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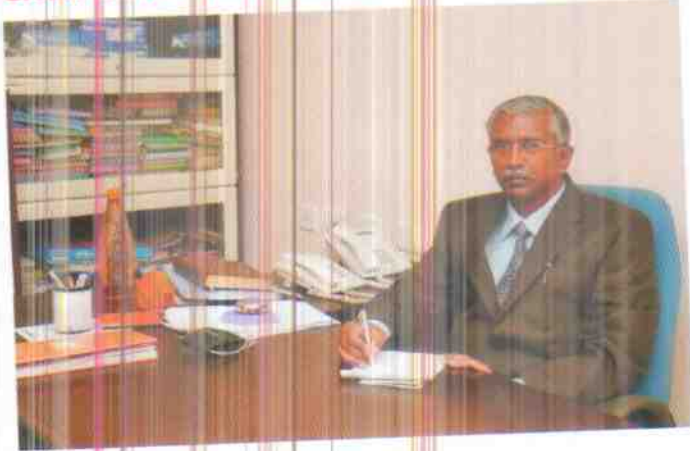
TUTICORIN BRANCH OF SIRC

The Institute of Chartered Accountants of India (Set up by an Act of Parliament)

DECEMBER 2011

NEWS LETTER

Chairman writes.....



A message from the Chairman.....

Dearest Colleagues,
Greetings December has bloomed bringing us to the end of 2011. So fast are the days rolling by preparing us to happily enter into a new year 2012. Let us all thank the Almighty God for caring, guiding, feeding and showering His love on us all through the year amidst all hurdles and hurricanes.

**When life is hard, thank God, since it makes you grow.
When it seems to be no way, find God, for He knows the way.**

Our CPT students are to write their exams on 18.12.2011 (Sunday). Let's pray that God will give them wisdom and knowledge and emerge successful. November has written a lot of activities in the history of our branch. Get a glimpse of the activities.....

A School level **DEBATE COMPETITION** was held in our institute on 14.11.2011 wherein 27 students from 14 schools participated. The students participated enthusiastically and even came to know about our CA course.

The two days **RESIDENTIAL SEMINAR** on the topic "Emerging areas in profession" held on the 11th and 12th of November 2011 was a very grand success. It was an excellent seminar which helped the members to update their knowledge base. The seminar was web cast live and viewed by people all over India and abroad. We have received comments from members all over the globe. You can read some of the comments in this issue. The web cast can be viewed offline even now in the website www.chennaiistream.com. CA.G.Srinivasan, Senior Vice President of DCW Ltd. and CA.Chandrasekaran, General Manager of DCW Ltd., who is also the Vice Chairman of our branch were the key persons of

organising the seminar. The hall they provided us for the seminar was very spacious and good. They gave us rich and sumptuous food. The stay arrangements made for the speakers and the hospitality shown to them was marvelous. On 11.11.2011 the students made an **INDUSTRIAL VISIT** to the DCW factory. **CAREER COUNSELING PROGRAM** was conducted for the students of Kamlavati Higher Secondary School, Sahapuram on the 11th and 12th of November 2011.

To mark another event in the history of **INDUSTRIAL VISIT**, our students visited "Shalom Garments" at Valliyoor on 19.11.2011 where Shelton shirts are stitched and sold. On the same day we visited the Amy Carmichael fellowship at Dohnavur. It is a home where orphan children are brought in, taken care of, given good education and help them live an independent life. **CAREER COUNSELING PROGRAM** was conducted for the students of Santhosha Vidhyalaya and Walker Higher Secondary School, both at Dohnavur.

An **INVESTOR AWARENESS PROGRAM** was conducted in our institute premises on 20.11.2011 and Mr.S.R.Jeyadurai, Member of Parliament was the Chief Guest. **CAREER COUNSELING PROGRAM** was conducted for the students of M.K.N. Higher Secondary School at Sillankulam on the 26th and 27th of November 2011.

