

**The Institute of Chartered Accountants of India**

(Set up by an Act of Parliament)



# Bangalore Branch of SIRC Newsletter

English Monthly

Volume 03 | Issue 3 | October, 2014 | Pages : 24

₹ 5/- per copy  
For Private Circulation only



*Happy Dasara &  
Happy Diwali*



The ambitious  
branding campaign



**to make India a manufacturing hub**



15.11.2014 & 16.11.2014

**CPE Conference**

**JNANA SANGAMA**

*- A Confluence of Knowledge*



17.10.2014 & 18.10.2014

Two Day National Conference on  
**New Companies Act**



07.11.2014 & 08.11.2014

National Conference on  
**International Taxation**

CPE - October 2014  
**42**

# Chairman's Communique . . .



## Dear Professional Colleagues,

After a long hiatus when we were busy with Tax Audit in the busy month of September and so many other things, now the time has come to be actively involved in the activities of the branch to enhance our professional skills.

We are delighted to know that **Sri. Narendra Modiji**, Hon'ble Prime Minister of our great Nation has launched the ambitious branding campaign **"Make in India"** on 25<sup>th</sup> September at New Delhi to make **India a manufacturing hub**. Our beloved Prime Minister Modiji mentioned that, FDI means First Develop India. As we CAs are considered as partners in Nation Building, on behalf of Bangalore Branch, I appeal all our Members to actively involve ourselves in **'Make in India'** Campaign to materialise the dream of our Prime Minister and make our incredible India a developed Nation.

**145<sup>th</sup> Birth anniversary of Mahatma Gandhiji** falls on 2<sup>nd</sup> Oct and when October comes, we Indians always recollect his good words and good deeds. He sacrificed his entire life to save our great incredible India from the clutches of Britishers and made an independent India in the year 1947. Hence as a mark of respect to our Father of nation, let us celebrate Gandhi Jayanthi on 2<sup>nd</sup> October.

At the same time our Hon'ble PM Modiji said that, he would launch Swachh Bharat, the clean India drive on 2<sup>nd</sup> October which, we can say a real tribute to Gandhiji. Our PM also appealed every citizen of this great country to devote 100 hours every year towards materialising the dream of **CLEAN INDIA Mission** and has requested to spread the message. Hence I sincerely request our professional friends to participate in large numbers in **CLEAN INDIA MISSION**.

In the midst of our busy work on Tax Audit, end of September was a historic & proud moment because of the successful launch of **MANGALYAAN**. India is the 4<sup>th</sup> Country to send a satellite to Mars but remember we are the only country succeeded in the very **first attempt**. Hope this expedition will reveal more information of the Mars and will explore new frontiers in space science. We must congratulate the entire team of Scientists of **ISRO** for the remarkable achievement.

Infact those individuals and organisations will succeed who have mastered the art of continuous learning and comprehend the rapid changes in the most professional way. Hence after this busy month of September we have to hone our professional skills. Keeping this in mind, we have organised a series of fruitful programs which pave way to sharpen our professional skills to sustain the quality of our prestigious profession.

## Month to remember Sept 2014

Awareness programme on Financial Reporting Practices on 6<sup>th</sup> September was very well received by the Members. With the guidance of CA Nilesch Vikamsey, FRRB Chairman ICAI, CA BP Rao our past President Workshop Chairman & CA K Gururaj Acharya the Co-ordinator of the Workshop, we could conduct the programme successfully.

There was an overwhelming response for the one day Workshop on Tax Audit on 13<sup>th</sup> September. As there are lot of changes in **Form 3CA, 3CB 3CD**, many members contacted the Branch to organise a Workshop on Tax Audit as per the guidelines issued by ICAI. CA G Sekhar, Central Council Member and DTC Chairman, ICAI, was the Chief Guest of this programme and his inspiring and informative inaugural address was very well received by the delegates.

Apart from the above programmes regular study circle meetings were conducted and inspite of September, the busy month response for study circle meet was also good.

## The month ahead – A few important programmes

**An Awareness Programme on Advantages of LLP Over Pvt Ltd, Companies.** We place on record the patronage extended by CA Venkatesh Babu past chairman of the branch who has taken initiative to organise programme with the office of the ROC. Shri M. R Bhat ROC Will be addressing the Members for the said Programme.

**Two Day National Conference on Companies Act** is being organised by committee for corporate laws and corporate Governance of ICAI under the able guidance of CA Santhana Krishnan and being hosted by Bangalore Branch on 17<sup>th</sup> & 18<sup>th</sup> October to equip and enlighten the members of our profession on the salient features of New Companies Act.

**Second Residential Seminar on International Taxation** is being organised by International taxation committee of SIRC of the ICAI from 31<sup>st</sup> October to 2<sup>nd</sup> November 2014. Experts and outstanding speakers are invited and members are requested to actively participate in this special event.

**National Conference on International Taxation :** To acquire necessary skills and to develop domain expertise by way of active participation and deliberations, the said programme is being organised by the committee for International Taxation, ICAI. Thanks to CA Nihar N Jambusaria the Chairman of the committee and CA Gurunath Kanathur the co-ordinator for having assisted Bangalore Branch to host this special event.

CMII has planned to organise **CFO Meet** at Bangalore on 14<sup>th</sup> Nov 2014 at Bangalore.

Here comes **Jnana Sangama- A confluence of Knowledge**, the Two day CPE conference, which is an annual feature of the Branch on 15<sup>th</sup> & 16<sup>th</sup> Nov 2014. We have invited renowned and distinguished celebrities and successful professionals from across the country to address the gathering on current topics of professional interest. Members are requested to make use of this opportunity and derive maximum benefit by attending this mega event. Details are published elsewhere in the newsletter.

October is the month of festivities and Dasara is round the corner in Karnataka. On behalf of my colleagues in the Managing committee I wish you all a very **Happy Dasara and Happy Diwali**.

With Best Wishes,

**CA. Babu K Thevar**  
Chairman



## CALENDAR OF EVENTS - OCTOBER & NOVEMBER 2014

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
01.10.2014 Wednesday	Tax Related Provisions in Constitution of India <b>CA Mohan Kumar B N</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
08.10.2014 Wednesday	Financial Assurance System (FAS) - A Professional Opportunity with Existing Client <b>CA R Mohan</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
09.10.2014 Thursday	An Awareness Programme on Advantages of LLP Over Pvt Ltd Companies <b>Shri. M R Bhat, Registrar of Companies, Karnataka, &amp; CA Amith Raj</b>	Branch Premises 05.30pm to 08.30pm	<b>3 hrs</b>
10.10.2014 Friday	Impact Seminar on FEMA - FDI policy, ECB Frame Work & Recent Changes <b>CA Krishna Prasad</b> <i>Delegate Fees: Rs.200/-(till 9th Oct 2014) Rs.300/-(on 10th Oct 2014)</i>	Branch Premises 05.30pm to 08.30pm	<b>3 hrs</b>
11.10.2014 Saturday	<b>One day Seminar on Taxation of Charitable Trust &amp; Assessment of Partnership Firm</b> <b>Dr CA N Suresh, Bangalore</b> <i>Delegate Fees : Rs.250/-</i> <span style="float: right;"><i>Details at Page No: 4</i></span>	TDCAA Building, Near Sri Raj Theater, Srinagar, Tumkur 9:30am to 5:30pm	<b>6 hrs</b>
15.10.2014 Wednesday	Excel Tools for Tax Audit <b>CA Shivkumar H</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
16.10.2014 Thursday	Seminar on International Taxation - An overview <b>CA.Vinay Sanji &amp; CA Yatish Kusuma</b> <i>Delegate Fees: Rs.250/-</i>	Jain University Auditorium, JC Road, Bangalore 5:30pm to 8:30pm	<b>3 hrs</b>
17.10.2014 Friday & 18.10.2014 Saturday	<b>Two Day National Conference on New Companies Act</b> <i>Delegate Fees: Members: Rs.2,750 upto 16th Oct 2014</i> <i>Spot Registration: Rs.3,500/- on 17th October 2014</i> <i>For Non Members Rs.6,000+ServieTax</i> <span style="float: right;"><i>Details at Page No: 5</i></span>	Hotel Chancery Pavilion Residency Road, B'lore -25 09.30am to 05.30pm	<b>12 hrs</b>
22.10.2014 Wednesday	<b>No Study Circle Meeting on Account of Deepavali Festival</b>	—	—
29.10.2014 Wednesday	IPO (initial public offer) Readness <b>CA Shashikath Shenoy</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
31.10.2014 Friday	Impact Seminar on Corporate Social Responsibility and start ups Challenges and Funding Options <i>Co-ordinator: CA Sanjay Gupta</i> <i>Delegate Fees: Rs.600/- upto 30th Oct 2014,</i> <i>Spot Registration on 31st Oct 2014, Rs.750/-, followed by Dinner</i> <i>Venue: Behind Gopalan Mall, Bannerghatta Road</i> <i>(Near Jayadeva Hospital), Tel: 080-4937999, 49379966</i>	Ambient Hotels and Retreats India Pvt Ltd, No.35/A, 1st Main, JP Nagar 3rd Phase, Bangalore - 560078 5.30pm to 8.30pm	<b>3 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

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. Babu K. Thevar**

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

**DISCLAIMER:** The Bangalore Branch of ICAI is not in anyway responsible for the result of any action taken on the basis of the articles and advertisements published in the newsletter. 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.



