

## **Harassment, Thy Name is Income Tax!**

The Indian taxpayer feels harassed, humiliated and tortured by the income-tax department, in many ways, irrespective of his income or tax status. Ameet Patel, who has an insider's knowledge, shows the horrific picture

"Honesty is the best policy". Having been brought up by honest parents and having studied in a very conservative school, being honest was part of my upbringing. When I became a chartered accountant (CA), my clients got a taste of my upbringing when they realised that I did not fit into their image of a typical CA as was prevalent in the minds of most people i. e., someone who can find the shortcuts and easy solutions to get around the onerous tax laws.

I now realise how difficult, and painful, it must have been for my clients to go by my advice to be honest taxpayers. No wonder, many of them still jocularly refer to me 'as an agent of the tax department'! The pain and hurt which most taxpayers feel today when they see their hard earned money going into the coffers of a deaf and dumb tax department that is clearly used by the government as revenue. Extorting machine is only understandable.

In the past ten years, we have had several examples of atrocious tax related developments in the country. We have experienced profligate governments thinking up innovative revenue raising mechanisms to fund ever-increasing wasteful expenditure in the form of the Fringe Benefit Tax, the Banking Cash Transaction Tax, etc. Many of these have resulted in legal disputes, especially with the corporate sector, like the Vodafone case (in the supreme court) and the subsequent retrospective amendment to the law, the Shell case, etc. Clearly, the patience of taxpayers has run out and I am not referring only to foreign companies like Vodafone, Nokia, Shell and others.

I am referring to the pain that Indian taxpayers feel today. The pain is not only in paying the taxes but in complying with the complex laws. The pain and anguish become even more acute when the taxpayer has to run from pillar to post for something as simple as getting for credit for taxes already paid. As a tax adviser, I find it increasingly difficult to respond to ameliorate my clients' frustration when it comes to dealing with the tax department

At times, when I am asked by a client about why he should remain an honest taxpayer, I find it difficult to offer a convincing reply. And here are some reasons

why I find myself in this situation. I am only giving a few simple examples.



**CA.R. SREENIVASAN**

1. You are a salaried person with some interest income. You have filed your return of income and claimed credit for the TDS (tax deducted at source) from the salary and the interest. You feel that you have paid all your taxes and do not owe anything further to the tax department.

2. You are a tax deductor and have, with great difficulty calculated and deducted tax at the correct rates from the different types of payments made to different types of payees. You have paid the TDS so collected to the government of India and have also filed the TDS statements. You feel that you have done your duty and your payees ought to get the credit for the TDS so reported by you.

3. You are a doctor who is affiliated to several hospital and clinics and get professional fees from them after deduction of TDS. You have maintained your books of account and other documents diligently. You have even issued receipts to your patients. You have also paid your advance tax each quarter and filed your income- tax returns in time. You feel that you too have done your duty and can sleep peacefully and relax (as suggested in the advertisements put out by the income- tax department).

In all the above- mentioned cases, does each taxpayer or deductor actually manage to enjoy the peace of mind that he or she is supposed to get after complying with the income-tax Act and Rules? The answer in 9 out of 10 cases will be an emphatic NO! It will take multiple articles to enumerate all the reasons; but the main source of pain, frustration and even nightmare is a draconian provision called TDS.

### **TDS -Not Just Tedious but Hideous**

Recently, I had an occasion to speak at a seminar on TDS, the cause of unending trouble for taxpayers who, by law, have been converted in to tax collector on behalf of the government, with stiff consequences if they are found wanting.

It is common to hear that TDS is tedious. Based on my experience, I would go further to state that TDS is not only tedious it is hideous. It has easily become the biggest nuisance for tax deductors as well as tax deductees. Collection of taxes is the duty

of government. However, the government has thrust a part of this duty onto hapless deductors, i.e., persons who make payments to others. It has to be clearly understood that the people of India have not asked the government to force the TDS provisions onto them.

It is the other way around. Thousands of tax deductors are doing the government a favour by collecting taxes on its behalf. And, in return, what does a deductor get? He gets a very painful migraine to put it mildly.