Our branch is blooming out with more and more activities, especially student activities. Many rural areas of our district have been visited and awareness about our CA course has been created among them. I thank all the members for their co-operation and support they have extended in all ways for carrying out the activities of our branch.

There is no one to love us in this world more than God. Our family and friends may shower their love on us, but it is only upto the grave. God's love is the everlasting love which continues even after our death. So let us live a life of love everyday.

**NOT LIKE A FLOWER THAT BLOOMS AND FADES
NOT LIKE AN ANIMAL THAT LIVES A MEANINGLESS LIFE
BUT AS A HUMAN BEING HAS GOD MADE US
TO LOVE AND TO BE LOVED
TO LIVE A LIFE OF LOVE
AND DO A DEED OF KINDNESS EVERYDAY**

**WISH YOU A VERY HAPPY, JOYFUL AND
BLESSED NEW YEAR 2012**

With love & care
K.Ponpandi Inbarasu

COMMENTS RECEIVED FROM MEMBERS ACROSS THE GLOBE ON LIVE WEBCASTING OF RESIDENTIAL SEMINAR

An excellent seminar with content to promote and update knowledge on the areas covered. The Webcast quality was excellent and without any interruption. Really pleasant experience. Looking to more such webcasts of ICAI programmes where we cannot be physically be present every time. Thanks. T.N.Soundararajan - Chennai. 600017.

Nice presentation on GST and VAT. Congrats for the Tuticorin branch for organising a wonderful Webcast with very useful and informative topics by eminent speakers. S.RAMASAMY - MADURAI.

Excellent arrangement by the Tuticorin branch of SIRC. it is very useful for our profession. thanks lot. CA. A. Chandra Sekaran - Madurai.

Webcast is very good and useful especially to professionals who could not make it to the conference hall. S.Krishnamoorthy FCA - Chennai

Fantastic webcasting of the seminar. Extremely useful. Suggest this should be done for every program conducted by ICAI so that Members can participate remotely and benefit. Topics discussed are contemporary. Faculty - especially Mr. Chinnasamy Ganesan, Gopalakrishna Raju were highly knowledgeable and impressive in delivering lectures. Congratulations and Good Wishes on this welcome initiative. S.Ananthkrishnan - Secunderabad.

Great Innovation. Appreciate your effort to Webcast. This is very much useful for those who are in the Industry to get the first hand information from the Experts. It throws great light on Many areas which are not clear. We hope to see many more Webcast like this in future. S. Arun Mozhi Chinnathambi - Tirupathi.

My heartiest congratulation to both chairman of tuticorin branch and sirc for their effort for this useful effort. Audio and visibility is very good. CA.R.Andichamy - Dindigul.

I congratulate SIRC and Tuticorin branch for live telecasting through webcast. This is really a great effort and tapping the availability of internet. People like me living abroad really benefit from this webcast. BTW the streaming was very good both audio and video. I look forward for more webcast in future. Shankar - Melbourne, Australia.

CA.Phalguna Kumar was his usual self in making an excellent presentation on Inheritance & HUF. Several aspects which he dealt with were not widely known as CAs don't come across such situations often. Kudos to him. CA V.S.NARAYANAN - CHENNAI.

The webcast is too good discussion on code of ethics was Excellent. Mahesh Babu - Hyderabad.

LATEST JUDGEMENT ON DIRECT TAX LAWS

Disallowance of Freight Charges for Non-Deduction of TDS

Where there is no oral or written contract with the transporter Where there is no contract, oral or written, with the transporter, the provisions of section 194C do not apply. Hence, no disallowance under section 40(A) (fa) is permissible - CIT v. Bhagwati Steels [2010] 326 ITR 108/[2011] 198 Taxman 275/9 taxmann.com 266 (Punj. & Har.), CIT v. United Rice Land Ltd. [2008] 174 Taxman 286 (Punj. & Har.), R.R. Carrying Corporation v. ACIT [2009] 30 DTR 569 (Ctk.); Also refer Mrs. Kavita Chug v. JTO [2011] 44 SOT 95 (Kol.).

