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Bangalore Branch of SIRC Newsletter

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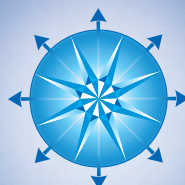
Mukti Natheshwara

A millennium Temple at Nelamangala



“Everything worth doing is worth doing well.”

VICHAKSHANA



CA

The Clear-sighted Professional



“In doing something, do it with love or never do it at all!”

Placing India on the Zenith of Global Economy



- **Shri D V Sadananda Gowda**
Honorable Minister for Law and Justice,
Government of India

There is a good quotation
"Taxes are compulsory
exaction of social fees by
public authority under a
public law for the survival
and progress of a civilized
society".

In the concept of a tax, a wide range of economic criteria is required to collate. That means a detailed economic survey and investigations project formulation of the policy of a tax and its effectuation through legislature measures is a recognized phenomenon.

In the modern pluralist intensive welfare State, a taxing law is not merely a measure for raising funds to meet the expenses of the Government but it has a fiscal machine, a pious vision and is a tool of economic regulation.

Even in the arena of tax laws, the legal dead wood as announced by our government is a year ago removed and cleared as various acts which have become obsolete commenced for being are being repealed, abolished or removed so as to dispel the confounded confusion prevailing everywhere. Even in the fields concerning the dignity majesty and global reputation of Indian judiciary, the required and much awaited reforms have been ushered in only to see that the independence of the judiciary is

always preserved and kept in high esteem with better available outputs.

Let me also deal with a fine aspect as to what would be the changes coupled with sequences ahead in taxation jurisprudence in the presence of the much more talked global economy.

In other words economy at international level is sought to be globalized with liberalized or elasticized approach for the whole world or globe is transformed into a single or singular village. **It is believed that such a globalized economy would give ample but enormous as also expanded scope without heaps and bounds for the growth of trade, commerce, industry as also heritage, culture, human relations, scientific developments and provision of services in all respects including medical sciences and finally global economy would open gates for global representations by the qualified tax professionals by whatever name as the case may be.**

The visible result and reality is that several multinational companies have already opened their branches in our country vice versa giving scope for healthy competition and stabilization in the prices as well as assured or ensured availability of the commodities and services throughout all places in all the countries over the globe.

You must by this time are well aware of the ideas and ideologies of our Government in this regard and during the visits to other countries, our populous government headed by our beloved and respectful Prime Minister has been emphasizing with appeasing appeal to the Foreign entrepreneurs to explore the possibilities of setting up many more industries and trade houses in our country which would ultimately strengthen the economic sources of the country, resulting in improvised employment potentiality, revenue collection and export of trade etc., and ultimately would give a kind of Fillip to our country to be placed at the zenith of global economy.

Simultaneously Indian entrepreneurs are also utilizing the benefit and advantage of global economy to set up many more industries and trade houses in many more developing and under developing countries where there is a lot of scope for growth.

|| JAI HIND ||

Jnanasagara CA. S. Krishna Swamy says:

The design of the Institute's logo was suggested by the great nationalist and philosopher Shri Aurobindo. Our logo has the inspiration "ya esa suptesu jagarti" which generally receives a translation 'one who is awake amongst those who are asleep'. Another meaning is (considering that this appears on Adityahridayam a sloka dedicated to Sun God) he awakens the latent in you. The dormant flower buds first responds to the sun light by opening up when light falls on them- the birds take-off. Also referred to as Pushpa Pusha (Pusha is Sun), Kaga Pushpa (Kaga is Bird) similarly all living beings awaken reenergized. The latent and the dormant in you are commissioned into a state of activity. While the Sun God drives a lot of things to past he also breathes life to the present (Bhuteshu Parinishtitaha). The logo has the Eagle Garuda which symbolizes:

1. Humility –His posture with his folded hands
2. He is as firm as he is humble says the Lord.
3. He is the reporter to the Lord making his aerial sojourn by his powerful eyesight.

