

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



# Bangalore Branch of SIRC Newsletter

English Monthly

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⊗ Comprehensive Workshop on  
**Companies Act. 2013**

May 22, 23, 24 & 31, 2014

⊗ National Seminar on  
**Mergers & Acquisitions**

June 14, 2014

**Jnana Vistara**

Two Day Karnataka State Level  
CA's Conference

June 21 & 22, 2014

NIMHANS Convention Centre,  
Bangalore

CPE - May 2014  
**35**

# Chairman's Communique . . .



## Dear Professional Colleagues,

Ganga River may be very old but, the water in it is fresh every moment !. Similarly, Chartered Accountants profession may be more than 67 years old, but, the sound knowledge with the Chartered Accountants is fresh every day and every moment !.

Our profession has become yearly cyclic in nature. Most of the activities we do repeat on a yearly basis, may it be, Bank Audit, Statutory Audit, Tax Audit, Internal Audit etc. Still the interesting thing is that the cyclical nature of the profession is not boring but, it is more refreshing as we need to keep updated with the current changes in the statutory and legal compliance front.

We are saying that Indian economy is moving very fast. It is not only the economy, but also the changes in the regulatory and compliance part. Absorption of information technology in the regulatory compliance is taking new shape and new dimensions. Gone are the days filing of hard copy of IT returns, gone are the days signing the physical certificates. It is all digital world now !. Many more changes will happen in due course. We are moving towards the new frontiers !

Before the change in Companies Act 2013 is being fully stabilized and digested by the Industry and the professionals, the Direct Tax Code is on its way. As you all know DTC is presented in the Parliament and is becoming a reality very soon. We the Chartered Accountants being partners in nation building, need to gear up our speed and increase our appetite to digest new regulations!

## FDI Policy:

Government of India has released new Consolidated FDI Policy on 17<sup>th</sup> April 2014. Though the Industries have been very conservative in their capitalization and expansion since last couple of quarters, time has come now for capitalization and expansion. More than 70 foreign investment applications have been received by FIPB in April 2014 and are being processed soon. More than Rs 26,146 Crores FDI came to the country in the March 14 quarter. This is witnessing 22% growth over same period last year !. We expect a good amount of investment flowing in to the country which should give boost to the growth of economic activities of the country. Stable government at the center should be promising developments for the investor's community to invest in India. We will hear more and more Venture Capital investment transactions, Cross border M & A in the days to come. Therefore, we need to gear up ourselves to cater to these developments. True to our theme for the year, Vistāra, we will experience an overall expansion in our profession.

It is the endeavor of the Managing Committee of Bangalore Branch to organize programs for the benefit of members to keep abreast of their knowledge, which is need of the hour and keep us ahead in the move towards new frontiers ! In view of the fact

that our members have responsibility to complete bank audits in a time bond manner, we at ICAI Bangalore, have not scheduled any big seminars / conferences in April 2014 other than Bank Audit seminar. We will not be missing it. You will hear many programs scheduled in the month of May and June 2014 !

## April 2014

### Inauguration of Canopy:

As part of infrastructure development, we have extended the canopy to cover the full Terrace of the Branch premises and the same is inaugurated by Hon'ble President, CA K Raghu on 24<sup>th</sup> April 2014.

### Workshop on Companies Act:

**4 Days Workshop on Companies Act 2013** with special focus on the notified sections and rules of the companies Act 2013 and its compliance. This program is scheduled on 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup> and 31<sup>st</sup> May 2014. The details have been published elsewhere in the news letter.

### National Seminar on Mergers and Acquisitions:

Bangalore is a most happening place. M & A is gaining the momentum now in India and in Bangalore as well!. Biggest M&A transactions running in to multi billion dollars are happening in Bangalore. It is our endeavor to equip our members, who are in Industry and also in Practice, so that they contribute effectively for such transactions. National Seminar on Mergers and Acquisitions is being scheduled on 14<sup>th</sup> June 2014 in Hotel Chancery Pavilion. The CFOs, Merchant Bankers, Lawyers and Industry experts who have experience of handling big M & A transactions will be the speakers / panelists and share their experiences. I request all the members in Industry and also in Practice to register at the earliest and utilize this unique opportunity.

### Residential Study tour to Goa:

As many members requested to organize a residential study tour, Bangalore Branch jointly with Bellary, Belgaum and Hubli Branch, has organized a study tour to Goa on 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> of June 2014. Details have been published elsewhere in the news letter. Members are requested to register for the same.

### State Level Conference:

As an Annual Mega Conference, Bangalore Branch is organizing Two Day State Level CA's Conference **Jnana Vistāra**, jointly with other branches of Karnataka, on 21<sup>st</sup> and 22<sup>nd</sup> of June 2014. Members are requested to block their dates.

### Filing of Exception Report with RBI:

Statutory auditors of NBFCs are required to submit Exception Reports in case of NBFCs violating statutory and prudential norms. It has been informed to us by RBI that many statutory auditors have not yet filed Exception Reports for the year ended 31.03.2013. It is hereby advised to such auditors to file the Exception Report immediately with the RBI.

Wish you all a very energizing audit season!

With best regards,

**CA. Babu K Thevar**  
Chairman

## CALENDAR OF EVENTS - MAY & JUNE 2014

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
07.05.2014 Wednesday	Issues in Software Taxation under Service Tax <b>CA. Madhur Harlalka</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
13.05.2014 Tuesday	CPE Teleconference Programme on 'Ten strategies for wealth creation' <b>CA. V. Pattabhi Ram</b>	Branch Premises 11.00am to 01.00pm	<b>2 hrs</b>
14.05.2014 Wednesday	<b>Holiday on account of 'Buddha Purnima'</b>		—
17.05.2014 Saturday	Discussion on How to be successful in Practice and challenging professional avenues <b>CA. B. P. Rao, Past President, ICAI</b> <b>CA. Chetan Venugopal &amp; CA. Guru Prasad. M</b>	Branch Premises 10.00am to 01.00pm <b>No Delegate Fee</b> <i>Followed by Lunch</i>	<b>3 hrs</b>
21.05.2014 Wednesday	Computation of Income for Charitable Trust <b>Dr. CA. N. Suresh</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
22.05.2014 Thursday	CPE Teleconference Programme	Branch Premises 11.00am to 01.00pm	<b>2 hrs</b>
22.05.2014 23.05.2014 24.05.2014 Thu., Fri., Sat. & 31.05.2014 Saturday	<b>Comprehensive Workshop on Companies Act. 2013</b>  <i>Delegate Fees: Rs.2,250/-</i> <i>Details at page No.: 21</i>	Sri. Devraj Urs Auditorium, Opp.to B'lore Branch	<b>20 hrs</b>
28.05.2014 Wednesday	CPE Teleconference Programme	Branch Premises 11.00am to 01.00pm	<b>2 hrs</b>
28.05.2014 Wednesday	Issues relating to Reverse Charge & Joint Charge under Service Tax Law <b>CA. A. Sai Prasad</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
04.06.2014 Wednesday	Forensic Audit <b>CA. Saket Bhartia</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
06, 07, 08 June 2014	<b>Residential Study Tour to Goa</b>  <i>Details at page No.: 14</i>		<b>12 hrs</b>
11.06.2014 Wednesday	Recent developments in VAT <b>Sri. M.A. Maniyar, Retd.Dy. Commissioner of Commercial Taxes, B'lore</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
14.06.2014 Saturday	<b>National Seminar on Mergers &amp; Acquisitions</b>  <i>Delegate Fees: Rs.2,500/-</i> <i>Details at page No.: 19</i>	Hotel The Chancery Pavilion, Residency Road, Bangalore 09.30am to 05.30pm	<b>6 hrs</b>

**Note: For all programmes High Tea shall be provided 30 minutes prior to the start of the programme at the respective venue.**

### Advertisement Tariff for the Branch Newsletter

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


Editor : **CA. Babu K. Thevar**

Sub Editor : **CA. Pampanna B.E.**

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## CALENDAR OF EVENTS - JUNE 2014

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
18.06.2014 Wednesday	Detailed discussion of TDS on Sale of immovable properties:Section 194 IA <b>CA. G. S. Prashanth</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
21.06.2014 Saturday & 22.06.2014 Sunday	 <b>Jnana Vistara</b> <b>Two Day Karnataka State Level CA Conference</b> <i>Details at page No.: 17</i>	NIMHANS Convention Centre, Hosur Road, Bangalore	<b>12 hrs</b>
25.06.2014 Wednesday	Issues on Computation of Salary & House Property income <b>CA. D. S. Vivek</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>

## KIND ATTENTION TO MEMBERS

*Bangalore Branch is contemplating to start CPE Study Circles at following places.*

Indiranagar, HSR Layout, Madivala, Koramangala, Ramamurthy Nagar, Hebbal,  
Sanjay Nagar, Jayanagar, J.P. Nagar, B.T.M. Layout, Bannerghatta Road,  
Electronic City, Rajajinagar, Vijayanagar & Yeshawanthpur.

