



# Bangalore Branch of SIRC Newsletter

English Monthly

Volume 03 | Issue 9 | April, 2015 | Pages : 28

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## Heritage of Namma Bengaluru



## Apathy towards the Hero Stone - An apology to the Hero



Hero Stone at Sri Mahabaleshwara Temple Complex, Vengayyana Lake, K.R. Pura, Bengaluru



18.04.2015

**One Day Workshop on  
Co operative Audit**



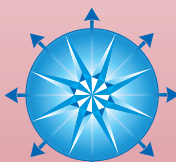
23.04.2015 to 25.04.2015

**Comprehensive Workshop on  
Companies Act 2013**



'We love our country, but we do not do anything for it. Life is unregulated in this country..... The way to build a better nation is to build better individuals. A successful nation is composed of citizens, the majority of whom are efficient, of good character and possess a reasonably high sense of duty.'

**VICHAKSHANA**



**CA**

*The Clear-sighted Professional*

'My Swaraj is to keep intact the genius of our civilization.... I want to write many new things, but they must be all written on the Indian slate.'

## Swadharma for Chartered Accountants

- CA. S. Gurumurthy



### Is Dharma religion-neutral? Yes.

**T**he title 'Swadharma for Chartered Accountants' which connects Chartered Accountancy profession, which is commonly known to be in the secular domain, with Dharma, which is popularly believed to be in the religious domain, is an

intellectually challenging yet stimulating subject for discourse. But, before discussing and debating what is Swadharma for Chartered Accountants, we need to understand what is Dharma first and then Swadharma. The discussion on Dharma goes to the root of the Indian civilisation. Before relating Dharma to the accounting profession, first we need to discuss whether Dharma or Swadharma is a religious concept or religion neutral and if religious, how would it apply to a secular profession like the Chartered Accountancy.

In this debate we need be conscious that due to the gap in understanding of the Western scholarship about Hinduism, the concept of Dharma was mostly wrongly associated with religion and spirituality and even in the Hindi version of the Indian Constitution, when conceptually and in practice Dharma transcends both and is as earthy and earthly as life itself is. Dharma is not religion or equal to religion. Dharma is not a religious term. In fact, the term Dharma figures in, and is common to, all Indian religions – Hinduism, Buddhism, Jainism and Sikhism. Being common for all religions, it is religion-neutral, not sectarian. Even when it is suffixed to religions like say Hindu dharma, Buddha Dharma, it means not Hindu or Buddhist religion, but Hindu or Buddhist interpretation of the general concept of Dharma. Happily, in recent times, Dharma has acquired a religion-neutral, meaning in secular, public discourse – like 'Rajdharm', 'Coalition Dharma'. Even non believing, secular politicians have started using these terms, which indicates the gradual secularisation of the concept of dharma.

### Is Accounting profession not sacred? Yes, it is.

But the next question is whether Dharma is secular or sacred. Unless we further understand that Dharma is as much secular as it is sacred we cannot relate it to a secular group like Chartered Accountants and a secular profession of accountancy. Actually, in ancient Indian world view and philosophical perspective there is nothing secular as everything is sacred. In contrast, in the Western view, the world and all things worldly – earth, water, plant, or animal or river or mountain – are secular, and there is nothing sacred about them. But in the ancient Indian philosophic view all such worldly things including matter like stone and metal included – are sacred. Extending it further, all material things – money, house, profession, business or employment, instruments and machines we use and the rest – are also sacred in the ancient Indian view, but, secular in the Western view. Despite becoming free as a nation and society, since our current world view being still influenced by the West, we regard money, house, profession, business, employment, instruments and machines we use as secular.

But stop, close your eyes, and contemplate for a moment. In practice we revere them as sacred, like we regard books and office instruments as sacred and even worship them; we revere the home as sacred and even the keep foot-wears outside. This reverence for that what is secular in the Western sense as sacred in the cultural and civilisational sense in India is common for the followers of all faiths. Once this civilisational confluence is recognised, the concept of Dharma, which regulates our attitude to worldly things and affairs including our profession, not only becomes religion-neutral, but also sacred. Once it is accepted that one's profession is not just secular in the sense of its worldliness but sacred as well in the sense that there is a higher value attached to it, the accounting profession too is sacred, and so are all tools associated with it. This marks the first difference between the Western view of the accounting profession and ancient Indian view. This leads us to a discussion on what is Dharma as it is necessary before understanding its connection to the accounting profession and Chartered Accountants.

### Dharma: Values which hold or sustain institutions, society.

India is unique in its intellectual, scientific, moral, ethical and philosophic contribution to the world in many respects. But the most distinctive contribution of India to the world is the concept of Dharma. The meaning of Dharma is ascertainable from its root 'Dhr' in Sanskrit language which means to hold or sustain. The meaning of Dharma is "that which holds or sustains". In the ancient Indian view, in the macro sense, the compendium of values which sustain the society or any institution – be it a family, profession, business, or an association of professionals or businessmen – is dharma. The word Dharma has no equivalent in any other language. Without understanding what is Dharma an Indian is incomplete in comprehending life in its intellectual, moral and ethical sense. Dharma includes but transcends duty. It includes but transcends right. So dharma mandates individual duty and ensures collective right. It is virtuous conduct at the personal level which collectivised becomes collective right and moral order at the collective level which ensures individual right. So Dharma comprehends the collective as well as the individual discipline – as collective discipline is nothing but collectivised individual discipline, where the micro amalgamates into the macro. Yet, no one enforces Dharma. It is a voluntary obligation undertaken by the Dharmi, the follower of Dharma.

### What is Swadharma?

Swadharma and Swakarma are two inseparable dimensions of a human being. Swakarma means one's own personal, moral, ethical, and social duties and Swadharma means obligation to perform that duty, which disciplines and regulates Swakarma. The collective of Swakarma [personal duty] is the activity of the society and the collective of Swadharma [the obligation to perform that duty] [Swakarma] as a whole which sustains all sections by mutuality. One's contribution of duty [Karma] transforms as another's right – like the son's or daughter's duty as the parent's right and parent's duty as son's or daughter's right or like a client's duty as the Chartered accountant's right and the Chartered accountant's duty as the client's right – and the collective of Swadharma in performing one's Karma [duty] transforms into Dharma which sustains the society, nation and even the world and all institutions which intermediate between the individual, family, society, nation and the world.

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Advt.





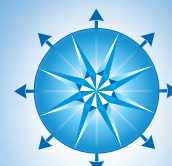
# Comprehensive Workshop on COMPANIES ACT 2013

on **23<sup>rd</sup>, 24<sup>th</sup> & 25<sup>th</sup> April 2015**

at **Devraj Urs Auditorium**

Opposite to Bangalore Branch, Vasanthnagar, Bangalore -560052

VICHAKSHANA



CA  
The Clear-sighted Professional

**16** hrs  
CPE

## DAY 1 - Thursday, 23.04.2015 - 04.00pm to 08.00pm

### Timings Topics / Speakers

04.00pm **Inaugural Session**

04.30pm **I Technical Session**

Companies Act 2013 - Overview  
covering the latest development  
**CA. K. Gururaj Acharya**, Bangalore



06.00pm TEA BREAK

06.30pm **II Technical Session**

Auditing: Major Changes - Statutory  
Auditor, Supplementary Audit by CAG,  
Auditing Standards, Internal Audit,  
Secretarial Audit, Cost Audit  
**CA. S. Sundaresan**, Bangalore



## DAY 2 - Friday 24.04.2015 - 10.00am to 05.30pm

10.00am **III Technical Session**

Board & Directors Responsibilities:  
Board- Structure, Report,  
Directors Responsibility statement,  
Board's mandatory committees,  
Key Managerial personnel  
**CS. Satish Menon**, Bangalore



11.30am TEA BREAK

11.45am **IV Technical Session**

Guiding principles of CSR,  
Applicability of CSR Provisions  
& Rules thereof  
**CA. Anup Shah**, Mumbai



12.45pm Issues & Approaches to Depreciation

**CA. K. Gururaj Acharya**, Bangalore

01.15pm LUNCH BREAK

02.15pm **V Technical Session**

Raising of Capital, Deposits,  
Dividend  
**CA. Shyam Ramadhyani**,  
Bangalore



### Timings Topics / Speakers

03.45pm TEA BREAK

04.00pm **Interactive Session**

with

**Shri. M.R. Bhat**, ROC, Karnataka  
**Ms. Geetha Mahalakshmi**, DROC  
**Shri. Satyajit Roul**, AROC &  
**Shri. Keerthi Tej**, AROC



## DAY 3 - Saturday 25.04.2015 - 10.00am to 05.30pm

10.00am **VI Technical Session**

Consolidated Financial Statement  
& Cash Flow Statements  
**CA. Adarsh Ranka**,  
Bangalore



11.30am TEA BREAK

11.45am **VII Technical Session**

Related Party Transactions,  
Loans to Directors,  
Inter Body Investments,  
Board Powers & Restrictions  
**CA. P.V. Srinivasan**, Bangalore



01.15pm LUNCH BREAK

02.15 **VIII Technical Session**

Audit Reporting under  
Companies Act 2013-Audit Report  
Vis a Vis SA700-705-706  
**CA. Himanshu Kishnadwala**,  
Mumbai



03.45pm TEA BREAK

04.00pm **IX Technical Session**

Private Limited Company  
Dos & Don'ts  
**CA. Ravi Prasad**,  
Bangalore



**CA. Allama Prabhu M.S.**  
Chairman

**CA. Geetha A.B.**  
Secretary

**CA. K. Gururaj Acharya**  
Programme Director

**CA. Ravi Prasad**  
Programme Co-ordinator

**DELEGATE FEE:** Members - ₹ 2500/-, Non-Members - ₹ 15000/- + Service Tax

Mode of Payment: Cash/ Cheque in favour of "Bangalore Branch of SIRC of ICAI" payable at Bangalore

For Further details please contact: **Ms. Geetanjali.D.**, Tel : 080-3056 3500 / 3513

Email: [blrregistrations@icai.org](mailto:blrregistrations@icai.org) | Website: [www.bangaloreicai.org](http://www.bangaloreicai.org)

## Chairman's Communique...

**Dear Esteemed Members,**

At the outset, I thank all of you for actively participating in the events conducted by the Bangalore Branch. In fact, the PRACTICE ALERT DISCUSSIONS used to get extended atleast by 30 minutes ! I also thank all of our resource persons for enriching us with their accumen, intellect and experience.