## CALENDAR OF EVENTS - OCTOBER & NOVEMBER 2014

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
31.10.2014 Friday to 02.11.2014 Sunday	<b>Second Residential Seminar on International Taxation</b> <i>Hosted by Bangalore Branch of SIRC of ICAI</i> <i>Organised by International Taxation Committee of SIRC</i> <i>Details at Page No: 22</i>	The Golden Palms Hotel & Spa, Golden Palms Avenue, Makali off Tumkur Road, B'lore	<b>14 hrs</b>
05.11.2014 Wednesday	Applying Professional Judgement <b>CA Ramachandran M</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
07.11.2014 & 08.11.2014 Friday to Saturday	<b>National Conference on International Taxation</b> <i>Delegate Fees: Members Rs.4,000/- upto 6th Nov 2014</i> <i>Spot Registration: Rs.5,000/- On 7th Nov 2014</i> <i>Non Members Rs.10,000/- + Service Tax</i>	Taj Vivantha, MG Road, Bangalore 09:30am to 5:30pm	<b>12 hrs</b>
12.11.2014 Wednesday	KVAT 240 - Changes & Issues <b>CA Annapurna Kabra</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
14.11.2014 Friday	<b>CFO Meet</b>	Le Meridian, Sankey Tank Road, Bangalore 6:00pm to 8:00pm	<b>2 hrs</b>
15.11.2014 to 16.11.2014 Saturday & Sunday	<b>CPE Conference "Jnana Sangama"</b> <i>- A Confluence of Knowledge</i> <i>Delegate Fees: Members Rs.2,200/- upto 14th Nov 2014</i> <i>Spot Registration Rs.2500/- On 15th Nov 2014,</i> <i>Non Members Rs.6,000/- +Service Tax, Details at Page No: 6</i>	Jnana Jyothi Convention Center, Palace Road, Central College Campus, Bangalore	<b>12 hrs</b>
19.11.2014 Wednesday	<b>Study Circle Meeting</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
26.11.2014 Wednesday	Place of provision of Service Rules 2012 <b>CA Madhur Harlalka</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>

### ONE DAY SEMINAR ON

## Taxation of Charitable Trust & Assessment of Partnership Firms

on Saturday, 11<sup>th</sup> October 2014 between 09.30am & 05.30pm at TDCAA, TUMKUR

Venue: TDCAA Building, Near Sri Raj Theatre, Srinagar, Tumkur-572106, Ph.: No. 09448416521

Timing	Topic	Speaker
10:00am to 11:30am	Issues on computation of Income and Taxation of Charitable Trust or Institutions	<b>Dr. CA. N. Suresh</b>
11:30am to 11:45am	Tea Break	
11:45am to 1:15pm	Recent changes in Income Tax Law as applicable to Charitable Trust or Institutions	<b>Dr. CA. N. Suresh</b>
1:15pm to 2:00pm	Lunch	
2:00pm to 5:15pm	Assessment of Partner Ship Firms	<b>Sri. T.N.C. Sridhar</b> <i>Ex Joint Commissioner of Income Tax</i>

**CA. Babu K. Thevar**  
Chairman

**CA. Pampanna B.E**  
Secretary

**Delegate Fees: Rs.250/-** Cash / Cheque in favour of "Bangalore Branch of SIRC of ICAI"

For further details please contact:

Ms.Geetanjali D., Tel: 080-30563500 / 3513 | Email: blrregistrations@icai.org | www.bangaloreicai.org

# Two Day National Conference on New Companies Act

On 17th & 18th October 2014 between 09.30am & 05.30pm

Venue: **Hotel Chancery Pavilion**, Residency Road, Bangalore-560 025

Organized by **Committee for Corporate Laws and Corporate Governance, ICAI**

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



DAY 1 - Friday 17.10.2014	
Timings	Topics / Speakers
9.00am	<b>Registration</b>
9:30am	<b>INAUGURATION</b> <b>CA Santhana Krishnan</b> <i>Chairman, Committee for Corporate Laws and Corporate Governance ICAI, Chennai</i>
10:00am	<b>I TECHNICAL SESSION</b> Incorporation of Companies, Conversion of companies, Amendment to Memorandum of Association <b>CA S Vishnumurthy, Bangalore</b>
11:30am	<b>TEA BREAK</b>
11:45am	<b>II TECHNICAL SESSION</b> Loans to Directors, Inter Corporate Loans, Related Party Transactions, Deposits, Charges <b>CS B Ravi, Chennai</b>
1:15pm	<b>LUNCH BREAK</b>
2:00pm	<b>III TECHNICAL SESSION</b> Raising of Capital & Borrowing of Debt <b>CA K Gururaj Acharya, Bangalore</b>
3:30pm	<b>TEA BREAK</b>
3:45pm	<b>IV TECHNICAL SESSION</b> Accounts of Companies, Audit & Auditors <b>CA Shyam Ramadhyani, Bangalore</b>
5.15pm	<b>Open House</b>

DAY 2 - Saturday 18.10.2014	
Timings	Topics / Speakers
10:00am	<b>I TECHNICAL SESSION</b> Appointment and Qualification of Directors, Remuneration of Managerial Personnel <b>Sri. A M Sridharan, Ex Dy. ROC, Chennai</b>
11:30am	<b>TEA BREAK</b>
11:45am	<b>II TECHNICAL SESSION</b> CSR Provisions <b>CA Anup Shah, Mumbai</b>
1:15pm	<b>LUNCH BREAK</b>
2:00pm	<b>III TECHNICAL SESSION</b> Management & Administration – Board & General Meetings <b>Sri. J Sundharesan, Company Secretary, Bangalore</b>
3:30pm	<b>TEA BREAK</b>
3:45pm	<b>IV TECHNICAL SESSION</b> Prosecution & Liabilities of professionals - National Tribunal, SIFO, NFRA <b>CA N Nityananda, Bangalore</b>
5:15pm	<b>Open House</b>

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

**CA Santhana Krishnan**  
*Chairman, Committee for  
Corporate Laws and  
Corporate Governance, ICAI*

**CA Pampanna B.E**  
*Secretary, Bangalore Branch  
of SIRC of ICAI*

**CA Ravi Prasad**  
*Co-ordinator*

For further details please contact:

**Ms.Geetanjali D.**

Tel: **080-30563500 / 511 / 512 / 513**

Email: **blrregistrations@icai.org**

**www.bangaloreicai.org**

## DELEGATE FEES :

### For Members:

**Rs.2,750/-**(Early Bird Offer)

on or before 16<sup>th</sup> October 2014 & (subject to availability)

**Rs.3,500/-** 17<sup>th</sup> October 2014

**For Non Members: Rs.6,000/-** + Service Tax

Cash / Cheque /DD in favour of “**Bangalore Branch of SIRC of ICAI**” “payable at Bangalore”



# Two Day CPE Conference

## JNANA SANGAMA

12<sup>hrs</sup>  
CPE

*- A Confluence of Knowledge*

On 15<sup>th</sup> & 16<sup>th</sup> November 2014

at Jnana Jyothi Convention Centre, Near Mysore Bank Circle, Bangalore

DAY 1 - SATURDAY 15 <sup>TH</sup> NOVEMBER 2014	
Timings	Topic / Speakers
08:30am	Registration
09:00am	<b>INAUGURAL SESSION</b>
	<b>Chief Guest</b> <b>Shri. D V Sadananda Gowda</b> <i>Hon'ble Central Minister for Indian Railways, Govt of India</i>
	<b>Guest of Honour</b> <b>CA K Raghu</b> <i>President, ICAI</i>
	<b>CA P V Rajarajeshwaran</b> <i>Chairman, SIRC of ICAI</i>
10:00am	<b>TECHNICAL SESSION I</b> Recent Controversies in Assessment of Charitable Trust <b>Dr. CA N Suresh, Bangalore</b>
11:30am	Tea Break
11:45am	<b>TECHNICAL SESSION II</b> Domestic Transfer Pricing <b>CA K KChytanya, Bangalore</b>
01:15pm	Lunch Break
02:00pm	<b>TECHNICAL SESSION III</b> Assessment of builders and developers with reference to capital gains <b>CA Vimal Punmiya, Mumbai</b>
03:30pm	Tea Break
03:45pm	<b>TECHNICAL SESSION IV</b> Joint Development Agreement - Precautions to be taken by CAs <b>CA A Shankar, Bangalore</b>
<b>Entertainment Programme &amp; Family Theme Dinner</b>	

DAY 2 -SUNDAY 16 <sup>TH</sup> NOVEMBER 2014	
Timings	Topic / Speakers
09:00am	<b>SPIRITUAL SESSION</b> <b>Shri VishveshaTirtha Swamiji,</b> <i>Udupi Pejavar Mutt</i>
10:00am	<b>TECHNICAL SESSION V</b> Service Tax - CENVAT Credit Rules, Amendments, Issues & Case Studies <b>Shri. V S Datey,</b> <i>Leading book Author, Pune</i>
11:30am	Tea Break
11:45am	<b>TECHNICAL SESSION VI</b> Recent Developments in KVAT Act & Precautions to be taken by CAs <b>CA S Venkataramani, Bangalore</b>
01:15pm	Lunch Break
02:00pm	<b>TECHNICAL SESSION VII</b> Indian Economy - present scenario <b>Dr. Subramanian Swamy,</b> <i>Ex Cabinet Minister of Commerce, Law &amp; Justice, Economist, Harvard Professor &amp; Sr. BJP Leader</i>
03:30pm	Tea Break
03:45pm	<b>TECHNICAL SESSION VIII</b> Importance of New Companies Act <b>CA P V Srinivasan, Bangalore</b>

**CA Babu K Thevar**  
*Chairman*

**CA Pampanna B E**  
*Secretary*

**CA Ravindranath S N**  
*Conference Co-ordinator*

Online

Registration  
is available

### DELEGATE FEES

**For Members: Rs.2,200/- (Early Bird Offer) on or before 14<sup>th</sup> November 2014**  
**Spot Registration on 15<sup>th</sup> November 2014: Rs.2,500/- & (subject to availability)**  
**For Non Members: Rs.6,000/- + Service Tax**

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

For Further details. Please contact: Ms. Geethanjali D, Tel: 080 - 3056 3500 / 511 / 512 / 513

E-mail: blrregistrations@icai.org | www.bangaloreicai.org

# TAX UPDATES AUGUST 2014

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

## VAT, CST, ENTRY TAX, PROFESSIONAL TAX

### PARTS DIGESTED:

- a) 72 VST – Part 1 to 5
- b) 73 VST – Part 2
- c) 19 KCTJ – Part 5
- d) 78 KLJ – Part 8

#### Reference / Description

**[2014] 72 VST 338 ( P&H - HC): State of Punjab and another v. Genus Overseas Electronics Ltd.** - In the instant case the Honourable Punjab and Haryana High Court held the Check Post Officer has the authority only to check nature of transaction and determine the goods but does not have jurisdiction to go into disputed question of nature of item and rate of tax applicable.

