

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Bangalore Branch of SIRC Newsletter

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*1st July
Chartered
Accountants Day*

Knowledge rules the world

Golden Jubilee
State Level Conference



SAMVIT

POTENCY OF KNOWLEDGE

Saturday, 18th &
Sunday, 19th of June 2011
at Jnana Jyothi Convention Centre



WAY FORWARD
Innovate ♦ Integrate



National Conference for

IT Industry

Friday, 24th &
Saturday, 25th of June 2011
at Hotel Le-Meridian

Chairman's Communique . . .



Dear Members,

Warm greetings to all of you,

SAMVIT - Potency of Knowledge:

As communicated earlier the **Golden Jubilee State Level Conference** in association with other Branches in Karnataka Viz., Belgaum, Bellary, Hubli, Mangalore, Mysore & Udupi Branch of ICAI on **18th & 19th of June 2011** at Jnana Jyothi Convention Centre is fast approaching and we are happy to share with you that Honorable Justice **Mr. N.Santosh Hegde** has consented to be the **Chief Guest** and to inaugurate the Conference.

Speakers from across the country have been invited to deliberate and share their expertise on topics of professional interest. Considering the mammoth response for the program "Interactive Session with CPC (Income Tax) officials" at the Branch, during the 2nd Day of the Conference, we have invited Mr.Sanjai Verma, Commissioner of Income Tax, CPC and his team for an interactive meet with members.

We request the members to participate in large numbers and show their patronage for Golden Jubilee State Level Conference and make the event ever memorable.

Inauguration of Reading Room Facility @ NR Colony:

We are pleased to inform that Reading Room facility at No.216, "Sanjay Towers", 2nd Floor, Subbrama Chetty Road, Netkalappa Circle, Basavanagudi, Bangalore -560004 has been inaugurated by Mr.Mathoor Krishnamoorti, Director Bharthiya Vidhya Bhavan, Bangalore and now the facility is open for members and students.

State Level Co-Ordination Committee Meeting - RBI (NBFC):

I had an opportunity to attend the 24th Meeting of the State Level Co-ordination Committee on regulation of Non-Banking Financial Companies and deposit acceptance activities of Unincorporated Bodies at RBI office and in the aforesaid meeting the Regional Director & RBI Officials have appealed to the statutory auditors of NBFCs to issue exception reports, wherever applicable. The guidelines and directions issued by RBI for audit of NBFCs are available on our institute website www.icaai.org under NBFCs Corner and request members to issue the exception report wherever applicable.

National Conference for IT Industry:

Considering Bangalore being the Silicon City & IT Capital of India, which hosts many IT Companies, the Committee for Members in Industry of ICAI is Organizing a

National Conference for IT Industry on 24th & 25th June 2011 at Hotel Le-Meridian, Bangalore. Renowned speakers from across the country are invited to address on topics which are very relevant to IT Industry.

Cricket Tournament for Members:

Indian Team won the World Cup and IPL is recently concluded and as a part of Golden Jubilee Celebrations we are organizing a Cricket Tournament for Chartered Accountants to exhibit their cricketing skills on 26th June 2011, we request the members to participate in large numbers.

Scholarship to CA Students:

We are happy to inform that as a part of Golden Jubilee Celebration **scholarship** to deserving CA Students on Merit cum Need base will be awarded and members are requested to pass on this information to their Students.

The month that was:

Regular Wednesday study circle meetings, where emerging and new topics were discussed, witnessed a good response and it will encourage us to select the diverse topics for discussion by inviting the experts in the field. Discussion on the new Karnataka Public Trust Bill 2011, coordinated by CA.N.Nityananda, was very fruitful. Large Participation from members in Workshop on Accounting Standards Coordinated by CA.K.Gururaj Acharya was very heartening. May month witnessed a Seminar on Investment Banking Opportunity and also National Seminar on XBRL at Lalit Ashok and there was participation from members across the country. We are always thankful to all the coordinators and speakers of various programs.

The month ahead:

Apart from regular Wednesday study circle meetings, June month will be witnessing two mega conferences VIZ., Golden Jubilee State Level Conference and National Conference for IT Industry.

Bangalore Branch, for the benefit of its members in association with Karnataka State Souharda Federal Co-Operative is organizing a Training Program for auditors, which is a prerequisite to be empanelled with federation for audit of the Souharda Cooperatives. The said empanelment is valid for 2 years.

We urge the members to attend and actively participate in all the aforesaid programs and also request the members register well in advance.

CA Day Celebrations:

1st day of July is significant for all Chartered Accountants and the day is celebrated as **CA Day** and it is special for Bangalore Branch as the Branch has entered Golden Jubilee Year. As a part of celebrations senior member of the profession CA.N.C.S.Raghavan has been invited to hoist the flag at Branch Premises and request the members to actively participate in the program.

Looking forward to meet you at SAMVIT, Golden Jubilee State Level Conference,

With Best regards,

CA.Venkatesh Babu T R
Chairman

CALENDAR OF EVENTS - June & July 2011

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
01.06.11 Wednesday	Discussion on Finance Act, 2011 CA. H. Padamchand Khincha & CA. K. K. Chythanya	Branch Premises 06.00pm to 08.00pm	2 hrs
08.06.11 Wednesday	“Training programme for Auditors of Souharda Co- operatives - Prerequisites for empanelment” Details at page No: 17	Branch Premises 10.30am to 01.30pm	
08.06.11 Wednesday	Service Tax - Recent Budget Amendments CA. A. Saiprasad	Branch Premises 06.00pm to 08.00pm	2 hrs
09.06.11 Thursday	Private Trusts, Gifts & Settlements - Law, Documentation & Planning CA. N. C. S. Raghavan	Sri Bhagawan Mahaveer Jain College Auditorium Next to Bangalore Stock Exchange 05.00pm to 08.00pm	3 hrs
15.06.11 Wednesday	Labor Law Compliance - Management Tips Sri. Ram K. Navaratna Chief Executive, HR Resonance, Bangalore	Branch Premises 06.00pm to 08.00pm	2 hrs
18.06.11 Saturday & 19.06.11 Sunday	Golden Jubilee State Level Conference "SAMVIT - POTENCY OF KNOWLEDGE" Details at page No: 21 For online registration visit www.bangaloreicai.org	Jnana Jyothi Convention Centre, Central College Campus Palace Road, Bangalore-560 001	12 hrs
22.06.11 Wednesday	Latest updates on “Central Excise” - for Small Scale Industries CA. B. D. Chandrasekhar	Branch Premises 06.00pm to 08.00pm	2 hrs
24.06.11 Friday & 25.06.11 Saturday	National Conference for IT Industry Details at page No: 20 For online registration visit www.bangaloreicai.org	Hotel Le-Meridian Sankey Road, Bangalore	12 hrs
29.06.11 Wednesday	Foreign Contribution (Regulation) Act 2010 (FCRA)-New Provisions of Foreign Contribution effective from May 2011 CA. Manju S. George	Branch Premises 06.00pm to 08.00pm	2 hrs
30.06.11 Thursday	Investor Awareness Programme Details at page No: 6	Chowdaiah Memorial Hall Vyallikaval, Malleshwaram Bangalore - 560 003	2 hrs
01.07.11 Friday	CA Day Celebrations Flag Hoisting by CA. N C S Raghavan	Branch Premises 09.30am onwards	
06.07.11 Wednesday	“Understanding Intellectual Property Rights” - A CA’s perspective Sri. H. L. Narendra Bhatta Patent Attorney, Bangalore	Branch Premises 06.00pm to 08.00pm	2 hrs
09.07.11 Saturday	Commencement of Certification Course on Indirect Taxes Details at Page No: 18		

Note : High Tea at 5.30 pm for programmes at 6.00 pm at Branch Premises.

