagrees with such opinion of the Member Enforcement, then it may either proceed under these rules, after obtaining approval from the Authority or may advise him to further investigate the matter.

(4) The Member-Enforcement shall, after making further investigation as advised by the Committee on Enforcement under sub-rule (2) or (3) of this rule shall further proceed under this rule.

13. **Certain provisions relating to complaint also to be applicable for information relating to misconduct of members**.- The procedure laid down for dealing with complaints in sub-rule (6) of rule 10, sub-rules (1), (2), (3) and (4) of rule 12, sub-rules (1), (2), (3) and (5) of rule 15, rule 16 and rule 17 shall also apply to information received by the Member Enforcement relating to misconduct of members.

14. **Time limit on entertaining complaint or information**.- Where the Member-Enforcement is satisfied that there would be difficulty in securing proper evidence of the alleged misconduct, or that the member or firm against whom the information has been received or the complaint has been filed, would find it difficult to lead evidence to defend himself or itself, as the case may be, on account of the time lag, or that changes have taken place rendering the inquiry procedurally inconvenient or difficult, he may refuse to entertain a complaint or information in respect of any misconduct made more than **seven years** after the same was alleged to have been committed and submit the same to the Committee on Enforcement for taking decision on it under sub-section (4) of section 132 of the Act.

15. **Functioning of Committee on Enforcement**.- (1) All questions which come up before the Committee on Enforcement shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the Member-Enforcement or in his absence, the person presiding, shall have a second or casting vote.

(2) In the event of the Member Enforcement not being able to attend a meeting of the Committee on Enforcement, the Member of the Committee on Enforcement who is Chairman of the Disciplinary Committee of ICAI shall preside in such meeting.

16. **Procedure to be followed by the Committee on Enforcement**.

17. **Orders of the Committee on Enforcement**.- (1) On arriving at a finding under sub-rule (9) of rule 21 that the respondent is guilty of professional or other misconduct, the Committee on Enforcement shall give the respondent an opportunity to be heard before recommending to the Authority any under sub-section (4) of section 132 of the Act. Such order may include reprimands or severe reprimands being made, order for practice to be continued with restrictions for a period of time, order waiver or refund of fees, impose penalty or debar the member or member firm from practice:

Provided that if the respondent does not appear before the Committee on Enforcement at the time directed to do so when given such an opportunity to be heard, the Committee on Enforcement shall presume that he has nothing more to represent before it and shall make recommendations to the Authority and the Authority shall pass orders under sub-section (4) of section 132 of the Act.

Provided also, that where the order includes any action to debar the professional, such order shall be communicated to the ICAI for necessary action within 45 days, failing which at the end of 45 days, such order for debarring the professional shall become effective automatically.

(2) On arriving at a finding under sub-rule (9) of rule 21 that the respondent is not guilty of professional or other misconduct, the Committee on Enforcement shall make recommendations to the Authority and the Authority shall pass orders closing the case.

(3) The Committee on Enforcement shall send, free of charge, to the Member-Enforcement, respondent and the complainant, a certified copy of the final order.

(4) Not withstanding anything contained in this rule, the Authority shall have the powers to pass such interim orders as it may deem fit during the process of the investigation, based on recommendations made by the Committee on Enforcement.

Provided, however, such interim orders shall be passed only after having given reasonable opportunity to the parties to be heard.

(5) On arriving at a finding under sub-rule (9) of rule 21 that the complainant has made a vexatious claim against the respondent with an intent to harass, the Authority shall have the powers to award costs not exceeding Rs.10,000 to the respondent.

18. **Attendance of hearings by the complainant, respondent and witness.-**

(1) The complainant and the respondent shall have the right to attend the hearings of the Committee on Enforcement unless ordered otherwise by the Committee on Enforcement, for reasons to be recorded in writing.

(2) The complainant and the respondent shall not be eligible for reimbursement of expenses incurred for attending the hearing.

APPELLATE AUTHORITY

19 (1) Any person aggrieved by any order of the Authority may within ninety days from the date on which the order is communicated to it or him, prefer an appeal to the Appellate Authority:

Provided that the Central Government may also appeal against the decision of the Authority within ninety days:

Provided further that the Appellate Authority may entertain any such appeal after the expiry of the said period of ninety days, if it is satisfied that there was sufficient cause for not filing the appeal in time.

(2) The Appellate Authority may, after calling for the records of any case, revise any order made by the Authority and may -

(a) confirm, modify or set aside the order;

(b) impose any penalty, order for restricting practice for a period, order for waiver or refund of fees or set aside, reduce, or enhance the penalty, restriction of practice for a period, waiver or refund of fees imposed by the order;

(c) debar the member or the firm or set aside, reduce, or enhance the period of debarment imposed by the order,

(d) remit the case to the Authority for such further enquiry as the Appellate Authority considers proper in the circumstances of the case; or

(e) pass such other order as the Appellate Authority thinks fit:

Provided that the Authority shall give an opportunity of being heard to the parties concerned before passing any order.

20. Preparation and furnishing of the Annual Report of the Authority:

21. Preparation and furnishing of the Annual Report of the Appellate Authority:

22. Residuary provision.- Matters relating to the procedure of investigation, conduct of cases and allowances to nominated members with respect to which no express provision has been made in these rules shall be referred in each case to the Central Government for its decision and the decision of the Central Government thereon shall be binding.

23. Removal of difficulty. –

In the matter of implementation of these rules, if any doubt or difficulty arises, the same shall be placed before the Central Government and the decision of the Central Government thereon shall be final.