*Interested members may mail to [blrchairman@icai.org](mailto:blrchairman@icai.org), [bangalore@icai.org](mailto:bangalore@icai.org)*

**Advt.**

# TAX UPDATES MARCH 2014

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

## VAT, CST, ENTRY TAX, PROFESSIONAL TAX

### PARTS DIGESTED:

- a) 68 VST – Part 4
- b) 18 KCTJ – Part 12
- c) 78 KLJ – Part 2 & 3

#### Reference / Description

**2014 (78) KLJ 168 (Karn. – Trib.)(DB): United Breweries Limited v. State of Karnataka** - In the instant case the Honourable Karnataka Appellate Tribunal held that the brand franchise and technical fees realised by the Appellant from beer contract bottling units are not transactions in the nature of transfer of right to use brand name/trade mark and the same is purely a service simpliciter which falls outside the purview of Section 2(1)(t)(iv) of the KST Act, 1957.

**2014 (78) KLJ 376 (Karn. – HC)(DB): State of Karnataka v. Ashok Iron Works Pvt. Ltd.** - In the instant case Assessee carried on the business of manufacture of cast iron castings. The Assessee accepted job work in which raw materials were supplied by the customers to the Assessee. The Assessee employed labour and also used consumable in the processing, manufacturing of such goods and only collected labour charges from the customers on which no tax is payable.

The question that came up for consideration before the Honourable Karnataka High Court is whether the input tax paid on such consumables in relation to the job work done is liable to be deducted out of output tax liable to be paid by the Assessee.

The Honourable Karnataka Division Bench High Court held as under:

(a) Output tax is calculated on the basis of taxable turnover on sale of goods made in the course of business, whereas the benefit of input tax rebate is available when the goods which have suffered input tax in the course of the business of the dealer.

(b) It has no nexus between the manufacturing of the goods and sale of goods.

(c) In the course of job work, consumables are used. When the dealer purchase these consumables, he is liable to pay input tax. After using the consumables, employing the labour job, work is completed and the finished product is delivered to the customer. What the customer pays is the labour charges on which the Assessee is not liable to pay any output tax.

(d) However, he has utilised the consumables in manufacturing the finished product and he has paid input tax on such consumables. But, this business of job work is in the course of his business.

(e) Therefore, by virtue of Section 10(2) if he has paid input tax on consumables which is liable to pay any output tax, still in the taxable turnover of the said business, he is entitled to claim deduction of his input tax, subject to the restriction specified in Sections 11, 12, 13, 14, 17 and 18 of the Act.

Hence, the Court held that the benefit cannot be denied merely on the basis that no output tax was payable on the turnover of the job work.

**2014 (78) KLJ 385 (Karn. – HC)(DB): Mahadevi Stores, Somwarpet, Tilakwadi v. Addl. CCT** - In the instant

case the Honourable Karnataka High Court held that the rate of tax, value of goods, amount of tax payable are to be mentioned in the invoice/bills. If the same are mentioned only in the books of account, then the assessee will not be entitled to benefit of tax deduction as the procedure laid under law was not adopted by the assessee.

## INCOME TAX

### PARTS DIGESTED:

- a) 361 ITR – Part 3, 4 & 5
- b) 362 ITR – Part 1 & 2
- c) 221 Taxman – Part 4 to 6
- d) 30 ITR (Trib) – Part 1, 2, 4 & 5
- e) 45 CAPJ – Part 3
- f) 45-B BCAJ – Part 6
- g) 10 International Taxation–Part 3

#### Reference / Description

**[2014] 361 ITR 325 (All. – HC): CIT and another v. Sunbeam English School** - In the instant case the Honourable Allahabad High Court held that exemption under Section 10(23C)(vi) of the IT Act cannot be denied on ground that society purchased a property in name of its director, as the said property was purchased with funds of society and the property was subsequently transferred to said society.

**[2014] 361 ITR 429 (AP – HC): Tecumseh Products India Pvt. Ltd. v. Asst. CIT and another** - In the instant case the Honourable Andhra Pradesh High Court held that if the Assessing Officer issues notice under Section 148 of the IT Act after four years, without reflecting in the notice that there was failure on the part of the Assessee to make a return under Section 139 or in response to the notice issued under Section 142 there was failure on the part of the Assessee to disclose the material facts, the exercise of jurisdiction in issuance of the such notice is patently illegal.



**[2014] 361 ITR 432 (Cal. – HC): CIT v. S.K. Tekriwal** - In the instant case the Honourable Calcutta High Court held that if there is short deduction of tax due to Assessee deducting tax at source under wrong provision, no disallowance can be made applying Section 40(a)(ia) of the IT Act.

**[2014] 361 ITR 449 (Mad. – HC): Dishnet Wireless Ltd. v. Asst. CIT and another** - In the instant case the Honourable Madras High Court held that the Assessing Authority cannot initiate recovery proceedings till the expiry of period of limitation for filing an appeal against the assessment order.

**[2014] 361 ITR 458 (Cal. – HC): Amal Kumar Ghosh v. Asst. CIT and others** - In the instant case the Honourable Calcutta High Court held that where the time to issue notice under Section 143(2) was reduced to 3 months from date of filing of return by the CBDT, the Assessing Officer was not justified in issuing notice under Section 143(2) beyond 3 months.

**[2014] 361 ITR 469 (Bom. – HC): DIT (Exemption) v. ITAT and another** - In the instant case the Honourable Bombay High Court held that the Revenue was not justified in attaching bank account and withdrawing money from bank before expiry of time limit for filing an appeal.

**[2014] 362 ITR 87 (Guj. – HC): ITO v. Ankleshwar Taluka ONGC Land Looser Travellers Co-operative Society** - In the instant case ONGC had entered into an agreement with the individual farmers which continued for a few years. However, the number of such farmers increased day-by-day and it became difficult for the ONGC to maintain accounts of each individual farmer for releasing payments. With a view to obviate such difficulties, the ONGC decided that a co-operative society be formed consisting of farmers whose land was acquired by

ONGC which could maintain the individual account of each farmer and would be a one-stop entity co-ordinating all members with ONGC on behalf of the farmers. Thus, the Assessee-society, a non-profit making organisation was formed. The Assessee maintained vehicle-wise accounts comprising details of expenses and receipts. All these vehicles were hired by ONGC and a lump sum was paid by the ONGC after deducting tax at source to the Assessee-Society, which thereafter allocated the amount to the respective member after deducting administrative expenses depending on actual usage.

During the AY 2005-2006, the Assessee received some amount and the entire amount was distributed to the farmers. The Assessing Officer was of the view that the Assessee was functioning as a sub-contractor and that it ought to have deducted tax at source on payments made to each of the farmers under the provisions of Section 194C and thus disallowed the same under Section 40(a)(ia) of the IT Act.