Let me explain the typical problems that the common man faces. And this term 'common man' includes companies and partnership firms apart from the individuals like you and me.

The first, and probably the biggest, problem that most taxpayers face today is that of getting credit for the taxes paid by them in particular for TDS that others deduct while making payments. I have yet to come across any CA who will say that every client of his has got the credit for the entire sum of TDS that is claimed in that client's return of income. Leave aside my clients, even in my own case, I have had difficulties in getting credit for the TDS that I have claimed in my tax returns.

There are several reasons for this. However, that is no excuse for the amount of harassment that a taxpayer has to face to get that credit finally. There is a Section in the Income-tax Act that permits a taxpayer to apply for rectification of mistakes in any tax assessment order. It is logical for such a taxpayer to expect that when he applies for rectification, the tax officer will apply his mind and rectify the problem.

But, in most cases, the taxpayer is caught in a deadlock between the Central Processing Centre (CPC) at Bengaluru, a highly sophisticated facility set up to accept and process tax returns filed electronically from all over India, and his own jurisdictional tax officer in the 'circle' where he is assessed. He will be made to run around by both these parts of the same tax department.

The only way to contact the CPC is electronically via e-applications and emails or through the helpline numbers given on their website. I have, often, got complaints from other CAs that these helpline numbers are invariably helpless!

The jurisdictional assessing officer just does not have the time, or the inclination, to resolve the rectification applications. Thus, the demand raised in the order passed on account of non-granting of credit for TDS remains on the records of the CPC and the tax department. Till such time as this situation

continues, the concerned taxpayer will be bombarded with periodic notices informing him of the 'arrears' due from him.

He will, at a later stage, get a notice informing him that not only the earlier demand, but a higher figure consisting of penal interest for non-payment of the earlier demand, is due from him. He will then get a letter stating that a refund for another year, that has been determined to be payable to him by the government, will be adjusted against the pending demand.

It is my conviction that this situation is commonly faced across the country by a large number of taxpayers and they, or their tax consultants, are able to do nothing in the matter except tear their hair in frustration and anguish.

Earlier, I referred to the hideousness of the TDS provisions. From the perspective of the tax deductor, the government is virtually bullying the deductor to comply with a difficult provision. The tax officers in the TDS cell have been empowered with a number of deterrent weapons to attack unsuspecting tax deductors for the smallest of mistakes and lapses.

Do you know that there is a penalty of Rs.100 per day for not issuing a TDS certificate in time? So, for example, if you have deducted Rs.1,000 from some payment and were supposed to issue a TDS certificate to the payee by, say, 20th July and you were not in India on that day and, therefore, could not issue the certificate and, instead, issued it on, say, 31st July, then, the wonderful software that the tax department now uses (TRACES) will immediately issue a notice to you for penal interest of Rs.100 per day and charge you Rs.1,100 for the 11 days of delay for the Rs.1,000 of TDS!

Similarly, there is a penalty of Rs.200 per day for defaults in filing the e-TDS statements on a quarterly basis. And, if you have, by chance, quoted the wrong PAN of any of the deductees in the e-TDS statement, then you can be penalised Rs.10,000 for that default! And as far as this last-mentioned penalty is concerned, it is clear that the law envisages a total penalty of Rs.10,000 for such defaults. Thus, in a particular e-TDS statement, if the deductor makes mistakes in quoting, say, five PANs of five deductors, then the TDS department can levy penalty of a maximum of Rs.10,000 (and not Rs.50,000 per default thereby taking the total penalty to Rs.50,000).

Despite this apparent clarity, one case went all the way up to the Delhi High Court (CIT vs DHTC Logistics Ltd). The TDS officer levied a penalty of Rs.30.70 crore on the deductor by charging

Rs.10,000 per default. And, for such a simple matter, the deductor had to fight his case right up to the Delhi High Court! Why should the tax deductor bear the costs of litigation in such cases?

All these are examples of how TDS has become a source of extortion, torture and harassment. On the one hand, as a deductor, I am forced to do the government's job and, on the other hand, if I make small mistakes, I get penalised. Is this fair? Is this logical? Does it make sense?