Due date of Income Tax Audit Report & return filing extended upto 31/10/13

F.No. 225/117/2013-ITA.II Government of India Ministry of Finance Department of Revenue Central Board of Direct Taxes

Dated : October 24, 2013

Order under Section 119 of the income-tax Act. 1961

In exercise of powers conferred under section 119 of the Income-tax 1961, the Central Board of Direct Taxes, in continuation to order u/s 119 dated 26.09.2013 in F.No. 225/117/2013/1TA.II, hereby directs that in cases where the 'due date' of furnishing reports of audit and corresponding income-tax returns was 30th September, 2013 and where the same are furnished electronically on or before 31st October, 2013, such reports of audit and returns of income shall be deemed to have been furnished within the 'due date' prescribed under section 139 of the Income-tax Act, 1961.

(Rohit Garg) Deputy-Secretary to Govt. of India

ISSUE REFUNDS WITHOUT ADJUSTMENT OF DEMAND

ARA Centre, Ground floor
E-2, Jhandewalan Extension
New Delhi-110055.

F.NO.DIT(S)-III/CPC/2013-14/Refund Adjustment/ Dated:22.10.2013

To

The Chief Commissioner of Income Tax (CCA) (By Name)

Ahmedabad/ Bangalore/ Bhubaneswar/ Bhopal/ Chandigarh/ Chennai/ Guwahati/Hyderabad /Jaipur /Kanpur/ Kochi / KolkatalLucknow /Mumbai /Nagpur/ New Delhi /Patna/ Pune.

Subject: Data pertaining to notices issued u/s 245 by CPC, Bangalore where demand/refund is greater than Rs. 5000/- -reg.

Ref :Letter F.No. DIT(S)-111/CPC/2012-13/Demand Management/ dated 10/04/2013.

Madam /sir,

I have been directed to inform you that in pursuance to the decision of Full Board and minutes of the meeting dated 21/08/2013, the CPC is allowed to issue refunds without adjustment of demand as an interim measure in cases where either the outstanding demand against the assessee was less than Rs. 5000/- or claim of refund was less than Rs 5000/-

2. A list of CCIT-wise cases where such refund/demand in excess of Rs 5000/- exist, and notices u/s 245 have been issued is available on i-Taxnet (http://10.152.2.10/) on the following path:

Resources –> Downloads DIT_SYSTEMS -9 Notices issued u/s 245 from CPC for confirmation of demands by AOs

3. it is requested to issue directions to the Assessing Officers under respective charges to make compliance of the aforesaid decision, perform necessary verification and correction following the procedure as per Sec.245 of the I.T.Act and communicate its findings on adjustable demand to CPC. Bengaluru, who will then process the refund and adjust the demand. The communication to CPC, Bengaluru, may also be give on its e-mail Id cit.cpc.bangalore@incometaxindia.gov.in

Encl:-as above.

Yours faithfully,

(Sanjeev Singh)

EIRC DEEPLY MOURNS THE SAD DEMISE OF ...

CA Indranil Ghosh

Mem No – 055600

Left us on

7th May, 2013

CA Srijib Goswami

Mem No – 009476

Left us on

30th May, 2013

We pray to the Almighty 'May their soul rest in peace'

RECENT JUDICIAL PRONOUNCEMENTS (DIRECT TAX)

Compiled by **CA Manoj K Tiwari**
ca.mtiwari@gmail.com

1. *CIT vs. Excel Industries Ltd [Civil Application No. 125 of 2013, Supreme Court]*

i) Whether income has accrued must be considered from a realistic & practical angle?

ii) If Department has accepted adverse verdict in some years, it cannot be allowed to challenge verdict in other years?

iii) Disputes as to the year of taxability with no/ minor tax effect should not be raised by Department?

Supreme Court, HELD dismissing the appeal:

(i) Three tests have been laid down by various decisions of the Supreme Court to determine when income can be said to have accrued:

(a) whether the income is real or hypothetical;

(b) whether there is a corresponding liability of the other party to pay the amount to the assessee &

(c) the probability or improbability of realisation of the income by the assessee has to be considered from a realistic and practical point of view.

Applying these tests, on facts, even if it is assumed that the assessee was entitled to the benefits under the advance licences as well as under the duty entitlement pass book, there was no corresponding liability on the customs authorities to pass on the benefit of duty free imports to the assessee until the goods are actually imported and made available for clearance. The benefits represent, at best, a hypothetical income which may or may not materialise and its money value is therefore not the income of the assessee. Also, from a realistic and practical point of view (the assessee may not have made imports), no real income accrued to the assessee in the year of exports and s. 28(iv) would be inapplicable. Essentially, the AO is required to be pragmatic and not pedantic.

(ii) Further, as in several assessment years, the Revenue accepted the order of the Tribunal in favour of the assessee and did not pursue the matter any further, it cannot be allowed to flip-flop on the issue and it ought let the matter rest rather than spend the tax payers' money in pursuing litigation for the sake of it.

***Comment -** Old is Gold as reiterated again as if REPEAT of 193 ITR 321 and further laying emphasis on responsibility about Expenditure of Tax payer's money.*

2. ***Citicorp Finance (India) Ltd. vs. ACIT [ITA No. 8532/Mum/2011, ITAT Mumbai]***

TDS Credit must be given even if TDS Certificate is not available/ entry is not shown in Form 26AS

Tribunal HELD:

The A.O. is not justified in denying credit for TDS on the ground that the TDS is not reflected in the computer generated Form 26AS. In Yashpal Sahwney 293 ITR 539 the Bombay High Court has noted the difficulty faced by taxpayers in the matter of credit of TDS and held that even if the deductor had not issued a TDS certificate, still the claim of the assessee has to be considered on the basis of the evidence produced for deduction of tax at source. The Revenue is empowered to recover tax from the person responsible if he had not deducted tax at source or after deducting failed to deposit with Central Government. The Delhi High Court has in Court On Its Own Motion Vs. CIT 352 ITR 273 directed the department to ensure that credit is given to the assessee even where the deductor had failed to upload the correct details in Form 26AS on the basis of evidence produced before the department. Therefore, the department is required to give credit for TDS once valid TDS certificate had been produced or even where the deductor had not issued TDS certificates on the basis of evidence produced by assessee regarding deduction of tax at source and on the basis of indemnity bond.