### **GUEST EDITORIAL – BY CA.S.GURUMURTHY:**

I profusely thank our guest editor CA.S.Gurumurthy for providing his editorial “SWADHARMA FOR CA’s”. Inter alia, he has given a different perspective and perception to our profession. The intricacies of *Swadharma* and *Swakarma* are exceptionally dealt with in his write up. The efficacy of following *Swadharma*, serving without losing equanimity, introspection leading to self improvement, all these points are analysed in depth. His Courage of Conviction is highly admirable and he makes his point very clear irrespective of what it is. I request our members to delve in to the profound deliberations and look for intellectual reflections and illuminations.

### **GST RESEARCH SUBGROUP:**

The Research Committee of SIRC of ICAI, under the Convenorship of CA P R Suresh constituted a GST Research Sub Group at Bangalore consisting of very eminent professionals in Indirect Tax Laws who undertook a highly commendable research spanning over 6 months of consistent and constant application of time, efforts and participation.

The distinguished Team Members are :

CA Madhukar Hiregange	CA S Venkataramani
CA V Raghuraman	CA. Sanjay Dhariwal
CA Jatin Christopher	CA Deepak Kumar Jain
CA Annapurna Kabra	CA T R Rajesh Kumar
CA S Sai Prasad	CA Vinayak Hedge
CA Hanish Jain	CA Harikishan
CA Madhusoodhan	CA Dayanand
CA MadhurHarlalka	CA M S Keshava
CA Naveen Rajpurohit	CA Ginita Shah

On behalf of the Bangalore Branch I express my sincere gratitude to all the members of the team.

The Sub Group has come out with a Draft to be presented to the concerned authorities, it is a treatise on the entire “transitional provisions in GST”.

The key aspects considered by the Study group included the different perspective of the different stake holders such as:

- the Government – whose aim and objective is to have a smooth transition without any loss of revenue to the government on account of such transition;
- the Industry whose concerns of such a massive exercise, the points of levy, set off, claim, carry forward, returns etc,
- the administrators in terms of the actual mechanism to be adopted to implement such a huge and gargantuan task of transition and the professions who will have to help assist the other three limbs for such an exercise in transition.

### **ICAI CAMPUS INTERVIEWS AT BANGALORE - A GRAND SUCCESS**

The Campus Interviews conducted by the Committee for Members in Industry of ICAI from **18<sup>th</sup> March 2015 to 24<sup>th</sup> March 2015** was a grand success. This year **21** companies and **more than 600** candidates participated in the Campus Interviews at Bangalore. The company-wise detail of the list of candidates selected is a under:

Name of the Company	Selected	Name of the Company	Selected
BSR & Co LLP	44	Wipro Ltd	6
Lovelock & Lewes	21	Suresh Surana & Associates LLP	4
Genpact AIG	18	ITC Limited	3
Accenture Services Pvt Ltd	15	The Indian Hotels Co.Ltd	3
Deloitte Haskins & Sells LLP	14	Tolaram Group	3
Religare Finvest Limited	14	Indus Towers Ltd	2
S.R. Batliboi & Co. LLP	11	Avery Dennison (India) Pvt Ltd	1
Infosys Technologies Limited	8	Haribhakti & Co. LLP	1
Tata Consultancy Services Ltd.	6		
<b>SHORTLISTED BY THE COMPANIES FOR FURTHER ROUNDS</b>			
Mount Meru Group		Janaagraha	
Bhoruka Power Corporation Ltd		Capital First Ltd.	



### Highlights of the Campus Interview:

1. Candidates from all over India opted for Bangalore as their Centre. The newly qualified CA's were mostly from the southern states like Karnataka, Kerala, Tamil Nadu & Andhra Pradesh and some from Maharashtra, West Bengal, Uttar Pradesh, Rajasthan, Gujarat and Assam as well.
2. The Pay Package offered by the Companies ranged from 5 lakhs to 30 lakhs
3. Finally, 174 candidates were selected in the campus interviews at Bangalore and offer letters were given by the few companies to the candidates on the same day of the interview.
4. The above figure of 174 may go up subject to selection of further shortlisted candidates by four (4) companies as listed in the chart above.

I acknowledge the excellent services of our staff Mr.K.Kulkarni in organizing and coordinating this event.

### **HORRIFYING & UNPARDONABLE IMPROPRIETY !**

The front page photo of the Hero Stone was taken by me on 4<sup>th</sup> of April 2015, at around 5.00 PM.

The deplorable state of the Hero Stone cannot be described as "Gross Negligence"; it is too soft a word to so describe; this is nothing but TOTAL IMPROPRIETY and DISHONOR TO THE GREAT HISTORY, CULTURE AND HERITAGE !

This hero stone along with other five stones were inside the temple complex; while renovating the premises, these stones have been removed and kept outside.

Just look at the fate of this Hero Stone; first of all, it is lying beside a Garbage Bin; secondly, all thrash and junk are callously thrown; over and above, dried leaves are accumulated and everything is set ablaze. The hero stone has developed cracks on its surface and this is because of the apathy of the urban towards the historical relic.

When we speak of Corporate Social Responsibility, are we ignoring our own PERSONAL SOCIAL RESPONSIBILITY ?

Why are we turning a blind eye to our own History, culture and heritage ?

Is it the job to be done only by the Government or by the Archeological Department? It is time to notice such things & act efficaciously, before they sustain an IRREPARABLE DAMAGE. Let us atleast save whatever is left out.

Well, this is one of the apathy and there are many more such issues, not only in Bangalore but all over India, that need to be addressed – personally and collectively.

UPASAMHARA :

*SINCERE APOLOGY TO THE REAL LIFE HERO*

*I have given complaint about this issue with the concerned Ministries of the Government of Karnataka and also to the Archeological Department. I have also brought this to the notice of the Media. The matter will be actively followed up till the desired effect is obtained.*

With warm regards

**CA. Allama Prabhu M.S.**

Chairman

## Impact Seminar on Audit Action Points and Provisions relating to Pvt. Ltd. Cos.

on Tuesday, 28<sup>th</sup> April 2015 between 10.00am & 02.15pm

at TDCAA Building, Near Sree Raj Theatre, Srinagar, TUMKUR - 572106

**4 hrs  
CPE**

Timings	Topic	Speaker
10:00am to 02.15pm	Audit Action Points and Provisions Relating to Pvt. Ltd. Cos.	CA. Ravi Prasad

*Followed by Lunch*

**CA. Allama Prabhu M.S.**

Chairman

**CA. Geetha A.B.**

Secretary

*Co-ordiantors*

**CA. G.V. Vasudev & CA. T.N. Raghavendra**

Mobile No: +91 94484 16521

DELEGATE FEES: Members: ₹ 250/-, Non-Members: ₹ 1500/- plus service tax

Mode of Payment: Cash/Cheque in favour of "Bangalore Branch of SIRC of ICAI", payable at Bangalore

*For further details please contact:*

**Ms. Geetanjali D., Tel: 080-3056 3500 / 3513 | Email: blrregistrations@icai.org | Website: www.bangaloreicai.org**

# KYC

## Know Your City

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## Heritage of Namma Bengaluru - 2

When I am writing about Bengaluru, I am consciously ignoring the redefined boundaries and the four towers that were set by Kempegowda in the year 1537.

For this series of articles, Bengaluru includes K.R.pura, Begur, Dommalur, Anekal, Jalahalli, Kodegehalli, Varthur, Hoodi, Belandur, Jadigenahalli, Devanahalli and other surrounding provinces.

It is interesting to note that Stone Implements were also discovered at Gavi Gangadhareshwara cave, Jalahalli, Sudhasandra and Siddhapura dating back to 4000BC.

According to Dr.S.K.Aruni, Deputy Director of Indian Council for Historical Research (ICHR), Southern Regional Centre, Bengaluru, there were at least 100 megalithic\* burial sites in and around Bengaluru, including those found in Lalbagh Gardens and Ragi Gudda.

Megalithic burial site found in Chapparakallu, near Devanahalli, dates back to 8BC !

Dr.Aruni, says that in 1910, a British Engineer opened the four tombs of a burial which was discovered at the Belandur lake bund and found iron objects, iron sandals, dagger, needles, pottery etc. The tombs dates back to 2500 years.

I have read in news papers (news item available in internet also) that according to a CAG report, megalithic sites at Chikkajala and Hejjala are missing- completely vandalized by urbanization and quarrying !

Many of these sites have become the victim of the city's unlimited, unplanned, unregulated and irrational urbanization.

Yes, Urban Bangalore has erased these two spots from the world's megalithic map. The unsatisfied appetite of urbanization is mercilessly swallowing even the traces of prehistoric remains.

### HERO STONE (Veeragallu) :

Hero Stone is a stone carved in commemoration of the honorable death of a person in the course of protecting his land or people. In recognition of the scrupulous loyalty and dedication of such person, expressing their gratitude and as a token of reciprocation, the Kings used to get the carvings done for depicting the details of the Heroism. A hero stone was considered as the highest degree of recognition for the valor and self sacrifice awarding eternal fame.

The Kings wanted the name and fame of such patriotic Warriors to remain forever. They intended the Hero Stones to become the source of motivation and inspiration for the next generation, making them to remain loyal and challenging them to achieve more for getting an immortal incentive.

***They wanted the values for which the patriots sacrificed their lives to be radiant and alive in this form.***

### HERO STONE AT MAHABALESHWARA TEMPLE, VENGAYYANA LAKE, K.R.PURA, BENGALURU:

From 325AD to 999AD, for nearly 700 years, nearly 25 Kings of the great Ganga Dynasty ruled all parts of the Country, effectively and proficiently. They operated from Kolar and Nandi Hills and gradually they settled in Talkad and made it their main Capital.