The Honourable Gujarat High Court noted that functions performed by the Assessee had no profit motive and were more in the nature of a welfare activity. The context in which the Assessee was formed was essentially to facilitate receipts and distribution of income and accounting for the expenses. The society acted as an interface between the farmers and the ONGC for the limited purpose of receiving the jeep rental income on behalf of the illiterate farmers. This mechanism helps both the ONGC and the farmers as it precludes individual interaction and smoothens the entire operation. The Assessee prepares the individual log book for the farmers and on the basis of such log books the ONGC releases the payment which is distributed to the farmers. The original

agreement always remained between the ONGC and the individual farmers.

In view of the above observation, the Court held that there was no element of works contract in terms of the provisions of Section 194C in the activity performed by the Assessee and held that the disallowed made under Section 40(a)(ia) was and justified.

**[2014] 362 ITR 92 (Guj. – HC): CIT v. Ankleshwar Taluka ONGC Land Looser Travellers Co-operative Society** - In the instant case Assessee was a society of land-losers who had lost their land in a particular area due to the acquisition undertaken by the ONGC. It claimed expenditure of Rs.3.79 crores on ground of jeep rent expenses paid to individual vehicle owners, who were stated to be members of Assessee society. Assessing Officer disallowed claim of expenditure as it was in contravention of Section 40A(3) and added same to total income of Assessee.

The Honourable Gujarat High Court found the expenses paid to individual vehicle owners, were the payments that were received from ONGC which was routed through the Assessee, the Assessee was aiding illiterate farmers. Therefore the Court held that as the Assessee was receiving amounts from ONGC and distributing the same to farmers, it cannot be regarded as the payments expended by Assessee and hence the same would not come within the meaning of 'expenditure' either under Section 40(a)(ia) or Section 40A(3) of the IT Act.

**[2014] 362 ITR 204 (Karn. – HC): CIT And another v. Ecom Gill Coffee Trading P. Ltd. and another** - In the instant case the Honourable Karnataka High Court held that Tribunal cannot extend stay beyond period of 365 days from date of first order of stay by virtue of third proviso to Section 254(2A) substituted by Finance Act, 2008, with effect from 01.10.2008.

**[2014] 362 ITR 215 (Delhi – HC): CIT v. Maruti Suzuki (India) Ltd. and others** - In the instant case the Honourable Delhi High Court held that Tribunal cannot extend stay beyond period of 365 days from date of first order of stay by virtue of third proviso to Section 254(2A) substituted by Finance Act, 2008, with effect from 01.10.2008, but assessee can file a writ petition in High Court asking for stay and section 254(2A) does not prohibit/bar High Court from granting stay of recovery.

It was also held that it is perfectly legal for ITAT to accept an undertaking from the department that they will not enforce recovery before adjourning the case at the request of the department.

**[2014] 362 ITR 256 (Delhi – HC): CIT v. Naresh Kumar and another** - In the instant case the Honourable Delhi High Court has held that amendment of Section 40(a)(ia) by Finance Act, 2010 has retrospective effect.

**[2014] 221 Taxman 249 (Delhi – HC); 39 taxmann.com 150 (Delhi – HC): Oracle India (P.) Ltd. v. CIT** - In the instant case the Honourable Delhi High Court held that where Assessee-company in terms of a licence agreement entered with its holding company incorporated in USA acquired master copies of software from holding company and made duplicate copies therefrom and sold same to local clients, payment made by Assessee for acquisition of master copies of software was an expenditure of a revenue nature.

**[2014] 221 Taxman 269 (P&H – HC); 41 taxmann.com 10 (P&H – HC): Naman Kumar v. CIT** - In the instant case the Honourable Delhi High Court held that compound interest, i.e., interest paid on interest levied by bank, because of non-payment of instalments of borrowed capital to bank, does not qualify for an admissible deduction in terms of Section 24(1)(vi) of the IT Act.

**[2014] 221 Taxman 423 (Guj. – HC); 41 taxmann.com 237 (Guj. – HC): CIT v. Polestar Industries** - In the instant case the Honourable Gujarat High Court has held that Section 54EC of the IT Act does not make any distinction between depreciable assets and non-depreciable assets and, therefore, deduction available under Section 54EC shall be available in case of capital gains arising out of transfer of depreciable asset, if investment is made out of sale proceeds towards prescribed bonds under Section 54EC.

**[2014] 221 Taxman 431 (Karn. – HC); 41 taxmann.com 445 (Karn. – HC): Smt. Krishna Bajaj v. Asst. CIT** - In the instant case the Honourable Karnataka High Court has held that guidance value prescribed for purpose of stamp duty registration under relevant Stamp Act and Indian Registration Act or net wealth value arrived at under provisions of Wealth Tax Act could not be a guiding factor to determine the fair market value.

**[2014] 95 Taxman (St.) 97: Instruction No. 2/2014 [F.No.500/33/2013-FTD-I], dated 26.02.2014** - The CBDT in respect of deduction of tax at source with respect to payment made to non-resident, has instructed to the Assessing Officer that the Assessing Officer shall determine the appropriate proportion of the sum chargeable to tax as mentioned in Section 195(1) to ascertain the tax liability on which the deductor shall be deemed to be an assessee in default under Section 201 of the Act, and the appropriate proportion of the sum will depend on the facts and circumstances of each case taking into account nature of remittances, income component therein or any other fact relevant to determine such appropriate proportion.

This instruction was given, as the CBDT had received references from field officers for clarification as to

whether the tax is to be deducted under Section 195(1) on the whole sum being remitted to a non-resident or only the portion representing the sum chargeable to tax, particularly if no application has been made under Section 195(2) of the Act to determine the sum.

**[2014] 30 ITR (Trib.) 39 (Mum.): Willis Processing Services (I) P. Ltd.** - In the instant case the Honourable Mumbai Tribunal held that satellite charges cannot be regarded as 'telecommunication charges' so as to exclude the same from export turnover.

Further the Tribunal held that what the Assessee was getting was a fixed service charge for processing data from the foreign company, on a monthly basis in terms of the agreement and no separate charges were recovered from the foreign company towards telecommunication charges which could be considered as amount recovered in foreign exchange from the foreign party.

**[2014] 30 ITR (Trib.) 688 (Chennai): Best and Crompton Engineering Ltd. v. Asst. CIT** - In the instant case during the financial year 1994-1995, the Assessee converted its property into stock-in-trade and sold it during the financial year 2006-2007. The Assessee while computing the capital gain on sale of the property adopted the cost inflation index of the year of sale of property. The Assessing Officer adopted the cost inflation index of the financial year 1994-1995, being year of conversion of the asset into stock-in-trade.

The Honourable Chennai Tribunal held that during the financial year 2006-2007, the asset was held as stock-in-trade and only during the financial year 1994-1995, the asset was a capital asset and therefore, the cost inflation index in the year of conversion had to be applied and not the cost inflation index in the year of taxation of capital gains of the Asset. ■



**Advt.**



# RECENT JUDICIAL PRONOUNCEMENTS IN INDIRECT TAXES

CA. N.R. Badrinath, Grad C.W.A., F.C.A.  
CA. Madhur Harlalka, B.Com., F.C.A

## CENVAT Credit

1. ***The exempted services which otherwise are exported forms part of export turnover for the purpose of computation of refund amount as per Rule 5 of CENVAT Credit Rules, 2004:***

The issue before the Tribunal is in relation to computation of refund amount in terms of Rule 5 of CENVAT Credit Rules, 2004. The assessee's contention is that the Revenue was wrongly calculating the refund claim amount as per Rule 5(1) of the CENVAT Credit Rules, 2004 by not considering the export of services which otherwise were exempt. The assessee contended that the value of exempt services which are exported should be considered as export turnover. On appeal before the Tribunal held that as per the definition of 'Export turnover of services', given in Clause (D) of Rule 5(1) no distinction is made with respect to payments received from export of services. The logic of giving cash refund of taxes used, in relation to export of goods / services under Rule 5 is to have zero rated exports. Therefore, exempted services which are exported are required to be added to the export turnover for the purpose of computation of refund amount. Reliance was placed in

the decision of Zenta Pvt. Limited vs. CCE, Mumbai-V reported in 2012-TIOL-624-CESTAT-MUM. [*M/s Quintiles Technologies (India) Pvt Ltd Vs Commissioner Of Service Tax 2014-TIOL-444-CESTAT-AHM*]