***Comment -** A judgment upholding highest principle of Natural justice and a real affirmation of our faith in Judicial System.*

3. ***Himatasingike Seide Ltd. vs. CIT [Civil Appeal No. 1501 of 2008, Supreme Court]***

Unabsorbed depreciation (and business loss) of same (Section 10A/10B) unit brought forward from earlier years have to be set off against the profits before computing exempt profits

The assessee set up a 100% EOU in AY: 1988-89. For want of profits it did not claim benefits u/s 10B in AYs 1988-89 to 1990-91. From AY: 1992-93 it claimed the said benefits for a connective period of 5 years. In AY: 1994-95, the assessee computed the profits of the EOU without adjusting the brought forward unabsorbed depreciation of AY 1988-89. It claimed that as Sec. 10B conferred "*exemption*" for the profits of the EOU, the said brought forward depreciation could not be set-off from the profits of the EOU but was available to be set-off against income from other sources. It was also claimed that the profits had to be computed on a "*commercial*" basis. The AO accepted the claim though the CIT revised his order u/s 263 and directed that the exemption be computed after set-off. On appeal by the assessee, the Tribunal reversed the CIT. On appeal by the department, the High Court (*CIT vs. Himatasingike Seide Ltd 286 ITR 255 (Kar)*) reversed the Tribunal and held that the brought forward depreciation had to be adjusted against the profits of the EOU before computing the exemption allowable u/s 10B.

On appeal by the assessee to the Supreme Court, HELD dismissing the appeal:

Having perused the records and in view of the facts and circumstances of the case, we are of the opinion that the Civil Appeal being devoid of any merit deserves to be dismissed and is dismissed accordingly.

***Comment-** The present case is only confirmation of IPCA LAB case.*

Special mention:

In ***Larsen & Tourbo Ltd. vs. State of Karnataka [Civil Appeal No. 8693 & 8695 to 8699 of 2013]***, the Apex Court has held that:-

i. Building/Construction contract is a 'works contract' and goods like cement, concrete, steel, bricks etc. are liable to VAT even if they lose their identity as goods;

ii. If contract with flat purchaser is entered only after construction is completed, goods used in construction cannot be deemed to have been sold by builder since at that time there was no purchaser and no VAT can be levied

iii. Value of goods chargeable to sales-tax/VAT has to be value of goods at time of incorporation of goods in works even though property passes on later; value addition made to goods transferred after agreement is entered into with flat purchaser can only be made chargeable to tax by State Government

***Comment –** A welcome judgment*

Compiled by **CA P. R. Kothari**
ramram@vsnl.net

01. Section 2(22)(e) : Deemed Dividend

a) Loan/advances given to shareholders in earlier years which are assessable as 'deemed' dividend in those years in the hands of the shareholders, have to be reduced from surplus while determining 'accumulated profits' in the hands of company during year under consideration. CIT Vs. G. Narasimhan (1999) 236 ITR 327(SC) followed

02. Section 5 : Accrual of Income

Benefit of duty free import entitlement and duty entitlement pass book against export obligations is income accrued in the year in which the imports are made utilizing such benefits and not in the year when subject exports were made.

CIT Vs. Excel Industries Ltd. (Supreme Court) (D.O.O. 08.10.2013)

03. Section 12A/12AA : Charitable organization :

a) Non maintenance of accounts properly is curable defect. The accounts, management, control etc. of the asessee are fully controlled by the U.P. Government. Thus, doctrine of instrumentally is applicable as per

Ajay Hasia Vs. Khalid Mujib Sehrawardi (1981) 1 SCC 722. Moreover, in the instant case, no individual interest is involved.

b) Non utilisation of fund and keeping it in the bank, never attracts the cancellation of registration of society. However, it may amount to non functioning of society.

(c) Due to omission of the words and expressions 'not involving the carrying on of any activity for profit' w.e.f. 01.04.1984 by the Finance Act, 1983 from section 2(15), even if there is some profit in the activity carried by the trust/institution, so long as the dominant object is of general public utility, it cannot be said that trust/institution is not established for charitable purposes.

CIT Vs. State Urban Development Agency (Surat)

(2013) 37 taxman.com 193(Allahabad) (D.O.O. 19.07.2013)

04. Section 14A : Disallowance of Expenses :

When there was sufficient interest free funds available with the assessee and when the Department failed to establish the link between the borrowed funds and the investment made by the assessee in the equity shares, disallowance of interest u/s 14A not justified.

CIT Vs. Gujarat Industrial Development Corpn. Ltd.

(2013) 37 taxmann.com 254(Gujarat),D.O.O. 28.01.13.

05. Section 40(a) : Disallowance for t.d.s. default

Where deductor recd. 15G/15H for non deduction of t.d.s., non filing or delayed filing of these forms before Commissioner would not attract disallowance u/s 40(a)(ia).

Karwat Steel Traders Vs. ITO

(2013) 37 taxmann.com 190(Mumbai -Trib.) (D.O.O. 10.07.2013)

06. Section 194J: TDS

The words 'any sum paid' used in section 194J relate to fees for professional or technical services. As per terms of the agreement, the amount of service tax was to be paid separately and was not involved in the fees for professional or technical services. Accordingly, no tax is deductible on service tax paid.

CIT (TDS) Vs. Rajasthan Urban Infrastructure

(2013) 37 taxmann.com 154(Rajasthan) (D.O.O. 01.07.2013.)

07. Section 199 : Credit for t.d.s.

The Department is required to give credit for t.d.s., once valid t.d.s. certificate had been produced or even where the deductor had not issued t.d.s. certificates, on the

basis of evidence regarding deduction of tax at source produced by the assessee. Yashpal Sawhney Vs. DCIT

293 ITR 539 (Bom.) and Court on its own motion Vs. CIT 352 ITR 273(Delhi) followed.

Citicorp. Finance (India) Ltd. Vs. Addl. CIT (ITAT Mumbai) (03.10.2013) (D.O.O. 13.09.2013)

08. Section 234D: Interest to Government

As assessment was complied prior to 01.06.2003, in view of provisions of Explanation -2 in section 234D, the retrospective application of section 234D does not arise.