Bangalore was one of their ruled provinces as well.

The photo printed in the cover page is a Hero Stone belonging to the Ganga Period of Rule. This is lying outside the compound wall of Sri Mahabaleshwara Temple & Sri Lakshminarayana Temple Complex, Vengayyana Kere (lake), Krishnaraja Pura, Bengaluru.

Dr.S.K.Aruni discovered that the Hero Stone was installed by the Ganga Emperor **Sripurusha**(725AD-788AD), in commemoration of the display of incomparable valor and invaluable sacrifice made by one "**Mareya**" (Mariah, Marriah) as inscribed in the Hero Stone.

Mareya protected the village from the onslaught of the Dacoits and in the process sacrificed his life. Impressed by the patriotism, Sripurusha got the Hero stone carved and by this means paid tribute to the great patriot.

This is around 750AD and the Hero Stone gains great importance with regard to the antiquity of itself as well as that of Bengaluru.

Magnanimous Royal grants were made by the kings of the Ganga Dynasty; as an act of recording the grants, the details were inscribed on copper plates. Few date back to 5<sup>th</sup> Century BC. These are available at the Bangalore Museum.

\*Megalithic : The word "megalithic" describes structures made of such large stones, utilizing an interlocking system without the use of mortar or concrete, as well as representing periods of prehistory characterised by such constructions. (Source: Wikipedia)





## Guest Editorial

### Swadharma for Chartered Accountants

Contd. from Front Inner Page

Dharma is the phenomenon that sustains the macro phenomenon – be it the larger society or the profession of accountancy or for that matter the institution which regulates that profession itself – Swadharma, in the case of a Chartered Accountant for example, is the micro version of the concept of Dharma. The collectivised Swadharma is Dharma of the institution.

Swakarma was originally regarded as right and obligation by birth. So was Swadharma. But no more. The declaration of Sri Krishna in Bhagwat Gita, “Chaturvarna Mayasrushtam Guna Karma Vibhakasakah” meant that Sri Krishna himself created the four socio-economic classes – the intellectual class, the ruling class, the business class and the working class – according to one’s nature and choice of work. The contentious issue was whether the classification is by birth or by choice and training. Bal Gangadhar Tilak in his Gita Rahasya pointed out that Sri Krishna had used the words “guna” [nature] and “karma” [skill] and not “janma” [birth] and so the formation of the socio-economic class is by choice and training based on one’s nature and work choice, not birth. Tilak’s interpretation of Gita, which was contested in his times, is practically being followed in current times as any one can choose any profession that suits his nature and skill. So Swakarma is one’s choice based on his nature and skill. And Swadharma is the obligation to perform that duty. While Swakarma is one’s choice based on nature and skill, Swadharma, which is the personal, moral, ethical, and social obligation to perform that duty, is not choice. It is a self-imposed, but unenforced discipline.

#### Swadharma of a Chartered Accountant

Once, a person exercises his choice to become a Chartered Accountant as his Swakarma, then he is obliged to follow the Swadharma of a Chartered Accountant. What is the Swadharma of a Chartered Accountant? One needs to grasp the relation between Karma and Dharma to understand what constitutes the Swadharma of a Chartered Accountant. The relation between Dharma and Karma is manifest in the ancient Indian concept of “Purushartha” which is the fundamental rule of human life and society. Purushartha is a four-fold principle – Dharma, Artha, Kama and Moksha – in which Artha [materialism] and Kama [enjoyment] which are manifestations of Karma are subject to the rule of Dharma. And if human beings earn material things and enjoy the fruits of them according to Dharma then there would be individual and collective fulfilment in the worldly sense and equally fulfilment and salvation in the religious sense also. This is the principle of Purushartha. Every human being who has

desires [this will obviously and only exclude a recluse or saint who has no desire] has a duty [Swakarma] to earn material things [Artha, namely money, power, influence etc] to entitle them to enjoyment [Kama], but both earning [Artha] and enjoying [Kama] must be according to his dharma [Swadharma]. The Purushartha concept will function only in a relation-based society.

This is where the ancient Indian concepts of Dharma and Swadharma discipline all professions including the accounting profession and such self-disciplines are alien to Western world view. In the West an accountant has to earn according to law and rules and there is no other moral, filial, social, or other discipline over his earning. And further once he has earned according to law, he can spend on what he likes and enjoy as he wishes as an individual. But here in India, a Chartered Accountant has not only to earn according to law, he has to earn according to his Swadharma and follow the rules of Dharma. Otherwise he cannot get the over all and internal fulfilment which is the very end and goal of Purushartha.

#### Swadharma based on relations, not on contracts

Swadharma and Dharma are higher rules than law, rules and contracts. They make contracts, laws and rules work and even superfluous at times as they work more effectively than do formal contracts, rules and laws. This is because Dharma and Swadharma are founded on relations. Dharma cannot be, and is not, the subject of contracts. Relations are the basis of Indian social order, business and professions included. But the West exclusively operates on contracts. In India relations support and supplement, not supplant contracts. So the transactions costs are less. So is generally in most Asian economies as contrasted with the Western, particularly Anglo-Saxon. So the West and we operate on two different paradigms, not just different at the margins.

See how the difference between the two works in the case of a CA firm. The Multinational Accounting Firms which operate purely for fee. And on hourly basis. And on contracts. There is no sense of relation other than business relation between two faceless entities – the corporates and the CA firm. But an Indian CA firm does not operate only on contracts. And cannot. Also cannot work only for fee. It works also for fee. Because it works on the basis of relations. An Indian CA firm will have to and will stand by a fallen client who is unable to pay. This is its Swadharma, ethical duty. It will charge less to an individual assessee who has no business differently from a businessman who is an assessee even though the time devoted is the same. This is because it is not consistent with the rules of dharma to charge both similarly. It is true of a businessman making losses as distinct from a businessman making profits. The Indian CA firm shares the fortunes of the clients. An Indian CA firm will not charge a trust as much as it will charge a business. Many do not charge charities at all. In fact a large part of an Indian CA firm’s time and resources is committed for work which fetch no or less



than commensurate return. This is because of relation based practice which is part of their Dharma. It is its Swadharma for a CA firm to identify with the fortunes of the client. The client and the CA are bound by relations. Not by contracts. Contracts make no meaning. Where contracts dominate and relations decline, Dharma disappears.

There are also other, well-known aspects of distinctness operating on business and profession as for instance Mutual Funds and securities for Jain community investors, a rich group, who would not invest in securities which involve violence, like businesses involving meat, liquor or tobacco etc. This is neither to be trivialized as un-modern or anti-modern, nor seen as higher value, or a superior virtue. But simply as a distinct value and respected as such. All such distinctness is founded on relations – filial, social and religious. This is a reality in Indian way of life. There is no way this can be ignored in legislation and regulation. It is because of diversity in life. The concept of recognising diversities is the very essence of Dharma, while homogenising everything is the very essence of the West. While Dharma seeks unity in diversity, the Western thinking and methods seek uniformity. Likewise there are CA firms which will not take up certain kinds of audits. They should be recognised for such distinctness. This is voluntary restraint or regulation. The formal regulations should recognise this distinctness. This is because of social and spiritual relations, not contracts.

So the critical part of the Swadharma of a CA is relation based approach to professional work. In fact the idea of the West is to ensure that there is no relation other than contractual and legal. But morally sound relation of a CA with a client which is not influenced by money is a great source of ethical influence over him to dissuade him from doing things unacceptable to law, prudence or morals. What contracts cannot ensure and law and rules cannot prevent ethically, sound relations can achieve. However, there is a caveat.

#### **Contentment and humility – the foundation of Swadharma**

The observance of Swadharma is founded on two socially insisted personal principles about which the Mahaswami of Kanchi, universally acknowledged as a sage, wrote in response to Pundit Nehru's preface to the book of Rashtrakavi Ramdhari Singh Dinkar in late 1950s. It is very relevant to recall his profound response. In his preface to Dinkar's book Pundit Nehru had lamented that we are unable to give up our traditions nor keep them up; and we are unable to reject modernity nor follow it and therefore we are confused and are unable to show lead to the youth. As a result, Pundit Nehru foresaw, a crisis of character emerging in India. To this the Mahaswami of Kanchi responded saying that such confusion in the mind of the most admired leader of India was not in the interest of the country and even though he might not be able to remove the confusion, he had a responsibility to give his views. The Mahaswami said that our dharma was founded on two virtues on which only it functions.











He said that Aparigruha [contentment] and Nirahambhavana [humility] are the two virtues which act as crutches for Dharma to function. He added that modernity works against both. He said that unless we preserved contentment and humility as individual and social virtues we would increasingly face crisis of character. This exchange happened some 60 years before. But it is still valid today. If the Chartered Accountants have to uphold their Swadharma, first they need to be contented and next they need to be humble and moderate in their professional methods. A contented CA firm will have such high moral and professional standing that will be a heritable quality of the firm and its partners. This is what is missing in the modern business world. State regulations are poor substitute for self-regulation. But self regulation cannot be effective unless there is Swadharma in the CA profession and Swadharma insists on contentment and humility.

#### **For the attention of the ICAI**

The Institute of Chartered Accountants of India is repeatedly endorsing the regulatory regimes of the West which first make all voluntary regulations and even the ICAI irrelevant. The ICAI is obsessed with the rules and regulations of the West which seems to be concerned in effect only with the sensex and listed companies of India accounting for single digit of contribution to India's GDP. Only a minuscule number of the Indian CA firms are engaged in servicing them. A large number of CA firms are servicing the non-corporate sector and government sector which account for over 2/3 of the GDP of India. But the ICAI seems to be exclusively working on the model of the West and is ignoring the vast non-corporate sector which needs to be serviced more effectively. It needs to devote greater attention to them. Even the corporate sector in India which accounts for 14% of India's GDP is functioning largely on relation-based approach as do most Asian economies and virtually none of the Anglo-Saxon economies. But still ICAI and the government of India liberally import the Anglo-Saxon rules and regulations which ignore relation-based business and professional model and institute contract based model as replacement. This works in the West because, the West has lost the relation-based family, business, social model long back and so it is substituting relations with contract. That is not the situation in India. And that is why there are myriads of approaches to business and profession in India. In fact the Anglo-Saxon model tends to invalidate the ICAI itself and replace it with a government regulatory mechanism, thus ignoring the relation based – read Dharma-based – model of chartered accountant-client relations in India. This is a subject for intense discussions. Will the CA profession take up this challenge particularly at a time when the western world is looking for alternative ideas from the East, particularly India which is seen as a rising geo-political power. A rising power should begin to think originally and contribute to the world. It cannot continue to carbon copy the West.