Advertisement Tariff for the Branch Newsletter

Colour full page	Inside Black & White
Outside back ₹ 30,000/-	Full page ₹ 15,000/-
Inside back ₹ 24,000/-	Half page ₹ 8,000/-
	Quarter page ₹ 4,000/-

Advt. material should reach us before 22nd of previous month.

Editor : CA. Venkatesh Babu T.R.
Sub Editor : CA. Ravindranath S.N.

DISCLAIMER : The Bangalore Branch of ICAI is not in anyway responsible for the result of any action taken on the basis of the advertisement published in the newsletter. The members, however, bear in mind the provision of the code of ethics while responding to the advertisements. The views and opinions expressed or implied in the Branch Newsletter are those of the authors and do not necessarily reflect that of Bangalore Branch of ICAI.



GIST OF FEW LATEST CIRCULARS & NOTIFICATION ISSUED BY MINISTRY OF CORPORATE AFFAIRS (MCA)

By CA.Ravi Prasad

1. **Payment of MCA fees by electronic mode:** Vide General Circular dated 09.03.2011, all the payments of value upto Rs.50,000/- for MCA services has to be paid only in electronic mode w.e.f 27.03.2011. By this banks are following T+1 day of reporting online payments. Earlier due to physical payment of challans at bank, banks were following T+3 days of reporting the payment.

It is contemplated to make all the payments, including payment of value above Rs.50,000/-also, through electronic mode w.e.f 01.10.2011.

2. **Company name availability rules:** Vide General Circular dated 15.03.2011, the Central Government has made the new Companies (Name Availability) Rules, 2011. However, this Rule will come into force from the date as the Central Government in the Official gazette notified. One of the salient feature of this Rule will be that, where the proposed name is containing more than one word, there will be an option in the e-form 1A for certification by the practioner, who will certify that he has used the search facility available in the portal of the MCA. Where such e form 1A is certified by the practioner, after due care, the name will be made available by the system online to the

applicant without backend process by the ROC. However, this facility will not be made available for change of existing name of the company. If, later it is found that the name ought not to have been allowed under the provisions of Section 20 of the Companies Act, 1956 (Act) read with these Rules, then the practioner shall be liable for penal action.

3. **Filing of Balance Sheet & Profit & Loss Account in XBRL mode:** Vide General Circular dated 31.03.2011 and General Circular 25/2011 dated 12.05.2011, all Companies listed in India and their subsidiaries having a paid up capital of Rs.5 Crore and above or a Turnover of Rs.100 Crore or above excluding banking companies, insurance companies power companies, NBFCs and overseas subsidiaries of these companies shall file balance sheet and profit & loss account for the year 2010-11 onward by using XBRL (eXtensible Business Reporting Language)taxonomy. The said taxonomy is being hosted on the website of MCA. It is not clear from this circular whether Balance Sheet for the year ended 31.12.2010 (if the company is following calendar year)also need to be filed in XBRL mode. Since, the circular says that all the companies covered by this

circular are permitted to file upto 30.09.2011 “without any additional fees”, I am of the view that Balance Sheet and Profit & Loss Account for the year ended 31.12.2010 is also covered by this circular & such companies have to file their Balance Sheet and Profit & Loss Account in XBRL mode.

4. **Allotment of Director Identification Number (DIN):** Vide General Circular No 11/2011 dated 07.04.2011 it has been decided that all existing DIN holders who have not furnished their PAN earlier at the time of obtaining DIN, are required to furnish their PAN by filing e form DIN 4 by 31.05.2011.

5. **Certification of e forms by practicing professionals:** Vide Circular No 14/2011 dated 08.04.2011 and General Circular No 26/2011 practicing professionals are made more responsible before submitting/ certifying documents, specially those documents which are approved online and also filing of Financial Statement in XBRL mode. Henceforth, action would also be initiated on receipt of any complaint, anonymous or otherwise, against such professionals. For alleged wrong submission, quick enquiry will be conducted by the concerned Regional Director (RD) who will be assessing the prima facie, wrong doing by the professionals. The report will be submitted to e Governance cell of MCA. The cell will inform the concerned Professional Institute to initiate the enquiry.

6. **Procedure to be followed while**

appointing the Cost Auditors by Companies: Vide General Circular No 15/2011 dated 11.04.2011 Ministry has reviewed the existing procedure followed by the Companies and in supersession of earlier order/circular issued in this regard, the revised procedure to be followed by the Companies and Cost Auditors are stated in this circular.

7. Simplified procedure for Amalgamation of Government Companies under Section 396:

vide General Circular No 16/2011 dated 20.04.2011, without prejudice to the generality of Section 396, it has been decided that in appropriate cases, simplified procedure shall be adopted for Amalgamation of Government Companies under Section 396 of the Act.

8. Service of documents by e mode instead of Under Certificate of Posting:

Vide General Circular No 17/2011 dated 21.04.2011, after considering Sections 2,4,5 and 81 of the Information Technologies Act, 2000 has allowed paperless compliance through electronic mode by the Companies as legally valid compliance under Section 53 of the Act. The only condition that has to be fulfilled is that the Company has obtained e mail addresses of its members for sending the notice/documents through e mail by giving an advance opportunity to every shareholders to register their e mail address and changes therein from time to time with the Company. In cases where e mail addresses has not been registered, then service of notice/documents

has to be any other modes of service as provided under Section 53 of the Act.

9. Sending copies of annual report through electronic mode:

Vide General Circular 18/2011 dated 29.04.2011, after considering Sections 2,4,5 and 81 of the Information Technologies Act, 2000 has allowed paperless compliance through electronic mode by the Companies as legally valid compliance under Section 53 of the Act. Accordingly, the Companies can do away with sending physical Annual Report of a Company comprising Balance Sheet, Profit & Loss account, Director's Report, Auditor's Report etc to its members as required under section 219 of the Act. This is subject to fulfillment of couple of conditions by the Company.

10. Marking a Company as having management dispute:

Vide General Circular 19/2011 dated 02.05.2011, in order to bring uniformity, this circular is issued to clarify that Registrar of Companies shall use the facility of "marked as having management dispute" alert in the MCA system. The ROC shall mark as having management dispute only in those cases where the Court or Company Law Board (CLB) has directed to maintain status quo with reference to any e form/has granted any injunction or stay in taking the document on record.

11. Clarification on applicability of Companies (Particulars of Employees) Amendment Rules, 2011:

Vide General Circular No 23/2011 dated 02.05.2011, it has

been clarified that the amended employee's salary [refer Amendment Rule vide GSR (E) dated 31.03.2011] to be disclosed in Directors Report is applicable to all Director's Report approved by the Board of Director's on or after 01.04.2011, irrespective of the accounting year being approved by the Board. Vide Notification dated 31.03.2011, the disclosure limit of employees salary has been raised from Rs.24,00,000 PA to Rs.60,00,000/- PA or as the case may be from Rs.2,00,000PM to Rs.5,00,000/- PM.

12. Participation by Director in meetings of Board/Committee of Directors:

Vide General Circular No 28/2011 dated 20.05.2011 it has been clarified that Directors of a Company may participate in a meeting of Board/Committee of Directors under the provisions of Act through electronic mode. For this purpose, the Company shall comply with certain requirements. Few of the major requirements are as under;

- Electronic mode means audio visual electronic communication facility, which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary.
- Every Director must attend the meeting of the Board/Committee of Directors personally at least one meeting a financial year.
- Chairman of the meeting to ensure responsibility as to proper video conference facility, safeguard the integrity of the meeting via videoconferencing, prepare the minutes of the meeting, ensure



that no one other than the concerned Director or authorized participants are only attending the meeting.

- The notice of the meeting shall inform about the availability of participation through video conference.
 - Notice of the meeting shall also seek confirmation as to whether Director will attend physically or through electronic mode.
 - Director attending through video conference is counted for quorum and hence Chairman to ensure presence of quorum throughout the meeting.
 - The place where the Chairman or Secretary is sitting will be the place of meeting
- Draft minutes shall be circulated in soft copy not later than 7 days of the meeting for comments/confirmation to the Directors who attended the meeting.