Expenses on improvements made in the newly purchased house shall not form part of the cost of acquisition

In Smt. S. Sudha v. Asstt. CIT [2011] 15 taxmann.com 212/48 SOT 335 (Chennai - Trib.), the assessee purchased a residential apartment and claimed deduction under section 54F which included the price as per sale deed, stamp charges, registration charges, advocate's fees, brokerage, tiles laying, white-washing, electrical rewiring and wood work.

The Tribunal partly held in favour of assessee -It held that expenses relating to laying of tiles, white-washing, electrical re-wiring and wood work were incurred by the assessee after purchasing the property, which could not be treated as part of the acquisition cost. The amount spent by the assessee to improve the habitability might have been an essential expenditure, but it couldn't form part of the cost of acquisition.

However, regarding the expenses incurred in relation to advocate's fees and brokerage, the Tribunal held that legal scrutiny of title deeds and documents is very essential in purchasing immovable properties. Therefore, the exclusion of brokerage and advocate's fees from the cost of acquisition of the new property was not justified. [Section 54F of the Income-tax Act, 1961 - Capital gains - Exemption of, in case of investment in residential house - Assessment year 2008-09]

Reopening of an assessment is possible even if original assessment had not been completed

In Nishant Exports v. CIT [2011] 15 taxmann.com 217 (Kerala), the assessee claimed deduction of profit on exports profit under section 80HHC which was allowed in an intimation issued by the Assessing Officer under section 143(1). It was, however, found that the assessee had not satisfied conditions prescribed under amended provisions of section 80HHC - Consequently, the Assessing Officer invoked section 147 and revised assessment, withdrawing partial relief granted under section 80HHC to the assessee.

The High Court held in favour of the revenue -It held that only condition for reopening of an assessment is that the Assessing Officer should have a reasonable belief that income chargeable to tax has escaped assessment, though regular assessment has not been completed. Thus, the Assessing Officer is entitled to reopen and bring to tax escaped income. [Section 147, read with section 143, of the Income-tax Act, 1961 - Income escaping assessment -General - Assessment year 2000-01]

PHOTO GALLERY

School Level Debate Competition – 04.11.2011



Members & Students Tour to Kanyakumari – 19.11.2011



Two days Residential Seminar on Emerging Areas in Profession – 11 & 12.11.2011
Organised by SIRC of ICAI & Hosted by Tuticorin Branch of SIRC of ICAI at Conference Hall, DCW Ltd., Sahapuram,



CA. K. Ponpandi Inbarasu,
Chairman-TTN Branch



CA. G. Srinivasan,
Service President (Admin), DCW Ltd.,



CA. Gopal Krishna Raju,
Member – SIRC



CA. Chinnamy Ganesan



CA. Divakar Vijayasathya



Advocate K. Vaitheeswaran



CA. E. Phalguna Kumar,
Treasurer – SIRC



CA. P. V. Rajarajeswaran,
Member – SIRC



CA. K. Shanmukha Sundaram,
Chairman – SIRC



CA. J. Selvin Gnanaraj,
Secretary – TTN Branch



Photograph with CA. K. Shanmukha Sundaram,
Chairman – SIRC

PHOTO GALLERY

Students Industrial visit - Study on Manufacturing of Garments at Shalom Garments, Valliyoor - 19.11.2011



Career Counseling Programme at Walker Hr.Sec.School, Dohnavur



Visit of The Dohnavur Fellowship A Charitable body caring the orphan Child - 19.11.11



Investor awareness programme - Chief Guest : Thiru.S.R.Jeyadurai B.Sc.,PGDYN, Hon'ble Member of Parliament(Lok Sabha), Thoothukudi Constituency. Speaker:-CA.P.V.Rajarajeswaran, Member-SIRC. - 20.11.2011



CA.K.Ponpandi Inbarasu

Thiru.S.R.Jeyadurai

CA.P.V.Rajarajeswaran

Audience

Career Counseling Programme at Muthukaruppan Hr. Sec. School & St.Xavier's Hr. Sec. School

Special Counseling Programme to CPT Students