2. ***Transportation service upto the port for export of goods are input services:***

Honorable High Court has held that, in case of export of goods the place of removal is essentially the port from where the goods are actually taken out of the country. Accordingly, service tax paid on transportation services upto the port and on cargo handling services is eligible for claiming CENVAT credit in terms of Rule 2(l) of CENVAT Credit Rules, 2004. It was observed that, when manufacturer transports his finished goods from factory to any other place such as, go-down, warehouse, etc. from where it would be ultimately removed, such services are covered in expression "outward transportation upto place of removal" since such place other than factory gate would be place of removal. [*Central Excise v. Inductotherm India (P.) Ltd [2014] 43 taxmann.com 34 (Gujarat)*]

3. ***Duty is not payable in terms of Rule 6 for clearance of bagasse:***

Revenue's contention that the assessee is liable to pay duty for clearing bagasse and compost

fertilizer without payment of duty in terms of Rule 6 of CENVAT Credit Rules, 2004 is set aside on the grounds that, bagasse is nothing but waste and since it emerges at sugarcane crushing stage, there is no possibility of any inputs having been used at that stage and, therefore, there is no question of demanding any amount under Rule 6. Reliance placed on the decision in case of *Indian Potash Ltd vs CCE, Allahabad* reported in 2012-TIOL-1402-CESTAT-DEL and in case of *Eco Case Sugar Energy Ltd* reported in 2013-TIOL-288-CESTAT-MUM. [*CCE, Pune II Vs. D Y Patil SSK Limited and Others 2014-TIOL-475-CESTAT-MUM*]

## Central Excise:

4. ***In case of refund the interest should be computed from the date of expiry of three months from the date of receipt of refund application by the original authority:***

In an issue pertaining to interest on delayed refund, Honorable High Court has held that, the Appellate order allowing the refund of duty relates back to the order of the original authority and therefore by virtue of substantive Section 11BB of the Central Excise Act, 1944, interest on the refund amount has to be paid from the date immediately after the expiry of three months from the date of receipt of the application by the original authority till the refund of such duty. Accordingly, the Revenue's contention that the liability to pay interest arises after expiry of three months from the date of order of Commissioner (Appeals) is turned



- down. [*Commissioner Of Central Excise Vs M/S Sulaki Chemicals Pvt Ltd 2014-TIOL-363-HC-MUM-CX*]
5. **Doctrine of unjust enrichment is not applicable for duty paid on insistence of Anti Evasion much after the date of clearance of goods:** Honorable High Court in an issue pertaining to denial of refund on the grounds of unjust enrichment has held that, doctrine of unjust enrichment is not applicable as the duty of excise was paid on insistence of Anti Evasion which is much after the clearance of the excisable goods and accordingly directed to refund the said amount. [*Commissioner Of Central Excise Vs M/S Rocket Engg Corporation Ltd 2014-TIOL-364-HC-MUM-CX*]
6. **Period of limitation - not applicable in case the duty is paid under protest:** The issue before the Honorable High Court of Kerala is whether the period of limitation of one year as per Section 11B of Central Excise Act, 1944 is applicable to the duty paid under protest. Honorable High Court setting aside the impugned order of the Tribunal and contention of the Revenue has held that, the period of one year has to be calculated whenever an application for refund of duty and other amounts is made as envisaged under Section 11B. If the duty and interest are paid under protest such cases go out of the purview of consideration of question of limitation. [*M/s ITEL Industries Ltd Vs 1. The Commissioner Of Central Excise Calicut 2. The Assistant Commissioner Of Central Excise Palakkad 2014-TIOL-366-HC-KERALA-CX*]
7. **Freight charges for transportation of hazardous chemicals shown separately in the invoice - not includible in assessable value:** Honorable Tribunal granted the stay of collection of excise duty on transportation charges on the grounds that the goods under question were hazardous chemicals and it was necessary to deliver the said goods at the customers premises which needs specialised vehicles for transportation. [*M/S Aditya Birla Chemicals (India) Ltd Vs Commissioner Of Central Excise And Service Tax 2014-TIOL-466-CESTAT-KOL*]
- Service Tax**
8. **Deputation of employees in a group company is not liable to service tax:** Honorable High Court has held that, the activity of deputing the staff to its group companies for stipulated work or limited period retaining the throughout control and supervision is not liable to service tax under manpower supply and recruitment agency as the actual cost to the assessee in terms of salary, remuneration and perquisites are reimbursed with no element of profit or finance benefit. [*CST Vs. Arvind Mills Ltd 2014-TIOL-441-HC-AHM-ST*]
9. **Amount collected from customers and held in escrow accounts cannot be said to be collected as service tax:** The Honorable Tribunal has held that, the provisions of Section 73A of Finance Act, 1994 are not applicable in a case where the amount collected from the customers are maintained in an escrow account. It was further held that in the prevailing circumstances it cannot be said that the amount maintained in escrow account are being collected from the customers as service tax. It was observed that, the meaning of 'escrow account' is that amount is kept with a third party and has to be disbursed to a person who is eligible to get the same as and when the issue attains finality. [*Silverline Estates Vs Commissioner Of Service Tax 2014-TIOL-458-CESTAT-BANG*]
10. **VCES - declaration for the period not relating to the period of dispute - is valid:** Honorable High Court of Delhi has held that, the declaration filed under Voluntary Compliance Encouragement Scheme, 2013 for the period 01.04.2012 to 31.12.2012 is valid and cannot be rejected for the reason that, there is a dispute prevailing before the Tribunal for period 10.09.2004 to 27.02.2010. [*Frankfinn Aviation Services Pvt Ltd Vs Asstt Commissioner 2014-TIOL-396-HC-DEL-ST*]
11. **Value of goods used in provision of services - not liable for service tax:** Honorable High Court has held that in computation of taxable value for the purpose of service tax in relation to provision of services for repair of old and damaged goods under a composite contract, the goods which are deemed to be sold in execution of works contract shall not enter into the purview of service tax. [*CCCE Vs. Balaji Tirupati Enterprises [2014] 43 taxmann.com 39 (Allahabad)*]

**Customs:**

12. **Good imported - repacked and re-exported - provisions of Section 74 are applicable as it does not amount to manufacture:** Honorable High Court has held that, for duty drawback on needles imported for re-export after re-packing the provisions of Section 74 of the Customs Act, 1962. Accordingly, the contention of the Revenue that the provisions of Section 75 are applicable is turned down. It was also observed that re-packing cannot, by any stretch of imagination, be called an operation or process on the goods. Further, the fact that the quantity and identity of the goods at the time of import vis-a-vis at the time of export remained unchanged. [*Groz-Beckert Asia Pvt Ltd Vs UoI 2014-TIOL-385-HC-DEL-CUS*]

**VAT:**

13. **Collection of penalty without passing order is illegal:** The Honorable High Court has quashed the impugned order has held that, the penalty collected before passing the order is illegal. The penalty was collected for non-compliance with the provisions of Section 53 of Karnataka Value added Tax Act, 2003 on the grounds that the assessee has not furnished proper declarations at the time of checking of goods at check post. [*Shivam Trading Co. v. Commercial Tax Officer (Enforcement) [2014] 43 taxmann.com 167 (Karnataka)*]
14. **Rules of interpretation for classification and ascertaining rate of tax:** Honorable High Court of Karnataka has held that, when the tariff notification provides that