13. Issue of Certificate by Digital Signature: Vide General Circular No 29/2011 dated 20.05.2011. As per Companies Regulation 24, every certificate or copy granted under the provisions of the Act shall be signed and dated by ROC and shall bear his official seal. In order to cut timelines and step towards “Green Initiative” it has been decided that all certificates and standard letters issued by the ROC will now be issued electronically under the digital signature of ROC. This will commence in phased manner w.e.f 30.06.2011.

14. Clarification of applicability of provisions of Section 108A to 108I of the Act: Vide General Circular No 30 dated 23.05.2011 it has been clarified that Sections 108A to 108I of the Act have become redundant and will have no legal force, due to repeal of MRTTP Act, 1969.

15. Vide Notification GSR 222(E) dated 17.03.2011, the Central Government has delegated to the ROC, the powers and functions of the Central Government under the following provisions of the Act i.e, Section 21, Section 25, Proviso to sub section (1) of Section 31, Sub section (1D) of Section 108, Section 572

(source: MCA website)

**INVESTOR AWARENESS PROGRAMME (2011)
“EMPOWERMENT FOR INVESTOR EDUCATION & PROTECTION”**

Organised By
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Under the aegis of
INVESTOR EDUCATION AND PROTECTION FUND (IEPF) OF MCA

**Host Branch:
BANGALORE BRANCH OF SIRC OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

Day & Date: **Thursday, 30th June 2011** Venue: **Chowdaiah Memorial Hall, Vyalikaval, Malleshwaram, Bangalore-3**
Time: **05.00pm to 08.00pm**

CPE Credit: 2 Hrs

Delegate Fee: NIL

Programme Details

Topics

**Mutual Fund – Vis –a- Vis Secondary Market
Role of Professionals in guiding Small Investors
Trading online – Do’s and Don’ts
Systematic Investment Plans**

Tea: 04.30pm

PROGRAMME IS OPEN TO GENERAL PUBLIC

Email: bangalore@icai.org
Website: www.bangaloreicai.org



**COIMBATORE CALLING
43rd Regional Conference of
SIRC of ICAI**

**Friday & Saturday - August 19 & 20, 2011
CODISSIA Complex, Coimbatore**

All are cordially invited

The Mega Conference will have the privilege of receiving

CA.G.Ramaswamy
President, ICAI

CA.Jaydeep Narendra Shah
Vice - President, ICAI

Please block your dates in advance and plan your visit to Coimbatore, the Manchester of South India.

Theme for the 43rd Regional Conference
SIRC invites suggestions from members for the Theme of the conference.
Mail to : chairmansirc@gmail.com

TAX UPDATES APRIL 2011

CA. Chythanya K.K., B.com, FCA, LL.B., Advocate

VAT, CST, ENTRY TAX, PROFESSIONAL TAX

- a) 2011-12(16) KCTJ Part 1
- b) 33 VST – Part 1
- c) 39 VST – Part 2, 4 & 5
- d) 5 GST – Part 3

INCOME TAX

PARTS DIGESTED:

- a) 332 ITR – Part 4 & 5
- b) 333 ITR – Part 1
- c) 197 Taxman – Part 3 & 7
- d) 198 Taxman – Part 1 to 3
- e) 8 ITR(Trib) – Part 6 to 8
- f) 129 ITD – Part 5 to 8
- g) 137 TTJ – Part 1, 2 & 4
- h) 43-A BCAJ – Part 1
- i) 4 International Taxation-Part 4

Reference/Description

[2011] 332 ITR 483 (Delhi) HC: CIT v. Narender Anand

In the instant case the assessee was required to file returns for the year ending 31st March 1988 by 31st July 1988. However the assessee sought extension of time up to 30th September 1988, which was accepted to by the AO. The assessee during the interim as between the actual due date and the extended due date of filing the return, had remitted its sales tax dues. In the said context, the Delhi High Court held that the sales tax paid could not be disallowed under Section 43B (which provides for deduction only upon actual payment). The Court was of the opinion that so long as there was an extended period of time granted or deemed to be granted by the AO, all acts done within the extended period must be deemed to have been done within the prescribed period of time as originally stipulated.

[2011] 332 ITR 531 (Ker) HC: B. Raveendran Pillai v. CIT

In the instant case the Kerala High Court has held that in a case where there was purchase, by the assessee, of hospital as a going concern along with goodwill, the Assessee was entitled to depreciation on the value of goodwill so bought. The Court noted that the hospital was run in the same building, in the same town, in the same name for several years prior to purchase by the assessee. By transferring the right to use the name of the hospital itself, the previous owner had transferred the goodwill to the assessee and the benefit derived by the assessee was retention of continued trust of the patients who were patients of the previous owners. The Court opined that when the goodwill paid was for ensuring retention and continued business in the hospital, it was for acquiring a business and commercial right which was comparable to trademark, franchise, copyright etc., as was referred to in the first part of clause (ii) of Section 32(1). *The Kerala High Court followed the case of CIT v. Hindustan Coco Cola Beverages. Ltd.*

[2011] 331 ITR 192 (Delhi) HC
[2011] 332 ITR 602 (SC): G u f f i c Chem P. Ltd. v. CIT CIT & another v. Mandalay Investment P. Ltd.

In the instant case the assessee which was carrying on the business of manufacturing, selling and distribution of pharmaceutical and medical preparations, received a sum of Rs. 50 lakhs during the AY 1997-98 from Ranbaxy as non-competition fee. The High Court reversing the decision of the Tribunal had held that the same was taxable. On appeal, the

Apex Court reversing the decision of the High Court held that prior to April 1, 2003 such receipts were capital in nature and only post the said date the Parliament had stepped in to tax such receipts specifically by way of insertion to Section 28 vide clause (va). *It is a welcome decision putting at rest the controversy surrounding the issue for the pre-amendment era.*

[2011] 333 ITR 13 (Delhi-HC): SIS Live v. ITO

In the instant case the High Court had passed an order earlier on a writ petition against an order under Section 197, that the petitioner be heard by the competent authority and decision be taken without being influenced by the previous order. In response to the said instruction of the High Court, the AO passed an order under Section 197. On a writ petition contending that the assumption of jurisdiction under Section 197 was totally without jurisdiction, the Delhi High Court held that the proper remedy available to the petitioner was to challenge the said order (passed under Section 197) via a revision under Section 264(2) and therefore did not entertain the instant writ petition.

[2011] 333 ITR 38 (Delhi-HC) (FB): CIT v. (1) Moni Kumar Subba (2) Miracle Exporters P. Ltd.

In the instant case the Delhi High Court dealt with the determination of the annual value of the property under Section 23(1), wherein clause (a) stipulates as to the amount for which the property could reasonably be expected to be let. It was held that the addition on account of notional interest was not proper where the assessee took inordinately large sum of money as interest-free deposit compared to the agreed monthly rent. It was further held that fair rent had



to be determined on a stand alone basis without adding the notional interest.

**[2011] 333 ITR 99 (Bom-HC):
CIT v. Ronuk Industries Ltd.**

In the instant case the Bombay High Court held that the ITAT was justified in holding that the case of the assessee was a fit case for stay of outstanding demand beyond the period of 365 days as per the provision of Section 254(2A) by ignoring the mandatory amendment in the third proviso to Section 254(2A) made by the Finance Act, 2008, with effect from October 1, 2008 providing that the order of stay granted shall vacate after the expiry of 365 days even if the delay in disposing of the appeal is not attributable to the assessee.

**[2011] 197 Taxman 477 (Kar-HC.),
9 taxmann.com 248 (Kar-HC.) :
Toyota Kirloskar Motor (P.) Ltd. v.
Addl. CIT**

In the instant case the Karnataka High Court held that a writ was maintainable when there was a violation of principles of natural justice. The Court noted that even if there was an alternative remedy for challenging the draft assessment order before dispute resolution panel under Section 144C, where before passing draft assessments order, neither assessee's prayer for personal hearing was considered nor were documents already on record taken into consideration in their proper perspective by the TPO, such order is liable to be set aside.

