

ICAI plans representation before govt over penalty proposal

Chartered accountants' apex body ICAI will approach the government amid concerns over certain proposals under which action can be taken against members for certain violations.

The Council of the Institute of Chartered Accountants of India (ICAI) has discussed the issues.

"There are different provisions whereby action can be taken against chartered accountants... We are going to represent (to the government)," ICAI President M Devaraja Reddy said here today.

He was speaking at the 67th annual function of the institute.

As per the latest Budget memorandum, Rs 10,000 fine would be imposed on chartered accountants in case of filing of incorrect returns.

"Under Section 271J (of the Income Tax Act) we have entrusted responsibility with chartered accountants, valuers and merchant bankers who files audit, valuation reports and other things... So, if they file any incorrect information in the returns, they are also liable for a token penalty of Rs 10,000," CBDT (Central Board of Direct Taxes) Chairman Sushil Chandra had said on Tuesday.

Meanwhile, Reddy said efforts have been made to strengthen ICAI's regulatory mechanism which will act as a deterrent for erring members as well as help maintain the credibility, integrity and image of the accountancy profession.

Speaking at the ICAI event, Railway Minister Suresh Prabhu said this is a turning point in the country's economic history as the whole economic architecture is getting built up and digitisation is under way.

"If CA profession rides this wave, they can emerge as leaders of new economic architecture... with the support of ICAI, a massive programme of accounting reforms in Indian Railways in under way," he added.

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