## CALENDAR OF EVENTS - APRIL 2015

Date/Day/ Time	Topic /Speaker	CPE Credit
01.04.2015 Wednesday 6:00pm to 8:00pm	<b>Study Circle Meet</b> Conceptual Framework for Financial Reporting & IAS 1, 8 & 10 CA. (Ms.) Vinti Varma  VENUE: Branch Premises	 2 hrs
03.04.2015 Friday	<b>Holiday on account of Good Friday</b>	---
08.04.2015 Wednesday 6:00pm to 8:00pm	<b>Study Circle Meet</b> SEBI Act Vs. Companies Act Jnanasagara CA. S. Krishna Swamy  VENUE: Branch Premises	 2 hrs
10.04.2015 Friday 6:00pm to 8:00pm	<b>PRACTICE ALERT - DISCUSSIONS</b> Real Estate Works Contract CA. S. Venkataramani & CA. T.R. Rajesh Kumar  VENUE: Branch Premises	  2 hrs
11.04.2015 Saturday 10.00am to 1:00pm	<b>Half a day Workshop on Corporate Restructuring, Mergers &amp; Acquisitions</b> CA. Amith Raj.A.N & CA. Krishna Prasad Delegate fee: ₹ 500/- VENUE: Branch Premises	  3 hrs
15.04.2015 Wednesday 6:00pm to 8:00pm	<b>Study Circle Meet</b> - Recent e-initiatives of Commercial Taxes Department & its implication Shri. B.N. Biradar*, Asst. Commissioner of Commercial Taxes, Bangalore - Highlights of Karnataka State Budget & Critical Issues in Commercial Taxes CA. (Ms.) Annapurna Kabra VENUE: Branch Premises	 2 hrs  * Confirmation awaited
17.04.2015 Friday 6:00pm to 8:00pm	<b>PRACTICE ALERT - DISCUSSIONS</b> Central Excise and Customs CA. Jatin Christopher & CA. Hanish S.  VENUE: Branch Premises	  2 hrs
18.04.2015 Saturday	<b>One day workshop on Co operative Audit</b> Delegate Fee: ₹ 1500 /- For details refer Page No: 14 VENUE: Devaraj Urs Auditorium, opposite to Bangalore Branch Premises	6 hrs
22.04.2015 Wednesday 6:00pm to 8:00pm	<b>Study Circle Meet</b> CENVAT Credit- Inputs, Input Services and capital goods CA. A. Sai Prasad  VENUE: Branch Premises	 2 hrs

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/guest editors and do not necessarily reflect that of Bangalore Branch of ICAI.

## CALENDAR OF EVENTS - APRIL & MAY 2015

Date/Day/ Time	Topic /Speaker		CPE Credit
23.04.2015 to 25.04.2015 Thursday to Saturday	<b>Comprehensive Workshop on Companies Act 2013</b> <i>Program Director: CA. K. Gururaj Acharya &amp; Co-Ordinator: CA. Ravi Prasad</i> <i>Delegate Fee: ₹ 2500/- For detail refer Page No.: 4</i> <b>Thursday 4pm to 8pm, Friday &amp; Saturday 10am to 5.30pm</b> <b>VENUE:</b> Devaraj Urs Auditorium, opposite to Bangalore Branch Premises		  <b>16 hrs</b>
28.04.2015 Tuesday 10am to 2.15pm	Impact Seminar on Audit Action Points and Provisions relating to Pvt. Ltd. Cos. <b>CA. Ravi Prasad</b> <i>Delegate Fee: ₹ 250/- For details refer Page No.: 6</i> <b>VENUE:</b> TDCCA Building, Tumkur		<b>4 hrs</b>
29.04.2015 Wednesday 6:00pm to 8:00pm	<b>Study Circle Meet</b> 9 Power Sutras for Success <b>CA. Nanu .R. Mallya</b>  <b>VENUE:</b> Branch Premises		 <b>2 hrs</b>
Date/Day	Topic /Speaker	Venue/Time	CPE Credit
01.05.2015 Friday	<b>Holiday on account of May Day</b>		---
02.05.2015 Saturday	Impact Seminar on Derivatives - futures & options <i>Concepts : Dr. B. Venkatachalam</i> <i>Accounting and Taxation : speaker yet to be confirmed</i> <i>Delegate Fee: ₹ 500 /- Seminar will be followed by lunch</i>	Branch Premises	<b>3 hrs</b>
06.05.2015 Wednesday	<b>Study Circle Meet</b> FCRA- Procedure & Critical Issues <b>CA. G. Muralikrishna</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
08.05.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Service Tax -Updates & Discussions <b>CA. Madhukar.N.Hiregange &amp; CA. (Ms.) Roopa Nayak</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
09.05.2015 Saturday	Workshop on 44AB Audit <b>CA. Naveen Khariwal.H</b>  Workshop on TDS <b>CA. D.R. Venkatesh</b>  <i>Delegate Fee: ₹ 750/- for Half Day, ₹ 1000/- for Full Day</i>	10:00am to 1:00pm  2.00pm to 5.30pm  Branch Premises	<b>3 hrs</b>  <b>3 hrs</b>  <b>Total 6 hrs</b>

### Advertisement Tariff for the Branch Newsletter

COLOUR FULL PAGE	INSIDE BLACK & WHITE
Outside back ₹ 40,000/-	Full page ₹ 20,000/-
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Advt. material should reach us before 22nd of previous month.	

EDITOR :  
CA. Allama Prabhu M.S.

SUB EDITOR :  
CA. Geetha A.B.



## CALENDAR OF EVENTS - MAY & JUNE 2015

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
13.05.2015 Wednesday	<b>Study Circle Meet</b> Recent Controversial Issues in Assessment of Charitable Trust or Institutions <b>Dr. CA. N. Suresh</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
15.05.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Audit Reports, Accounting Standards & Financial Reports - Updates & Discussions <b>CA. K. Gururaj Acharya &amp; CA. Sunitha Jain</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
16.05.2015 Saturday	Statutory Audit of NBFCs - Regulatory Issues <b>Shri. Susobhan Sinha</b> , GM - Dept. of NB Supervision, RBI, B'lore <b>Shri. N. Gopal</b> , DGM - Dept. of NB Supervision, RBI, B'lore <i>Delegate Fee: ₹ 500/-</i>	Branch Premises 10:00pm to 1:00pm	<b>3 hrs</b>
20.05.2015 Wednesday	<b>Study Circle Meet</b> Private Equity & Venture Capital Funds - Structures, Funding Instruments, Tax & Regulatory Overview <b>CA. Amith Raj.A.N &amp; CA. Krishna Prasad</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
22.05.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> VAT - Updates & Discussions <b>CA. S. Ramasubramanian &amp; CA. N. Prateek Marlecha</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
23.05.2015 Saturday	Half a day Workshop on Hands on Training using Tally and e-upass upload & Enhanced Audit Tools, Tally Solutions <b>Mr. Divakar &amp; Team</b> <i>Limited seats, restricted to 60 members</i> <i>Delegate Fee: ₹ 500/-</i>	ICAI Bhawan Race Course Road	<b>3 hrs</b>
27.05.2015 Wednesday	Issues in Sec.9 & Sec195 and DTAA <b>CA. B.P. Sachin Kumar</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
29.05.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Central Excise & Customs - Updates & Discussions <b>CA. V. Raghuraman &amp; CA. C.R. Raghavendra</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
30.05.2015 Saturday	<b>Certification Course on Indirect Taxes</b> <i>organised by IDT Committee, ICAI &amp; hosted by Bangalore Branch.</i> <i>Tentative date of commencement: 30th May 2015.</i> <b>Course will be on Saturdays and Sundays (12 days)</b> <i>Co-ordinators: CA. P.R. Suresh &amp; CA. Annapurna Kabra</i>  <i>Details will be informed in due course of time</i>		<b>50 hrs</b> Structured + <b>20 hrs</b> Unstructured
03.6.2015 Wednesday	<b>Study Circle Meet</b> Foreign Account, Tax Compliance Act (FATCA) <b>CA. Vijay Kotha</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
05.6.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Domestic Transfer Pricing <b>CA. K.R. Sekar</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
06.06.2015 Saturday	Workshop on e-TDS Procedures and Issues <b>CA. Tarun Kumar Jain</b> <i>Delegate Fee: ₹ 500/-</i>	Branch Premises 10.00am to 1.00pm	<b>3 hrs</b>
10.06.2015 Wednesday	<b>Study Circle Meet</b> Inbound Investments - Tax & Regulatory aspects <b>CA. Amith Raj .A.N &amp; CA. Krishna Prasad</b>	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>