**(2011) 198 Taxman 1 (Ker-HC)10
taxmann.com 4 (Ker-HC): CIT v.
O. Abdul Razak**

In the instant case the Kerala High Court held that for the purpose of Explanation (a) to Section 6(1)(c)

[which provides for an exception and substitutes 182 days in place of 60 days as the number of days of stay under consideration in respect of that relevant assessment in cases where a person leaves India on employment etc.], 'employment' would include self employment like business or profession taken up by the assessee abroad. *In this strange but welcome decision, the benefit of requirement of stay for not less than 180 days was extended to person leaving India on self employment also.*

**(2011) 198 Taxman 26 (Mad.-HC)
(Mag.): CIT v. R. Srinivasan**

In the instant case the assessee had purchased a house property for a sum of Rs. 56,23,740 and its registration was made on 18.08.2000. Within a period of one year from the date of purchase of the said property, the assessee sold his insurance survey business to 'S' company at a price of Rs. 56 lakhs. For the relevant assessment year while computing the amount of long-term capital gains on said sale, the assessee claimed deduction under Section 54F in respect of the said house property. The AO rejected the claim of the assessee on the ground that the assessee had not purchased the property out of the sale consideration of the transferred asset. On appeal, both the Commissioner (Appeals) and the Tribunal held that there was an option given to the assessee under Section 54F to invest in house property even within a period of one year before the date on which the transfer took place and therefore, the assessee was eligible for exemption under Section 54F. The said view was affirmed by the High Court.

**(2011) 198 Taxman 224 (Kar-
HC)10 taxmann.com 49 (Kar) :**

Mahesh G. Shetty v. CIT

In the instant case the assesseees were partners of a firm. Apart from assessment of partnership firm, they were also assessed to tax in their individual capacity on returns filed by them. In their assessment for the year 1995-96, the AO gave deduction of interest paid on borrowal for investment in firm. On 29-12-99, the Commissioner under Section 263, set aside the order of the AO holding that after insertion of Section 14A, interest payable on amount invested in a partnership firm could not be allowed as deduction. The assessee challenged the said order of the Commissioner contending that in view of the proviso to Section 14A, no order could be passed enhancing assessment or reducing refund already made. The High Court held that since the proviso to Section 14A was inserted only by Finance Act, 2002, with retrospective effect from 11-5-2001, as such on the date of the order of the Commissioner under Section 263, the said proviso was not in existence and hence it would be inapplicable in the instant case. Therefore it was held that the order passed by the Commissioner was valid and within his powers under Section 263.

**[2011] 8 ITR(Trib) 639
(Bangalore): Medreich Ltd.
Dy. CIT**

In the matter of classifying whether a particular expenditure was capital or revenue in nature, the Tribunal held that payment for services rendered in connection with issue of shares was capital in nature and the fact that the share capital was raised for working capital requirements was not relevant. It was noted that application of funds does not decide the character of the money collected. In the matter of

amortisation of certain preliminary expenditure under Section 35D, the Tribunal held that expenses in connection with issue of shares was neither expenses incurred before commencement of business nor was there a case of setting up of a new unit and therefore the said expenses do not qualify for amortisation under Section 35D.

(2011) 129 ITD 422 (ITAT-Mum)10 taxmann.com 86 (ITAT-Mum) : 3i Infotech v. Dy. CIT

In the instant case the assessee was in the business of development of computer software, which included production of computer software and all processes thereon, i.e. assembling and recording of programmes on tapes, discs, perforated media, etc. As

per the method of accounting followed by the assessee, it used to treat expenditure on development of computer software as part of 'work-in-progress' during the period of development of software and after attaining technical feasibility and on software being ready for sale, expenditure was capitalised and depreciation was claimed on such capitalised cost. For the assessment year in question, assessee had incurred certain expenditure on development of software products. Since the said expenditure was mainly on account of salary, electricity, rent etc., assessee claimed deduction under Section 37(1). However the same was objected to by the AO. Having regard to the said facts the

Tribunal held that since way of allowing expenditure in earlier assessment years was an accepted method both for accounting purposes as well as for computing income under the Act, there was no reason to take different view for assessment year in question. *This is an interesting case where the software development costs were capitalized and not written off as and when incurred. This method of accounting may typically apply to product companies.* Further, in regard to claim of deduction under Section 35, the Tribunal held that since the business of the assessee was development of software for its clients, any expenditure incurred in doing so could not by itself fall within parameters of Section 35(1)(iv). ■

SICASA PREMIER LEAGUE

Bangalore

On

24th and 25th (Friday & Saturday) June, 2011

Venue: BEL Ambedkar Stadium, Near BEL Circle, Bangalore

Dear Students,

Bangalore Branch of SICASA is organizing "ALL INDIA" tennis ball cricket tournament on 24th and 25th of June, 2011. We request your sportive participation in the event in large numbers and make this as a successful endeavour.

Fees:

₹ 2,000 – for teams from Bangalore

₹ 3,000 – for outstation teams

(With accommodation facility)

Organized By:

SICASA Bangalore Branch of SIRC of ICAI

#16/0, Millers Tank Bed Area, Bangalore – 560 052.

Tel: +91(08)30563500 Fax: 30563555.

Email: blrsicasa@icai.org.

For more details, visit: www.bangaloreicai.org

CHARTERED ACCOUNTANTS PREMIER LEAGUE

Bangalore

On

26th (Sunday) June, 2011

Venue: BEL Ambedkar Stadium, Near BEL Circle, Bangalore

Dear members,

Bangalore Branch of SICASA is organizing tennis ball cricket tournament on 26th of June, 2011. We request your sportive participation in the event in large numbers and make this as a successful endeavour.

Fees: ₹ 2,000 – for members team

Contact Details:

Chandrashekar M P, Vice Chairman-SICASA
9880128309

Madhu Kumar K S, Secretary-SICASA
9480258359

Gurunandan, Sports –Convenor-SICASA
9964246850



RECENT JUDICIAL PRONOUNCEMENTS IN INDIRECT TAXES

N.R. Badrinath, Grad C.W.A., F.C.A.

Madhur Harlalka, B. Com., F.C.A

SERVICE TAX

● The respondents had claimed refund of unutilized credit of service tax which was taken in relation to export of services which were rejected by the original authority on the ground that the respondent had taken registration later and the refund claim pertains to the period prior to the registration. The lower appellate authority set aside the order of the original authority on the ground that registration is merely required for the purpose of maintenance of accounts and for following the procedure and that non-registration cannot be a ground for not enforcing a demand or not allowing a refund. Further, he has also taken into account the fact that it is the Government's policy not to burden export with domestic taxes. On appeal, it was held that the reasoning adopted by the lower appellate authority is proper. Further, the relevant rules require only those assesseees to take registration who are required to pay service tax. This is a case where the respondents were not liable to pay any service tax but are merely claiming refund of the unutilized credit of tax paid on input service. As such, the order passed by the lower appellate authority requires no interference. Consequently, the Department's appeals were rejected. [*Commissioner of Service Tax, Chennai vs. M/s. E-Care India Private Limited. 2011-TIOL-590-CESTAT-MAD*]