4. Eagles have unusual eyes.

They are very large in proportion to their heads and have extremely large pupils. Eagles' eyes have a million light sensitive cells per square mm of retina, five times more than a human's 200000. While humans see just three basic colors, eagles see five. These adoptions gives eagles extremely keen eyesight and enable them to spot even well-camouflaged potential prey from a very long distance. In fact the eagles' vision is among the sharpest of any animal and studies suggest that some eagles can spot an animal the size of a rabbit up to two miles away.

5. The eagle has the unmatched capacity to directly descend down on the target and encircle it.(not round about)

6. **As Sri Abdul Kalam says "All birds find shelter during rain but the Eagle avoids rain by flying over the clouds" - Problems are common but attitudes are different.**



Advt.

CA Day Celebrations



Flag hoisting



CA. S.N. Ravindranath



CA. S. Krishnaswamy



Felicitation to CA. S. Krishnaswamy



CA. Cotha S. Srinivas addressing the gathering



Cross section of gathering

Blood Donation Camp



Distribution of cloths to poor



Eye Testing & General Health Checkup for poor



Thanking the Doctors



Thanking the Doctors



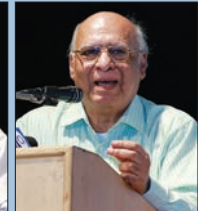
Public Awareness Programme



Public Awareness Programme



CA. A S Vishnu Bharath



CA. S. Krishnaswamy



Shri. Susobhan Sinha, GM-Dept of Non-Banking Supervision, RBI, B'lore



Shri. N.Gopal, DGM-Dept of Non-Banking Supervision, RBI, B'lore



Mrs. Madhura Veena M.L. - SP, CID, being thanked

Chairman's Communique...

Dear Esteemed Member,

Namasthe,

Happy CA Day !

I heartily congratulate our CA Fraternity on the occasion of the 66th CA Day!

66 years of glorious service....steering professional excellence !

On the occasion of the CA Day, on 1st of July 2015, the Branch had several purposeful programmes which included:

1. Blood Donation Camp by our Members and CA Students,
2. General Health Checkup for the Poor,
3. Eye Testing Camp for the Poor and
4. Distribution of Clothes for the Poor

The Day started with a live phone-in programme conducted by Door Darshana – Chandana wherein CA. B.P.Rao and CA. Nityananda participated and shared information about ICAI, Prospects of the Course, Exams etc.

At the Branch, Jnanasagara CA S Krishna Swamy hoisted the flag and gave an enlightening lecture for Members and Students.

PUBLIC AWARENESS PROGRAMME

On the same evening, we had organized a Public Awareness Programme on acceptance of money/ deposit by unregistered companies adopting unfair and unscrupulous methods. This event was organised jointly with RBI. CID officials also participated in the programme. After the address, there was an interactive session between Public, Members & Officials which was extremely useful to the Public at large.

We express our sincere gratitude to

1. CA. Dr. A.S. Vishnu Bharath, who magnanimously provided us the venue at R V Teachers College Auditorium, Jayanagar, Bengaluru.
 2. Jnanasagara CA. S. Krishnaswamy,
 3. Shri. Susobhan Sinha, GM - DNBS, RBI,
 4. Ms. Madhuraveena M.L, SP-CID,
 5. Shri. N. Gopal DGM - DNBS, RBI, &
 6. Shri Raghavendra K Hegde Dy SP-CID,
- who participated in the event and shared their knowledge.

JOINT PROGRAMME WITH AIFTP & KSCAA

The first ever joint programme with the three professional bodies was a great success. We express our heartfelt gratitude for **Shri.D.V.Sadananda Gowda**, Honorable Minister for Law and Justice, for inaugurating the event, amidst his busy schedule.

We also thank AIFTP President Shri J.D.Nankani and KSCAA President CA.S.Raveendra Kore for their support for making the event a grand success.