**[2014] 72 VST 426 (Karn. - HC): Sobha Developers Pvt. Ltd. v. Addl. CCT** - In the instant case the Additional Commissioner on a suo moto revised the order of the assessing authority and Joint Commissioner (Appeals) holding that when the dealer, engaged in execution of civil contracts such as construction of building and apartments, has availed standard deduction of 30% towards labour and other like charges under Rule 6(4)(n)(v) of the Karnataka Sales Tax Rules, it was not entitled to deduction 27.44 per cent of gross profit on labour charges:

The Honourable Karnataka High Court held as under:

(a) Rule 6(4)(n)(v) states that where a dealer is not able to show that actual amounts expended towards labour and like charges, a fixed percentage of the total receipts would be allowable as specified in Rules. In the case of civil works, like construction of buildings, the percentage fixed is 30%.

(b) Explanation I appended to Rule 6 states that for the purpose of clauses (m) and (n) of sub-rule (4), labour and other like charges include charges for obtaining on hire or otherwise machinery and tools used for execution of works contracts, charges for planning, designing and architect fee, the cost of consumables used in execution of the works contracts, the cost of establishment to the extent relatable to the supply of labour and their services and other similar expenses relatable to the supply of labour and services.

(c) Explanation II appended to Rule 6(4)(n)(v) which came into effect from 01.04.1991 states that gross profit earned by the dealer shall be apportionable to the value of goods and labour and other like charges involved in execution of works contracts in proportion to the ratio of their constitution in the total turnover. In other words, Explanation II stipulates that the gross profit earned by the dealer shall be equally apportioned between the value of goods

transferred and labour and other like charges incurred.

(d) Explanation II appended to Rule 6, opens with the words “for the purpose of clauses (m) and (n) of sub-section (4). Therefore, Explanation II is applicable to Rule 6(4)(n) as a whole. In other words Explanation II does not refer to rule (6)(4)(n)(iv) only, but refers to rule (6)(4)(n) and thus Explanation II is applicable to that sub-rule as well.

(e) If the Legislature intended to restrict the deduction to the standard percentage prescribed nothing more, it could very well have been mentioned only rule 6(4)(n)(iv) in Explanation II and kept Rule 6(4)(n)(v) outside the purview of Explanation II.

In view of the above, the Court held that the dealer is entitled to deduction towards the gross profit in addition to the standard deduction available towards the labour and like charges.

**[2014] 72 VST 448 (All. - HC): Commissioner Trade Tax v. Triveni N. L. Ltd.** - In the instant case the Honourable Allahabad High Court held that plant and machinery embedded to earth and installed in factory is not goods under Uttar Pradesh Trade Tax Act. Therefore, the Court held that tax is not leviable for lease of industrial unit for purpose running it.

**[2014] 72 VST 472 (Karn. - HC): Suma Oil Agencies v. Addl. CCT** - In the instant case the Assessee had claimed input tax in respect of the purchase of capital goods i.e. canter fitted with tanker, edible oil and other





capitals goods which was denied by the assessing authority.

The Honourable Karnataka High Court observed that the records of the Assessee had clearly disclosed that the Assessee had purchased a canter fitted with tanker for the transportation of edible oil which is taxable goods from one place to another. The Assessee had purchased edible oil both from domestic market and also from outside the State and was paying taxes separately under the CST Act.

In view of the above, the Court held that the purchase of goods vehicle is a capital goods purchased for the purpose of business and hence, input tax is eligible on the purchase of canter fitted with tanker.

In respect of other claims of the Assessee, the Court observed that the Assessing Authority has disallowed the input tax on the ground that no such claim is made by the Appellant by filing Form VAT 100 and the purchases were not supported by relevant records. In view of the above, the Court held that, the Assessee should have claimed input tax deduction in the returns itself along with necessary documents, therefore, Assessee is not entitled to input tax deduction in respect of purchase of edible oil and other capital goods.

**[2014] 73 VST 166 (Guj. – HC): Bhavesh Trading Co. and another v. State of Gujarat and another** - In the instant case the Honourable Gujarat High Court held that action of the Department in collecting the cheques from the dealer towards future tax demand or liability without passing any final or provisional assessment

order and without the tax demand having crystallised is bad in law.

**2013-2014 (18) KCTJ 88 (Clar.): Sansera Engineering (P) Ltd. [Order No. KTEG/CR-11/2013-14 dated 07.07.2014]** - In the instant case the Commissioner of Commercial Taxes clarified that cutting tools like drill bits, taps, reamers, cutters, end mills, grinding wheels etc are not consumables. They fall under Sl. No. 52 of First Schedule to the Karnataka Tax on Entry of Goods Act, 1979 and are liable to tax at the rate of 2% as “machinery accessories” as per Sl. No. 7 of Notification No. FD 11 CET 2002 dated 30.03.2002.

While holding so the Commissioner observed the decision of the Honourable Supreme Court in the case of R.K. Powergen Pvt. Ltd. and Others v. State of Karnataka [SLP (Civil) Nos. 30297/2012 and 26651-26663/2013 dated 12.09.2013, where the Honourable Supreme Court has held that the action of the Honourable Karnataka High Court in entertaining the petition of the Petitioner and expressing its opinion on the question on the exigibility of the entry tax on ‘drilling bits’, instead of resorting the same to the Commissioner of Commercial Taxes, was bad in law.

**[2014] 79 KLJ 533 (Karn. – HC)(DB): Southern Motors v. State of Karnataka** - In the instant case the Honourable Karnataka High Court held that if the discount given is not shown in the tax invoice or bill of sale, then the dealer is not entitled to deduction of the said amount from the total turnover. While holding so the Court held as under:

- (a) Section 30, Rule 31 and 3(2)(c) of the Karvat Act makes it clear that if a assessee has claimed the tax in excess of what is payable under the Act, he can issue a credit note for the excess amount claimed from the purchaser within six months from the date of sale invoice.
- (b) After issuance of such credit note, the assessee should promptly declare them in his returns to be furnished for the tax periods in which the credit note is received and claim reduction in tax.
- (c) How the said credit note should be issued and what are the details which the credit note should contain is stipulated in Rule 31.
- (d) However, Rule 3 deals with the determination of the turnover. Sub-Rule (2) deals with the deductions from the total turnover to arrive at the taxable turnover.
- (e) If a dealer has given discount and wants to claim deduction from the total turnover to arrive at the taxable turnover, the condition precedent is all amounts allowed as discount should be shown in the tax invoice or bill of sale.

The Court denied the contention of the Assessee that once the credit note is issued, the said discount falls outside the turnover and therefore, there is no question of applying Rule 3(2)(c).

**[2014] 79 KLJ 599 (Karn. – HC)(DB): State of Karnataka v. United Trading Company** - In the instant case the Honourable Karnataka High Court held that where only quantity of taxable goods sold



and price charged therefor are indicated in taxable invoice, dealer's claim for deduction of tax on ground that price charged was inclusive of tax was bad in law. In other words, it held that it is mandatory to indicate the rate and amount of tax charged in respect of taxable goods in the tax invoice for claiming deduction of amount collected by way of tax from total turnover to arrive at taxable turnover.

**[2014] 79 KLJ 601 (Karn. – HC): Suma Oil Agencies v. Commissioner of Commercial Taxes** - In the instant case the Honourable Karnataka High Court held that preventing assessee from downloading e-Sugam forms by blocking his account thereby preventing him from transporting his goods, on the ground that he is in default of payment of tax in respect of other assessment was bad in law as there is no such enabling provision under the Karvat Act.

Therefore, the Court issued mandamus to authority to remove such restriction on generating e-Sugam forms forthwith.

**[2014] 79 KLJ 659 (Karn. – HC) (DB): State of Karnataka v. Suresh Enterprises** - In the instant case the question that arose before the Honourable Karnataka High Court Division Bench is whether a 'godown' can be treated as 'person' for the purpose of collecting tax under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Professional Tax Act).

The Honourable Karnataka High Court observing Explanation to Section 2(h) of the Professional Tax Act, held as under:

(a) Explanation makes it very clear

that every branch of a firm, company, corporation or other legal entity mentioned therein shall be deemed to be a person.

(b) The definition makes it clear that any person who is engaged in any of the professions or callings mentioned therein is a person liable to pay tax.

(c) A harmonious reading of the provision makes it very clear that it is the involvement of the person in a profession or calling which attracts levy of tax under the Professional Tax Act.

(d) He may be engaged in carrying on the business at the principal place and also at branch office then under the Professional Tax Act, each of the places where he is engaged in business is liable to pay tax as a person.