● The appellants had provided containers to various units in the Special Economic Zone ('SEZ'). Exemption under Notification No. 4/2004-ST dated 31.03.2004 was denied

and the service tax demand was raised by the adjudicating Commissioner on the ground that containers have been partly used inside the SEZ and partly outside SEZ. The appellant contended that under the Special Economic Zone Act, 2005 and the rules framed there under, exemption is available from the payment of service tax on taxable service provided to a unit in the SEZ and the exemption cannot be denied irrespective of the fact that the containers have carried cargo out of SEZ territory. However, it was held that as per Rule 31 of the Special Economic Zone Rules, 2006, exemption is available to services rendered to a unit in the SEZ for the authorized operations. There is no dispute that the containers provided to the units in SEZ have been used by such units for bringing inputs for manufacture and carrying the finished goods out of SEZ for export purposes. Therefore, the impugned services relating to supply of containers in the SEZ are exempt from payment of service tax. Accordingly the impugned order was set aside and the appeals were allowed. [*M/s. Norasia Container Lines vs. Commissioner of Central Excise, New Delhi. 2011-TIOL-574-CESTAT-DEL*]

● The appellant were registered with the service tax department for providing construction and works contract services and were paying tax by claiming an abatement of 67% from the realized amount for the services provided to their customers under the categories of "commercial or industrial construction services" and "construction of complex services". Investigations conducted by the department revealed that the said claim

of abatement was being wrongly availed by the appellant in as much as they were not including the value of the free supplied items by their customers. It was also found that the appellant had wrongly availed the benefit of Works Contract (Composition scheme for payment of service tax) Rules, 2007 in respect of the on going contracts. Based on such investigations, differential service tax of Rs. 36.80 crore was demanded with interest and penalties. However, it was held that all the issues involved in the present appeal are contentious and arguable and a final view can only be taken at the time of disposal of the appeal. Accordingly, the appellants were directed to make a pre-deposit of Rs. 5 crore and the balance amount of duty, interest and entire amount of penalty was stayed during the pendency of the appeal. [*M/s. Ahluwalia Contracts (India) Limited Vs. CST, New Delhi. 2011-TIOL-575-CESTAT-DEL*]

● The issue in the present case relates to the constitutional validity of service tax levy on renting of immovable property. The petitioner relied on the judgement of the Hon'ble High Court of Delhi in the case of *Home Solution Retail India Limited Vs. Union of India and Others* [2009 (14) S.T.R 433 (Del.)], wherein it was held that renting out of immovable property for use in the course of business or commerce would not constitute a taxable service and hence exempt. Accordingly, the Notification no. 24/2007 dated 22.05.2007 and the Circular no. 98/1/2008-ST dated 04.01.2008 are incorrect, *ultra vires* the Act and liable to be set aside. The Revenue contended that the said decision of the Hon'ble High Court has been stayed by the Supreme Court and therefore, no reliance could be place on the same. Section 65(105) (zzzz) has been amended by the Finance Act, 2010 whereby renting of immovable property for use in the course of business or

commerce would be considered as taxable service. However, it was held that the petitioner had rented immovable property for the purpose of business or commerce and is a taxable service. Accordingly, the writ petition was dismissed. [*Utkal Builders Limited Vs. Union of India. 2011 (22) S.T.R 257 (Ori.)*]

● In the present case service tax was demanded including the value of free supply of materials such as cement and steel in the assessable value of the commercial and industrial construction services rendered by the applicants. The applicant contended that the pre-deposit should be waived off based on the decision of the Tribunal in the case of *Gulf Oil Corporation Limited vs Hyderabad [2010 (20) STR 830]*. Accordingly, the pre-deposit of service tax along with interest and penalty was stayed till the disposal of appeal. [*Petron Civil Engineering Private Limited Vs. Commissioner of Central Excise, Salem. 2011-TIOL-598-CESTAT-MAD*]

● The appellants availed taxable services under the category Goods Transport Agency ('GTA') and incurred liability to service tax as a recipient of the service. The Commissioner demanded the pre-deposit of service tax with penalty. Relying on the decision of the Tribunal in the case of *Sakthimasala Pvt. Ltd. Vs. CCE, Salem [2009 (015) STR 0314 (Tri. - Chennai)]* and *Navyug Alloys Pvt. Ltd. Vs. CCE&C, Vadodara-II [2008-TIOL-2156-CESTAT-AHM]* the appellants contended that once the Goods Transport Operator ('GTO') had paid the tax, the recipient was not required to discharge the same liability. However, it was held that as per Para 5.7 of letter F. No. 341/18/2004-TRU (Pt) dated 17.12.2004 of the Ministry of Finance, if service tax due on transportation has been paid or is payable by a person liable to pay, service tax should not be charged for the same amount from any other person to avoid double taxation. Accordingly,

the impugned order was set aside and the matter was remanded to the Commissioner for fresh adjudication. [*M/s. Deccan Chromates Limited Vs. CCE, Hyderabad. 2011-TIOL-597-CESTAT-BANG*]

● In the present case the Commissioner (Appeals) had extended credit of service tax paid on passenger air fare, servicing charges and insurance charges of company vehicles and residential telephone lines of the staff. The Revenue preferred an appeal against such extension of credit by the Commissioner (Appeals). It was held that, the assessee is eligible to credit of service tax paid on air travel fare, if the air travel has been performed for the purpose of company business. Since the department did not contend that the air travel was performed for the personal purposes of the officers, credit has rightly been extended. As regards extension of credit of service tax paid on servicing charges and insurance charges of the company vehicles, in light of the decision of the Tribunal in the case of *CCE Guntur Vs CCL Products (India) Ltd. [2009 (16) STR 305]*, these charges are to be held as being used in relation to the manufacture of final products. With respect to the telephone lines, based on the decision in the case of *ITC Ltd. Vs CCE Salem [2009 (14) STR 847]* and noting that it is not the case of the Revenue that telephone service was used for personal purposes of the officials of the assessee, it was held that the credit is admissible. Accordingly, the impugned order extending the credit was upheld and the Revenue's appeal was dismissed. [*Commissioner of Central Excise, Tirunelveli Vs. DCW Limited. 2011-TIOL-606-CESTAT-MAD*]

● The applicant obtained registration as a co-developer of an aviation specific Special Economic Zone ('SEZ'). The applicant proposed to set up a unit within the SEZ and provide maintenance, repair and overhauling

('MRO') facilities to domestic and foreign aviation entities. The applicant proposed to enter into a contract with an overseas entity to procure contracts for MRO services from domestic and foreign airlines. The overseas entity will sub-contract to the applicant the contract for MRO services to be carried out in the SEZ. The applicant will be paid in convertible foreign exchange by the overseas entity. The applicant also proposed to enter into direct contracts with domestic and foreign airlines that will pay the applicant in convertible foreign exchange. In this regard the applicant requested for a ruling as to whether service tax is applicable on the services rendered to the overseas entity and also on the services rendered directly. It was held that all central laws apply to SEZs with modifications or exceptions, if any, as provided in the SEZ Act or rules made there under. MRO facilities to domestic as well as foreign aviation entities in SEZ are liable to service tax since MRO services in SEZ for foreign entities cannot be considered as export of service. Service tax will be chargeable on the services rendered within the SEZ unless specifically exempted under the SEZ Act or under the Finance Act, 1994 or any rules or notifications there under. [*M/s. MAS-GMR Aerospace Engineering Company Limited 2011-TIOL-06-ARA-ST*]

CENTRAL EXCISE

● The issue here relates to classification of 'non-vegetable pizza' and 'chicken wings' i.e. whether it is classifiable as 'sausages and similar products of meat' attracting duty of 16% or as 'bread, pastry, cakes, biscuits and other bakers wares' attracting nil rate of duty. The respondents were the manufacturers of 'pizzas' and 'chicken wings'. The department contended that the non-vegetable pizzas manufactured by the respondent are 'preparations of meat put up in unit container' and bears the brand name of 'Pizza Hut' and attracts duty of 16% ad valorem. Accordingly,



they demanded duty which, was confirmed by the Joint Commissioner of Central Excise, Mumbai along with interest and penalty. On appeal, it was held that held that 'non-vegetable pizzas' and 'chicken wings' will not attract 16% duty. The cardboard box in which the pizza is placed cannot be treated as a unit container where a manufacturer predetermines the product, the quantity and the price at which he intends to sell. Accordingly, the appeal filed by the department was dismissed. [Commissioner of Central Excise, Mumbai Vs. M/s. Dodsall Corporation Private Limited. 2011-TIOL-576-CESTAT-MUM]

