



E - NEWS LETTER



Tuticorin Branch of Southern India Regional Council of The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

July 2010

Chairman's Writes:



Dear Friends,

Greetings!

One of the golden management rules is delegation. This can be used both in our personal and professional lives. The latest currency is not euro or dollar. It is time! The value of an hour depends on how well we use it. Is it an hour of the MD of an organization or is it an hour of the clerk? If the MD is doing mundane work then he is actually a glorified clerk.

If someone can do your job with atleast three-fourths of your efficiency, better delegate the work to that person. But make sure you have an eye on how it progresses. 'If you want to do a job right, do it yourself' is an obsolete statement. In today's competitive world, if you want results, then make an optimal use of the time available. The goal or vision of the organization and also its mission has to be shared among all its personnel.

The major issue is the art of delegation. The outcome of any work delegated will prove successful only when the one who delegates and the one to whom it is delegated are well aware of the situation. Delegation is not to make an order, rather to share the idea, discuss the issues and objectives using a friendly approach. Clarify the outcome of the assignment and allow the methods and strategies to be chosen by the one to whom the job is delegated. Constantly review the work delegated which is the ultimate mantra. Keep updating yourself as well as the other person until you are satisfied that it needs little consideration.

If you give someone a job which is daunting, one which the person will not be able to cope up with, the job will not be done and also the person would be de-motivated. Instead build them up gradually. Stretch the person but only a little.

No one can make it to the top, all alone by himself. Growing up as a team produces synergies that cannot be achieved by an individual. However there are some parts of a job that can't be delegated like a prayer. Do them yourself. Let the tagline be, "*We Grow Together*".

With best wishes,

CA H.Raman

Income Tax Tips for Corporate and Individual:-

Income tax is the tax that is charged on the financial income of persons, corporations, or other legal entities. Income taxation is categorized as progressive, proportional or regressive. The difference between the Individual income tax and corporate is that the Individual income tax is based on the income of individual with deduction while the corporate income tax is charged on the annual net income. Every year, the Internal Revenue Service or IRS sends notices to many taxpayers. Those who have ever faced such a situation know how terrible it is. The financial closing dates are the most hectic time of the year. For that, you should have all your receipts and money matter concerns in a proper sequence that helps you in knowing about your expenses and savings made in the last financial year. It also assists in saving tax in the next year by bringing about some changes. The various steps involved in paying income tax are: Firstly, one should have some incoming income. Then, your financial information should be organized. Then, you have to file your income tax with the relevant income tax organization. It is very obvious that we all want to pay lesser tax. For that we need to manage our tax affairs efficiently. For that one must know about some of the important income tax tips like:

- 1) Tax credit should be used as they are better than tax deductions because they lower the sum that one owes to the IRS.
- 2) Itemizing tax returns rather than taking the standard deductions helps a person in paying less tax at the end of financial year. Although this process is time-consuming.
- 3) Filing of status determines tax exemptions. For example, a married person can choose to file income tax account jointly or separately. But, if a person files his status as the head of family then he will get a larger standard deduction.

One should analyze his overall tax situation and should try to find-out the best ways to reduce tax and organize financial documents. Income tax tips are of great benefits, if they are used in proper manner. While paying income tax, one should be aware that the income tax they pay will makes all the difference, therefore no mistake should occur while they are at it. Since the tax period makes everyone worried. Therefore, one must start preparing for it early.

RBI to launch XBRL standards for Basel II Reporting System:-

The Reserve Bank of India will launch the Basel II reporting system using eXtensible Business Reporting Language (XBRL) through the existing Online Returns Filing System (ORFS) on October 6, 2008. Basel II Reporting System is the first reporting system based on XBRL. India is possibly the first among the developing countries to introduce XBRL standard in its reporting system. The system also makes use of latest technology tools, some of which are already built into its ORFS.

The Reserve Bank introduced the Online Returns Filing System (ORFS) for a few returns, such as, Section 42(2) Form A return of the Reserve Bank of India Act, with the objective of eliminating the need for paper based data submission. ORFS also removes submission of multiple copies of the same return to various departments of the Reserve Bank of India, thus simplifying the data reporting process both for the banks and for the Reserve Bank of India.