We acknowledge and appreciate the support given by:

1. CA. D.R. Venkatesh, the Convenor of the event
2. CA. I.S. Prasad, Chairman of the Delegate Committee,
3. CA. Padamchand Khincha,
4. CA. S. Venkataramani,
5. CA. Sanjay Dhariwal ,
6. CA. Ravi Prasad
7. CA. C. Ganpath Raj and
8. CA. T.R. Rajesh Kumar

We are also grateful to all our resource persons for their unstinted support for the conduct of the programme.

We specifically thank Shri D.V.Sadananda Gowda for permitting us to use the excerpts from his speech and publish the same as Guest Editorial.



WEBSITE TO INCLUDE NEW FEATURES:

We have made the Website more purposeful than before by introducing few new useful features. Please visit our Website and utilize the **Classifieds** facility which is provided free of cost for our Members and CA Students.

INTERNATIONAL YOGA DAY:

On 21st of June 2015, we also celebrated **International Yoga Day** and joined the mainstream of celebration's, first time initiated by the entire Universe. Yoga is one of the greatest contribution of India to the mankind and now the Universe has recognized it, embraced and has placed it at the pinnacle.

PRACTICE SUPPORT WORKSHOPS

We are conducting **Practice Alert – Discussions** on every Friday which has been a great success because of the involvement and participation of Members. Encouraged by this, we have decided to conduct yet another unique programme viz., **PRACTICE SUPPORT WORKSHOPS** wherein we would be regularly conducting hands on training workshops on VAT & Service Tax, where we intend to provide hands on training on filling of the e-forms, uploading procedures,

information about common errors, avoidance of mistakes while filling and filing and cover other such incidental matters. Dummy e-filing will also be worked out with illustrations covering various scenarios.

The Programme will be at the Race Course Road sub branch where we have only 50 computers to provide you the necessary training. We have planned to have it on the evenings of Monday's and Tuesdays, subject to the availability of resource persons.

We request our Members to take advantage of this and enable your staff and articles, thereby empower yourself for providing more effective and efficient service to your clients.

Please note that we would not be sending any SMS / E-mail reminders for this particular event.

Online registration is available.

With warm regards

Dhanyavada

CA. Allama Prabhu M.S.
Chairman

SPECIAL ANNOUNCEMENT

Just a call will do....

Scams by fraudulent companies and unincorporated bodies have resulted in many lay investors falling prey to attractively packaged schemes and losing their lifelong savings.

Market Intelligence has assumed greater importance in view of increasing activities of unauthorized deposit collection by fly-by-night operators and others which can have serious social, political and economic implications.

A Market Intelligence (MI) Cell has been formed in the Department of Non-Banking Supervision, Reserve Bank of India to accept the complaints and look in to the matter before any such activity takes the form of a scam. Just a call giving the details of the persons is sufficient to initiate the action.

ICAI members or public in general are free to approach should they come across any such activities.

The contact details are as under:

Contact Persons : 1. **Shri R. Raveendran**, Manager
2. **Shri M. Ramappa**, Assistant Manager
Telephone : **080-22237867 / 080-22180388**
e-mail : **dnbsbangalore@rbi.org.in**

KYC

Know Your City

ನಮ್ಮ ಬೆಂಗಳೂರು

Heritage of Namma Bengaluru - 5

Mukti Natheshwara A millennium Temple at Nelamangala

I reiterate that when we delve in to the history of India, the Culture, History, Heritage, Traditions, Customs are interlinked and interweaved with Religions. All Kings fully believed & worshipped God. In fact, many historical events are discovered or constructed only after a thorough study of the inscriptions found in the Temples.

When we embark upon to know about the History, it is inevitable for us to visit the Temples. Thousands of Temples are there in and around Bengaluru. I am carefully selecting only those temples which are having high historical significance.

I pray Members not to mistake that I am giving information only about Hindu religious places, in the guise of "Heritage of Namma Bengaluru".