TDS is only one part of the enormous problems the taxpayers face. Let's have look at what the income-tax officer, in a recent case, did and how the appellate authority (Income-tax Appellate Tribunal ITAT) dealt with that case.

In a transfer-pricing related issue involving Bharti Airtel, the income tax officer disallowed a sum of Rs.57,39,60,05,089 (to make it simple for you it means Rs.5,739 crore!). This was done, despite the fact that it was obvious that there was no need for such a disallowance.

Suffice it to say that the disallowance was, prima facie, absurd and unwarranted. The officer who passed the order would definitely be aware of this. His boss would also be aware as well, since such a large order could not have been issued without the knowledge of the higher authorities. While hearing the appeal, the members of ITAT have come out heavily against the officer who passed the order. Some of the comments passed in the order of the ITAT are worth reproducing:

"However, if an action of the Assessing Officer is so blatantly unreasonable that such seasoned senior officers well versed with functioning of judicial forums, as the learned Departmental Representatives are, cannot even go through the convincing motions of defending the same before us, such unreasonable conduct of the Assessing Officer deserves to be scrutinized seriously. At a time when evolving societal pressures demand greater degree of accountability in the governance also, it does no good to he judicial institutions to watch such situations as helpless spectators. If it is indeed a case of frivolous addition, someone should be accountable for the resultant undue hardship to the taxpayer— rather than being allowed to walk away with a subtle, though easily discernable, admission to the effect that yes it was a frivolous addition, and, if it is not a frivolous there has to be reasonable defence, before us, for such an addition. The case before us, for the reasons we will set out now, appears to be in the category of a wholly frivolous, and simply indefensible, addition to the income returned by the assessee".

The ITAT also remarked that the dispute resolution panel, the quasi- appellate authority that deals with transfer pricing cases, did not deal adequately with this factual issue.

The ITAT finally observed that "inescapable conclusion is that the addition made by the assessing officer is wholly erroneous and devoid of any legally sustainable merits." Accordingly, the ITAT held that "while we delete the impugned addition of Rs. 5,739 crore, we also place on record our dissatisfaction with the way and manner in which the issue has been handled at the assessment stages."

### **Extract by Any Means**

Why does the department act in this manner? Because of the relentless pressure from the top. Here is the evidence an 'Office Memorandum' dated 20 March 2014 issued by the under secretary to the government of India, ministry of finance, following a video conference held on the same day. The memorandum appears to be addressed to the officers of the income- tax department and highlights the following: "There is a shortfall of more than Rs. 50, 000 crores in net revenue collection for the current year that will end 31st march, 2014.

An analysis with reference to collections in respect of each CCIT (CCA), the growth trend till date and the growth trend with reference to minor heads suggested that the target could be reached provided there is no slacking of efforts. In order to achieve the budgetary Targets, all officers across the country should show commitment to work 24 X 7 hours for remaining 11 days of the financial year.

Assessing officers/Addl. CIT/CIT/CCIT involved in assessment work and collection of taxes shall not leave headquarter up to 31.03.2014. In case of any emergent requirement, permission for leaving Headquarter by any officer mentioned above is to be taken from respective Zonal Members."

This tells you the source of such arbitrary, whimsical and, in some extreme cases, extortion and arm-twisting, by the department. Another example of the kind pressure that is exerted on the tax officers which force them to adopt high-handed tactics is a letter from by the chairman of the Central Board of Direct Taxes (CBDT) to the highest-ranking officers of the tax department on 7 February 2012.

In that letter, the then chairman, CBDT, Laxmandass, told senior officials that their career Prospect would depend on their success in meeting targets for tax collection, emphasising the

government's desperation to raise revenues to plug the rising fiscal deficit. He sent out a clear message to the top 100 officials that the tax revenue targets are 'non-negotiable.'

In the letter, Mr. Dass admonished officials of the rank of chief commissioners and director general for their lack of success in bringing money. He said "I have taken over as chairman at a time when revenue collections seem to be far away from the Budget target, with less than two months at hand."