Central Excise Tariff Heading or Sub-heading number relate to first schedule to Central Excise Tariff Act, 1985 and rules for interpretation and Explanation Notes relevant to said Act would apply for purposes of notification then for the purpose of classification of goods and for ascertaining rate of tax, rules for interpretation of Central Excise Tariff Act, 1985 should be taken into consideration while interpreting the entries specified in such notification. [*HCL Comnet Ltd. Vs. State of Karnataka [2014] 42 taxmann.com 483 (Karnataka)*]

15. **Transportation charges and installation charges in case of the transfer of property at the assessee's place of business are not liable to tax:** The issue before the Honorable High Court of Karnataka is whether, transportation charges and installation charges collected by the assessee is liable to tax. The brief facts of the case are the assessee is engaged in the trading of house articles, electric and electronic goods. The price list of the goods and the invoices were perused and it was specifically mentioned on the invoice that transfer of title in goods takes place at the place of seller. Further, the definitions of the terms "taxable turnover", "total turnover" and "turnover" as defined under Section 2(34), Section 2(35) and 2(36) respectively were analysed that turnover means the aggregate amount for which goods are sold shall include any sums charged for anything done by the dealer in respect of the goods sold at the

time of or before the delivery thereof. When the transfer of title in the goods is to be at the place of buyer then all charges incidental thereto like transport of goods, installation charges and other expenditures incurred by the seller would become part of amount for which the goods are sold by the seller to the buyer. If the transfer of title of goods is to be at the place of seller then the subsequent charges for transporting goods, installation and other expenditure do not form part of amount for which the goods are sold. If the sale agreement specifies an obligation on the part of the seller to transport the goods as incidental to the sale then the same becomes part of the amount for which the goods are sold. Accordingly, in line with above observations and analysis it is held that the assessee after the transfer of property in goods at his premises acts as an agent to customers for the purpose of transportation and installation and therefore the subject charges does not form part of taxable turnover. [*Prakash Retail (P.) Ltd. Versus Deputy Commissioner of Commercial Tax (Audit) Udupi 2014 (1) TMI 458 - Karnataka High Court*]

16. **Suo-moto revisional order passed before the date of filing the reply – is liable to be quashed:** The suo-moto revisional proceedings were concluded within the time till which the assessee has sought for filing the reply. The assessee is before the Honorable High Court of Karnataka against the impugned order wherein it is held that, as per the request of the



assessee 20 days time was granted and as such no specific date for producing the necessary documents was fixed. In fact time was granted on 07.10.2013 and the impugned orders have been passed on 29.10.2013 whereas the petitioner had sought time till the end of October 2013 to produce the details and records before the authority. Possibly, if the matter was taken up for consideration on a particular date in October or later, by then, the petitioner would have appeared and produced the materials. As the impugned orders have been passed on 29.10.2013, petitioner was not in a position to

put forth his case along with the details and records before the 1st respondent. Therefore, the impugned order have been passed without considering the case of the petitioner and neither looking into the records that were to be submitted by the petitioner and hence would have to be quashed. [ALD Automotive Pvt Ltd., Vs. Commissioner of Commercial Taxes 2014-TIOL-55-HC-Kar-VAT]

**17. Adhoc basis for deduction for labour and other like charges can be adopted when actual labour charges are not ascertainable from the books of accounts:**

Honorable High Court of Karnataka has held that if the expenditure incurred for executing the work contract is ascertainable from the books of account maintained by the dealer, then he is eligible for deduction for the expenditure incurred – If in case the expenditure incurred for the work contract is not ascertainable, the expenditure incurred for the work contract has to be assessed by invoking Rule 3(2)(m) of the KVAT Rules. [M/s Creative Markings & Controls Pvt Ltd Vs. Adl Commissioner of Commercial Taxes 2014-TIOL-407-HC-Kar-VAT] ■

## KIND ATTENTION TO MEMBERS

### Co-operative Societies Draft Report

It has been brought to our notice by the Director of Co-operative Societies that the Audit Reports being submitted to different Co-operative Societies are in various formats. The department is facing many difficulties in analyzing, consolidating and comparing the same. Hence it has been decided to form a Committee to prepare and submit a standard draft report to the Director of Co-operative Societies further perusal and consideration.

We have formed a Committee for preparing the draft standard report for various Co-operative Societies and after finalizing the draft report, to submit the same to the Director of Co-operative Societies. We request all the members to kindly send their suggestions on changes required under present Co-operative Societies Audit Report.

#### Committee for preparing draft format of Co-operative Audit Report:

Sl.No.	Name	Designation
1	CA. Raveendranath B. V., Sagar	Co-ordinator of the Committee
2	CA. Babu K. Thevar	Chairman, Bangalore Branch of SIRC of ICAI (Chairman of the Committee)
3	CA. Pampanna B. E.	Secretary, Bangalore Branch of SIRC of ICAI (Secretary of the Committee)
4	CA. Madhukar G. Hegde	Member
5	CA. Marulasiddaiah M.	Member
6	CA. Prasanna Kumar D.	Member
7	CA. PrashanthKaranth	Member
8	CA. Shivakumar H.	Member
9	CA. UmeshBolmal, Belgaum	Member
10	Dr. CA. Charantimath N. A., Hubli	Member

**CA. Babu K. Thevar**

Chairman

For further details contact : Ms. Anuradha, Ph: 080 - 3056 3511, bangalore@icai.org

## EXEMPTIONS UNDER KPTC&E ACT 1976

**CA. Annapurna Kabra**

Profession tax is levied under the Karnataka Tax on Professions, Trades, Callings and Employments Act (KPTC&E) 1976. This act came into existence on 1<sup>st</sup> of April 1976. Profession Tax shall be paid by every person exercising any Profession or calling or is engaged in any trade or holds any appointment, public or private as specified in the Schedule to the Act. It is a state based tax. It applies to whole of Karnataka. The Article 246 Schedule VII List II entry 60 and List I entry 78 of Constitution of India empowers the state to levy this tax.

All persons liable to pay tax under professional tax are required to

get registered or enrolled as the case may be and furnish returns and pay the taxes accordingly. The last date for payment of professional tax for the Financial Year 2014-2015 is 30.4.2014. Every person carrying on a profession or calling engaged in any trade holding an appointment (public or private) employed in any manner in the state specified in the second column of the schedule shall be liable to pay at the rate mentioned in the corresponding entry in the third column of the schedule.

The tax payable by any person under this act shall be subject to the restrictions specified in clause (2) of

Article 276 of the Constitution which says the maximum amount payable by any person under this act as professional tax for an annum cannot exceed Rs. 2500.

No tax shall be payable by persons who have attained sixty-five years of age. No tax shall be payable by a person in respect of any year if the period during which he exercises such profession or calling or is engaged in the trade or holds the appointment or is employed does not exceed one hundred and twenty days in that year.

### **Exemption Notifications:**

Section 29 of this Act empowers the State Government to exempt or reduce the tax payable by specified person by issuing a notification. And the notification shall stand valid until State Government cancels or varies it by issuing any notification u/s 29(2).

Sl. No.	Who is Exempt?	Notification No.	Explanation
1.	Charitable and Philanthropic hospitals and nursing homes situated in places other than taluks in all districts of the state except Bangalore and Bangalore Rural Districts.	FD 6 CPT 2004, Bangalore, dated 9 <sup>th</sup> March, 2005	Such exemption is not available if such a hospital or nursing home is situated in Bangalore and Bangalore rural districts. The Expression "Charitable and Philanthropic hospital or nursing home, where the charges per person per day (including bed charges, service charges or such other charges but excluding charges which are recouped towards supply of medicines) is not more than rupees fifty.
2.	Directors of companies registered in Karnataka	FD 11 CPT 92(II), Bangalore, dated 30 <sup>th</sup> April, 1992	Such directors should be nominated by the financing agencies owned or controlled by the State Government or other statutory bodies.
3.	Foreign technicians employed in the state	FD 11 CPT 92(III), Bangalore, dated 30 <sup>th</sup> April, 1992	Exemption is provided for a period of two years from the date of their joining to the duty provided such appointment is approved by the Government of India for the purpose of exemption from payment of Income tax for the said period.
4.	Combatant members of Armed forces	FD 4 CPT 2001, Bangalore, dated 31 <sup>st</sup> March, 2001	Such members must be governed by the Army Act 1950, the Navy Act 1957, and the Air Force Act 1950.