CIT Vs. Reliance Energy Ltd. (Supreme Court)

02.10.2013) (D.O.O.30.09.2013)

9. Section 244A: Interest on refund :

In Sandvik Asia's case 280 ITR 643(SC), the Supreme Court held that there was an inordinate delay on the part of the Revenue in refunding certain amount which included the statutory interest and therefore directed the Revenue to pay compensation for the same and not the interest on interest. It is only that interest as provided for under the Statute may be claimed by an assessee from the Revenue and no other interest on such statutory interest.

Note: In Sandvik Asia's case the delay in granting refunds was of decades.

CIT Vs.Gujarat Flouro Chemicals(Supreme Court) (D.O.O. 18.09.2013)

10. Section 2(ea)(i)(5) of W.T. Act : Assets

Section 2(ea)(i)(5) of Wealth Tax Act, no where requires that a commercial establishment or a complex cannot be established in a house property. Further it nowhere provides that only if commercial complex is occupied by the owner then alone the exclusion shall take effect. The legislature has desired and put this condition in sub clause(3) of section 2(ea)(i). Significantly, no such condition is insisted in sub clause (5).

CIT Vs. Vasumatiben Chhaganlal Virani

(2013) 37 taxmann.com 216(Gujarat) (D.O.O. 11.01.2013.)

11. Section 2(m) of W.T. Act- Net Wealth

Wealth tax payable by the assessee is a debt for the purpose of calculating net wealth

CIT Vs. Southern Roadways Ltd.

(2013) 37 taxmann.com 322 (Madras) (D.O.O. 23.07.2013)

Advisory from Ministry of Corporate Affairs

Members in practice may kindly note that the Ministry of Corporate Affairs, Govt. of India has recently advised that it would not entertain/accede to any request for extension of last date for e-Filing beyond the expiry/specified date concerned. In this regard in an advisory issued by the Ministry, it has been emphasized that suitable steps be taken to expedite filing of balance sheet and annual return to avoid last minute rush and system congestion in MCA 21 towards the end of October and November, 2013. In other words, request to all professionals and corporates concerned is that one should not wait for the last date of the month concerned for Annual Filing. Members concerned are accordingly requested to do the needful.

Compiled by **CA Ankit Kanodia**
ankit@skkassociates.com

1. **Same activity cannot be considered as manufacturing and service at the same time.** *(Jubilant Industries Limited Versus CCE, Ghaziabad [2013 (9) TMI 358 - CESTAT NEW DELHI])*

The Hon'ble CESTAT held that the ***Appellant was charging two components towards job-charges separated as fixed cost and variable cost cannot alter this situation so long as goods were manufactured.*** However, in a situation where goods were not manufactured but charges were collected under the fixed component, it could have been considered as a service.

2. **Service tax on "Commercial training or coaching" services- Larger Bench clarifies** *(M/s GREAT LAKES INSTITUTE OF MANAGEMENT LTD & Others vs CST, CHENNAI & Others [2013-TIOL-1480-CESTAT-DEL-LB])*

The taxable service of "commercial training or coaching" occurs when any institute or establishment is engaged in the activity of imparting skill, knowledge or lessons on any subject or field (excluding sports), irrespective of whether such imparting of skill, knowledge or lessons is in respect of particular discipline or a broad spectrum of disciplines/ academic areas; irrespective of the nomenclature or description of the institute or establishment, as a coaching or training centre or an educational institution; regardless of whether an institute or establishment is incorporated by or registered under any law; and irrespective of distinctions on the basis of curriculum, course content, teaching methodology, course duration or otherwise. Activities of imparting skills, knowledge, lessons on any subject or field or when provided by any entity, institution or establishment which is excluded by a specific and legislated exclusionary clause would alone be outside the fold of the taxable activity.

3. **Discount given to dealers in lieu of guarantee for repairing pumps during guarantee period- whether includable in assessable value** *[M/s UNNATI PUMPS PVT LTD vs COMMISSIONER OF CENTRAL EXCISE, AHMEDABAD [2013-TIOL-1459-CESTAT-AHM])*

In this case the appellant was allowing 2% service discount to the dealer's lieu of guarantee for repairing of pumps during guarantee period. It is upheld by the first appellate authority that 2% service discount given to the dealers is an additional consideration flowing from the buyers to the appellants and is required to be added to the assessable value as per Rule -6 of the Central Excise Valuation Rules, 2001/2002. The CESTAT by referring the decision of the Bombay High Court in the case of Tata Motors Limited vs. UOI - (2012-TIOL-721-HC-MUM-CX), held that in this case there is no evidence on records to substantiate that any of the after sales money consideration has flown back from the ultimate buyer of the goods to the manufacturer. Thus, there is no evidence which leads to additional consideration flowing back the manufacturer and hence the appeal filed by the appellant was allowed and the order set aside.

Deemed defective Returns for AY 2013 - 14

ARA Centre, Ground floor, E-2, Jhandewalan Extension,
New Delhi-110055.

F.No.DIT(S)-III/CPC/2013-14/Unpaid-Self-Assessment Tax/22.10.2013

To,

The Chief Commissioner of Income Tax (CCA) (By Name)

Ahmedabad/ Bangalore/ Bhubaneswar/ Bhopal/ Chandigarh/ Chennai/ Guwahati/Hyderabad /Jaipur /Kanpur/ Kochi / Kolkata/ Lucknow /Mumbai /Nagpur/ New **Delhi /Patna/ Pune.**

Subject : Treating e-Returns of AY 2013-14 where unpaid self-assessment tax exists on the date of filing of return as deemed defective returns- reg.