Mr. Dass outlined a carrot-and-stick policy to get the situation back on track and wrote: "Among the parameters of performance in your area, achievement of revenue collection target will obviously be given the highest weightage while writing your APAR and (it) will also be a major factor while considering placements during AGT 2012." APAR is the annual performance appraisal report and AGT is annual general transfer.

The desperation in the finance ministry is clearly visible from the above-mentioned memorandum and the letter of 2012. Does it require much intelligence to figure out what the tax officers across the country would be doing in the last few days of a fiscal year? Where does that leave hapless taxpayers whose assessments are pending at any stage? Where does it leave taxpayers who have had the misfortune of having paid excess taxes and claiming a refund? Where does it leave taxpayers in whose cases rectifications are pending? And what about those taxpayers who have won appeals either before the CIT(A)/ITAT or in a high court or even the Supreme Court? Will any officer of the land bother to spend time in giving effect to the appeal orders?

### **Stricture by the High Court**

And even as I write this article, another strongly worded High Court order has come to my notice. In the case of CIT vs RAM Singn, the Rajasthan High Court has passed even strictures against the quality of the orders passed by the ITAT and has remarked that the government should ensure that only competent persons are appointed members of the ITAT. It may be noted that ITAT is the highest appellate forum for tax appeals. Thereafter, the courts take over. And here is what the Rajasthan High Court has said in its order:

"We find the judgements of the ITAT being the stereotyped, non-speaking, unreasoned, arbitrary and whimsical;

i. We cannot avoid observing that of late the quality of orders that are come out from the Tribunal in exercise of its appellate power under section 256 of the Act are found to be wanting and in many

respect and many a times the orders are very perfunctory, even non-speaking orders and has no correlation to the fact situation that prevails in a given case;

ii. We also notice that the members of the Tribunal have developed an unhealthy habit of quoting totally unrelated judgements which are not applicable at all to the facts of the case, to pass orders not otherwise sustainable on facts or in law. We strongly deprecate such a tendency on the part of the members of the Tribunal, which is quite naturally a professional Tribunal comprised of expert members, one member from the Revenue side and another member from the accounting side, with considerable experience in their respective fields and to whom we can attribute expertise. We feel sorry that the confidence posed by the Legislature is not being justified by passing orders that are outcome from the Tribunal now-a-days;

iii. It is high time the method of recruitment to the Tribunal is also reviewed by the authority concerned and at least henceforth it is ensured that the members of some standing, integrity and competence are put in place as members of the Tribunal and not all and sundry;

iv. The Legislature, particularly the Union Parliament may also take note of such tendency on the part of the Tribunal and ensure for suitable legislative measure so that the purpose and the object with which such Tribunals are constituted really subserve not only in the interest of aggrieved assessee but also to ensure that the Revenue's interest is not simply sacrificed or jeopardised by errant members."

The tax officers of the country have become so brazen and insensitive because of the policies of the finance ministry. If the chairman of the CBDT can tell his officer that their appraisal depends on how much tax they collect, one need not be a nuclear scientist to understand why taxpayers find themselves in the condition that they are today.

Clearly, it is time for a great deal of introspection on the part of the leaders of the country. What is required is a strong will to be more friendly towards taxpayers and recognise them for their contribution to the government's coffers. Continuing to treat every taxpayer as a tax-evader and continuing to burden the existing taxpayers/deductors with more and more compliances will boomerang.

## **FORMATION OF A NEW COMPANY UNDER THE COMPANIES ACT 2013**



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As The Companies Act 2013 has come into existence a new company can be formed only by the procedures laid down under this Act and the Rules made there under. Though the forms and e forms are prescribed under the new Act the Ministry of Corporate Affairs has been keeping on changing the forms every now and then. Even on 14th June the MCA has made changes to the forms prescribed for incorporation. Therefore before uploading a form to the MCA make sure that the form uploaded is the latest form and the latest version. Form wise date of latest version change is available at the link [http://mca.gov/MinistryV2/Download\\_eForm\\_choose.html](http://mca.gov/MinistryV2/Download_eForm_choose.html).