(e) But if such person owns a godown where the goods are stocked and the business is carried on at principal place or in the branches and from the godown the goods are delivered, it cannot be said that the person is carrying on business in godown.

(f) But on facts, it is shown that not only the person is carrying on the business in the principal branch but also at godown then such a godown would fall within the definition of person and liable to tax independently.

Thus, the Court observing that in the instant case the Assessee is using the godown only for storing the electronic goods and not carrying business from godown, it held that the Assessee is not liable to pay tax under the Professional Tax Act.

## INCOME TAX

### PARTS DIGESTED:

a) 365 ITR – Part 5

b) 366 ITR – Part 1 to 4

c) 224 Taxman – Part 3, 5 & 7

d) 31 ITR (Trib.) – Part 1 to 7

e) 32 ITR (Trib.) – Part 1 to 4

f) 33 ITR (Trib.) – Part 6

g) 148 ITD – Part 7

h) 46-A CAPJ – Part 2

i) 11 International Taxation – Part 2

**[2014] 366 ITR 122 (Guj. – HC): Anupam Tele Services v. ITO** - In the instant case, the Honourable Gujarat High Court held that when neither the genuineness of the payment nor the identity of the payee were not doubted either by the Appellate Authority or the Tribunal, Tribunal was not justified in disallowing the payment made by the Assessee under Section 40A(3) IT Act merely on the ground that the case of the Assessee did not fall under the exclusion clauses provided under Rule 6DD of the IT Rules, especially under Clause (j) of Rule 6DD.

**[2014] 366 ITR 140 (Guj. – HC): CIT v. Dharamshi B. Shah** - In the instant case the Honourable Gujarat High Court held that unless there is any indication in the order of admission passed by the Honourable High court, simply because the tax appeal is admitted, that would not give rise to the presumption that the issue is debatable and that, therefore, penalty should be deleted.

In other words, the Court held that penalty cannot be deleted merely on



the ground that the issue is debatable as the substantive appeal has been admitted before the Honourable High Court.

**[2014] 366 ITR 356 (Karn. – HC): CIT and another v. M.J. Siwani and another** - In the instant case the Honourable Karnataka High Court dealing with respect to the words ‘a residential house’ under Section 54F of the IT Act, held as under:

- (a) Merely because, the words, “residential house” are preceded by article ‘a’, would not exclude a house shared with any other person.
- (b) Even the co-owner is the owner of a house in which he has share and that his right, title and interest is exclusive to the extent of share and that he is the owner of the entire undivided house till it is partitioned.
- (c) The right of a person in the residential house, though may be one-half, cannot be taken away without due process of law or it continues till there is a partition of such residential house.

In view of the above, the Court held that as the Assessee had one residential house, on the date of sale of long term capital asset, Assessee is not entitled to claim benefit under Section 54F of the IT Act. In other words, the Court held even if the assessee on the date of sale of long term capital asset, co-owns any residential house, it cannot claim benefit under Section 54F of the IT Act.

**[2014] 224 Taxman 250 (Delhi – HC); 45 taxmann.com 489 (Delhi –**

**HC): D.C. Rastogi v. CIT** - In the instant case during the course of assessment proceedings, the Assessing Officer noticed that an unexplained cash entry was discernible from the materials made available to him. On an overall examination of the Assessee’s accounts, the Assessing Officer was of the opinion that even the profits returned were not truly disclosed as were other sources of income. Therefore, the Assessing Officer rejected the accounts and completed the assessment on an estimated basis. For this purpose the Assessing Officer relied on the decision of the Honourable Madras High Court which had held that an authority for the proposition that if the profits reported by the assessee are not accepted on the basis of supporting accounts, it can process such profits by estimation after rejecting the books.

The Honourable Delhi High Court held that in the case of Section 68, there cannot be any estimate, as the expression ‘any sum’ refers to any specific amount and nothing more and thus, any amount other than one found credited in books of account cannot be estimated and charged to tax.

With respect to the decision of the Honourable Madras High Court it held that said decision dealt with a situation where for separate heads of income such as profits, capital gains, etc, which would involve reporting of accounts maintained on an elaborate basis and detailing expenditure etc., the Assessing Officer may have the discretion to reject the accounts and arrive at the income on the basis of

estimation, however, that was not a case where interpretation of Section 68 was called for.

**[2014] 224 Taxman 63 (Bom. – HC)(Mag.); 42 taxmann.com 210 (Bom. – HC): Ajay v. Dy. CIT** - In the instant case a survey was conducted at premises of Assessee, dealing in gold and jewellery. A statement of Assessee had been recorded in which he had disclosed additional income. An assurance had been given to him by survey party that no further action would be taken against him in view of Instruction F.No. 225/93/2009/ITA-II dated 28.07.2010 read with instruction dated 08.09.2010 and his return of income would not be taken up for scrutiny. Based on such assurance, the Assessee had signed said statement. Despite of the same, the Assessee’s case was selected for scrutiny assessment.

The Honourable Bombay High Court observed that the Assessing Officer after recording reasons for selection of Assessee’s case, had sought approval of approving authority, who approved selection and thereafter assigned case for assessment. In view of the above, the Court held that the requisite procedure was followed which was necessary before issuing notices under Section 143(2) and 142(1) of the IT Act. Hence, the Court held that the Assessing Officer was empowered to select a particular case for scrutiny assessment in view of clause (g) of guidelines given in the aforesaid Instruction.

**[2014] 79 KLJ 603 (Karn. – HC): Dushyant Naagar and another v.**

**CIT (TDS)** - In the instant case the Assessee was liable to deduct TDS of Rs.62,200/- while making payment on purchase of apartment for Rs.62,20,000/- under Section 194-IA of the IT Act. However, the assessee while making payment to the credit of the Government, due to certain technical glitches, deposited ten times of Rs.62,200/-, which according to the Assessee was an excess payment. Therefore, the Assessee immediately intimated to its respective Bank and the Income Tax Department. Thereafter, the Assessee also made several requests both orally and in writing, seeking refund of excess payment of Rs.5,59,800/- to which there was no response from the Department. Hence, the Assessee filed a writ petition before the Honourable Karnataka High Court.

In view of the above, the Honourable Karnataka High Court directed the Department to refund the excess credit lying in credit of the Government to the Assessee.

**[2014] 31 ITR (Trib.) 161 (Hyd.): ITO v. P. Sudhakar Prasad** - In the instant case the Assessee was employed in a multinational company and by virtue of his service received employee's stock options of a parent company. For the AY 2008-2009, the Assessee claimed to set off short-term capital loss on sale of the stock options against the short-term capital gains on account of other transactions. The Assessing Officer held that the Assessee had not invested money on the acquisition of employee's stock options and loss was a notional loss and not a physical loss and disallowed the loss.

The Commissioner (Appeals) held that the Assessee had received the shares at the fair market value on which tax had been paid by the employer which became the cost of acquisition in accordance with the provisions of Sections 49(2AB) read with Section 115WC(1)(ba) of the IT Act and therefore, was entitled to deduction.

The Honourable Hyderabad Tribunal observed that the CBDT's Circular No. 9 of 2007 suggested that the amended provisions of Section 115WB of the IT Act were applicable to case where allotment or transfer of shares was on or after 01.04.2007. The Tribunal further observed that in the instant case, the shares were vested with the Assessee on 31.03.2007 which was before 01.04.2007. In view of the above, the Tribunal held that the Assessee's claim could not be allowed under Section 115WB(1)(d) of the IT Act.

**[2014] 31 ITR (Trib.) 205 (Hyd.): Dy. CIT v. Air Liquide Engineering India P. Ltd.** - In the instant case the Honourable Hyderabad Tribunal held that when once transactional net margin method has been applied to the Assessee-Company's transaction, it covers under its ambit the royalty transactions in question too and therefore, separate analysis and consequent deletion of the royalty payments by the Transfer Pricing Officer is erroneous.

**[2014] 31 ITR (Trib.) 348 (Kolkata): OnMobile Global Ltd. v. Addl. CIT**  
**[2014] 31 ITR (Trib.) 358 (Bang.)** - In the instant case the Honourable

Tribunal dealing with respect to Section 37 of the IT Act held as under:

- (a) The expenditure incurred by the Assessee for conducting due diligence in respect of the Company in France which was to be acquired by the Assessee was revenue in nature and allowable for deduction;
- (b) The expenditure incurred towards filing patent application which would go to protect the patent and not create the patent per se, is revenue in nature as the legal charges for filing the patent application is incurred in the course of Assessee's business and hence allowable for deduction.

**[2014] 31 ITR (Trib.) 477 (Cochin): Apollo Tyres Ltd. v. Asst. CIT** - In the instant case the Honourable Cochin Tribunal held that the sale of carbon credit in respect of emission generated in Assessee's gas turbine unit under emission reduction certificate issued in terms of Kyoto Protocol is revenue receipt and not capital receipt.

Further, it held that, income on sale of carbon credit not a profit 'derived from' industrial undertaking so as to claim deduction in respect of the carbon credits under Section 80-IA of the IT Act.

Further, with respect to additional depreciation in respect of new machinery and plant acquired after 30.09.2006, the Honourable Tribunal observed that for the AY 2007-2008, the Assessee was granted only 10 per cent additional depreciation, therefore, the Tribunal held that the





balance 10 per cent has to be allowed in the subsequent assessment year.

**[2014] 31 ITR (Trib.) 513 (Jaipur): Shree Cement Ltd. v. Addl. CIT** - In the instant case the Honourable Jaipur Tribunal held that since the Direct Tax Code by virtue of the deeming provisions specifically provided for taxability of carbon credit as business receipt and the Income Tax Act did not do so, the receipt on account of carbon credit was capital in nature and neither chargeable to tax under the head business income nor liable to tax under the head capital gains.