Madam /Sir,

I have been directed to inform that a number of e-Returns have been submitted for AY 2013-14 where unpaid self-assessment-tax existed on the date of submission of e-returns. As on 09-Oct-2013, total 1,46,495 e-Returns of AY 2013-14 were submitted with unpaid self-assessment-tax of Rs. 100/- or more on the date of filing.

2. The PAN-wise data for AY 2013-14 for assesses who have not paid self-assessment tax (Rs. 100/- or more) on the day of filing of their e-returns is placed on i-Taxnet (http://10.152.2.10/) in the following path :**Resources'! Downloads'! DIT_SYSTEMS'!** Unpaid Self-Assessment-Taxes in **e-Returns of AY 2013-14**

3. As per law, these e-Returns are deemed defective returns for AY 2013-14. The CPC at Bangalore has already issued notices to such assesses. It is requested, that, the Assessing Officers in respective regions may be directed to issue notices and follow-up these cases to ensure that unpaid-self-assessment tax is deposited by the assessee at the earliest.

Encl -as above

Yours faithfully,

(Sanjeev Singh)

Information on LLP by MCA

Notice for filing Form-8 (Statement of Account & Solvency) for the Financial Year ended 31-03-2012:

LLPs registered from 01-10-2011 to 31-03-2012 have option either to close financial year as on 31-03-2012 or 31-03-2013 and to file both Form-8 & 11 accordingly.

Please note that if an LLP fails to file Form-8 within prescribed time, an additional fees of Rs. 100/- is payable per day till date of filing.

In case of any inconvenience pl. call 033 22877390

A. DIRECT TAXES

Compiled by **CA Debayan Patra**
ca.debayanpatra@gmail.com

1. CBDT made the Income-tax (Seventeenth Amendment) Rules, 2013 inserting Sections 10TG, 10U, 10UA, 10UB & 10UC and FORM 3CEG, 3CEH & 3CEI **(NOTIFICATION NO. 75/2013 [F.NO.142/19/2013-TPL]/ SO 2887(E) DATED 23-9-2013)**
2. CBDT made the Income-tax (Eighteenth Amendment) Rules, 2013 amending Rule 44(E) and inserting FORM 34EA **(NOTIFICATION NO. 76/2013 [F.NO.142/19/2013-TPL]/SO 2900(E) DATED 24-9-2013)**
3. The CG notified a few institutions and approved the eligible projects or schemes specified to be carried on by the said institutions and the estimated cost thereof and also specified the maximum amount of such cost which may be allowed as deduction under the said Section 35AC for the period of **approval (NOTIFICATION NO. 2/2013 [F.NO.V-27015/2/2013-SO(NAT.COM)]/SO 3033(E) DATED 7-10-2013)**
4. The CG made the Reverse Mortgage (Amendment) Scheme, 2013 to amend the Reverse Mortgage Scheme, 2008 (NOTIFICATION NO. 79/ 2013 [F.NO.149/54/2013-TPL]/SO 3034(E) DATED 7-10-2013)
5. The rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2013-2014 and explanations to certain related provisions of the Act and Income-tax Rules, 1962 intimated **(CIRCULAR NO. 8/2013 F.No. 275/192/ 2013-IT(B) DATED 10-10-2013)**
6. CG amended the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 **(NOTIFICATION NO. GSR 684(E) [F.NO.4/13/2012-ECB] DATED 11-10-2013)**
7. E-Returns of A.Y. 2013-14 where unpaid Self Assessment Tax exists are being treated as Defective Returns **(LETTER [F. NO. DIT(S)-III/CPC/ 2013-14/UNPAID SELF-ASSESSMENT TAX]** DATED 22-10-2013)
8. Date of Filing Tax Audit Reports and Income Tax Returns Online has been effectively extended till 31st October, 2013. **(F.N o. 225/117/ 2013/ ITA.II – ORDER U/S 119 OF THE INCOME TAX ACT,1961 DATED 24-10-2013)**

B. SERVICE TAX

Compiled by **CA Gaurav Kedia**
gourav_kedia@yahoo.com.

1. **CBEC clarifies on levy of service tax on Restaurant Service**(Circulars no.173/8/2013-ST., Dated: October 7, 2013).

C. CENTRAL EXCISE

1. Goods supplied to Deptt/laboratories of Central & State Government exempted from excise duty **(Notification no. 28/2013-CX, Dated : October 1, 2013).**
2. CBEC amends CENVAT Credit Rules, 2004 to prescribe guidelines for reversal of CENVAT taken on capital goods removed after being used **(Notification no. 12/2013-CE (NT)., Dated: September 27, 2013).**
3. Request of Federation of Indian Chambers of Commerce and Industry (FICCI) for reduction of time period from 90 days to 30 days for settlement of rebate claims on exports reg**.(Circular F.No.267/39/13-CX.8) Dated-October 1, 2013.)**

D. CUSTOMS

1. Default in Export obligation: interest not to exceed duty paid to regularise default **(Notification no. 46/2013-Cus., Dated: September 26, 2013).**
2. Tariff Values of Silver reduced, Other items also affected **(Notification no. 102/2013-Cus., (N.T.), Dated: September 30, 2013).**
3. Nepangunj Road added as Land Customs Station **(Notification no. 101/2013-Cus., (N.T.), Dated: September 27, 2013).**
4. CBEC notifies new Customs Exchange rates effective from October 4, 2013 **(Notification no. 103/2013-Cus., (N.T.), Dated: October 3, 2013).**
5. India-Malaysia economic treaty - Government slashes to zero duty on many items **(Notification no. 47/2013-Cus., Dated: October 10, 2013).**
6. Tariff Values of gold & Silver slashed; Also goes down for Crude palmolein + RBD **(Notification no.104/2013-Cus., (N.T.), Dated: October 15, 2013).**
7. CBEC notifies new Customs Exchange rates effective from October 18, 2013**(Notification no. 105/2013-Cus., (N.T.), Dated: October 17, 2013).**
8. Clarification on the commencement of the interest free period of 90 days under Section 61 of the Customs Act, 1962 **(Circular no.39/2013-Cus., Dated: October 1, 2013).**
9. Option to close cases of default in Export Obligation (EO) - Notification No. 46/2013-Customs dated 26.9.2013**(Circular no.40/2013-Cus., Dated: October 9, 2013).**
10. Definitive Anti-dumping duty imposed on Bulk Drug Cefadroxil Monohydrate [Ch. 29] originating in or exported from EU**(Notification no. 22/2013-Cus.,(ADD), Dated: October 10, 2013).**
11. ADD imposed on Ductile Iron Pipes [7303 00 30 or 7303 0090] originating in or exported from PR China**(Notification no. 23/2013-Cus., (ADD), Dated: October 10, 2013).**