Under the new Companies Act for the purpose of incorporation the companies are divided into four categories, viz.,

1. Indian Company
2. Part 1 Company
3. Section 8 Company
4. Foreign Company

In this article I am dealing only with the procedures for incorporation of an Indian Company

### **Indian Company:**

An Indian Company is classified into three categories

1. Private Company
2. Public Company and
3. One Person Company

In order to register an Ordinary Indian Company the first step is to obtain Director Identification Number (DIN) for the promoters. For obtaining DIN the persons has to apply in the E Form DIR-3. In the new DIR-3 form some new particulars are asked, viz., Occupation type and Area of Occupation, Educational qualification, Place of birth, ISO Country code, etc. Proof of residence of the applicant is made mandatory. The declaration to be made by the applicant is in Form DIR-4.

Once the promoters have obtained the DIN they have to apply for availability of name in the E Form INC-1. The same E Form INC-1 is used for all the categories of Companies. The new E Form INC-1 is a 6 page form and requires a lot of

information which were hitherto not asked. Eg: Category of the Company, Sub category of the Company, Promoters whether partners in firm having same name; if yes then NOC from all the partners, Proposed name whether contains name of any person other than the promoters or their close blood relatives; if yes NOC from such persons, whether the name contains the name of the close relatives; if yes attach proof of their relation, whether the name is similar to the name of an existing company or a foreign company then the name of that company; if yes attach an NOC by means of a Board resolution duly attested by a Director, whether the name is indicative of the proposed objects, if any vernacular word is used in the name state the language from which that word is taken etc, etc. The form shall be accompanied by a fee of Rs. 1000. The validity of a name reservation is only 60 days.

After getting the name approval the application for incorporation of the company shall be submitted in E Form INC-7 in respect of Private and Public Companies and in E Form INC-2 in respect of One Person Company. INC-7 asks for many details which were not there in the earlier form such as; whether the address for correspondence is the same as the address of the registered office, address for correspondence till the registered office of the company is established, in the address details the land line number and email id of the company are made mandatory, main division of the industrial activity, whether any activity done requires approval of any regulator; in the particulars of promoters father's name or mother's name or spouse's name can be given; type of occupation, area of occupation, educational qualification, name of entity, land line number, email ID are made mandatory. Further if the present address is different from permanent address then duration of stay at the present address is to be mentioned and if the duration is less than one year then the address of the previous residence also shall be mentioned. The residential proof the promoters are made mandatory. If any of the promoters are already a promoter or director of any other

company then the particulars of that company such as CIN, Name of the company, number of shares subscribed, total amount of shares subscribed, particulars of the authorised person, etc are to be furnished. Whether the articles of association are entrenched then number of articles to which provisions of entrenchment of articles are applicable is to be mentioned. A copy of the entrenched Articles also has to be attached. If stamp duty is paid electronically then the details of such stamp duty paid has to be furnished. The form can be digitally signed by a person named in the articles of association as director, manager or company secretary and shall attach Memorandum of association, articles of association, Declaration in form INC-8, affidavit by each subscriber in Form INC-9, specimen signature in form INC-10 and proof of residential address of promoters, etc. The forms INC-8, 9 and 10 are not E Forms and can be downloaded from the link [1245417 1312474 ncarules chapter2.pdf](#). If the registered office and correspondence office address are different then E Form INC-22 also has to be filed within 30 days of incorporation of the company. If the registered office address and correspondence address are same then the attachments required in INC-22 shall be attached along with INC-7. The attachments required are notarised copy of the rent agreement with copy of rent paid receipt not older than one month, authorisation from the owner along with proof of ownership that the company can use the premises as its registered office and the proof of evidence of any utility like electricity, gas, water, telephone bills not older than 2 months in the name of the owner depicting the address and name of the owner.