**[2014] 31 ITR (Trib.) 592 (Mum.): S.M. Kapoor and Co. and another v. Asst. CIT** - In the instant case the Honourable Mumbai Tribunal held that if there is an unrealised amount on account of service tax already taken as part of receipts, the same can be claimed as loss. In case, if such unrealised amounts is received later, the same would become taxable in the year of receipt and in such situation, the unrealised amount cannot be disallowed in the year in which it was claimed as loss.

**[2014] 31 ITR (Trib.) 620 (Mum.): Suresh Nanda v. Asst. CIT** - In the instant case the Honourable Mumbai Tribunal held that for the purpose of counting Assessee's stay in India, the period from impounding of passport till release to be excluded.

**[2014] 31 ITR (Trib.) 772 (Delhi): Global One India P. Ltd.** - In the instant case the Honourable Delhi Tribunal held that when the aim and object of introducing a rule allowing the assessee to adopt any other method of determining the ALP, by

introducing Section 10AB of the IT Act, is to remove unintended practical difficulties and only to enable proper determination of ALP, the rule has to be considered as retroactive.

**[2014] 32 ITR (Trib.) 152 (Chennai): Indian Society of Anaesthesiologists v. ITO** - In the instant case, the Assessee is a society of practicing anaesthesiologists, registered under both the Societies Registration Act and the under Section 12AA of the IT Act. In the AY 2007-2008, Assessee received specific funds such as award fund, IJA fund, WSJA fund and life membership fee. In the computation of income, all the receipts were treated as capital receipts forming part of the corpus fund of the Assessee. The Assessing Officer held that these receipts were general and therefore, treated the receipts as income in the nature of voluntary contributions falling under Section 12 of the IT Act.

The Honourable Chennai Tribunal held as under:

- (a) The capital fund of the Assessee has been built up mainly by the life membership fee. Therefore, it is a capital fund of the society.
- (b) The amount received by the society towards award fund is a specific fund. The contribution received to the specific fund is

accumulated as capital fund in the accounts of the Assessee and interest income arising out of that fund is used by the Society for giving awards.

- (c) The amounts received towards IJA fund and WSJA fund are specifically created for procuring journals books and other professional materials for the development of practising anaesthesiologists.

Thus, the Court held that if the contributions received are accumulated under a separate fund and treated as capital fund and the objectives are satisfied by utilising such funds, such receipts have to be treated as capital receipts and not voluntary contributions.

**[2014] 32 ITR (Trib.) 276 (Kolkata): Ambo Agro Products Ltd. v. Dy. CIT** - In the instant case the Honourable Kolkata Tribunal held that the action of the Transfer Pricing Officer in adopting rates prevailing on the date of invoice and not of the contracted dates is not in accordance with the prevalent practice of trade as there will always be a time gap between contract date and invoice and price fluctuates between these dates.

### Congratulations



**CA. I.S. Prasad** have been elected as the Executive President of Kidwai Cancer Drug Foundation where in cancer patients get cancer drugs at concessional price.

# RECENT JUDICIAL PRONOUNCEMENTS IN INDIRECT TAXES

CA. N.R. Badrinath, *Grad CWA, FCA*;  
CA. Madhur Harlalka, *B.Com., FCA, LLB*

## SERVICE TAX

1. **Penalty liable to be set-aside – if the tax is paid before issuance of show cause notice:** The Tribunal set-aside the levy of penalty under Section 77 and 78 of Finance Act, 1994 imposed on the Assessee on the grounds that the Assessee has not obtained registration of the service provided and there is also delay in filing returns and remittance of taxes. The order was set-aside for the reason that the Assessee has voluntarily filed the returns and remitted the applicable taxes with interest before issuing show cause notice. The Assessee submitted the reason for delay was on account of accident of the proprietor and the financial difficulties. Reliance was placed on the decision of the Tribunal in the case of *CST New Delhi vs. Competent Automobiles Co. Ltd* reported in 2011 (29) STR 561 (Tri-Del). [*M/s Tarachandra Engineering Pvt Ltd Vs Commissioner of Central Excise 2014-TIOL-1646-CESTAT-AHM*]
2. **Service Tax is not liable to be paid on materials supplied free of cost:** The Tribunal has held that the value of goods supplied free of cost by the recipient of commercial or industrial construction service is not to be included in determination of the taxable value of services and as

such is not liable to service tax. It is observed that in a transaction for supply of materials for free of cost there is neither monetary consideration nor non-monetary consideration flowing from service provider to the recipient. Reliance is placed on the *Bhayana Builders (P) Ltd. vs. CST, Delhi* reported in 2013-TIOL-1331-CESTAT-DEL-LB. [*Shapoorji Pallonji & Co Ltd Vs Commissioner of Central Excise, Pune-I And Commissioner Of Central Excise, Nashik 2014-TIOL-1641-CESTAT-MUM*]

3. **Service tax remittance by the service provider is not a pre-requirement to claim CENVAT credit by the service recipient:** The issue before the Tribunal was whether the Assessee can claim CENVAT credit of service tax paid on input service when the service provider deposits such tax belatedly. It is held that in terms of Rule 4(7) of the CENVAT Credit Rules, 2004, for the purpose of availing CENVAT credit, there is no requirement that the service tax should have been deposited by the service provider before the availing of the credit. It is further held that in case of non-remittance of service tax by the service provider, the revenue can proceed only against the service provider for recovery of the service tax. [*General*

*Manager, BSNL v. Commissioner of Central Excise [2014] 48 taxmann.com 35 (New Delhi - CESTAT)]*

## CUSTOMS

4. **Customs - Duty Drawback – Duty drawback can be claimed on Brand Rate even after having availed drawback on all industry rate:** The question raised in the present writ petition was whether a petitioner who has claimed the all industry rate (AIR) under Rule 3 of the Drawback Rules, is entitled to make an application seeking determination of the Brand Rate of drawback in terms of Rule 7 thereof and claim the differential amount. The Revenue contended that once an exporter avails of the AIR of drawback as notified under Rule 3, he is deemed to be satisfied with the drawback availed of by him. He is thereafter barred from making any application seeking determination of the Brand Rate of drawback under Rule 7. The Revenue also relied on a Circular issued by the CBEC dated 30.12.2011 which clarified that an exporter cannot claim the Brand Rate of drawback under Rule 7 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 after having availed of the All Industry Rate of drawback under Rule 3. The Honourable High Court of Bombay on a conjoint reading of Rules 3 and 7 it is held that there is no prohibition set out in the Drawback Rules which will debar an exporter from seeking determination of the Brand Rate of duty drawback under Rule 7 even otherwise the Assessee has claimed the duty drawback on AIR in terms of Rule 3.



Honourable High Court has also stuck down the Circular dated 30.12.2011 issued by CBEC to the extent it purports to clarify that an exporter cannot claim the Brand Rate of drawback under Rule 7, after having availed of drawback on AIR as per Rule 3. [*Alfa Laval (India) Ltd Vs The Union Of India And Others 2014-TIOL-1485-HC-MUM-CUS*]

5. **The Tribunal can restore the appeal dismissed subsequent to rectification of the defects:** The appeal filed by the Revenue was dismissed by Tribunal on the grounds that the authorisation filed by the Commissioner is improper. The Commissioner after rectifying the defects filed an application before the Tribunal to restore the appeal for hearing on the merits. The Tribunal in the interest of the justice, vide the impugned order, entertained the application and restored the appeal. The Assessee, aggrieved by the restoration of the appeal, is before the Honourable High Court. It is held that the Assessee's contention are technical in nature and as such they deserve rejection. The law of procedure cannot curtail substantive rights. The Tribunal having noticed defect in authorization ought to have given an opportunity to revenue to rectify defects in terms of powers vested under Rule 11(2) of CESTAT (Procedure) Rules, 1982. In lieu of the above provisions when revenue did rectify defect, Tribunal rightly entertained application and restored appeal for its hearing on merits. Further, it was also observed that if Revenue had challenged dismissal order in writ

petition the same would have been set aside. Accordingly, the writ petition filed by the Assessee was dismissed. [*Kajal Kumar Paul v. Customs, Excise & Service Tax Appellate Tribunal [2014] 47 taxmann.com 318 (Gauhati)*]

## CENVAT

### 6. **Refund cannot be adjusted against unconfirmed demand:**

The Revenue sanctioned the refund due to the Assessee. However, the Revenue adjusted such refund with the inadmissible CENVAT credit claimed by the Assessee on improper documents. The Tribunal observed that the Revenue can adjust the amount of refund against the confirmed demands. However, there is no provision to adjust unconfirmed demand from the amount of refund. The demand was said to be unconfirmed for the facts that no show cause notice was issued to the Assessee to show cause as to why the CENVAT credit was inadmissible. The contention of the Revenue that the Corrigendum was issued to the Assessee was turned down on the grounds that the said Corrigendum does not mention reference to Section 73 and it also does not contain any grounds to allege as to how the credit is inadmissible. Accordingly, the Assessee's appeal was allowed. [*M/s Bharat Sanchar Nigam Limited Vs Commissioner Of Central Excise 2014-TIOL-1642-CESTAT-DEL*]

## CENTRAL EXCISE

### 7. **Duty remitted on supplementary invoice – liable for interest:**

The issue before the Honourable High Court is with respect to liability to pay interest

on the duty remitted in relation to supplementary invoice issued subsequent to clearing of the goods after negotiation of the price with the customers. Honourable High Court allowing the appeal has held that remittance of differential duty at a later date is clearly a case of short-payment of duty at the time of clearance and as such there arises liability to interest under Section 11 AB of Central Excise Act, 1944. Reliance placed on the judgment of Honourable Supreme Court in the case of Commissioner of Central Excise, Pune vs SKF India Ltd (2009 (239) ELT 385 (SC)). [*M/s SL Lumax Ltd Vs The Commissioner Of Central Excise 2014-TIOL-1514-HC-MAD-CX*]