5.	Salary or wage earning Blind persons	FD 11 CPT 92(V), Bangalore, dated 30 <sup>th</sup> April, 1992	
6.	Salary or wage earning deaf and dumb persons	FD 11 CPT 92(VI), Bangalore, dated 30 <sup>th</sup> April, 1992	Deaf person here means who doesn't understand sound at all times or hearing loss of more than 90 decibels in the better ear or total loss of hearing in both ears.
7.	Holders of permits of single taxi or single three wheeler goods vehicle	FD 11 CPT 92(VII), Bangalore, dated 30 <sup>th</sup> April, 1992	
8.	Institutes teaching Kannada or English shorthand or typewriting	FD 10 CPT 92, Bangalore, dated 18 <sup>th</sup> July, 1992	
9.	Physically handicapped person who has permanent total disability of not less than 40%.	FD 3 CPT 93(VI), Bangalore, dated 31 <sup>st</sup> March, 1993	A certificate obtained from head of the orthopaedics, Deptt. Of Govt. Civil hospital in the state in the prescribed format is to be produced.
10.	An ex-serviceman	FD 12 CPT 94(II), Bangalore, dated 31 <sup>st</sup> March, 1994	Such a person must not be falling under SI No. 1 of the Schedule/
11.	Person having single child and has undergone sterilisation operation	FD 4 CPT 2003, Bangalore, dated 27 <sup>th</sup> October, 2003	Such a person being a male must be of aged less than 50 years and female less than 45 years of age and a certificate of proof of having undergone such operation must be submitted.
12.	Central para-military force (CPMF) personnel	FD 13 CPT 2001, Bangalore, dated 19 <sup>th</sup> December, 2002	
14.	Tax payable by persons running educational institutions in respect of their branches teaching classes up to 12 <sup>th</sup> standard or pre-university Education.	FD 63 CSL 2009(VII), Bangalore, dated 30 <sup>th</sup> March, 2009	

## Residential Study Tour to GOA

Organized by **Belgaum Branch**  
Jointly with **Bangalore, Bellary & Hubli Branch of SIRC of ICAI**  
on **6th, 7th and 8th June 2014**

12 hrs  
CPE

**Venue :** **Highland Beach Resort** (3Star Rating)  
Candolim Beach, Goa.

6th June 2014 Discover Goa (Sight Seeing )

7th June 2014 Group Discussion + Sight Seeing & Entertainment

8th June 2014 Group Discussion + Sight Seeing

**Delegate Fees :** Members **Rs.8,500/-** (Residential)

Spouse and Children above 12 years **Rs.7,000/-** (Residential)

Children from 5 to 12 Years **Rs.5,500/-** (Residential)

**Last Date for  
Registration:  
26th May 2014**

*For further details please contact:*

Contact : **CA. Pampanna B.E., Mob. : 99867 52428**

**Ms.Geetanjali D, Tel: 080 - 3056 3500 / 513**

**E-mail: blrregistrations@icai.org**

**www.bangaloreicai.org**

# 20 KEY TAKEAWAYS FROM PROPOSED DIRECT TAXES CODE, 2013

CA. Ameya Kunte and CA. Nikita Kudva

New DTC Bill, 2013 proposes super rich tax, by providing for 4th slab of income above Rs. 10 Cr subject to 35% tax rate; 10% additional tax on resident dividend recipients where total dividend receipts exceeds Rs. 1 Cr; Threshold for “substantial value” in taxing indirect transfers proposed to be reduced to 20% from 50%, with exemption for small share holding of 5%; Proposal to introduce ‘negative list’ taxation for wealth tax with increase in threshold exemption to Rs. 50 Cr and reduction in tax rate to 0.25%; No deduction for CSR spend as its only application of income.

## Background

The Direct Taxes Code (‘DTC’) was originally conceptualized to consolidate and amend the law relating to all direct taxes so as to establish an economically efficient, effective and equitable direct tax system which would facilitate voluntary compliance and also reduce the scope for disputes and minimize litigation.

A draft code along with a concept paper was first released on August 12, 2009 followed by a revised discussion paper on June 15, 2010 incorporating suggestions from various stakeholders. On August 30, 2010, the DTC Bill, 2010 was introduced in the Lok Sabha and thereafter immediately referred to the Standing Committee on Finance

(‘SCF’) on September 9, 2010. The SCF presented its report in March 2012 containing general recommendations and specific clause wise recommendations.

Subsequent to introduction of DTC Bill, 2010 in Parliament, corresponding amendments were made to IT Act, 1961 through Finance Acts 2011, 2012 and 2013 which were consistent with the policy laid down by DTC Bill, 2010. However, noting that incorporation of these amendments in DTC Bill, 2010 would require large number of official amendments making the Bill incomprehensible and the legislative process cumbersome, a new revised DTC, 2013 was drafted, incorporating all amendments, to be presented as a fresh bill.

## Key takeaways from DTC, 2013

Out of 190 recommendations made by the SCF, 153 are proposed to be accepted wholly or with partial modifications. In addition to the recommendations forming part of the report, 61 suggestions forwarded by the SCF at the discussion stage have also been accepted for incorporation in the revised Code.

Key recommendations of SCF proposed to be accepted

1. Tax neutrality may be provided for conversion of partnership firm under Partnership Act, 1932 into LLP / company.

2. Area base incentives may be considered on investment linked basis and smooth transition to investment linked incentives with focused coverage to be ensured.
  3. The definition of the term ‘place of effective management’ for the purposes of determination of residency of companies may be modified as the definition in the DTC Bill, 2010 is not very clear and provides room for uncertainty.
  4. On indirect transfer taxation for non-residents, exemption should be provided for transfer of small shareholdings as application of these provisions in such cases will cause hardship. Exemption is provided for transfer of small share holdings (up to 5%) outside India.
  5. Maintaining uniformity in ‘grandfathering’ provisions so that the existing available benefits under IT Act are phased out in a uniform and non-discriminatory manner ensuring smooth transition to DTC.
  6. Provision be made for treatment of losses remaining to be carried forward and set off, unutilized MAT credit as per existing IT Act on date DTC comes into effect.
  7. GAAR may be reviewed to bring more clarity and precision to scope of provisions, onus of proof to rest on tax authority invoking GAAR, taxpayers may be permitted to obtain advance ruling to determine if transaction would attract GAAR.
- Key recommendations of SCF not incorporated / accepted
8. Revised tax slabs for personal income tax and removal of cess not accepted as it would result in huge revenue loss of around Rs. 60,000 crores.



9. Tax rate for life insurance companies on shareholder's account kept at 30% as against recommended 15% to align with rate applicable to other companies. Policyholder's account (technical account) not taxable under DTC.
10. Levy of Income Distribution Tax on equity linked insurance products as proposed under DTC to be retained to provide parity in treatment of insurance & mutual fund products.
11. Abolition of Securities Transaction Tax (STT) not acceptable as rate already reduced significantly by Finance Act, 2013.
12. Deduction for CSR spend can't be allowed as it amounts to Government contributing 1/3rd of the expenditure as revenue forgone. Further, it is only an application of income and can't be allowed as deduction.

Other key changes proposed in DTC, 2013

13. DTC, 2013 provides for a fourth slab for individuals, HUF's and artificial juridical persons, in case their total income exceeds Rs. 10 crore, it is proposed to be taxed at 35%.
14. Additional tax of 10% on resident recipient of dividend (liable to DDT) if total dividend in his hand exceeds 1 crore rupees, to remove anomaly which favours high net-worth taxpayers who pay only fraction of their earnings as tax on investments in capital market.
15. DTC, 2013 captures all assets, physical or financial, for wealth-tax as against only unproductive assets captured in DTC Bill, 2010.