● The assessee had cleared goods to the developers of SEZ and the adjudicating authority confirmed the duty on the ground that goods cleared to SEZ developers are exempt from duty and hence the appellant is liable to pay an amount of 8 or 10% of the value of goods cleared to SEZ developers availing Cenvat credit on inputs used for manufacture of final

products. However, relying on the decision of the Tribunal in the case of *Sujana Metal Products Limited* [2009 (243) ELT 542], it was held that the assessee is eligible to avail Cenvat credit of duty paid on inputs, which have been used for manufacturing of final products supplied to SEZ Developers. Accordingly, the application for stay is allowed and recovery of the amounts is stayed till disposal of the appeal. [M/s. Karvir Nivasini Mahalaxmi Ispat Private Limited Vs. CCE, Pune. 2011-TIOL-595-CESTAT-MUM]

● The issue in the present case was whether in view of the fact that there was a delay of one or two days in making payment of duty with reference to clearance of the finished goods, imposition of penalty was justifiable. The department issued show-cause notice stating that the assessee had cleared the finished goods either on less payment or without payment of duty for certain invoices and accordingly levied penalty under Section 11 AC of the

Central Excise Act which was confirmed by the Commissioner. On an appeal by the assessee, the Tribunal after considering the facts and circumstances of the case, in view of the fact that there was delay of only one or two days in making the payment of duty, reduced the penalty levied under section 11AC. On an appeal by the Revenue, based on the decision in the case of *Union of India Vs. Rajasthan Spinning and Weaving Mills and Commissioner of Customs and Central Excise Vs. Lanco Industries Ltd.* [2009-TIOL-63-SC-CX], it was held that once the section is held to be applicable in a case, the authority concerned would have no discretion in quantifying the amount and penalty must be imposed equal to the duty determined under section 11A(2). Accordingly, the order of the Tribunal was set aside and the order of the Commissioner was restored. [Commissioner of Central Excise, Hyderabad Vs. M/s. Prudential Spinners Limited. 2011-TIOL-45-SC-CX]



IFFCO requires Accountants/Accounts Officers

IFFCO desires to recruit CA (Inter) candidates having experience from 5 to 10 years with reputed organizations for IFFCO's State Marketing/Area Offices situated in Karnataka. However, the positions are transferable through out IFFCO including new establishments which may come up in future. The desirous candidate may send their applications to sasmitta@iffco.in by 25th June 2011. The selected candidates may be placed in a suitable position, the CTC of which may range from Rs.5 to Rs.7 Lakhs depending on the experience.

Advt.



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Mob : 9632776879

Website : www.probeequityresearch.com

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HAL 2nd Stage Indira Nagar,
Bangalore 560008 India**

Adv.



OFFICE SPACE FOR CHARTERED ACCOUNTANTS

SPACE SUMMARY

The fully furnished office for rental, ready to occupy and is most suitable for setting up of CA office/ practice suitable of prime locality equipped with one conference room, 5 cabins with around 52 working tables, fully air conditioner, power backup supply with UPS & Generator with other facilities.

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Bangalore – 560019

INTERESTED CA'S PLEASE CONTACT:

Contact Person: **Poornima**
Contact No: **9900504911**
Email id: **poornima@gurujana.com**



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A well known and fast growing CA firm in Rajajinagar, Bangalore is looking for newly qualified, ambitious Chartered Accountants for the position of Senior Manager- Direct and Indirect Taxation with start-up remuneration of Rs.2,40,000 per annum for suitable candidates.

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**Sub: Deputation of
Industrial Trainees
in ING Vysya Bank**

ING Vysya Bank would like to provide Chartered Accountancy students, an opportunity to get industry exposure while pursuing the course, which would be a stepping stone to their future careers.

A formal approval has been sought from the ICAI Bhawan, Chennai Office, permitting ING Vysya Bank to impart industrial training to Chartered Accountancy students for a period ranging from 9 months to 12 months. A copy of the approval has been attached with this letter.

Currently, there is an immediate requirement for one trainee in the Taxation unit of Finance Department. Candidates who can join immediately will be preferred, however, there would be formal selection process.

Interested candidates please contact Lakshmi Raju by mailing your updated resume to lakshmiraju@ingvysyabank.com. You can also contact 080 – 25005217 for any clarifications in this regard.

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**An Invitation to Members & Students
of ICAI to Pursue Commerce/Management Course(s)**

**UNDER GRADUATE PROGRAMS
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**POST-GRADUATE PROGRAMS
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Under the distance education mode the above courses are exclusively meant for qualified Chartered Accountants and for those who are undergoing Chartered Accountancy Course.

- + Exemptions in appearing from certain subjects in UG/PG examinations will also be provided both to the qualified Chartered Accountants and for those who have completed their Intermediate/PE II/PCC/IPCC/Final programme.
- + For eligibility, course fee and cost of application and prospectus you can visit Bharthiar University website www.b-u.ac.in and/or ICAI website www.icaai.org
- + Admission for the programme will be made up to 31st August 2011. For those who are getting admission up to 31.08.2011, examination would be conducted during the month of May/June 2012.
- + The application form can also be downloaded from the University website www.b-u.ac.in and/or www.icaai.org under the heading BU-ICAI joint education programme. While submitting the filled-in application, a Demand Draft / Bank of India challan for Rs.100 towards the cost of the application form in favour of The Director, School of Distance Education, Bharathiar University payable at Coimbatore should be enclosed.

Duly filled in application along with the enclosures can be sent to...
The Director, School of Distance Education, Bharathiar University, Coimbatore - 641 046
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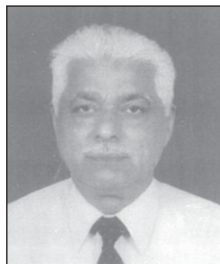
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OBITUARY

We deeply regret to inform
SAD DEMISE
of our members



CA. K. B. NAMBIAR

M.NO. : 007211

Expired on : 02.05.2011



CA. RAJENDRAN. K

M.NO. : 011756

Expired on : 13.05.2011

May their soul rest in peace.



IMPORTANT DATES TO REMEMBER DURING THE MONTH OF JUNE 2011

5 th June 2011	Payment of Excise Duty for May 2011 Payment of Service Tax for May 2011 by Corporates
6 th June 2011	E-Payment of Excise duty for May 2011 E-Payment of Service Tax for May 2011
7 th June 2011	Deposit of TDS/TCS Collected during May 2011 STPI Monthly Returns
10 th June 2011	Monthly Returns for Production and Removal of Goods and CENVAT Credit for May 2011 Monthly Return of excisable Goods Manufactured & Receipt of Inputs & Capital Goods by Units in EOU,STP,HTP for May 2011 Monthly Returns of Information relating to Principal Inputs for May 2011 by Manufacturer of Specified Goods who Paid Duty of Rs.1 Crore or More during Financial Year 2010-11 By PLA/CENVAT/Both
15 th June 2011	Payment of EPF Contribution for May 2011 Return of Employees Qualifying to EPF during May 2011 Payment of 1 st Installment of Advance Tax for Corporates
20 th June 2011	Monthly Return and Payment of CST and VAT Collected During May 2011 Quarterly return and payment of Employee Profession Tax collected for the quarter March to May
21 st June 2011	Deposit of ESI Contributions and Collections for May 2011
25 th June 2011	Consolidated Statements of Dues and Remittances Under EPF and EDLI for the May 2011 Monthly Returns of Employees Joined the organisation during May 2011 Monthly Return of Employees left the organisation during May 2011
30 th June 2011	STPI Annual Performance Report – FY 2010-11

Announcement of Coaching Classes for November 2011 Examinations

Bangalore Branch of SIRC of ICAI is pleased to announce that CA Final & IPCC Coaching Classes shall be commencing from June, 2011 for November 2011 Examination and for CPT from July 2011 for the December 2011 Examination.