E. FOREIGN TRADE

Compiled by **CA Kushal Bhuwania**
kushal.bhuwania@icai.org

1. Category of ineligible exports has been expanded for certain benefits under chapter 3 of FTP as given in Para 2 and 4. Para 3 restricts the entitlement for claiming IEIS benefit **- Notification No: 43 (RE-2013)/ 2009-2014 DTD 25/09/2013**
2. Benefit of Incremental Export Incentivisation Scheme for the last quarter of 2012-13 will be limited to 25% growth or Incremental growth of Rs. 10 crores in value, whichever is less. Amendments have been made in Notification No. 27 dated 28.12.2012 for claiming benefit of Incremental Export Incentivisation Scheme - **Notification No. 44 dtd 25/09/2013**
3. Minimum Export Price on export of edible oils in branded consumer packs of upto 5 Kgs has been reduced to USD 1400 per MT. Earlier it was USD 1500 per MT -**Notification No 45 (RE – 2013)/2009-2014 dtd 09/10/2013**
4. The exporters/importers can import/get their 20% gold consignment (under customs bond) released without waiting for the realization, if the other two requirements of para 4A.8(a) are satisfied - **PUBLIC NOTICE No. 25 (RE-2013)/ 2009-2014 dtd 06/09/2013**
5. The Import Item No. 2 (b) of SION H-427 has been amended by replacing 'Aqueous Dispersion of Vinylidene Chloride (Total solid content 60+/-1%)' by "Aqueous Dispersion of Polyvinylidene Chloride (Total solid content 60+/-1%)". There is no change in description of the Export Product and rest of the Import Items. Further, there is no change in quantity allowed for any import item **- PUBLIC NOTICE NO. 29 / (RE-2012)/2009-2014 dtd 01/10/2013**
6. Following SIONs are suspended : A1143,1170,3627,K134 **- Public Notice No. 30 (RE: 2013)/2009-2014 dtd 04/10/2013**
7. Mono cartons to be treated as primary level packaging of export consignment of pharmaceuticals and drugs **- Public Notice No. 31 (RE-2013)/2009-2014 dtd 17/10/2013**

Directive Recieved from RBI to Chartered Accountants

DNBS.RO.Kol.No 4075 /02.02.300/2012-13 September 30, 2013

The Chairman
The Institute of Chartered Accounatnts of India
7, Anandilal Poddar Sarani (Russel Street)
Kolkata – 700071

Sir

Certificate of Regiatration (CoR) issued under section 45-IA of the RBI Act, 1934 – Continuation of Business of NBFI – Submission of Statutory Auditors Certificate.

Under the various Provisions of Chapter IIIB of RBI Act, 1934, NBFCs can carry on its business subject to, inter-alia, the following conditions:

i. In terms of C.C. No. 79 dated September 21, 2006 &C.C.No. 81 dated October 19, 2006 all NBFCs shall have to submit a Certificate from its Statutory Auditor to the effect that it is engaged in the business of non-banking financial institution requiring it to hold a Certificate of Registration under Section 45-IA of the RBI Act, 1934 as at end of the Financial Year ended March 31 to the Regional Office of the Department of Non Banking Supervision under whose jurisdiction the NBFC is registered, within one month from the finalisation of balance sheet or by July 31st whichever is earlier.

ii. In terms of DNBS.PD.CC. No 335/03.10.042/2013-14 dated July 1, 2013:

A. NBFCs –NDSI (assets more than Rs 100 crore) shall have to submit the following returns online:

(a) NDSI_100CR_REV (monthly) (b) NBS7_REV (quarterly) (c) ALM_YRLY (yearly)
(d) ALM_SL_IRS (half yearly) and (e) ALM_STDL (monthly).

B. NBFCs (Deposit taking) shall have to submit the following returns online:

(a) NBS1A_REV (quarterly) (b) NBS2_REV (quarterly) (c) NBS3A_REV (quarterly)
(d) NBS6_REV (monthly – Assets Rs 100Cr and above or PD Rs 20 cr and above) and (e) ALM (half yearly).

C. NBFCs (assets more than Rs 50 crore but less than 100 crore) shall have to submit the following returns online:

a) NDSI_50CR(quarterly)

iii. In terms of DNBS.PD.CC.No 355/03.02.02/2013-14 dated September 3, 2013 all deposit taking NBFCs and non –deposit taking NBFCs having total assets more than Rs 50 crore have to submit Branch_info return online.

iv. In terms of DNBS.PD.CC. No. 204/03.05.002/2010-11 dated December 1, 2010 all NBFCs have to finalize balance sheet by June 30 every year.

2. However a large number of NBFCs, especially whose assets are below Rs 100 crore are not submitting the Statutory Auditor's Certificates relating to continuation of NBFI activity and online returns despite our several reminders. We had convened meetings with the directors of the defaulting companies and during such meetings it has come to our notice that the auditors too are not aware of the above compliance required to be done by the NBFCs. This is accentuated by the fact that large number of Companies have defaulted in timely submission of returns but we have received only a few ' exception reports' from the auditors as required in terms of para 5 of DNBS.PD.CC.No 334/03.02.001/2013-14 dated July 1, 2013 on Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions 2008.