In respect of One Person Company (OPC) once the name got reserved by filing E Form INC-1 an application for incorporation shall be filed in E Form INC-2. As in the case of all the other companies the limitation of reservation of name is 60 days. Hence INC-2 shall be filed within 60 days of getting the name reserved. Form INC-2 is similar to Form INC-7 with the main difference that, in this form the particulars of Nominee who shall become the member of the company in the event of death or incapacity of the promoter shall be mentioned. The nominee shall also obtain DIN before being nominated to the OPC. The E form INC-2 shall be attached with Memorandum of

Association, Articles of Association, Identity proof and residential proof of both promoter and nominee, copy of PAN of both promoter and nominee, consent of nominee in Form INC-3, affidavit of the first director and the subscribers to the memorandum in Form INC-9, list of all companies with CIN having the same registered office and specimen signature in form INC-10. When the OPC has more directors than the promoter then it shall file E Form DIR-12 also along with INC-2. In DIR-12 interest in other entities like Company, LLP, Foreign Company by way of office, share holding etc of the person appointed as Director or Managing Director are to be mentioned. Further DIR-12 has to be certified by a Practising Professional. As in the case of other companies OPC also shall file E Form INC-22 within 30 days of incorporation of OPC along with the proofs if correspondence address mentioned in INC-2 and registered office address is different. An OPC shall also obtain consent from the nominee before his appointment as nominee. The consent shall be filed in E Form INC-3. After filling the E Form a print out of the same shall be taken and get it physically signed by the nominee and attach the same with INC-2.

It may be noted that as per Rule 6(1) of The Companies (Incorporation) Rules 2014 an OPC has to convert itself into a Private or Public Limited Company when the paid up share capital exceeds 50 Lakhs rupees or the average annual turnover exceeds 2 Crores rupees. Within six months of the date on which the paid up capital exceeded Rs.50L or of the last day of the relevant period during which its average annual turnover during the preceding 3 years exceeded Rs. 2C as the case may be, the OPC shall give a notice to the Registrar in E Form INC-5 that it has ceased to be an OPC and is now required to convert to a Private/Public company. In all other cases an OPC can be converted to Private/Public Limited only after 2 years of its incorporation.

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## SECTION 8 COMPANY

“ Section 8 Company” ! The name is not so familiar to us, but it is indeed the old wine in the new bottle. The provisions of Section 25 of the erstwhile Companies Act, 1956 is now appearing in Section 8 of the new Companies Act ( 2013 Act) with certain modifications. There are mainly three types of non-profit organizations functioning in our country.

1. Company (without the addition to its name of the words Limited or Private Limited)
2. Societies
3. Trusts



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**Table-1 shows the comparative features of these entities.**

	<b>Section 8 Company</b>	<b>Society</b>	<b>Trust</b>
<b>Objects</b>	Mainly non profitable activities	Charitable literary, scientific, art etc.	Charitable, socially beneficial etc.
<b>Statute/Law</b>	Companies Act, 2013	Societies Registration Act 1860 or State Legislation	Indian Trust Act 1882 or State Legislation
<b>Alteration of objects</b>	Possible with the approval of central	Simple procedure	Normally only settlor can modify
<b>Management</b>	As per the provisions of 2013 Act	Few restrictions are imposed under the act	Very few restrictions are imposed under the act
<b>Meetings</b>	As per the provisions of 2013 Act	Annual meeting as per the law of society	No provision laid down
<b>Penalties</b>	As per the provisions of 2013 Act	Few offences and penalties have been prescribed	Very negligible
<b>Legal status</b>	Full legal status	Legal status with certain limitations	Legal status with limitations
<b>Statutory regulations</b>	Exhaustive but mature	Very limited	Nominal
<b>Removal of members</b>	Not possible without consent	Possible without consent	Not applicable
<b>Dissolution/take over</b>	Very difficult	Possible	Possible

### **Advantages of Section 8 Companies**

1. The company registered under section 8 shall enjoy all the privileges and be subject to all the obligations of limited companies.
2. Uniformity in laws and regulations across all states of India unlike in the case of Trusts and Societies.
3. A partnership firm can also be member of such companies.

### **Conditions for grant of License for Section 8 companies**

1. The company shall be established for promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object.

2. The profits, if any, or other income is applied for promoting only the objects of the company.
3. No dividend is paid to its members.