Select scheduled commercial banks are participating in implementation of the new capital adequacy framework as per the Reserve Bank of India guidelines. These banks include all the internationally active banks as well as some banks with only domestic presence. These banks would be required to submit data on capital structure to the Reserve Bank as per Basel II Reporting System on a quarterly basis. The return covers important parameters relating to the capital structure of banks.

XBRL is an electronic format for communication of business and financial data which is revolutionising business reporting around the world. The standardisation in-built in the XBRL documents provides significant benefits in the preparation, analysis and communication of business information. This open standard offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. XBRL enhances the usability and transparency of financial information reported under existing accounting standards, simplifies disclosure, and allows users to communicate financial information more readily and accurately. The XBRL global initiative is led by a non-profit organisation called XBRL International Inc. (XII), which has members from various agencies from more than 164 countries.

On visualising multiple benefits of XBRL based reporting system, the Reserve Bank Governor had constituted a High Level Steering Committee on XBRL-based Data Reporting System (Chairman: Shri V Leeladhar, Deputy Governor). Besides regulatory and data collection departments of the Reserve Bank, the High Level Steering Committee had members from Institute of Chartered Accountants of India (ICAI), Indian Banks' Association, a few banks and representatives of the software industry.

After substantial deliberations and a pilot study, the High Level Steering Committee decided to introduce XBRL standards for Basel II Reporting System, Section 42(2) Form A return of the RBI Act and financial statements. Of these, the Basel II Reporting System is being launched on October 6, 2008. The taxonomy for Basel II Reporting System is broadly aligned with the COREP framework of the European Union.

The High Level Steering Committee decided to introduce XBRL standards for all major returns being received from scheduled commercial banks to the Reserve Bank in phased manner. As a part of XBRL implementation, the Committee reduced the number of returns to be submitted from scheduled commercial banks to the Reserve Bank to 223 from 291.

All related XBRL taxonomies and schemas will be put on the Reserve Bank website for the benefit of data users and analysts. The XBRL reporting tools will be integrated into the existing Online Returns Filing System. The long-term objective of the project is to build an XBRL-repository for the banking sector.

The Reserve Bank identifies XBRL standards as a key development in the coming years, as indicated in the Review of Financial Sector Technology Vision Document, published in June 2007.

How to measure a website's IQ?

The creator of the world wide web, [Tim Berners-Lee](#), has [made an odd request](#): for a kind of rating system to help people distinguish sites that can be trusted to tell the truth, and those that can't.



Berners-Lee was speaking at the launch of the [World Wide Web Foundation](#), which aims to ensure that everyone in the world benefits as the web evolves.

In his speech he referred to the way fears that the [LHC could destroy the world](#) spread like wildfire online. As the [BBC puts it](#), he explained that "there needed to be new systems that would give websites a label for trustworthiness once they had been proved reliable sources."

He went on to say that he didn't think "a simple number like an IQ rating" is a good idea: "I'd be interested in different organisations labelling websites in different ways". Whatever process is used to hand out the labels, it sounds like a bad idea to me.

Berners-Lee himself directed us towards some of the its biggest problems:

"On the web the thinking of cults can spread very rapidly and suddenly a cult which was 12 people who had some deep personal issues suddenly find a formula which is very believable...A sort of conspiracy theory of sorts and which you can imagine spreading to thousands of people and being deeply damaging."

There are plenty of arguments online already about whether Scientology is a cult. I find it unlikely anyone will be keen to step in and label sites on either side as not to be trusted. Others might reasonably argue that all religions - whether established or not - should come with a warning message.

As for wading in to put a stop to conspiracy theories, I can't image anything their proponents could benefit from more.

Berners-Lee also mentioned the system would help people find out the real science behind, for example, the [LHC's risks](#). You might think handing out rating for sites about science would be easier, with publishers of peer-reviewed science, for example, receiving a top rating without problems.

But there will be papers in the archives of any journal that have been entirely superseded. And a whole lot more that present results that are valid, but can be misleading to some readers. Web licences to ensure that people only read sites they can handle are the next logical step.

Fortunately it's much more likely that the whole idea will quietly be forgotten, which will at least prevent Berners-Lee receiving one of the first "potentially misleading" badges for thinking it up in the first place.

Let's hope the [World Wide Web Foundation](#) and its laudable goals have a rosier future.

Tom Simonite, online technology editor

* * * * *



Branch Level Elocution & Quiz Contest for CA Students