3. In view of the above you are requested to sensitize your members and advice them to submit 'exception report' to RBI as and when they come across instances of non submission of the above returns as also non compliance of minimum NOF requirement and the 'principal business' criteria (i.e financial asset should be more than 50% of total assets and financial income should be more tan 50% of total income) by the NBFCs registered with RBI. Please communicate to your members that non submission of 'exception report' by the auditors will be viewed seriously by the bank.

4. Kindly acknowledge receipt of this letter and arrange to endorse us a copy of your communication to the members.

Yours Faithfully

Sd/-

(Kishore Pariyar)
Deputy General Manager

WORK DISPOSAL STATUS

The position of action taken on various matters related to Members & Students

Members Section as on 23rd October, 2013

1)	New Enrolment	15/09/2013
2)	Grant of Certificate of Practice	10/10/2013
3)	Grant of Fellow Admission	10/10/2013
4)	Firm Registration / Constitution	18/10/2013
5)	Reconstitution of Firms	18/10/2013
6)	Restoration	15/10/2013
7)	Change of address	18/10/2013
8)	Permission of other engagement	19/10/2013

Articles Section as on 23rd October, 2013

Registration	03/10/2013
Industrial training Registration	30/09/2013
Re-registration	30/09/2013
Termination	30/09/2013
Completion	01/10/2013
Permission to Study	30/09/2013
Supplementary Registration	30/09/2013
Change of Address	17/10/2013

BOARD OF STUDIES SECTION - as on 25th October , 2013

CPT Registration	15-10-2013	
IPCC Registration	21-10-2013	
Final Registraion	21-10-2013	
	By Hand	**By Post**
Issuance of study materials - CPT	Upto date	25-09-2013
Issuance of study materials - IPCC	09-10-2013	30-08-2013
Issuance of study materials - Final	Upto date	15-10-2013
GMCS certificate Issuance	Upto date	
Orientation Certificate Issuance	Upto date	
ITT certificate Issuance	Upto date	
Change of name/address	Upto date	

LIBRARY NEWS

EIRC Library has taken the organinisational membership of BRITISH COUNCIL LIBRARY .Members will enjoy easy access to the wide range of knowledge sharing resources including :

- books and journals
- professional training CDs and DVDs
- online resources
- priority registration for exclusive series of management seminars
- information support services
- unique cultural programmes

Members may please join EIRC Library and get the facitities of another two Libraries like American Library and British Council Library.

For further information please call 30211103/05 or mail eirc.library@icai.in/swati.banerjee@icai.in

NEW FEATURES IN EIRC WEBSITE

Members / Corporates are requested to post their vacancy requirements in the EIRC Website free of cost under the category **Jobs Required** for :

- Article Assistants
- Article Clerks
- Chartered Accountants in service
- Chartered Accountants in practice.

Members/ Students may also post their requirement for seeking jobs free of costunder the category **Jobs Avaiable.**

To initiate the process, Members/ Students need to register at the site and login as a member of the site : eircicai.org.

An Appeal to the Members to Contribute Generously

CHARTERED ACCOUNTANT BENEVOLENT FUND (CABF)

a FUND of CAs by CAs & for CAs

Our earnest endeavour of being a professional and partner in nation building is to ensure taking our brethren alongwith the profession to greater high. All are not fortunate enough to savior the riches and comfort of live. We as professionals must ensure their upliftment so as to make sureall round improvement. Our Institute has taken major steps under the able leadership of our flag bearers to revamp the CABF in a way reaching out to all our brethren who are not fortunate enough.

Therefore this column may be an opportunity to appeal to all the members of this Eastern Region to contribute generously to the CABF which would go a long way in extending the much needed aid to our professionals and their families.

The CABF generates its corpus from contributions received from the members of the Institute in the form of Yearly Subscription, Life Membership Fee and Voluntary Contribution. The quantum of subscription is very less and needs to be raised substantially in order to growing demand of members and their family.

Contribution made towards CABF is exempted under section 80-G of the Income Tax Act, 1961. for which receipt will be issued to all donor.

Interested members may please send their Cheques/DD to Kolkata Office, drawn on 'The Institute of Chartered Accountants of India, EIRC', payable at Kolkata,seperately or along with their membership fees.

CPE credit Hours requirements for the block of 3 years started with effect from 01-01-2011 to 31-12-2013 to be complied with by different categories of members:

A. All the members (aged less than 60 years) who are holding Certificate of Practice (except all those members who are residing abroad) are required to:
   a) Complete at least 90 CPE credit hours in each rolling three-year period of which 60 CPE credit hours should be of structured learning.
   b) Complete minimum 20 CPE credit hours of structured learning in each year.

B. All the members (aged less than 60 years) who are not holding Certificate of Practice or all the members who are residing abroad (whether holding Certificate of Practice or not) are required to:
   a) Complete at least an aggregate of 45 CPE credit hours of either structured or unstructured learning (as per their choice) in each rolling three-year period (i.e. from 1/1/2011 to 31/12/2013)
   b) Complete minimum of 10 CPE credit hours being an aggregate of either structured or unstructured learning (as per their choice) in each calendar year.

C. All the members (aged 60 years & above) who are holding Certificate of Practice, are required to:
   a) Complete at least an aggregate of 70 CPE credit hours of either Structured or Unstructured Learning (as per their choice) in each rolling three-year period (i.e. from 1/1/2011 to 31/12/2013).
   b) Complete minimum of 10 CPE credit hours being an aggregate of either Structured or Unstructured Learning in the first calendar year i.e. 2011.
   c) Complete minimum of 20 CPE credit hours being an aggregate of either Structured or Unstructured Learning (as per their choice) in the second and third calendar years i.e. 2012 & 2013.