One more point; I am making it very clear that this is not a research paper on the History of Bengaluru. My intention is to kinder interest about Heritage of Bengaluru and to espouse with historical facts, which I am doing by compiling relevant information from various authentic sources.

I am happy to share that many members have already visited the historical places dealt in my previous articles and have personally experienced the wonderful and diversified heritage of our Great City.

After *Raja Raja Cholan* conquered Bengaluru it remained in his control for little more than a century. He was a Shaiva King and he is said to have built many temples dedicated to God Shiva, in and around Bengaluru, prominent being:

1. Eshwara Temple at Kengeri
2. Mukthi Natheshwara Temple at Binnamangala, Nelamangala and
3. Dharmeshwara Temple at Kondrahalli

These temples which are almost millennium old stand as a testimony to the vibrant legacy of Chola over Bengaluru.

The Hoysala's Reign:

The period of Hoysala's (1000 AD to 1346AD) is yet another golden era in the glorious history of Karnataka. Initially, they ruled as feudatories of Chalukyas of Kalyana. But with their sheer valor and great determination they established a very strong foothold in the Southern India. Their Royal emblem was "A soldier fighting a tiger". While reconstructing the Bengaluru fort a stone containing the hoysala emblem was found, indicating that once upon a time the fort was under the control of hoysalas.

Vishnuvardhana was the most prominent and powerful king of this dynasty.

Vishnuvardhana ruled for approximately 34 years, from 1108AD to 1142AD. He earned eternal fame from his diplomacy, unparalleled gallantry, religious tolerance, encouragement and incentives to all religions and other such virtues. His kingdom was known for its affluence and tranquility.

His grandson Veeraballala II was also equally competent and capable as his grandfather. He further strengthened the kingdom by massive expansions and fulfilled the latter's ambition of making Hoysala a great independent empire.

Veera Ballala II, in the Battle of Talkad, regained control over the Bengaluru region. This particular victory is said to have led to the downfall of the control of the Chola empire over Bengaluru and the surrounding areas.

The story of an old woman offering boiled beans to Veera Ballala II when he had lost way during his hunting expedition is not only popular but also is believed to coin the name Bengaluru (Benda Kaalooru >>Bengaluru, Benda Kaaluru-in Kannada means the city of boiled beans). But Historians, in unanimity, have refuted this story and the 9th Century Begur inscription has already used the word "Bengaluru" questioning the authenticity of the story.



Mukti Natheshwara Temple

The cover page photo is of Mukti Natheshwara Temple constructed by Cholas in 1110 AD, in Binnamangala village, Nelamangala.

The inscription which is in Tamil is inscribed both on the front and the back. It records the granting of *Deva Dana* to *Muttisvaram* (Muktisvara) Mahadevar of Vinna Mangalam, in the form of surrounding dry and wet lands with their summer and winter crops, by *Raja Rajarajan Kulottunga Solan* (Chola).

The inscription (also) states:

"I have set up this stone and have (also) caused it to be engraved on it that this charity shall continue as long as the Moon and the Sun, and that those who protect this charity shall obtain the merit of those who perform meritorious deeds between the Ganges and the Kumari (Cape Comorin), while those who destroy this shall incur the sin of those who commit sinful deeds between the Ganges and the Kumari.

This is under the protection of Mahesvaras.

The order of Sandichcharan. In the sea-girt earth, the ruler Kandichcharan did charity, in former times. I will



unhesitatingly place on my head the feet of him who protects the charity of another.

Land has been enjoyed by Sagara and many other kings; whosoever was at any time the land, his was then the fruit. He who confiscates land given by himself or by another is born a worm in ordure for sixty-thousand years."

The above is the text as it is reproduced from ***Epigraphia Carnatica, vol IX, Inscriptions in the Bangalore District, by Mr.B.Lewis Rice, in 1905***, the translation is so perfect requiring no edition or elaboration.