## CALENDAR OF EVENTS - JUNE, JULY & AUGUST 2015

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
12.6.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Income Tax Issues - Updates & Discussions CA. K.K. Chythanya & CA. Tata Krishna	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
13.06.2015 & 14.06.2015 Sat. & Sun.	<b>Two Day Conference:</b> <i>Joint Programme -</i> All India Federation of Tax Practitioners (AIFTP) with KSCAA	Hotel Le-Meridian Sankey Road, Bangalore	
17.06.2015 Wednesday	<b>Study Circle Meet</b> Outbound Investments - Tax & Regulatory Aspects CA. Amith Raj A.N & CA. Krishna Prasad	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
19.06.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Analysis of Finance Act 2015 on Indirect Taxes CA. V. Raghu Ram & CA. Sai Prasad .A	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
24.06.2015 Wednesday	<b>Study Circle Meet</b> Real Estate: Joint Development and Revenue Sharing agreements - Case Studies CA. Ashok Raghavan	Branch Premises 4:00pm to 8:00pm	<b>3 hrs</b>
26.06.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Analysis of Finance Act 2015 on Direct Taxees CA. H. Padamchand Khincha & CA. K.K. Chythanya	Branch Premises 4:00pm to 8:00pm	<b>3 hrs</b>
01.07.2012 Wednesday	<b>CA Day Flag Hoisting &amp; Celebration</b>	Branch Premises 9.30am	---
03.07.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Service Tax Laws CA. T.R. Rajesh Kumar & CA. Akbar Basha	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
08.07.2015 Wednesday	<b>Study Circle Meet</b> Basics & Issues under Money Laundering Act CA. V. Guruprasad	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
10.07.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> VAT Check Post and Inspections by Intelligence Authorities under KVAT Mr. K.J. Kamath, Advocate & Mr. K.G. Kamath, Advocate	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
15.07.2015 Wednesday	<b>Study Circle Meet</b> Effective Cyber Security to prevent Cyber Frauds Mr. Satish Kumar Dwibhashi	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
17.07.2015 Friday	<b>PRACTICE ALERT - DISCUSSIONS</b> Companies Act 2013 CA. Manohar Gupta.P.V & CA. Chetan.K.Jain	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
22.07.2015 Wednesday	<b>Study Circle Meet</b> Managerial Remuneration & Related Party Transactions CS. R. Parthasarathi	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
24.07.2015 Friday	<b>AGM*</b>	Branch Premises 6:00pm to 8:00pm	---
29.07.2015 Wednesday	<b>Study Circle Meet</b> Practical aspects in Cost Audit of Manufacturing Industries CA. Chalapathy Rao.G	Branch Premises 6:00pm to 8:00pm	<b>2 hrs</b>
29.08.2015 & 30.08.2015	<b>State Level Conference - Jnanadayini</b> <i>Details will be informed later</i>	Jnana Jyothi Auditorium Bengaluru- 560009	<b>12 hrs</b>







## One Day Seminar on

# Co-operative Audit

on Saturday 18th April 2015 at 10.00 am to 05.30 pm  
at Devraj Urs Auditorium  
Opposite to Bangalore Branch, Vasanthnagar, Bangalore -560052

6 hrs  
CPE

Timings	Topics	Speaker
09.00am	Registration	
10.00am to 10.45am	<b>Inauguration</b> Chief Guest : <b>Shri N.S. Channappa Gowda</b> , IAS, Registrar of Co.Op.Soc. in Kar. Guests of Honour : <b>Shri G. Karibasappa</b> , KCS, Addl. Registrar of Co.Op.Soc. <b>Shri Prakash C. Majgi</b> , Director of Co.Op.Audit	
10.45am to 11.45am	Accounting and Auditing Standards applicable to Cooperative Societies	<b>CA. Shivakumar. H</b> Bangalore 
11.45am	Tea Break	
12.00am to 01.15pm	Issues relating to Auditing & Reporting under Cooperative Acts	<b>CA. Dr. N.A. Charantimath</b> Hubli 
01.15pm	Lunch Break	
02.15pm to 03.30pm	Audit & Reporting aspects in respect of audit of Co-operative Banks	<b>CA. Umesh Bolmal</b> Belgaum 
03.30pm	Tea Break	
03.45pm to 05.15pm	Taxation Laws as applicable to co-op Societies in Karnataka	<b>CA. D.R. Venkatesh</b> Bangalore 
05.15pm	OPEN HOUSE	
<i>Note: Most of the discussions will be in Kannada</i>		

**CA. Allama Prabhu M.S.**  
Chairman

**CA. Geetha A.B.**  
Secretary

**CA. B.V. Raveendranath**  
Co-Ordinator



### DELEGATE FEES:

Members: ₹ 1500/-, Non-Members: ₹ 5000/- + Service Tax

Mode of Payment: Cash/Cheque/DD in favour of "Bangalore Branch of SIRC of ICAI", payable at Bangalore

For further details please contact: Ms. Geetanjali D., Tel: 080-3056 3500 / 3513

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# DIGEST OF RECENT DECISIONS OF THE INCOME TAX APPELLATE TRIBUNAL

CA. K.S. Satish, Mysore



## Charitable Trust

The activity of the assessee in constructing dry latrines in execution of a contract awarded by the District Urban Development Authority was a business activity carried on for consideration and it cannot be said to be a charitable purpose and consequently, the assessee is not eligible for registration under section 12A ruled the Delhi 'A' Bench in Bahara Shiksha Vikas Evam Sudhar Samiti v. CIT (2014) 164 TTJ (Del) 586.

## Not an Adventure in the Nature of Trade

In Kapil Chit Funds (P) Ltd. v. ITO (2014) 164 TTJ (Hyd) 191 where the facts were that the assessee-company bought agricultural land measuring 43.82 acres in Railapur Village with a population of 1,500 situated beyond 8 kms. from the municipal limits during the year ending 31.3.2005 with the intention of carrying out agricultural operations, treated the same as a fixed asset along with other agricultural lands acquired in the earlier years in its books of account, retained teak plantations in a portion of the agricultural land besides growing jowar & paddy in the remaining portion of the agricultural land and due to the boom in the real estate market much later sold a portion of the agricultural land measuring 32.75 acres to Shilpa Shelters Ltd., carrying on the business of a developer, during the year ending 31.3.2009 for Rs. 17.51

crores realising a profit of Rs. 16.29 crores, the Hyderabad 'B' Bench took the view that the assessee had bought the agricultural land with the intention of carrying out agricultural operations, that the period of holding did not suggest that the activity was an adventure in the nature of trade and that merely because it was sold for a profit, the transaction could not be regarded as an adventure in the nature of trade.

## Business Income

The Mumbai 'K' Bench has in ITO v. Ricoh India Ltd. (2014) 165 TTJ (Mum) 211 held that interest received by the assessee-company on fixed deposits made with bank to obtain performance guarantee in favour of its clients constituted its business income as the fixed deposits were made for the purposes of business.

## Section 40A(3)

Where the assessee made cash payments of Rs. 4,80,000 to agriculturists for purchase of agricultural land, the agricultural land cannot be converted into stock-in-trade until permission is obtained and the provisions of section 40A(3) cannot be invoked in respect of such cash payments made for purchase of agricultural land opined the Jodhpur Bench in Smt. Jiya Devi Sharma v. ACIT (2014) 165 TTJ (Jodh) (UO) 20.

## Method of Accounting

The Chandigarh 'B' Bench has in Hill View Infrastructure (P) Ltd.

v. DCIT (2014) 164 TTJ (Chd) 522 taken the view that where the assessee carrying on the business of real estate developers consistently followed the project completion method over the years which had been accepted by the Department and the Department did not point out any defects in the method of accounting, the Department could not reject the same and apply the percentage completion method.

## Capital Gains

In Binjusaria Properties (P) Ltd. v. ACIT (2014) 164 TTJ (Hyd) 417 where the assessee-company entered into a development agreement-cum-general power of attorney with another company on 2.2.2006 in terms of which the assessee-company handed over physical possession of the land owned by it to the other company for development and received a refundable deposit of Rs. 2,00,00,016 from the developer but the process of construction had not been initiated and approval for the construction of the building was not obtained, the Hyderabad 'B' Bench expressed the view that while the assessee had fulfilled its part of the obligation under the development agreement, the developer had not done anything to discharge the obligations cast on it under the development agreement, that the development agreement could not be said to be in the nature of a contract referred to in section 53A of the



Transfer of Property Act, 1882, that mere receipt of refundable deposit could not be treated as receipt of consideration and that capital gains could not be brought to tax in the assessment year 2006-07 merely on the basis that the development agreement was signed during the relevant previous year.

### **Dividend Stripping**

The Bangalore 'B' Bench in Smt. Rohini Nilekani v. Addl. CIT (2014) 165 TTJ (Bang) 929 has held that if there are more than one record dates, the first record alone should be considered for the purposes of section 94(7).

### **Penalty**

Where the assessee-company received Rs. 5 lakhs each on 1.4.2006 & 3.5.2006 in cash from an individual explained by it to be towards application money for shares and on

6.10.2006, the amount in the share application account stood at Rs. 11.80 crores while the authorised share capital was Rs. 5 lakhs, the assessee-company was not capable of issuing shares to the said individual on the dates of receiving cash from him, the assessee-company received cash loans in the garb of share application money and the levy of penalty under section 271D for violation of section 269SS was justified ruled the Delhi 'E' Bench in M.G. Estate (P) Ltd. v. Addl. CIT (2014) 164 TTJ (Del) 325.

### **Tax Deduction at Source**

The Lucknow 'A' Bench has in DCM Shriram Consolidated Ltd. v. ITO (2014) 164 TTJ (Luck) 430 taken the view that where the assessee deposited the amount of tax deducted at source with the bank within the prescribed date but the bank credited the amount wrongly to the account of Central Board of

Excise & Customs instead of to the account of Central Board of Direct Taxes, interest under section 201(1A) could not be levied on the assessee as it was the mistake of the bank, which should be considered as the agent of the Income Tax Department, in crediting the amount to a wrong account and there was no actual loss to the Central Government since it was using the amount although credited under a wrong head by the bank.

### **Tribunal**

Instruction No. 5 of 2014 issued by the Central Board of Direct Taxes on 10.7.2014 revising the monetary limit for filing an appeal before the Tribunal by the Department on income tax matters to Rs. 4 lakhs applies to pending appeals also held the Kolkata 'B' Bench in ITO v. Smt. Aarti Jana (2014) 165 TTJ (Kol) 553. ■

Advt.