It provides for wealth tax on assets except those which have been specifically excluded from ambit of wealth tax. Individuals, HUF's and private discretionary trusts subject to wealth tax at rate of 0.25% and threshold limit of individuals and HUF's shall be 50 crores. Earlier DTC Bill, 2010 provided for threshold limit of Rs. 1 Cr and taxation at 1% of net wealth exceeding that limit.

16. Threshold of 20% of global assets located in India as against 50% as proposed in DTC Bill, 2010 provided for taxation of income from indirect transfer of assets in India.
17. Ring fencing of losses from businesses availing investment linked incentives to protect tax base. However, in case of business re-organization, unabsorbed loss in preceding years, if any, will be allowed to successor in respect of such business.
18. Revised Bill provides for weighted deduction of 150% for in-house scientific research and 125% to the donor on any donation made by it to the specified institutions as against Earlier Bill provision of 175% for donation to

specified institutions and 200% for in-house research.

19. Rationalization of provisions for taxation of non-profit organization (NPO) by providing taxation of their surplus at a concessional rate of 15%, allowing basic exemption limit of Rs.1 lakh and permitting all capital expenditure as a revenue outgoing. Further, no specific mode of investment is provided for NPO and they would be free to make investment other than the limited prohibited modes of investments.
20. DTC, 2013 does not provide for Settlement Commission machinery as it has not achieved its intended purpose of early settlement of cases and additional revenue realization.

**Advt.**



# Jnana Vistāra

12 hrs  
CPE

## Two Day Karnataka State Level CA Conference

21st and 22nd of June 2014 at Nimhans Convention Centre, Hosur Road, Bangalore

Day 1 : Saturday, 21st June 2014		Day 2 : Sunday, 22nd June, 2014	
Time	Topics / Speakers	Time	Topics / Speakers
8:30 AM	Registration	8:30 AM	Breakfast
10:00 AM to 11:15 AM	<b>INAUGURATION</b> <i>Chief Guest :</i> <b>CA. K. Raghu, President, ICAI</b> <i>Key Note Address:</i> <i>by An Eminent Personality</i>	9:15 AM to 10:15 AM	<b>HEALTH SESSION</b> <b>Health is Wealth</b> <i>Special address by</i> <b>Dr. Devi Shetty,*</b> <i>Chairman, NH Hospitals</i>
11:15 AM	Tea Break	10:15 AM to 11:45 PM	<b>IV TECHNICAL SESSION</b> <b>Service Tax</b> <b>- Certain Issues on Negative List and Reverse Charge Mechanism</b> <b>CA. V. Raghuraman, Bangalore</b>
11:30 AM to 1:30 PM	<b>I TECHNICAL SESSION</b> <b>CAPITAL GAINS</b> <b>- On Real Estate Transactions</b> <i>(including JD agreements)</i> <b>CA. Girish Ahuja, New Delhi</b>	11:45 PM	Tea Break
1:30 PM	Lunch	12:00 PM to 1:30 PM	<b>V TECHNICAL SESSION</b> <b>Overview of Companies Act, 2013</b> <b>CA. Himanshu Kishanadwala,</b> <i>Mumbai</i>
2:30 PM to 3:30 PM	<b>II TECHNICAL SESSION</b> <b>National economy</b> <b>- An Analysis of the Current Scenario</b> <b>CA. S. Guru Murthy,* Chennai</b>	1:30 PM	Lunch Break
3:30 PM	Tea Break	2:30 PM to 4:00 PM	<b>VI TECHNICAL SESSION</b> <b>Domestic Transfer Pricing</b> <b>CA. Padamchand Khincha H, Bangalore</b>
3:45 PM to 5:15 PM	<b>III TECHNICAL SESSION</b> <b>FEMA</b> <b>- Recent Developments &amp; Challenges</b> <b>CA. Vivek Malya, Bangalore</b>	4:00 PM	Tea Break
6:30 PM ONWARDS	<b>ENTERTAINMENT PROGRAMME</b> <i>Followed by Theme Dinner</i>	4:15 PM to 5:45 PM	<b>VII TECHNICAL SESSION</b> <b>Panel Discussion</b> <b>L &amp; T Judgement on works contract</b> <b>- VAT &amp; Service Tax implications</b> <i>Moderator: CA. Sanjay Dhariwal</i>

**Delegate Fee:** For Members, Bangalore - **Rs.2,000/-**  
For Members, from outside Bangalore - **Rs. 1,800/-**  
For Non-Members - **Rs. 5,000** + Service Tax

**CA. Babu K. Thevar**  
*Chairman*

**CA. I.S. Prasad**  
*Conference Co-ordinator*

**CA. Pampanna B.E.**  
*Secretary*

Cash/Cheque/DD in favour of "Bangalore Branch of SIRC of ICAI"

*For further details please contact:*

Ms. Geetanjali D, Tel: 080 - 3056 3500 / 513

E-mail: blrregistrations@icai.org

www.bangaloreicai.org



**Advt.**

# National Seminar on Mergers and Acquisitions

On Saturday, 14<sup>th</sup> June 2014 between 09.30am and 05.30pm  
At Hotel Chancery Pavilion, Residency Road, Bangalore

6 hrs  
CPE

Time	Topic	Speaker
09:00am to 09:30am	Registration	
09:30am to 10:00am	<b>Inauguration</b>	<b>CA. K. Raghu</b> , <i>President, ICAI</i>
10:00am to 10:30am	<b>Key note address</b> - Need for doing M&A's - Trends in Indian M&A, sectors and size etc.	<b>Mr. N. V. Sivakumar*</b> <i>India Head-M &amp; A, PWC</i>
10:30am to 11:30am	<b>How to do a good deal</b> - Key steps in the process/ stages in a deal - Examples from past M&A transactions	<b>Mr. SrikanthNarasimhan</b> , <i>Director,</i> <i>Veda Corporate Advisors Pvt. Ltd.</i>
11:30am to 11:45am	<i>Tea Break</i>	
11:45am to 12:45pm	<b>Structuring and due diligence</b> - Cross Border Transactions - Types of due diligence and examples - Indian Tax considerations (Slump-sale vs. Itemised sale vs. Demerger)	<b>Mr. Ganesh Raju</b> <i>Executive Director, PWC</i> <b>CA. Rohit Tandon*</b> <i>KPMG</i>
12:45pm to 01:30pm	<b>Financing M&amp;A transactions and impact on shareholder value</b> - Raising funds - Impact on shareholder value - Planning for integration	<b>Mr. Manish Dugar*</b> <i>VP of Finance &amp; Legal in global capacity InMobi</i>
01:30pm to 02:30pm	<i>Lunch Break</i>	
02:30pm to 03:30pm	<b>Panel discussions</b> - Making it work - Post Merger Integration - When things go wrong - Examples of good deals - best practices	<b>Moderator:</b> <b>CA. Arunkumar BS</b> , <i>Executive Director, PWC</i> <b>Panelists:</b> 1. <b>Mr. Manish Dugar</b> , * <i>VP of Finance &amp; Legal in global capacity InMobi</i> 2. <b>Mr. Rajiv Khaitan</b> , <i>Partner,</i> <i>Khaitan &amp; Co LLP - Advocates</i> 3. <b>Mr. Shiv Kumar J</b> , <i>CEO, EssilorIndia Pvt Ltd</i> 4. <b>Mr. Badree Komandur</b> , * <i>CFO, Strides Arcolabs Ltd</i>
03:30pm to 03:45pm	<b>Open house for panelists</b>	
03:45pm to 04:00pm	<i>Tea Break</i>	
04:00pm to 05.30pm	<b>CFOs role in doing good deals</b> - Ensuring statutory/regulatory compliances - How CFOs contribute in doing better deals - Deal valuations	<b>Mr. Badree Komandur</b> , * <i>CFO, Strides Arcolabs Ltd</i> <b>CA. AnjanaVivek</b> , <i>Director,</i> <i>VentureBean Consulting Pvt. Ltd</i>