The faculty members are chosen after due consideration to their relevant industry exposure/experience coupled with passion and interest towards teaching at ICAI, including areas of competence and expertise.

Registrations open for Coaching Classes

	Fees	Duration	Timings
CPT for Dec 2011 Exam	Rs.4500/-	July 2011 to October 2011	05.30pm to 07.30pm (Monday to Friday) 03.00pm to 07.30pm (Saturday) 07.30am to 12Noon (Sunday)
IPCC for Nov 2011 Exam	Rs.8000/- for Both Groups Rs.5000/- for Only Group1 Rs.4000/- for Only Group2	June 2011 to September 2011	07.30am to 09.30am and 06.00pm to 08.00pm (Monday to Saturday) 07.30am to 12Noon (Sunday)
FINAL for Nov 2011 Exam	Rs.8000/- for Both Groups Rs.6000/- for Single Group	June 2011 to September 2011	07.30am to 09.30am and 06.00pm to 08.00pm (Monday to Saturday) 07.30am to 12Noon (Sunday)

Note: We request Members to inform their articles.

ANNOUNCEMENT

Attn: Chartered Accountancy Students

As a part of Golden Jubilee Celebrations Bangalore Branch of SIRC of ICIA is happy to announce Scholarship to CA Students on Merit cum Need base. Interested students are hereby requested to submit the duly filled applications at Bangalore Branch office (Form can be downloaded from branch website www.bangaloreicai.org) on or before 15th June 2011.

Congratulations

Co-Opted Bangalore Members - 2010-11

Name	Committee Allotted
CA. B.P. Rao	Committee on International Affairs
CA. H. Padam Chand Khincha	Committee on International Taxation
CA. J. Subrmanian	Board of Studies
CA. Vinay Mruthyunjaya	Committee for Members in Industry
CA. Shabbir Pasha	Committee on International Affairs
CA. Raviprasad	Auditing & Assurance Standards Board
CA. Sanjay Dhariwal M	Indirect Taxes Committee
CA. Lalit M. Sharma	Committee for Members in Entrepreneurship & Public Service
CA. C.N. Srinivasan	Auditing & Assurance Standards Board

**Bangalore Branch of SIRC of
The Institute of Chartered Accountants of India**
Jointly with
Karnataka State Souharda Federal Co-operative Ltd
is organising
**“Training programme for Auditors of
Souharda Co-operatives - Prerequisites for empanelment”**
Wednesday, 08th June 2011
at Branch Premises between 10.30am & 01.30pm
Registration & Inauguration 10.00am onwards

Session	Topic	Speaker
Session 1	Souhardha Co-operative Act 1997 & Allied Acts applicable to Souharda Co-operatives	CA. B V Ravindranath, Sagar
	Tea Break	
Session 2	Audit Guidelines issued by Souharda Federal Co-operatives	CA. B V Ravindranath, Sagar
	Programme is followed by Lunch	

Note: 1. Members who have already undergone training and on the empanelment, this training programme is not mandatory.
2. Empanelment List is valid for 2 years.

Registration Fees: Rs.300/- Cheque / DD drawn in favour of “Karnataka State Souharda Co-operative” payable at Bangalore.
Registrations restricted to 200 members.

For further details, please contact:

Mrs. Roopashree

Tel: 080-30563500 / 513 Email: blrregistrations@icai.org

Mr. V J Karkun, Training Officer, Souharda Co-operatives

Mob: 9482734077 Email: vjkarkun@gmail.com

CA. Venkatesh Babu T R
Chairman

CA. Ravindranath S N
Secretary

Sri. S. R. Sathishchandra
President

Sri. Sharanaguda G Patil
Executive Director



Basic Certificate Course on Indirect Taxation Under the aegis of Indirect Tax Committee of ICAI

Considering the service tax law which is growing exponentially over the years and the GST which is expected to be in place in the coming year/s, the role of the accountant is increasing day by day. An advisor who is not aware of the knowledge of business and accounting aspects may find it difficult to guide the tax payer. It is estimated that as on date chartered accountants in limited practice of service tax may be in excess of 4000, concentrated mainly in the metros. With this course we hope to add at least 2000 more members in gaining expertise in this area by March 2013.

However considering the tremendous potential of indirect taxes and the impact on the economy members in employment or in practice cannot ignore this area. Year after year also the reforms in this area of taxation would encourage more professionals to enter/ gain expertise. The contribution of indirect taxes to the total tax collected in our country would be around 65% [considering the CST/VAT also] which is fairly significant.

We are pleased to announce that **First** Batch of Basic Certificate Course on Indirect Taxation at Bangalore is scheduled from 9th July 2011 subject to the minimum registration of 25 candidates. The other details are mentioned below:

Duration of the Course L: 12 Days (Weekends ~ Saturdays and Sundays)

Eligibility for Admission: Associate or Fellow members of ICAI

Registration: Registration will be on first come first serve basis. The registration form along with the requisite fee may be sent to the Nodal Officer at the mentioned address.

Overall scheme: The participants would be required to

attend the workshop on Saturday and Sunday. They would also be required to devote time for self study and case study given to them. Participants would be grouped for preparing case studies. The participants must complete the self study hours and case study for appearing in the Assessment test.

Course fee: Rs. 20000/- (Rupees Twenty thousand only) inclusive of first assessment fee shall be payable at the time of Registration. Course fee once paid is non-refundable under any circumstances.

Evaluation: Participants who successfully complete the workshop with at least 90% of attendance would be eligible to appear in the Assessment test.

Eligibility to qualify: A candidate has to secure 60% marks in aggregate in the Assessment test.

Limit to the number of attempts for the Assessment test: There will be no limit to the number of attempts for the assessment test. The participants can re-appear for the test and the re-appearance fee will be Rs. 1000/-. The participants will be allowed to re-appear for the test only after six months from the first attempt

No. of seats: For every session -25 to 50

CPE Hours 100 CPE Hours (50 Structured and 50 Unstructured) will be provided to all the registered members as per the CPE guidelines.

Course Coordinator for Bangalore Centre
CA Sanjay M Dhariwal

For further details please contact
Assistant Secretary

The Institute of Chartered Accountants of India
ICAI Bhawan, 16/O, Millers Tank Bed Area, Bangalore ~ 560 052
dcobangalore@icai.org, 080 30563541 / 542

Sri S. Narayanan Endowment Lecture

jointly with
Karnataka State Chartered Accountants Association

on Friday, 8th July 2011
between 4.15 pm and 5.30 pm

Speaker : **Dr. Gururaj Karajagi**, Chairman, Academy for Creative Teaching

Topic : JEEVANOTSAAHA - CELEBRATIONS OF LIFE

Venue : API Bhavan, Behind Jain Hospital, Vasantnagar, Bangalore

Reading Room Inauguration



Inauguration by Shri Mathoor Krishnamoorthy



Committee members alongwith Chief Guest



A snap shot of reading room

18th Batch of CCAFBL Valedictory

MDP Programmes

Tyco Workshop



CA. K. Gururaj Acharya



Chief Guest
CA Venkatesh M.