### 8. **Refund of duty paid under protest – principle of unjust enrichment – not applicable:**

The issue before the Tribunal is whether the principle of unjust enrichment is applicable to refund of duty paid under protest after the dispute was settled down in favour of the Assessee. The contention of the Assessee that the activity undertaken by them does not amount to manufacture which attained the finality in another set of appeal before the Honourable High Court. Placing reliance on the judgment of Honourable High Court in the case of Biochem Pharmaceuticals 2006-TIOL-225-CESTAT-MUM, it is held that the provisions of Central Excise are not applicable to the facts since the activity does not amounts manufacture. Accordingly, it is held that bar of unjust enrichment was not applicable. [*M/s The Phoenix Mills Ltd Vs CCE 2014-TIOL-1692-CESTAT-MUM*]



## VAT

### 9. It is not mandatory for the transport / parcel / courier agencies to obtain registration under VAT laws:

The Commissioner issued a circular making it mandatory for all parcel/courier/transporting and clearing agencies functioning within the State to register themselves with the Department. The Assessee contended that parcel/courier/transporting and clearing agencies (transporting agency) did not come under the definition of “dealer” under sub-clause (xv) of Section 2 or the non-obstante clause under sub-section (2) of Section 15 and hence would not be obliged to obtain registration under Section 15 of the Act and that the circular issued by the Commissioner was beyond the scope of powers available to him. The Honourable High Court held that, Entry 54 of List II of Seventh Schedule provides for registration of transporters of goods intended for sale within or outside the State which provides as a measure to check the evasion of tax. Section 52 of Kerala VAT Act provides only for maintenance of proper accounts by the person who is engaged in transportation of goods. In the light of the Entry 54 of List II to Seventh Schedule, the provision for obtaining registration under the taxation enactment was held to be ancillary or incidental power of the State legislature, under Entry 54 of List II, and as such the same cannot be arrogated by the Commissioner by way of issuance of Circular No.33/2006/CT. It is further held that the said Circular is beyond the scope of the powers conferred under on the Commissioner under

Section 3. [*M/s Saurashtra Roadways Vs State Of Kerala 2014-TIOL-1528-HC-KERALA-VAT*]

### 10. Lease rentals received after 01.04.2005 on transfer of right to use goods prior 01.04.2005 – not liable to VAT:

Honourable High Court has held that the lease rentals received after Karnataka VAT Act came into effect from 01.04.2005 in respect of transfer of right to use motor vehicles which suffered KST and leased out prior to 01.04.2005 is not exigible to VAT. Section 3 of Karnataka VAT Act provides for levy of VAT on every sale of goods in the State by a registered dealer or a dealer liable to be registered. Thus, the incidence of tax under Section 3 of the Karnataka VAT Act, was the sale of goods. Whereas the transfer of right to use motor vehicles by way of lease was prior to the Karnataka VAT Act coming into force. The tenure of the lease agreement were continuous and unbreakable for 5 years. The lease rentals received in relation to such deemed sales is not liable to VAT. [*The State of Karnataka Vs M/S Lease Plan India Ltd 2014-TIOL-1562-HC-KAR-VAT*]

### 11. Works contract executed with the material bought from another State – not liable to obtain registration in the State where the contract is being executed:

The issue is whether the assessee engaged in executing works contract in the State of Kerala for which the materials are procured from another State is liable to obtain registration under Kerala VAT Act and whether the contractee is liable to deduct tax out of the payments made to the

assessee. Relying on the judgment of Honourable Supreme Court in the case of *M/s Hyderabad Engineering Industries Vs. State of Andhra Pradesh* reported in 39 VST 257 and considering the fact that the material for execution of works contract were bought from another State Honourable High Court of Kerala allowed the appeal. It is held that the assessee is not liable to obtain registration under Kerala VAT Act and also the contractee are not required to deduct tax out of the payments made to assessee. [*Fi-Design & Development Pvt Ltd., Vs. State of Kerala 2014 (8) TMI 224 - Kerala High Court*]

### 12. Purchase of goods from outside the state and used in the execution of works contract – State Legislatures are not empowered to impose tax:

The brief facts were that assessee was engaged in the execution of works contract. Certain materials / goods were procured in the course of inter-State trade or commerce by paying applicable tax under CST Act, 1956 for use in the execution of works contract. The vendor raised invoice in the name of assessee and materials were delivered to the site place where the assessee was executing the project. The department contended that the transfer of property in such goods is liable to sales tax under Section 5B of Karnataka Sales Tax Act, 1957. On appeal, Honourable High Court of Karnataka referring to the judgment of Honourable Supreme Court in the case of *Builders Association of India Vs. UoI* reported in 73 STC 370 and analysing the 46th amendment to Constitution of India held that it



is beyond the competence of State Legislature to make a law imposing or authorising the imposition of tax on transfer of property in goods involved in the execution of a works contract with the aid of Article 366(29-A)(b) in respect of the transaction which takes place in the course of inter-State trade or commerce or transaction which constitutes sales or purchase outside the State or sales in the course of import or export. Accordingly the appeal is allowed holding that the assessee was not liable to pay tax under Section 5B of KST Act, 1957. [Asea Brown Boveri Ltd., Vs. State of Karnataka 70 VST 84]

**13. Delay in claiming input tax credit – inadmissible:** The

Honourable High Court in an issue relating to delay in claiming input tax credit has held that the dealer is not entitled to claim input tax credit in case such input tax credit is neither declared in the original monthly returns nor in the revised return to be filed within a period of six months. Accordingly, the appeal filed by Revenue was allowed. [State of Karnataka Vs. M/s Centum Industries Private Limited (STRP Nos.294 & 210 of 2013) [2014-VIL-235-KAR]]

**14. Input tax credit of VAT paid on goods available when right to use such goods is transferred:** The Honourable High Court has held that the assessee engaged in the business of transfer of right to

use motor cars is entitled to claim input tax credit of VAT paid on purchase of motor vehicles. The contention of the Revenue that the assessee is not entitled to claim credit in terms of Entry No. 1 of Clause 1 to Seventh Schedule to Delhi VAT Act was turned down on the grounds the said Clause 1 restricting the eligibility to claim input tax credit is subject to clause 2 which states that the goods mentioned in Entry No.1 in Clause 1 shall not be treated as non-creditable goods if the item is purchased by a registered dealer for the purpose of resale in an unmodified form. [CCT, Delhi vs Carzonrent India (P.) Ltd 70 VST 385]

## ANNOUNCEMENT

### Coaching Classes: IPCC & FINAL for May 2015 Examinations and CPT for June 2015 Examinations

#### Admissions open for Subjectwise Coaching

In pursuance of our objective to provide fruitful and quality teaching to our students, we are pleased to inform you that IPCC and FINAL coaching classes will be commencing at the Bangalore Branch of SIRC of ICAI from 26<sup>th</sup> Nov 2014. The classes will be concluded by 10<sup>th</sup> March 2015.

**Salient features:**

- Experienced, Expert and Dedicated faculty members
- Methodology – Conceptual teaching
- Affordable Coaching Fee
- The journey of CA with Bangalore Branch is that of progress within numerable activities of knowledge

supported and guided by our senior renowned faculty members –resource persons

- During the course, amazing, inspiring and motivational sessions and Orientation classes will be conducted

Hence be proud to be apart of the Branch by enrolling as a student to be come a prestigious member of this glorious profession.

Course	Fees	Duration (4 Months)	Timings
CPT	Rs.8,000/-	15 <sup>th</sup> Jan 2015 to 15 <sup>th</sup> May 2015 (Tentative)	05.30pm to 07.30pm (Monday to Saturday) 08.00am to 12.30pm (Sunday)
IPCC & FINAL	Rs.12,500/- for Both Groups Rs.9,000/- for Single Group Rs.3,000/- for Single Subject	26 <sup>th</sup> Nov 2014 to 10 <sup>th</sup> March 2015 (Tentative)	06.30am to 09.30am & 06.00pm to 09.00pm (Monday to Saturday) 08.00am to 05.30pm (Sunday)

Schedule for all the subjects will be announced in due course of time.

#### REGISTRATION FEES - Mode of payment:

DD should be drawn in favour of “Bangalore Branch of SIRC of ICAI” payable at Bangalore.

For further details please contact: Tel: 080 - 3056 3500 / 511 / 512 / 513

Email: blrregistrations@icai.org / blrprogrammes@icai.org | Website: www.bangaloreicai.org

# RENEWAL OF REGISTRATION UNDER FOREIGN CONTRIBUTION REGULATION ACT 2010 & RULES 2011

CA. Lokare Vittal Rao

All the organisations that were registered under Foreign Contribution Regulation Act, 1976 have sailed, automatically into New Foreign Contribution (Regulation) Act, 2010 & Rules 2011 with effect from 1<sup>st</sup> May, 2011. The registration under the New Act 2010 & Rules 2011, is valid for five years only. Therefore, it should apply for renewal, if it has to continue to receive foreign contributions. For the purpose of renewal it should apply in FC-5 prescribed under FC (R) Rules, 2011.

The time period prescribed for renewal is to apply six months before the date of expiry (i.e. Six months before 30<sup>th</sup> April, 2016 which means before 30<sup>th</sup> November 2015). However, if the organisations are implementing multi-year projects, they can apply 12 months before the expiry of five year projects are eligible to apply before 30<sup>th</sup> April, 2015.