# RECENT JUDICIAL PRONOUNCEMENTS IN INDIRECT TAXES

CA. Madhur Harlalka, B.Com., FCA., LL.B & CA. Kuber V Hundekar, B.Com., ACA



## Service Tax

### 1. *Turnover and tax liability correctly declared in the returns filed – extended period cannot be invoked:*

The Tribunal set-aside the order invoking extended period for recovery of short payment of taxes on the grounds that the turnover and the service tax liability was correctly declared in the returns filed by the Assessee and as such it cannot be held that the Assessee had an intention to evade payment of service tax. Reliance placed on the judgment of Honourable High Court of Gujarat in the case of Commissioner vs. Meghmani Dyes & Intermediates Ltd reported in 288 ELT 514. [*Central Warehousing Corporation vs. CST, Ahmedabad 2015-TIOL-405-CESTAT-Ahm*]

### 2. *Adjusting the liability with excess payment made for another year is incorrect:*

In an issue relating to adjustment of excess paid tax of one year against the short payment relating to another year, the Tribunal has held that such adjustment sought by the Assessee is incorrect. The Tribunal observed that excess payment of tax should be claimed as refund by the Assessee since it involves principles of unjust enrichment. [*My Car Pune Pvt*

*Ltd., vs. CCE Pune-I 2015-TIOL-412-CESTAT-Mum*]

### 3. *Tribunal has jurisdiction to decide the appeal in an issue relating to rebate of service tax against the order-in-appeal:*

The Revenue is in appeal before the Honourable High Court against the order of the Tribunal wherein the appeal against the First Appellate Authority was rejected on the grounds that Appeals relating to rebate of service tax does not lie before it. Allowing the Revenue's appeal Honourable High Court held that Tribunal did not give due consideration to Section 86(2A) of the Finance Act, 1994 which specifies that the Committee of Commissioners may direct the Central Excise Officer to file an appeal on its behalf before the Tribunal against the order of the First Appellate Authority. Accordingly, the order of the Tribunal rejecting the appeal is set-aside. [*CST-I vs. Ambe International 2015-TIO-577-HC-Mum-ST*]

### 4. *Application for refund cannot be rejected on the grounds that hard copy of application is not submitted if such claim is filed electronically:*

The issue in the present case relates to the time limit for filing refund of unutilised CENVAT credit.

The refund claim of the excess CENVAT credit was rejected as time barred for the reason that claim is filed electronically in terms of Circular No. 919/09/2010-CX dated 23.03.2010 but however hard copy of the claim along with supporting documents is not submitted. On appeal before the Tribunal has set-aside the order and held that date of filing refund claim electronically should be considered. [*M.s Transcent MT Services Pvt Ltd., vs. CST, Delhi-II 2015-TIOL-448-CESTAT-Del*]

### 5. *Exemption extended to folk artist is constitutionally valid:*

Honourable High Court has dismissed the writ of declaration filed under Article 226 of the constitution of India praying to declare Entry 16 of the Notification No. 25/2012 dated 20.06.2012 (Mega Exemption Notification) which provides for the exemption to services provided by a performing artist in folk or classical art forms of music, dance or theatre as discriminatory and violative on the contention that the same benefit is not extended to other artist namely film actor. Honourable High Court observed that folk artist and film actor are different and mere presence of the element



of drama in both does not mean that two activities are identical. Considering the circumstances in which films are made and theatre is performed, it is held that the petition is misconceived and dismissed. [SiddharthSuryanarayan vs. UoI and Others 2015-TIOL-561-HC-Mad-ST]

6. **Penalty levied by invoking extended period for non-remittance of service tax under reverse charge mechanism is liable to be set-aside:** The contention of the Revenue that the Assessee is liable to pay penalty invoking extended period for non-remittance of service tax under reverse charge mechanism is set-aside. The Tribunal observed that when the Assessee is entitled to claim CENVAT credit of service tax paid under reverse charge mechanism there was no need to evade tax. Accordingly, penalty levied under Section 78 of Finance Act, 1994 is set-aside. [Indo US Mim Tec. (P) Ltd., vs. CST, Bangalore [2015] 55 taxmann.com167 (Bangalore-CESTAT)]

#### Central Excise

7. **Assessee not liable to pay interest if the differential duty is paid prior to completion of the final assessment:** The Honourable High Court in an issue relating to levy of interest on finalisation of provisional assessment has held that the Assessee is not liable to pay interest under Rule 7(4) of Central Excise Rules, 2002. Honourable High Court observed that the Assessee

has remitted the differential duty prior to completion of the final assessment and if the interest was to be recovered & was indeed payable on date on which Assessee made payment of differential duty, then, Rule would have prescribed specifically. [Ceat Ltd., vs. Commissioner of Central Excise and Customs, Nashik 2015-TIOL-397-HC-Mum]

8. **Amount paid under protest - principles of unjust enrichment is not applicable:** The issue before the Honourable High Court is in relation to applicability of the principles of unjust enrichment for refund of the amount paid under protest. The fact was that the amount was paid under protest during the course of investigation. Honourable High Court dismissing the appeal filed by the Revenue has held that principles of unjust enrichment is not applicable to the amount paid under protest. [CCE, Coimbatore vs. M/s Pricol Ltd., and Another 2015-TIOL-515-HC-Mad-CX]

#### VAT

9. **Movement of goods not inextricably connected with sale - not liable to tax under CST Act, 1956:** The issue before the Honourable Supreme Court is whether the Assessee purchasing goods from the State Department and transferring subsequently to its head office in another State is liable to tax under the provisions of CST Act, 1956 or is liable to tax under the State VAT Act. In terms of the tender issued by the State

Department it was the obligation of the purchaser to remove the goods from the godown. Failing to do so the purchaser was responsible for paying rent beyond stipulated time. Further, the tender also specified that the State Department was also not responsible for any deterioration of goods during their storage in the godown. It is after analysing these terms, Honourable Supreme Court reversing the judgment of Honourable High Court held that the movement of goods from one State to another is not inextricably connected with the sale in terms of Section 3(a) of CST Act, 1956. Both the transaction being independent is not liable to tax under the provisions of CST Act, 1956 but is liable to tax under the State VAT Act. [CCT vs. Desai Beedi Co., Andhra Pradesh TS-77-SC-2015-VAT]

10. **Composite contract of supply and installation is works contract liable to sales tax:** Honourable High Court of Rajasthan relying on the judgment of Honourable Supreme Court in the case of L & T Ltd., vs. State of Karnataka reported in 65 VST 1 has held that the composite contract of supply of pipes and laying of pipeline is works contract and is liable to tax under the provisions of Rajasthan Sales Tax Act, 1954. [The Indian Hume Pipe Co Ltd., vs. State of Rajasthan and Others 2015-TIOL-548-HC-Raj-CT]
11. **Reassessment resulting in tax demand - Assessee having excess input tax credit - levy**

**of penalty and interest is not justified:** Honourable High Court upholding the order of the Tribunal has rejected the contention of the Revenue for levy of interest and penalty on the demand of tax raised consequent to reassessment for the reason that Assessee has surplus balance of input tax credit. It is observed that when the Assessee has surplus input tax credit there does not exist the element of avoidance of tax. [*State of Gujarat vs. Dashmesh Hydraulic Machinery* [2015] 55 taxmann.com 65 (Gujarat)]

**12. Authorities cannot collect the tax during the inspection:**

Assessee is before the Honourable High Court in a writ of Mandamus directing the Revenue to return the cheques collected during the course of inspection. Honourable High Court relying on the judgment in the case of Hotel Blue Nile vs. State of Tamil Nadu reported in 87 STC 543 allowed the petition with a direction to the Revenue to return the cheques collected. It is observed that tax cannot be collected before assessment of tax even if there is a violation of law. [*B Manohar vs. CTO (Enf) Group-I and Another* 2015-TIOL-562-HC-Mad-VAT]

**13. Job-work – input tax credit of VAT paid on consumables can be claimed:** In an issue relating to claiming of input tax credit of VAT paid on consumables by the dealer engaged in job-work, Honourable High Court of Karnataka has held that the

dealer is entitled to claim input tax credit even otherwise the amount received by such dealer is towards labour charges / job-work which is not liable to VAT. Honourable High Court observed that by virtue of Section 10(2), the dealer is entitled to claim input tax in relation to the tax paid on consumables which are used in the course of his business subject to the restrictions specified under Section 11, 12, 13, 14 17 and 18 of the Karnataka Value Added Tax Act, 2003. [*State of Karnataka vs. Vinyas Innovative Technological Pvt Ltd.*, 2014(80) KLJ (HC) (DB)]

**14. Order of the Tribunal rejecting the appeal for non-filing of application for condonation of delay – liable to be set-aside:** Honourable High Court of Karnataka has set-aside the order rejecting the appeals on the grounds that the appeals were defective for the reason that application for condonation of delay is not filed along with the appeal. It is held that rejection of appeals was not on merits and therefore in the interest of justice the Assessee should have been given an opportunity to rectify the defect in appeal. Accordingly, Assessee is permitted to file the application for condonation of delay. [*Catering Inn, Bangalore vs. State of Karnataka and Others* 2014 (80) KLJ 44 (HC)]

**15. Implanting stents and valves in the course of medical services – not exigible to tax:** Honourable High Court of Allahabad has

set-aside the levy of tax on the implants of stents or valves in a patient in the course of surgical procedure on the grounds that there cannot be applied any of the sub-clauses of the Articles 366(29-A) and hence the deeming provisions as specified therein are not attracted. In the absence of element of sale, the order imposing the levy of tax on stents or valves used by hospital in providing medical services to its indoor patients is set-aside. [*International Hospital Private Limited vs. State of Uttar Pradesh and Others* 2015(81) KLJ 50 (HC)(DB)]

**16. Tribunal can consider the new ground which was not placed before the Assessing Authority and First Appellate Authority:**

In an issue relating to placing of the issue before the Tribunal which was not placed before the Assessing Authority or the First Appellate Authority, the Tribunal has held that in terms of Section 63(5)(a) of the Karnataka Value Added Tax Act, 2003, the powers of the Tribunal are wide and accordingly the Tribunal could consider the new ground which was very much on record and pass such orders thereon as it thinks fit. Reliance placed on the judgments of Honourable Supreme Court in the case of National Thermal Power Company Limited vs. CIT reported in 99 ELT 200 and other judgments of Honourable Supreme Court. [*Malu Sleepers Private Limited vs.* 2015(81) KLJ 25 (Tri.) (DB)]



## TAX UPDATES - FEBRUARY 2015

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



### VAT, CST, ENTRY TAX, PROFESSIONAL TAX

**2014-15 (19) KCTJ 275 (SC): State of Karnataka etc v. Pro Lab & Ors. etc.**

- In the instant case the Honourable Supreme Court while dealing with constitutional validity of Entry 25 of Schedule VI to the Karnataka Sales Tax Act, held that the processing and supplying of photographs, photo prints and photo negatives, have "goods" component and hence are exigible to sales tax. Thus, the Court held that the Entry levying tax thereon as constitutionally valid.