Unfortunately, while renovating the temple, the inscription is erected by making the rear side visible as if it is the front side and the front side is on the reverse; because of this stupidity it is difficult to have a glimpse of the (real) front side. Another unfortunate thing is that, while erecting, few lines of the inscription which are down below are cemented and we have lost it forever. One side of the inscription has also developed a slight crack on its surface.

Almost all the exterior stone carvings and relief works of the temple have got, to some extent, effaced due to atmospheric effects. But, still it is a marvelous temple to visit and enjoy our heritage.

Like an iron filing stuck to a powerful magnet, I got stuck there for couple of hours; my heart and brain was refusing to depart from the place and the magical tranquility that prevailed there was soothing the soul.

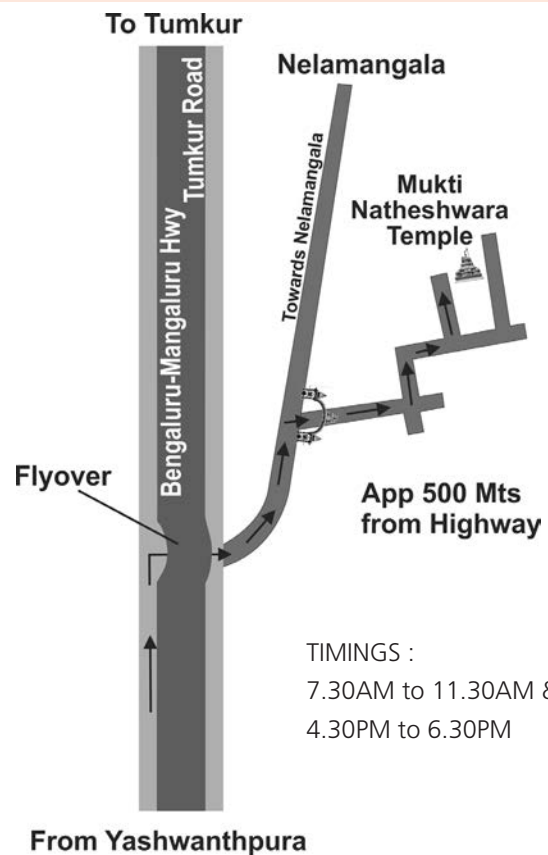
I am short of words to elucidate the feeling of bliss that I personally experienced there.

Mukthi – the ultimate salvation

Eshwara – the Supreme God

Mukthieshwara or Mukthi Natheshwara means the Supreme God who bestows on us the bliss of ultimate salvation.

Salutations to his Divine Efulgence !



KIND ATTENTION: MEMBERS

Members are requested to pass on the information to their clients

COURSE ON FINANCE FOR NON-FINANCE EXECUTIVES

– A Management Development Programme

The course is **open for Non-Finance Executives** such as Engineers, Architects, Doctors, Human Resource Personnel, Department Heads / Administrators / Entrepreneurs and various other professionals, those who are not having adequate knowledge of Accounts / Finance.

The course does not call for any prior knowledge in Accountancy, Finance and Tax Laws. The course coverage will be basic in all subjects.

Duration : **October 2015 to January 2016**

Timings : **02.00pm to 07.00pm (Only on Saturdays)**

Course Fee : **Rs.15000/- per participant**

Mode of payment:

DD/Cheque in favour of **Bangalore Branch of SIRC of ICAI**

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

E-mail : **bangalore@icai.org / blrprogrammes@icai.org**















website : **www.bangaloreicai.org**

Course Contents:










- Financial Accounts & Company Accounts
- Direct Taxes
- Project Reports
- Corporate Finance
- Financial Analysis
- Indirect taxes
- Cost Accounts