D. All the members (aged 60 years and above) who are not holding Certificate of Practice are required to:
   a) Complete at least an aggregate of 35 CPE credit hours of either Structured or Unstructured Learning (as per their choice) in each rolling three-year period (i.e. from 1/1/2011 to 31/12/2013).
   b) Complete minimum of 5 CPE credit hours being an aggregate of either Structured or Unstructured Learning in the first calendar year i.e. 2011
   c) Complete minimum of 10 CPE credit hours being an aggregate of either Structured or Unstructured Learning in the second and third calendar year i.e. 2012 & 2013.

Penal provisions for Non Compliance with their CPE Hours requirements for the block period of 3 years (1-1-2011 to 31-12-2013)

In order to function the system of mandatory CPE effective, the Council of the Institute of Chartered Accountants of India has decided that the members who fail to comply with their CPE Hours requirement for the current block of 3 years (1-1-2011 to 31-12-2013) are appropriately sanctioned. Therefore, the Council of the Institute has decided as under :

- All the members are required to complete their CPE hours requirements for the block period of 3 years (1-1-2011 to 31-12-2013) by 31st December, 2013.
- Any shortfall in the CPE credit for the calendar years 2011, 2012 and 2013 should be met by the members by 31st December, 2013.
- The names of the members who fail to comply with their CPE hours Requirements for the block period of 3 years by 31st December, 2013 would be hosted on the website of the ICAI for information of public at large.
- Further, the ICAI will not be responsible in any way for any action taken by any of the regulatory authorities on the basis of the names hosted on the website for allotting the professional work to them as sole proprietor or to their partnership firm.
- To strike out the name/s from the list so hosted on the website, the member/s shall have to makeup any shortfall in their CPE credit hours for the above block period of 3 years by obtaining twice of the amount of the shortfall. Such addition shall be in addition to the regular CPE hours requirement for the particular Calendar year in which they are making up the shortfall.

The members are requested to note the above. The members are also requested to comply with the CPE Hours requirements for the current year by 31st December, 2013.

For details visit: cpeicai.org
(Secretary, CPE Committee of ICAI)

NOTIFICATION

No.13-CA(EXAM)/ISA/N/2013: - In pursuance of Regulation 204 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify that the **Information Systems Audit (ISA) Course Assessment Test** (which is open to the members of the Institute) will be held on **30th November, 2013 (Saturday) from 10.30 AM to 2.30 PM** at the following cities provided that sufficient number of candidates offer themselves to appear therefrom.

Sl. No.	Name of the Cities	Sl. No.	Name of the Cities	Sl. No.	Name of the Cities
1	KOLKATA	2	CUTTACK	3	GUWAHATI
4	SILIGURI	5	BHUBANESWAR		

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Bijoya Diwali Get-together

organised by

EIRC of ICAI

jointly with all

Study Circles of EIRC

Saturday
9th November 2013
5.30pm onwards

NICCO Park, Bowlers' Den
Salt Lake City, Kolkata

Rs. 300 per person

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Meeting with CCIT on 1st October 2013

CA Ranjeet Kumar Agarwal, Chairman, EIRC, along with EIRC Members greets Shri D. Dasgupta, CCIT-1

Derivatives – Recent Judgements & Amendments on 3rd October, 2013

L to R: CA Anirban Datta, Treasurer, EIRC, CA K. K. Chhaparia, Mr Sujit Kumar Singh, IRS & CA Ranjeet Kumar Agarwal, Chairman, EIRC.

Inauguration of Howrah Reading Room for Girls on 6th October, 2013

CA Subodh Kumar Agrawal, President, ICAI, inaugurates the First Girls' Reading Room at howrah with CA Ranjeet Kumar Agarwal, Chairman, EIRC and other dignitaries'.

Seminar on Letter of Credit & UCP 600 on 22nd October, 2013

L to R : CA Subhash Chandra Saraf, Vice Chairman, EIRC, CA R. Purkayastha, Mr S Dasgupta, Chief Manager (Trg), SBI & CA Ranjeet Kumar Agarwal, Chairman, EIRC,

Seminar on VAT, Entry Tax, CST & Profession Tax on 19th October, 2013

L to R: CA Rip Das, Mr Khalid Aizaz Anwar, Jt Comm of Sales Tax, Beliaghata Charge, WB & CA Ranjeet Kumar Agarwal, Chairman, EIRC.

L to R: CA Prasun Kumar Bhattacharyya, Imm Past Chairman, EIRC, CA Anirban Datta, Treasurer, EIRC, Mr Rajshekar Bandyopadhyay, Sr Jt Comm of Sales Tax, Kolkata South Circle, WB

Study tour of EIRC to Dubai from 8th to 13th October, 2013

CA Ranjeet Kumar Agarwal, Chairman, EIRC and other members of the region met CA James Rai , Regional Director, Middle East, CA Naw Kumar , Chairman, Dubai Chapter and other office Bearers of Dubai Chapter.

Group Photo at Sheikh Zayed Grand Mosque in Abu Dhabi.

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Marathon – 2013 for ‘Curbing Violence in Education’ on 2nd October, 2013


CA Ranjeet Kumar Agarwal, Chairman, EIRC along with Council Colleagues and Members paying respects to Mahatma Gandhi at Red Road, Kolkata.

R to L: CA Pramod Dayal Rungta, Secretary, EIRC, CA Ranjeet Kumar Agarwal, Chairman, EIRC, CA Subhash Chandra Saraf, Vice Chairman, EIRC, CA Anirban Datta, Treasurer, EIRC along with fellow members.

Panel Discussion on Companies Act, 2013 on 7th October, 2013

L to R: CA Rajesh Guraria, KPMG, CS Mamta Binani, Past Chairperson, ICSI, CA(Dr) Debashis Mitra, Past Chairman, EIRC, CA Vinod Kothari, CA Sanjoy K Gupta, E&Y, CA Mohit Bhuteria & CA Ranjeet Kumar Agarwal, Chairman, EIRC

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