### INCOME TAX

**[2015] 370 ITR 611 (Delhi - HC): AVTEC Ltd. v. Dy. CIT** - In the instant case the Honourable Delhi High Court held that where the initial view of the Assessing Officer coincided with the view taken by the Assessee, re-opening of assessment on the basis of the circular issued by the Commissioner of the Income Tax is not valid.

In other words, the Court held the belief must be of the Assessing Officer himself and not of anybody else.

**[2015] 370 ITR 740 (HP - HC): Palam Gas Service v. CIT** - In the instant case the Honourable Himachal Pradesh High Court held that Section 40(a)(ia) of the IT Act

not only applies to the amounts which are 'payable' at the end of the financial year, but also applies to the amounts which are 'paid' during the financial year.

**[2015] 371 ITR 280 (Bom. - HC): Nerka Chemicals P. Ltd. v. UOI and others** - In the instant case, the Honourable Bombay High Court held that where, the case of the Assessee is covered by the decision of the Honourable Tribunal, authorities under the IT Act, including Assessing Officer and Commissioner of Income Tax, could not have refused to grant stay.

**[2015] 228 Taxman A1 [Part 5]; [2015] 53 taxmann.com 102 (Bang. - Trib.): A. Mohiuddin v. ADIT (International Taxation)** - In the instant case the Honourable Bengaluru Income Tax Tribunal held that buyer is not liable to deduct TDS, when capital gain arose to Non-Resident was not taxable by virtue of relief under Section 54 of the IT Act.

**[2015] 228 Taxman 289 (Mad. - HC); [2015] 53 taxmann.com 107 (Mad. - HC): CIT v. S.R. Jeyashankar** - In the instant case the Honourable Madras High Court held that where assessee being a buyer of a flat, had entered into an agreement with builder for purchase of undivided share of land

and construction, date of allotment of undivided share in land was to be adopted as date of acquisition for computing capital gain instead of date of sale deed. On this basis, it was held that the capital gains arising from transfer of the flat were to be regarded as long term capital gains.

**[2015] 228 Taxman 309 (Bom. - HC)(Mag.); [2015] 48 taxmann.com 105 (Bom. - HC): Sovereign Securities (P.) Ltd. v. ITO** - In the instant case the Assessee's sister concern was acting as sub-broker. Said sister concern failed to pay amount of debt. Assessee claimed that amount as a bad debt. On appeal before the Honourable Tribunal, the Tribunal found that a book entry was made to claim bad debts as a means to reduce taxable profits.

The Honourable Bombay High Court held that since entire process was a mere eye-wash, it was not a fit case where substantial questions of law arose for determination of appeal.

**[2015] 229 Taxman 10 (Mad. - HC); [2015] 53 taxmann.com 466 (Mad. - HC): CIT v. C. Jaichander** - In the instant case the Honourable Madras High Court held that second proviso to Section 54EC (1) inserted by the Finance (No. 2) Act, 2014, is applicable w.e.f 01.04.2015 i.e. from AY 2015-2016 and subsequent years.



Therefore, the said proviso does not apply to previous Assessment Years.

Hence, the Honourable High Court held that the time limit to invest under Section 54EC(1) is six months from the date of transfer and even if the investment falls under the two financial years the benefit claimed by the assessee cannot be denied. Thus, the Hon. High Court upheld the claim of the assessee to the extent of Rs.1 Crore.

**Circular No.3/2015: Disallowance under section 40(a)(i) should be limited to sum chargeable to tax and not on total remittance: CBDT**

- The CBDT has clarified that for the purpose of making disallowance of 'other sum chargeable' under Section 40 (a)(i), the appropriate portion of the sum which is chargeable to tax shall form the basis of such disallowance. In other words the disallowance is not be made on the basis of whole sum remitted to non-resident/foreign company without deduction of tax as per section 40(a) (i). Disallowance is to be made only on that portion of sum which is chargeable to tax and on which TDS default is made by the payer.

*This is a welcome gesture by the department which goes a long way in making assessee feel comfortable dealing with department.*

**[2015] 54 taxmann.com 234 (Pune – Trib.): Maximize Learning (P.) Ltd v. ACIT** - In the instant case the Honourable Pune Tribunal held that where issue of scrutiny assessment notice under section 143(2) IT Act is time-barred, the Assessing Officer cannot make reference to TPO under section 92CA IT Act. Such

reference being a invalid reference, order passed by TPO on such invalid reference is *non est* and *void ab initio*.

**[2015] 54 taxmann.com 261 (Delhi – Trib.): Aithent Technologies (P.) Ltd v. ITO** - In the instant case the Honorable Delhi Tribunal held that transaction between assessee - Head office and its foreign branch could not be deemed as international transaction under section 92B of the IT Act since branch office was not an entity distinct from assessee.

*The aforesaid decision puts at rest the speculation caused by wording of section 92F(iii) defining enterprise as including a PE. Merely being an enterprise would not suffice. Such enterprise should be a person to be considered for determination of AE relationship under section 92A. Branch is not a person but is only an extended arm. It is untenable to regard branch and HO as associated enterprises.*

**[2015] 54 taxmann.com 301 (Andhra Pradesh): Ganta Vijaya Lakshmi v. ITO** - In the instant case the Honourable High Court of Andhra Pradesh denied to grant benefit of Sections 54F and 54B to assessee on purchase of properties in name of her married daughters.

*If one were to keep the basic objective of section 54F in mind, there is no reason why investment in the name of married daughter should disqualify. Married daughter is now a coparcener in a HUF. Therefore, this decision requires a review.*

**[2015] 229 Taxman 210 (AP - HC); [2015] 54 taxmann.com 102 (AP – HC): Ana Labs v. Dy. CIT** - In the

instant case, the Appellant had paid its partners in the form of shares and the Assessing officer was of the view that the obligation to pay capital gain tax arose on account of the transfer of capital by way of distribution of capital asset on account of dissolution of the firm. The Tribunal held that as the sale took place before dissolution of firm section 45(4) is not applicable.

The Honourable High court of Andhra Pradesh held that just because there was no distribution of assets, it does not lead to the conclusion that there was no transfer at all especially when there is no dispute that such sale took place with the participation of the appellant.

As regards the form of consideration it was held by the Honourable High Court that it would not make any difference if the consideration was paid in the form of money, kind or paid to someone other than the transferor.

It was further held by the Honourable High Court that either the transferor may receive the entire consideration directly or may instruct the transferor to pay the consideration to third party. In either case it would amount to payment to transferor from the view point of Section 45 of the Act. It was held in the instant case that whatever may be the form of consideration once the money value of the asset is fixed, the tax is to be paid.

Further, it was held by the Honourable High Court that even though there is no direct transaction between the partners and the transferee company and the consideration was paid in the form of shares, capital gain tax is payable.



[2015] 229 *Taxman* 242 (Mad. - HC): **Sooriya Hospital v. CIT(A)** - In the instant case the Honourable High Court of Madras held that where 25 per cent of demand was already with revenue in form of an amount due by way of refund to assessee, condition of deposit of 50 per cent of demand imposed by AAC for grant of stay of assessment order pending disposal of appeal was not justified.

[2015] 38 *ITR (Trib.)* 55 (Delhi): **Manpreet Singh v. ITO** - In the instant case, the Honourable Delhi Tribunal held that 'terrace' is a part of the building, therefore, renting out terrace for installing antennas for mobile communication service is taxable as 'income from house property' and not as 'income from other sources'.

[2015] 38 *ITR (Trib.)* 135 (Allahabad): **Patel Jashwantlal A and Another v. ITO** - In the instant case the Honourable Allahabad Tribunal held that the amendment to Section 80-IB(10)(e) and (f) of the IT Act, which restricts allotment of more than one residential units in the housing project to the same person is made applicable with effect from 01.04.2010, therefore the same does not apply to the housing units allotted to purchasers prior to the amendment.

[2015] 152 *ITD* 379 (Chennai - Trib.); [2014] 45 *taxmann.com* 74 (Chennai - Trib.): **B. Sivasubramaniam v. ITO** - In the instant case, the Honourable Chennai Tribunal held that the provisions of Section 54F mandates construction of a residential house within period specified, however there is no

condition that the building plan of residential house should be approved by Municipal corporation or any other competent authority.

[2015] 152 *ITD* 383 (Agra. - Trib.); [2014] 26 *taxmann.com* 200 (Agra. - Trib.): **Allahabad Bank v. ITO (TDS & Survey)** - It was held by the Honourable Agra Tribunal that the recovery provisions under section 201(1) can be invoked only when loss to revenue is established and that can only be established when it is demonstrated that recipient of income has not paid due taxes thereof and he has liability to pay tax.

It was further held that the interest under section 201(1A) is admittedly a compensatory interest in nature which seeks to compensate revenue for delay in realisation of taxes and where recipient of income had no tax liability embedded in such payment in such a case there would be no question of delay in realization of taxes and provisions of section 201(1A) would not be invoked.

[2015] 152 *ITD* 389 (Pune - Trib.); [2014] 50 *taxmann.com* 207 (Pune - Trib.): **Subhash Vinayak Supnekar v. Asst. CIT** - In the instant case Assessee received advance money on entering into an agreement to sell a property and invested a part of such money in REC Bonds before date of actual sale. Subsequent to sale of property, he claimed exemption of invested amount under Section 54EC.