When one looks at the provisions of FC(R) Act, 2010 & Rules 2011, there are clear indications as to what precautions the organisation should take and what documents it should keep ready to prepare for the renewal process by the Ministry of Home Affairs, Govt. of India, New Delhi.

The following point should be kept in mind by the auditors of such

registered organisations to guide them properly.

## **Points of Performance needed to be ensured at the time of applying for Renewal of Registration under FC (R) Act 2010 & Rules 2011.**

1. Whether any programmes/activities were DETRIMENTAL to the “National Interest”.
2. Whether any programmes/activities were CONNECTED or INCIDENTAL those are detrimental to the “National Interest”.
3. Whether the organisation is having the registration certificate (hard copy in original and a photocopy of it) issued to them by MHA, New Delhi.
4. While utilising the specific budgeted funds no mis-application of funds or no diversion of funds should have occurred.
5. If administrative expenses have exceeded 50% of funds received, whether prior approval from MHA, New Delhi has been obtained.
6. Whether the organisation has made at any time incorrect or false statement.

**Example:** Not furnishing to MHA, New Delhi about change of address, change in approved Bank account, incorrect FC receipt of funds, incorrect unutilised balances, understatement of FC funds received, not furnishing complete/required details of donor agency/ Benefactors, wilful suppression of information while filling the Form FC-6 and reporting to MH, New Delhi.

7. Whether the organisation has violated any terms and conditions stated in the certificate granted by MHA, New Delhi at the time of registration.

**Example:** Provisions of New – Paper Act, publication, prohibition to receive any FC from any specific agency, timely submission of Returns like FC-6, FC-7, etc. whichever applicable under FC ( R ) Act 2010 & Rules 2011, mandatorily submission of NIL FC-6 Return even if FC funds are not received during the year.

8. If the organisation has violated any provisions of FC (R) Act 2010 & Rules 2011 or order made.

**Example:** change of approved Bank account,

- whether permission is obtained from MHA, New Delhi by sending properly filling the approved Form,
- whether intimation has been made within 15 days to MHA, New Delhi, on white paper/ letter head for opening





## UTILISATION BANK ACCOUNT or Accounts.

- while filling Form FC-6, whether all the columns and rows are filled properly and fully without suppressing any information including place or places where the FC funds are applied/utilised (area-specific)
  - when funds are given to another organisation – check whether they are also registered or not? If registered, whether Reporting & Disclosure is done properly under payment side of FC R/P A/C giving complete details of their FC Number, address & amount given.
  - If funds are given to organisations who are not registered with MHA, New Delhi (either regular or prior), then this amounts to clear violation.
  - Delayed submission (after due date) of Forms to MHA, New Delhi.
9. If the organisation is not engaged in any reasonable activities for two consecutive years or has become defund.
  10. Separate set of Books of Accounts are maintained exclusively to record Receipt & Utilisation of FC funds.
  11. While submitting/Reporting annually to MHA, New Delhi, whether FC-6 was fully & completely filed and submitted along with

- Financial Statements exclusively prepared of FC funds,

- Copy of Bank Statement duly signed and sealed by bank officer.

12. If FC receipts during the year have exceeded Rs.1 crore, whether summary date has been placed on the public domain/website.

13. To apply to MHA, New Delhi for renewal within 6 months, before expiry of the period of certificate in Form FC-5.

Those registered organisations who were already in existence **before 1-5-2011**, who sailed into New Act, should apply within 6 months before expiry. **(Expiry Date is 30-April-2016)**

(Six months before expiry means: **Before 30<sup>th</sup> October, 2015**)

However, when implementing multi-year project, they shall apply for renewal 12 months before the date of expiry of certificate of registration.

In the above case, they should apply 12 months before ie. **30<sup>th</sup> April, 2015**.

(Start off in **February, 2015 & March, 2015**).

14. For Renewal Form FC-5 to be filled in, send along with D/D of Rs.500/- along with required details asked for.

15. If failed to apply shall be deemed to have ceased from the date of completion of 5 years from the date of Grant of Registration. (In the above case, ceased

to exist from **30<sup>th</sup> April, 2016**).

However, a fresh request can be made within 4 months (**i.e. Before 31<sup>st</sup> August, 2016**) by providing sufficient grounds, in writing – explaining the reasons for not submitting.

## Precautions and Requirements for Filling Form FC-5.

1. All the points are simple to fill-in.
2. Telephone number (with STD Code) or Mobile number of the Chief Functionary is important for filling-up.
3. Similarly for all the Governing Body Member /Executive Committee Members & address for correspondence.
4. Relationship with other members of the Gov. Body/Executive Committee
5. Details of FC received since its registration with yearly break-up.
6. Details of Utilisation of Funds.
7. Reasons for seeking renewal of certificate.
8. Details of Fee: An amount of Rs. \_\_\_\_\_ (Rupees in words \_\_\_\_\_) towards renewal of registration is remitted by way of demand draft/ bankers cheque drawn in favour of “Pay and Accounts Officer, Ministry of Home Affairs” viz. DD/Bankers Cheque No. \_\_\_\_\_ dated \_\_\_\_\_ Name of the Bank \_\_\_\_\_.

# RECENT CASE LAWS ON INTERNATIONAL TAXATION

CA. Rekha.K.R, CA. Rani.N.R

## **1. Section: Section 9 of the Income-tax Act, 1961, read with article 13 of Indo-Denmark DTAA**

**Citation: Assistant Director of Income-tax (International Taxation 1) v Aktieselskabet Dampskibsselskabet Svendborg**

**2014] 47 taxmann.com 187 (Mumbai - Trib.)**

Assessee maintained a global telecommunication facility capable of supporting communication facility between itself and its agents in various countries on a combination of mainframe and non-mainframe servers located at Denmark. The cost for setting up global telecommunication facility was shared between assessee and its agents. Addition was made by Assessing Officer on account of amount received by assessee towards shared IT Global Portfolio Tracking System from its agents by treating same as fees for technical services. The Tribunal had deleted a similar addition made by Assessing Officer in earlier year in assessee's own case. The Tribunal ruled that the addition has to be deleted.

## **2. Section: Section 9, read with sections 195, 201 and 204, of the Income-tax Act, 1961 and Article 13 of Double Taxation Avoidance Agreement between India and UAE**

**Citation: Income Tax Officer (IT) (TDS), Range- v. Abu Dhabi Commercial Bank**

**[2014] 47 taxmann.com 263 (Mumbai - Trib.)**

Certain shares had been purchased and sold by 5 residents of UAE

through brokers. These non-residents earned short-term capital gains on shares. Assessee-bank being an authorized dealer remitted such capital gain to NRIs on behalf of broker of those non-residents. The question before the Tribunal was whether the bank was liable to deduct tax at source under Section 195 of the Income-Tax Act on these remittances. The Tribunal ruled that the bank was only acting as an authorized dealer to brokers of foreign residents in transferring funds in respect of share transactions which resulted in gains and hence it was not liable to deduct TDS under section 195

## **3. Section: Section 92C of the Income-tax Act, 1961**

**Citation: Marubeni India (P.) Ltd. v. Deputy Commissioner of Income-tax Circle-6(1), New Delhi**  
**[2014] 47 taxmann.com 234 (Delhi - Trib.)**

Computation of arm's length price.

Assessee was a wholly owned subsidiary of Japan (MCJ), Japan. It liaised between various business departments of MCJ group companies and their suppliers/customers in India. Assessee selected Transactional Net Margin Method (TNMM) as most appropriate method with Profit Level Indicator (PLI) of OP/OC. Profit rate of 16.87 per cent was declared by assessee in respect of its international transactions with same PLI of OP/OC of certain unrelated comparables at 13.81 per cent on basis of multiple years data. Accordingly, assessee claimed that its international

transactions were at ALP. However, the TPO applied Profit Split Method (PSM) and made certain addition to assessee's ALP. It was noted that role of assessee in international transactions was basically confined to acting as a mediator between its AEs and buyers/sellers in India and also supplying marketing information to AEs. Further, there was no material on record showing that any significant risks assumed by assessee by using its tangibles and unique intangibles in transactions entered into with AEs. The Delhi Tribunal ruled that where assessee was engaged in providing agency and marketing support services to its AE, TNMM was most appropriate method for determining ALP of said international transactions entered into with AE.

## **4. Section: Section 9 of the Income-tax Act, 1961, read with articles 5 and 13, of the DTAA between India and UK**

**Citation: JC Bamford Investments Rochester v. Deputy Director of Income-tax, Circle -3(1), International Taxation, New Delhi**  
**[2014] 47 taxmann.com 283 (Delhi - Trib.)**

Assessee company was incorporated and was tax resident of UK. There was another group company namely JCBE, which was also incorporated under laws of UK. JCBE entered into an agreement with Indian group company, namely JCBI, to license know-how and related technical documents consisting of all drawings and designs with an exclusive right to manufacture and market Excavator Loader in territory of India. In terms of agreement, JCBE seconded its employees to JCBI on assignment basis. Subsequently, JCBE entered into sub-license agreement with assessee whereby license was to be



commercially exploited by JCBI as was done earlier, but royalty for such user was to be paid by JCBI to assessee, who in turn was to pass on 99.5 per cent of same to JCBE. Assessing Officer opined that employees of JCBE as seconded to JCBI constituted a service PE of assessee as they were covered under expression 'or other personnel' in Article 5(2)(k) of India-UK DTAA. The Tribunal ruled that since seconded employees furnished services including managerial services for a period of more than 90 days during relevant assessment year, a service PE of assessee was established in India and amount paid to employees of JCBE sent to India on deputation on assignment basis was covered within para 6 of article 13 of India-UK DTAA and was chargeable to tax under article 7 of

India-UK DTAA. However, fees for services rendered by employees of JCBE doing stewardship activities and inspection and testing only, did not fall in para 6 of article 13 and, was, thus, chargeable to tax as per para 2 of article 13 of India-UK DTAA.