Authority for grant of License for Section 8 companies

The authority to issue the license is the Central Government. The power of the central government is delegated to the Registrar of companies and therefore the application for registering a section 8 company is to be made to the ROC of the concerned area.

### **Brief Procedure for formation**

1. Application to be submitted to ROC concerned in prescribed form INC.12 along with fee as provided in

Companies (Registration Offices and Fees) Rules, 2014.

2. Application shall be accompanied by memorandum and association of the company, Declaration by practicing CA/CS/CMA/Advocate in Form INC.14, Declaration by applicants in Form INC.15, Estimate of income and expenditure for the next 3 years, certified copy of Board/Members' resolution etc.

3. Notice in Form INC.126 to be published on websites and newspapers (at least once in a Vernacular newspaper and also in English newspaper).

4. Copy of paper release shall be submitted to ROC within one week of the application.

5. ROC shall within 30 days from the date of publication of notice may grant License.

### **Professional opportunity for CAs**

#### **1. Certification Work**

a. Form INC.14 : The application for License under section 8 shall be accompanied by a declaration in Form INC.14 by a Chartered Accountant. The declaration is to the effect that all the requirements of the Companies Act and the Rules made thereunder relating to registration of the company under section 8 have been complied with. The memorandum of association of the proposed company shall be in Form INC.13.

b. Form INC.12 : Chartered Accountant can certify the application Form INC.12. The certification is to the effect that he has verified the particulars from the original records maintained by the company and he has found the particulars and attachments to be true, correct and complete.

#### **2. Taxation work**

Section 2(15) of the Income Tax Act defines

'charitable purpose' to include 'relief of the poor, education, medical relief and the advancement of any other object of general public utility'. In order to avail tax exemptions and grant of 80G certificates, Section 8 company requires Income tax clearances under section 12 A of Income Tax Act. Chartered Accountants can bestow service in these areas to the client apart from carrying the audit under section 12A(1)(b) of the Income Tax Act.

#### **3. Advisory work**

a. Non Profit Organization: Chartered accountants can play a key role in advising non profit organization regarding registration, management, amalgamation, conversion and even in winding up. If the objectives for grant of License under section 8 of the 2013 Act are met, non profit organization can go for registration as section 8 company irrespective of whether it is a new company or an existing company.

b. Company to which CSR provisions of section 135 of the 2013 Act apply: A company may set up section 8 company to facilitate implementation of its CSR activities. Such companies shall specify the programme to be undertaken for utilizing funds provided by it and establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only. A company may also implement its CSR programme through Section 8 companies with an established track record of at least three years even though it is not set up by the company itself. The emerging opportunities for chartered accountants in CSR matters of companies can be thus extended to Section 8 Companies as well.

### **FORTHCOMING PROGRAMME FOR THE MONTH OF JULY 2014**

SI NO	PROGRAMME DATE	PROGRAMME NAME	TIME	VENUE
1.	01.07.2014	C.A.DAY CELEBRATIONS.	08.30 AM 08.30 PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
2.	01.07.2014	INFORMATION TECHNOLOGY TRAINING	09.00AM 05.00PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
3.	06.07.2014	CPT COACHING CLASSES (WEEK-END CLASSES ONLY)	10.00 AM 04.00 PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
4.	06.07.2014	REGULAR COACHING CLASSES FOR IPCC MAY 2015	09.00AM 05.00PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
5.	18.07.2014	CPE SEMINAR ON UNION BUDGET- FACULTY: C.A.G.RAMASWAMY. PAST PRESIDENT-ICAI DELHI.	06.00 PM 09.00 PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
6.	24.07.2014	GMCS -I	09.30AM 04.30PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
7.	24.07.2014	GMCS -II	09.30AM 04.30PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA
8.	24.7.2014	ORIENTATION PROGRAMME	09.30AM 05.00PM	ICAI BHAWAN ICAILANE ATHITHARA TEMPLE ROAD PAZHAVEEDU ALAPPUZHA