Participants



Participants from M/s. Tyco Electronics



85th Batch of GMCS Inauguration

Golden Jubilee Signature Campaign



Inauguration



Chief Guest CA. Vani Pratap



Participants of 85th batch - GMCS



Workshop on FDI Investments in India

SICASA Study Circle Meeting



CA. Gautham Lokande



CA. Sharath Rao



CA. H. Shivkumar and CA. Y. J. Raghunatha Reddy



Student participants

Seminar on Investment Banking Opportunity



CA. Raghunath A



CA. Pratap G. Subramanyam



CA. Srinivas MRS



Dr. Emandi Sankara Rao



CA. Harsha Vardhan M



Mr. Vijay Grover



Mr. Praveen Teja B



Mr. Deepak Kumar Hota

National Conference for **iT INDUSTRY** at Bangalore

Organised by **Committee for Members in Industry**

Hosted by **Bangalore Branch of SIRC of ICAI**

24th and 25th June (Friday & Saturday), 2011

at **Hotel Le-Meridian**, Sankey Road, Bangalore

Timing: 9.00 am – 5.30 pm



Inaugural Session by

CA G. Ramaswamy, *President, ICAI &*
CA. Jaydeep N Shah, *Vice-President, ICAI*

DAY 1

Timings	Topics to be discussed	Speaker
Technical Session 1	Direct Tax Issues impacting the IT Industry Taxation of Employees Expatriates & On-site employees, Residential status, Allowances, Foreign tax Credit with holding Tax ESOP's etc.	*to be announced
Technical Session 2	Indirect Tax issues impacting the IT Industry Classification and Valuation of Services, Exemptions, Abatements & Special Rates, CENVAT Credits	CA Ashok Batra
Technical Session 3	VAT – Issues currently affecting the IT industry Customization of software, Manpower deployment, Maintenance Contracts, Double Taxation (Vat & Service Tax), Upgrade of Software & Hardware, Sale in the course of import, Recent Judgments	CA Venkatramani
DAY 2		
Technical Session 1	Service Tax - Issues specific to the IT/ITES Industry Export and Import of Services, Expediting refunds, Goods v/s services	CA V. Raghuraman
Technical Session 2	Accounting Standards for the IT Industry - Issues	CA Nilesh Vikamsay
Technical Session 3	International Taxation – Framework for the IT Industry Royalties and Technical Fees – Judicial Trends, Withholding Tax - Issues	CA Dhinal Shah
Technical Session 4	International Taxation– Other Issues Transfer Pricing – Recent trends, Transfer Pricing – Issues arising during Assessments	CA Vispi.T. Patel

Delegate Fees : ₹ 3000/- for Members, ₹4000 /- for Non Members

Payment should be made by Cheque / DD in favour of “**Bangalore Branch of SIRC of ICAI**” payable at Bangalore and should be sent to - Bangalore Branch of ICAI, The Institute of Chartered Accountants of India, ICAI Bhawan, 16/O, Millers Tank Bed Area, Vasant Nagar, Bangalore - 560 052

For online registration visit www.bangaloreicai.org
Helpline No. : 080-6453 6453 (09.00 am to 06.00 pm)

Programme Chairman

CA K.Raghu

Chairman – Committee for Members in Industry

Programme Coordinator

CA Venkatesh Babu T.R.

Chairman, Bangalore Branch of SIRC of ICAI

For Registration and Further Details please contact :

Bangalore branch of the ICAI : Telephone- 080- 3056 3541 Email: dcobangalore@icai.org



Jointly Organised by **Bangalore, Belgaum, Bellary, Hubli, Mangalore, Mysore & Udupi** Branches of SIRC of ICAI
Hosted by **Bangalore Branch**

on Saturday, 18th & Sunday, 19th of June 2011

at Jnana Jyothi Convention Centre, Central College Campus, Palace Road, Bangalore - 560 009

Programme Structure

Day 1- Saturday, 18th June 2011

Technical Sessions	Timings	Topics	Speakers
	08.30 am	Registration	
	09.30 am	Inauguration	Hon'ble Justice Mr. N Santosh Hegde, <i>Lokayukta, State of Karnataka</i>
	10.30 am	Tea	
I Session	10.45 am	Controversies Under TDS on Domestic Payments	CA. K K Chythanya, <i>Bangalore</i>
II Session	12.15 pm	An overview of International Taxation	CA. Rashmin C Sanghvi, <i>Mumbai</i>
	01.45 pm	Lunch	
III Session	02.30 pm	Point of Taxation Rules and New Services introduced in Finance Act 2011	CA. Sunil B Gabhawalla, <i>Mumbai</i>
	04.00 pm	Tea	
IV Session	04.15 pm	Recent Changes in Company Law Procedures – MCA Guidelines	Sri. A M Sridharan, <i>Former Deputy ROC, Karnataka</i>
	06.30 pm	Humor show by Shri Richard Louis, Music concert by "Zansam" - A moment in the eternity of Music and variety of programs followed by dinner.	

Day 2-Sunday, 19th June 2011

	08.15 am	Breakfast	
	09.15 am	Spiritual Session	Swami Paramasukhananda, <i>Ramakrishna Math, Ulsoor, Bangalore</i>
	10.15 am	Tea	
V Session	10.30 am	Peer Review – Challenges for the profession	CA. Pankaj Jain, <i>Chairman, Peer Review Board, ICAI</i> CA. K Raghu, <i>Vice Chairman, Peer Review Board, ICAI</i> CA. S Venkataramani, <i>Bangalore</i>
VI Session	12.00 pm	Issues under Commercial Tax Laws – KVAT, CST & others	
	01.30 pm	Lunch	
VII Session	02.15 pm	Financial Reporting Review Board – Deficiencies noted during review	CA. Sunil Talati H, <i>Past President, ICAI</i>
	03.30 pm	Tea	
VIII Session	03.45 pm	Interactive Session with CPC (Income Tax) Officials	Mr. Sanjai Verma, <i>Commissioner of Income Tax, CPC</i> CA. Ravishankar P, <i>Tower Head, Infosys</i>

Delegate Fee

For Members:

Bangalore: Rs.1,500/-

Outstation: Rs.1,250/-

For Non-Members: Rs.2,000/-

Cheque / Draft in favour of "Bangalore Branch of SIRC of ICAI" payable at Bangalore.

Restricted to 1000 delegates on
First Come First Serve basis.

For further details, please contact:

Mrs. Roopashree, Tel: 080 – 30563500 / 3513

Email: blrregistrations@icai.org or bangalore@icai.org

Website: www.bangaloreicai.org

For online registration visit www.bangaloreicai.org
Helpline No. : 080-6453 6453 (09.00 am to 06.00 pm)

Branch Chairmen

CA. T. R. Venkatesh Babu
Bangalore

CA. N.V. Kawale
Belgaum

CA. Y. Ramesh
Bellary

CA. K.S. Chetty
Hubli

CA. K.Y. Chandramohan
Mangalore

CA. T.N. Subramanya
Mysore

CA. K. Padmanabha Kanchan
Udupi

National Seminar on XBRL



Inauguration



CA. K. Raghu



CA. Atul C Bheda



CA. Sumantra Guha



CA. Jayshree Narayan



CA. A Rafeeq

Central Council Members



CA. Gargi Ray



Mr. K. Balachandran



Ms. Shweta Gupta



Mr. Amit Kumar Sharma



CA. Anand P Jangid



Cross section of the participants

Discussion on Karnataka Public Trusts Bill 2011



CA. N. Nityananda



Shri. K. G. Raghavan



CA. Dr. N. Suresh



Cross section of the participants

Speakers at Study Circle Meetings for the month of May 2011



Mr. H. Naginchand Khincha



CA. R. Raghuraman



CA. B. C. Chechani



Mr. T. Sethumadhavan



CA. D. S. Vivek

Workshop on Accounting Standards



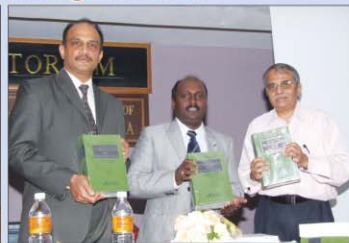
Inauguration



CA. K. Gururaj Acharya



CA. S. Ramanujam



CA. S. Ramanujam presenting Latest Edition of Ramaia's book on Company Law for members reference at Bangalore Branch Library



CA. Vinayak Pai



CA. S. Sundaresan



CA. Vikas Oswal



CA. Asha M



CA. Pritesh K Shah



CA. Ganesh Swaminathan



CA. Mithun Lakshmana Pai



Cross section of the participants