\* Confirmation awaited

**CA. Babu K. Thevar**  
*Chairman*

**CA. Shivaram Bhat S.**  
*Programme Co-ordinator*

**CA. Pampanna B.E.**  
*Secretary*

**Delegate Fee: Rs.2,500/-** Cash/Cheque/DD in favour of "Bangalore Branch of SIRC of ICAI"

For further details please contact:

Ms.Geetanjali D, Tel: 080 - 3056 3500 / 513

E-mail: blrregistrations@icai.org

www.bangaloreicai.org



**Advt.**

# COMPREHENSIVE WORKSHOP ON Companies Act, 2013

20 hrs  
CPE

On 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup> & 31<sup>st</sup> May 2014

At Sri. Devraj Urs Bhavan Auditorium, Opp. Bangalore Branch of ICAI, Vasanthnagar, Bangalore-52

Time	Topics	Speakers
<b>22.05.2014, Thursday</b>		
04.00pm to 04.30pm	<b>Inauguration</b>	<b>Chief Guest:</b> Shri. M R Bhat, ROC, Karnataka <b>Guest of Honour:</b> CA. P. V. Rajarajeshwaran, Chairman, SIRC of ICAI
04.30pm to 06.00pm	MCA perspective of the new Act and challenges before the ROC, Karnataka	Shri. M R Bhat, ROC, Karnataka
06.15pm to 08.15pm	New definitions and its relevance Incorporation of Companies - Special emphasis on new requirements ( <b>CH I &amp; II</b> )	CS. Dhanapal S., Chennai
<b>23.05.2014, Friday</b>		
04.00pm to 06.00pm	Private placement, Share capital & debentures and Acceptance of deposits ( <b>CH III, IV, &amp; V</b> )	CA. Shyam Ramdhyan
06.15pm to 08.15pm	Management & administration and Declaration & payment of dividend (special emphasis on annual return and postal ballot) ( <b>CH VII &amp; VIII</b> )	CA. P. V. Srinivasan, Sr. Vice President, Corporate Taxation, Wipro Ltd
<b>24.05.2014, Saturday</b>		
10.00am to 12.00pm	CSR and other Schedules under 2013 Act with special reference to Schedule II and Schedule III ( <b>Schedules</b> )	CA. Manohar Gupta P.
12.15pm to 01.45pm	Application of the Act to Foreign Companies & Revised table of fees u/s 403 ( <b>CH XXII &amp; XXIV</b> )	CA. Rajendra Rao
02.30pm to 05.00pm	Board and its powers, Directors responsibility and liability (Board power with special reference to section 185 and 186) ( <b>CH XI &amp; XII</b> )	CS. J. Sundharesan
<b>31.05.2014, Saturday</b>		
10.00am to 12.00noon	Role of ICAI in new Companies Act 2013 and the challenges before ICAI	CA. Santhanakrishnan, Central Council Member, ICAI
12.15pm to 01.15pm	Accounts, Audit and auditors ( <b>CH IX &amp; X</b> )	CA. Nityananda N, Past Central Council Member, ICAI
02.15pm to 03.15pm	Accounts, Audit and auditors ( <b>CH IX &amp; X</b> )	CA. Nityananda N, Contd...
03.30pm to 05.30pm	Private Companies and Listed Companies - then & now(Action required under the present act)	CA. K. Gururaj Acharya

CA. Babu K. Thevar  
Chairman

CA. Ravi Prasad  
Workshop Co-ordinator

CA. Pampanna B.E.  
Secretary

**Delegate Fee:** For Chartered Accountants: **Rs.2,250/-** For Others: **Rs.4,000** + Service Tax  
Cash/Cheque/DD in favour of "Bangalore Branch of SIRC of ICAI"

For further details please contact:

Ms.Geetanjali D, Tel: 080-3056 3500 / 513, E-mail: blrregistrations@icai.org | www.bangaloreicai.org



## *Congratulations*

### **Co-opted Members for the Council, ICAI 2014-15**



**CA. Madhava Murthy K S**  
Committee on Management  
Accounting



**CA. N. Nityananda**  
Ind AS (IFRS)  
Implementation Committee



**CA. K. Gururaj Acharya**  
Expert Advisory Committee



**CA. Shyam Ramadhyani**  
Corporate Laws & Corporate  
Governance Committee



**CA. Vinay Mruthyunjaya**  
International Affairs Committee



**CA. C. S. Gupta**  
Board of Studies



**CA. I.S. Prasad**  
Committee on Information Technology



**CA. K. R. Sekar**  
Expert Advisory Committee



**CA. C. Srivatsan**  
Continuing Professional  
Education Committee



**CA. Ravindra Raj Bhandari**  
Ethical Standards Board



**CA. D. S. Vivek**  
Ind AS (IFRS)  
Implementation Committee



**CA. Mahendra Jain**  
International Affairs  
Committee



**CA. Anjana Vivek**  
Women Members  
Empowerment Committee



**N.L. Prasad**  
Committee on Economic,  
Commercial Laws and WTO

**CA. Indraneel Roy Choudhury**  
Ind AS (IFRS)  
Implementation Committee

**CA. Sunil Kumar Birla**  
Expert Advisory Committee

**CA. Satya Narayana Murthi R.**  
Continuing Professional  
Education Committee

**CA. Udayan Sen**  
Corporate Laws & Corporate  
Governance Committee

### **Co-opted Members for the Council, SIRC of ICAI 2014-15**



**CA. Venkatesh Babu T R**  
Committee on Corporate &  
Allied Laws and Corporate  
Governance



**CA. Prakash Chand S.**  
Committee for Members  
in Industry



**CA. Ranganath M. S.**  
Information Technology  
Committee



**CA. Dileep Kumar T. M.**  
Exposure Drafts  
Committee



**CA. Pradyumna Nag**  
Committee on Public Finance  
and Government Accounting

## Interactive Session With President by the Students of Bangalore Branch



**Chief Guest CA. K. Raghu,  
President, ICAI**



**Guest of Honour  
CA. Devaraja Reddy M.,  
Chairman, Board of Studies, ICAI**



**CA. P. R. Suresh**



**CA. Cotha S. Srinivas,  
Secretary, SIRC of ICAI**



**CA. Babu K. Thevar,  
Chairman, Bangalore Branch  
of SIRC of ICAI**



**CA. Shravan Guduthur,  
Chairman, SICASA,  
Bangalore Branch of SIRC of ICAI**



**CA. Saravana Prasath B**



**Release of E-Newsletter for SICASA, Bangalore**



**Felicitation to CA. Devaraja Reddy M., Chairman, Board of Studies, ICAI**



**CA. K. Raghu, President, ICAI,  
CA. Babu K Thevar, Chairman, Bangalore Branch,  
Managing Committee Members & Students**



**Cross Section of Participants**



**CA. K. Raghu, President, ICAI,  
Managing Committee Members & SICASA Students**

## Canopy Inauguration



Canopy Inauguration by CA. K. Raghu, President, ICAI & Managing Committee Members



New Canopy

## Impact Seminar on Survey, Search, Seizure & Settlement Commission



CA. Devaraja Reddy M.,  
 Chairman, Board of Studies, ICAI



CA. Dileep Kumar T. M., Convener,  
 Basavanagudi CPE Study Circle



Dr. CA. A. S. Vishnubharath



CA. R. Ramakrishnan

## Speakers at Study Circle Meetings



CA. S. Lakshminarayanan  
 Seshadri



CA. Chandrashekar B. D.



CA. Kanthilal Jain



CA. Umesh Bolmal

## Speakers at Study Circle Meeting



CA. Amith Raj A. N. & CA. Krishna Prasad

## HAL CPE Study Circle



Felicitations to CA. K Raghu by Dr. Mishra, Finance Director, HAL at HAL CPE Study Circle