The Honourable Pune Tribunal observed that as per Circular No. 359, dated 10.05.1983, earnest money or advance is a part of the sale

consideration and therefore, if the assessee invests the earnest money or the advance received in specified assets before the date of transfer of the asset, the amount so invested will qualify for exemption under Section 54E of the IT Act.

In view of the above, the Honourable Pune Tribunal held that although the instant case is in respect of Section 54EC, the language of Section 54E is similar to that of Section 54E. Therefore, the Tribunal held that the aforesaid investment in specified bonds would qualify for exemption under section 54EC.

[2015] 46-B *BCAJ* 554 (Delhi - Trib.): **National Horticulture Board v. Asst. CIT** - In the instant case the Honourable Delhi Tribunal held that where charging processing fees or service charges was not a business activities of assessee-society, engaged in disbursing subsidies, merely because assessee had charged a fees for processing subsidy applications, assessee's activities could not be ceased to be charitable activities under Section 2(15)

[2015] 12 *International Taxation* 75 (Art.); [2014] 52 *taxmann.com* 115 (Bang. - Trib.): **ITO v. Clear Water Technology Services (P.) Ltd.** - In the instant case the Honourable Bengaluru Tribunal held that liability to deduct tax at source under Section 195 of the IT Act cannot be fastened on an assessee on the basis of retrospective amendment.

*This is a welcome decision which upholds the doctrine of doubtful penalisation.*

## SICASA Chairman's Message to the Students

My Dear SICASA Members,

Hearty greetings to all of you !

I feel delighted to communicate to you for the first time as the Chairman of SICASA for the period 2015-16. Last year, SICASA committee and its members have done a wonderful performance with the able leadership of young Chairman CA Shravan Guduthur. I am happy to inform to you that, as a result, Bangalore Branch of SICASA has won the Best Award at all India level. Much compliments to each one of you and my previous chairman, CA Shravan Guduthur in particular. Therefore, the expectation for this year is set at height.

In the month of March, SICASA had conducted half day seminar on Bank Branch Audit on 23<sup>rd</sup> and it was a grand success with participants more than 280 students!. On 18<sup>th</sup> April 2015 we plan half day seminar on Implications of Co. Act 2013 in statutory audit. I request you to make use of the program. This year the national level conference is planned on 19<sup>th</sup> and 20<sup>th</sup> of December 2015.

Two things no one like in their life, still will end up in taking are the injection and the exams !. I am sure all my SICASA members who are taking exam this time, may it be CPT, IPCC or Final are quite busy in studying. Many times, studying at home may not be convenient and not effective also. Therefore, it is the endeavor of the Bangalore Branch of ICAI and SICASA to optimize the reading room facility at its command. Various initiatives with attention to minute aspects have been taken under the leadership of the Branch Chairman CA Allama Prabhu to ensure that you get adequate and comfortable reading room facility. At our Branch, reading rooms including the basement are now open from morning 6.00am to evening 10.00pm (for females, from 7.00am to 8.00pm only). In addition to that, reading room facilities are also available in the new facility in Race Course Road and Basavanagudi with the same timing. My only request to you is to kindly be humble and use the same.

Friends,

**You are on the way to achievement now !.** Passing each stage in CA will be certainly an achievement. To achieve anything in life, the first important thing

is the good health as rightly said in Sanskrit, “ಶರೀರಂ ಆಧ್ಯಂ ಖಲು ಧರ್ಮ ಸಾಧನಂ” (Shareeram aadyam khalu dharma saadhanam). This is my first tip to you. Kindly condition your body and the brain for this and plan your calendar for daily minimum exercise and walking. I have no hesitation to inform to you that I got qualified after repeated failures. The failure was mainly for the very reason that I did not given attention for conditioning body and brain. The important thing to be kept in mind is that, with a systematic and untiring effort coupled with self imposed commitment and conviction, one can certainly succeed in CA!.

While reading, we tend to continuously sit for long and in hurry to cover the subjects, we acquire stress, tension and fatigue. This results in accumulation of toxin in the body. The walking, exercise and praanayaama will help you reduce the toxin content and to balance your physical as well as mental health.

When I say praanayaam, I suggest 4 types of praanaayaamas during exam time :

**1. Anuloma Viloma, 2. Ujjayi, 3. Bhraamari and 4. Bastrika**

You may observe that while breathing in the normal course, the movement of air in both the noses at any point of time is not equal. That means, supply of oxygen for both right brain and left brain are not equal. If it is made equal, then both right brain and left brain will be activated. If both activated at a time, your enthusiasm will not get exhausted. More and more you read, you will enjoy more and more. These praanaayaamas will help to activate bot the brains at a time. Therefore, before starting your day, if you do these praanaayaamas, you will stay fresh throughout the day.

Friends,

Your success in exam is not solely based on what you read and how much you read. It is more important to practice writing and practice memorizing.

Sudarshana Kriya by Shri Shri Ravishankar Guruji has really helped me to manage my exam with ease! Just 5-8 minute effective meditation every day can make a lot of difference!. We at ICAI would like to have 1 hour program for 3 days on Praanayaama and meditation in the



morning at 7.00am by qualified Yoga Instructor on 11<sup>th</sup> 12<sup>th</sup> and 13<sup>th</sup> April 2015 . Those who want to control your tension, stress and fatigue may avail the benefit of the same.

With all that, at the end of the day, aircraft has to fly. Though the aircraft is very much safe on the ground, is not meant for that. It is meant to take calculated risk and keep flying. Hope you get to my point.

Do well in exams. “ಕರ್ಮಣ್ಯೇವಾಧಿಕಾರಸ್ತೆ ಮಾಫಲೇಶು ಕದಾಚನ” (Karmanye Vaadhikaraste Maaphaleshu Kadaachana). Do your duty honestly at your best and do not worry about the result. Leave it to the god. I wish you all a great success !.

With best wishes!

**CA. Bhat Shivaram Shankar**  
Chairman, SICASA

## Half Day Seminar on Impact of Companies Act 2013 in Statutory Audit

Date: 18 <sup>th</sup> April 2015	Venue : ICAI Bhavan
Time: 10.00am to 1.30pm	Fees: Rs. 200/- (with Lunch and Tea)
Speakers	CA. Srikanta Prasad K.N. CA. Jitendra Kumar Jain
No. of Seats (FIFS basis)	200

## 3 Days Morning Praanayaama and Meditation Session

Date: 11 <sup>th</sup> 12 <sup>th</sup> and 13 <sup>th</sup> April 2015	Venue : ICAI Bhavan
Time: 6.30am to 7.30am	Fees: Rs. 150/- (with 3 days breakfast)
Yoga Instructor	Yoga instructor qualified from Vivekananda Yoga Kendra
No. of Seats (FIFS basis)	70
Note: Students are requested to bring Yoga Mat for the Yoga classes.	

For further details please contact: Ms. Geetanjali D., Tel: 080-3056 3500 / 3513  
Email: [blrregistrations@icai.org](mailto:blrregistrations@icai.org) | Website: [www.bangaloreicai.org](http://www.bangaloreicai.org)

## IPCC & FINAL for November 2015 Examinations & CPT for December 2015 Examinations

**Admissions open for Subjectwise Coaching**

Coaching classes will be commencing at the Bangalore Branch of SIRC of ICAI from 21st May 2015. The classes will be concluded by 31st August 2015.

For further details please contact:  
Tel: 080-3056 3500 / 511 / 512 / 513  
Email: [blrregistrations@icai.org](mailto:blrregistrations@icai.org) /  
[blrprogrammes@icai.org](mailto:blrprogrammes@icai.org)

For more details, visit website :  
[www.bangaloreicai.org](http://www.bangaloreicai.org)

Advt.



## Public Awareness Programme on UNION BUDGET



Inauguration



Moderators:  
CA. T.V. Mohandas Pai & CA. H. Padamchand Khincha



Panelists:  
CA. A.K. Ravi Nedungadi, CA. V. Balakrishnan, Dr. Shubhada Rao, CA. S.S. Naganand



Cross section of the audience

## Clause by Clause Analysis of Finance Bill 2015



Inauguration



CA. S. Ramasubramanian



CA. Padamchand Khincha H



CA. Chythanya K.K.



CA. K.S. Ravishankar



CA. V. Raghuraman



CA. N. Anand



CA. Badrinath



CA. Madhur Harlalka



## Bank Branch Audit Seminar



Inauguration



CA. P.R. Suresh



CA. T.R. Chandrashekar



CA. R.G. Rajan



CA. A.V. Pal

## Seminar at Tumkur on Union Budget



Inauguration



CA. B.D. Chandrashekar

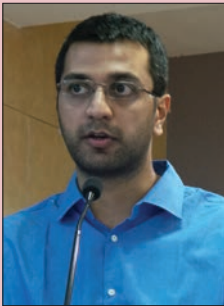


CA. Vinay N Sanji

## Practice Alert - Discussions



CA. Vivek Mallya



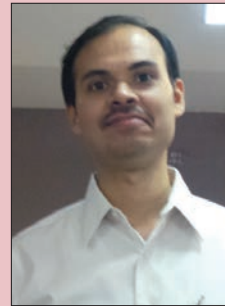
Mr. Gautham Gururaj



CA. Padamchand Khincha



CA. B.R. Sudheendra



CA. Shivanand Nayak



CA. H. Shivakumar

## Hands on Training on using Excel Worksheet for Bank Audit

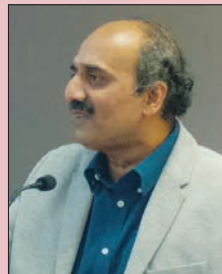
## Speakers at Study Circle Meetings



CA. Nanu R Mallya



Mr. Divakar & Mr. Shailesh



Mr. M.V. Seshachala



CS. Mangala Rohith



CS. M.S. Sivasankaran

## Seminar on Bank Branch Audit for Students



Inauguration



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