**5. Section- Section 92B of the Income-tax Act, 1961**

**Citation: Hill County Properties Ltd.v.Additional Commissioner of Income-tax, Central Circle, Hyderabad\***

**[2014] 48 taxmann.com 94 (Hyderabad - Trib.)**

Meaning of international transaction –For the Assessment year 2008-09 assessee advanced certain amount to its wholly owned subsidiary company located abroad. It did not charge any interest on amount so advanced taking

a plea that it was in nature of share application money. The TPO having rejected assessee's explanation, calculated arm's length interest on amount advanced to AE and added the same to assessee's taxable income. The DRP upheld action of TPO. The question before the Tribunal was whether in view of order passed in case of Vijai Electricals Ltd. v. Addl. CIT [2013] 60 SOT 77 (URO)/36 taxmann.com 386 (Hyd.), it was to be concluded that amount representing investment in share capital of subsidiaries outside India was not in nature of transaction referred to section 92B and transfer pricing provisions were not applicable to such a transaction.

The Tribunal agreed with the contention of the assessee and concluded that the addition made had to be deleted. ■

Advt.



Karnataka State Chartered Accountants Association (R)



# ONE DAY SEMINAR ON TAX IMPLICATIONS ON REAL ESTATE SECTOR

on 11th October 2014

at 'Edinburgh Hall'

Hotel Fortune Park JP Celestial

# 5/43, Race Course Road

Anand Rao Circle, Bangalore

## Programme

Time	Details
08.45 AM	Registration
09.15 AM	Inaugural session
09.30 AM	<b>FIRST TECHNICAL SESSION</b> <b>Service Tax Implications On Real Estate Sector</b> <b>CA. Raghuraman, B.Com, FCA, LLB</b> <i>Advocate, Bangalore</i>
11.00 AM	TEA BREAK
11.15 AM	<b>SECOND TECHNICAL SESSION</b> <b>Direct Tax Implications On Real Estate Sector</b> <b>CA. K.K. Chythanya, B.Com, FCA, LLB</b> <i>Advocate, Bangalore</i>
01.00 PM	QUESTION & ANSWERS
01.30 PM	LUNCH BREAK
02.30 PM	<b>THIRD TECHNICAL SESSION</b> <b>Joint Development Agreement-related Issues &amp; Drafting</b> <b>Sri Arvind Raghavan, B.Com, LLB</b> <i>Advocate, Bangalore</i>
3.45 PM	TEA BREAK
4.00 PM	<b>FOURTH TECHNICAL SESSION</b> <b>KVAT Implications On Real Estate Sector</b> <b>CA. Sanjay Dhariwal, B.Com, FCA, LLB</b>
5.30 PM	QUESTION & ANSWERS

## DELEGATE FEES

₹ 1200/- for CA's

₹ 1500/- for others

(Inclusive of applicable taxes)

*The Fee covers Delegate Kit, Background Material, Lunch & Coffee/Tea.*

*NOTE : CHEQUES / DD's may be made in favour of KSCAA, payable at Bangalore. Please write your name and contact number overleaf the cheque/DD.*

**CA. Raveendra S. Kore**

President

Mobile : 99020 46884

**CA. Dileep Kumar T.M.**

Vice President

Mobile : 98453 30800

**CA. Raghavendra Puranik**

Secretary

Mobile: 96322 45475

Seminar Co-ordinators

**CA. Ravindranath K.**

Mobile: 98450 74711

**CA. Teertha G.R.R.**

Mobile: 99164 44016

*For further details please contact:*

Karnataka State Chartered Accountants Association

Ph : 2222 2155, Tel. Fax : 2227 4679, e-mail : info@kscaa.co.in, Website : www.kscaa.co.in

**REGISTRATION LIMITED TO : 300 Delegates**

**PLEASE REGISTER IN ADVANCE**





## 2<sup>nd</sup> Annual Regional Residential Course (ARRC) on **International Taxation**

Organised by **Committee of International Taxation of SIRC of ICAI**

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

**31<sup>st</sup> October 2014 (Friday) to 2<sup>nd</sup> November, 2014 (Sunday)**

**at The Golden Palms Hotel & Spa, Golden Palms Avenue, Makali, Off Tumkur Road, Bangalore-562123**

**14 hrs  
CPE**

<b>Friday 31<sup>st</sup> October 2014</b>	
<b>Timings</b>	<b>Topics / Resource Persons</b>
12.00 Noon	Check-in, Lunch & Registration
03.00 pm	<b>INAUGURAL SESSION</b>
03.30 pm	Group Discussion on Permanent Establishment through Dependent Agent - Burning Issues <b>CA. Padam Chand Khincha, Bangalore</b>
05.00 pm	Coffee / Tea Break
05.15 pm	Paper Presentation on Tax implications and reporting requirements of Green Card Holders & US Citizens residents in India <b>CA. S. Krishnan, Bangalore</b>
06.45 pm	Break (Only change of Dias)
07.00 pm	Paper Presentation on Permanent Establishment through Dependent Agent - Burning Issues <b>CA. Padam Chand Khincha, Bangalore</b>
08.30 pm	DINNER
<b>Saturday 1<sup>st</sup> November 2014</b>	
07.30 am	Breakfast
08.30 am	Group Discussion on Secondment / Deputation of employees - Tax Implications <b>CA. Sriram Seshadri, Chennai</b>
10.00 am	Coffee / Tea Break

10.00 am	Paper Presentation on e-commerce - Cloud Computing - Tax implications <b>Mr. Aravind P Datar, Chennai</b>
11.30 am	Break (Only change of Dias)
11.45 am	Paper Presentation on Secondment / Deputation of employees - Tax Implications <b>CA. Sriram Seshadri, Chennai</b>
01.15 pm	Lunch
02.00 pm	Paper Presentation on Inter Quartile Range and Advantage of APA - Benefits and Caution points <b>CA. Vijay Iyer, New Delhi</b>
04.00 pm	Coffee / Tea Break Group Photograph of the Participants
04.00 pm	Enjoy the facilities of the Club
07.00 pm	DINNER
<b>Sunday 2<sup>nd</sup> November 2014</b>	
07.30 am	Breakfast
08.30 am	Paper Presentation on Latest Changes in FDI Regulations <b>CA. Vishal Gada, Ahmedabad</b>
10.00 am	Break
10.15 am	Brain Trust Session Brain Trustees: <b>CA. Vishal Gada, Ahmedabad</b> <b>CA. K. R. Sekar, Bangalore</b>
12.30 pm	Valedictory
01.00 pm	Lunch
02.00 pm	Departure from the Hotel with sweet memories

1. Mainly Members are allowed to Participate
2. Non-members should be International Tax Professionals
3. Spouse and Children are not allowed, except where they are members of ICAI
4. Members Participation is restricted to 100 on First Cum First Serve Basis
5. Interested members can give their names to become group leaders for leading the Group Discussions
6. It is purely a residential technical conference.
7. Members are requested to send queries in advance so as to collate and include for brain trust session
8. RRC consists of 2 Group Discussions, 6 Paper Presentation and 1 Brain Trust Session
9. Increasing the number of participants will be at the discretion of organisers.
10. CPE is granted strictly based on attendance obtained on each day.
11. Members should report at the venue at 12.00 Noon on 31st October, 2014.
12. The above fees includes Food, Stay arrangements and Background Material.

	<b>Delegate Fee</b>	<b>Residential</b>	<b>Non - Residential</b>
<b>Members</b>		<b>Rs. 12,000/-</b>	<b>Rs. 8,000/-</b>
<b>Non- Members</b>		<b>Rs. 20,000/-</b>	<b>Rs. 12,000/-</b>

*Demand Draft / Cheque in Favour of  
"Bangalore Branch of SIRC of ICAI"  
payable at Bangalore.*

<b>CA. P.V. Rajarajeswaran</b> <i>Chairman, SIRC</i>	<b>CA. Babu K Thevar</b> <i>Chairman, Bangalore Branch</i>
<b>CA. Cotha S. Srinivas</b> <i>Secretary, SIRC</i>	<b>CA. Pampanna B E</b> <i>Secretary, Bangalore Branch</i>

*For further details please contact:*

**Ms. Geetanjali D., Tel: 080-30563500 / 3513 | Email: blrregistrations@icai.org | www.bangaloreicai.org**

## 18th Batch of FNFE Inauguration



Inauguration



CA. K. Gururaj Acharya,  
Course Co-Ordinator



Dr. V. Rajesh Kumar,  
Faculty Member



Cross section of participants

## Awareness Programme on Financial Reporting Practices



Inauguration



CA. Nilesh Vikamsey,  
Central Council Member &  
Chairman FRRB



CA. B.P. Rao,  
Past President, ICAI,  
Workshop Chairman



CA. K. Gururaj Acharya,  
Workshop Co-Ordinator



CA. S. Sundaresan



CA. Sunil Bhumralkar



CA. Raviprasad T



Cross section of participants

## One Day Workshop on Tax Audit Clause by Clause Discussion - An Analysis of Revised form 3CA, 3CB & 3CD



Inauguration



Chief Guest CA. G. Sekar,  
Central Council member, ICAI



Moderator  
CA. Gururaj Acharya



CA. D.R. Venkatesh



CA. Ranganath S



CA. Annapurna Kabra



Cross section of participants

## Speakers at Study Circle Meetings



CA. V. Guruprasad



CA. A. Saiprasad



CA. Mohan Kumar B. S.



CA. Anjani K. Jajodia

Advt.