CALENDAR OF EVENTS - JULY 2015

Date/Day/ Time	Topic / Speaker	CPE Credit
03.07.2015 Friday 6.00pm to 8.00pm	PRACTICE ALERT - DISCUSSIONS Service Tax Laws CA. T.R. Rajesh Kumar & CA. Akbar Basha VENUE: Branch Premises	  2 hrs
04.07.2015 Saturday 05.00pm to 08.15pm	Series of Intensive Workshop on International Taxations (Series-I) CA. P.V. Srinivasan Co-ordinator: CA. Cotha S. Srinivas VENUE: Branch Premises No Delegate Fee	  3 hrs
06.07.2015 Monday 6.00pm to 8.00pm	Interactive with CPC Officials on e-Filing & Related Issues Chief Guest: Shri R.K. Mishra , Director of Income Tax, Centralized Processing Centre & e-Filing VENUE: Branch Premises	2 hrs
08.07.2015 Wednesday 6.00pm to 8.00pm	Study Circle Meet Basics & Issues under Money Laundering Act CA. V. Guruprasad VENUE: Branch Premises	 2 hrs
10.07.2015 Friday 6.00pm to 8.00pm	PRACTICE ALERT - DISCUSSIONS VAT Check Post and Inspections by Intelligence Authorities under KVAT Mr. K.J. Kamath , Advocate & Mr. K.G. Kamath , Advocate VENUE: Branch Premises	  2 hrs
11.07.2015 Saturday 10.00am to 05.30pm	One Day Workshop on Co-operative Audit Co-ordinator: CA. B.V. Raveendranath Delegate fee: ₹ 1,200/- VENUE: Branch Premises	 6 hrs
15.07.2015 Wednesday 6.00pm to 8.00pm	Study Circle Meet Effective Cyber Security to prevent Cyber Frauds Mr. Satish Kumar Dwibhashi VENUE: Branch Premises	 2 hrs
17.07.2015 Friday 6.00pm to 8.00pm	PRACTICE ALERT - DISCUSSIONS Companies Act 2013 CA. Manohar Gupta P & CA. Chetan K Jain VENUE: Branch Premises	  2 hrs
20.07.2015 Monday 6.00pm to 8.00pm	PRACTICE SUPPORT WORKSHOP Hands on Workshop on Service Tax e-filing CA. Madhukar N. Hiregange & CA. Lakshmi.G.K Delegate fee: ₹ 200/- Restricted seats 50 VENUE: ICAI Bhawan, No.29/1, Race Course Road, Next to SBI, Bengaluru	  2 hrs
21.07.2015 Tuesday 6.00pm to 8.00pm	PRACTICE SUPPORT WORKSHOP Hands on Workshop on Service Tax e-filing CA. Lakshmi.G.K Delegate fee: ₹ 200/- Restricted seats 50 VENUE: ICAI Bhawan, No. 29/1, Race Course Road, Next to SBI, Bengaluru	2 hrs
22.07.2015 Wednesday 6.00pm to 8.00pm	Study Circle Meet Managerial Remuneration & Related Party Transactions CS. R. Parthasarathi VENUE: Branch Premises	 2 hrs

CALENDAR OF EVENTS - JULY & AUGUST 2015

Date/Day/ Time	Topic / Speaker	CPE Credit
23.07.2015 Thursday 6.00pm to 8.00pm	Intensive Workshop on Changes in IT Returns CA. Naveen Khariwal. G <i>Delegate fee: ₹ 200/-</i> VENUE: Branch Premises	 2 hrs
24.07.2015 Friday 4.00pm	Branch AGM VENUE: Branch Premises	—
25.07.2015 Saturday 10.00am to 5.00pm	"Megha Sandesha" One Day Seminar on Cloud Computing Co-ordinator: CA. Nithin Mahadevappa VENUE: Branch Premises Delegate Fee: ₹ 750/-	 6 hrs
27.07.2015 Monday 05.00pm to 08.15pm	Interactive Session on e-UPaSS : Input Tax Credit, Matching, Issues and Concerns Shri. Dr. Muralikrishna. B.V , Joint Commissioner of Commercial Taxes (e-Audit) VENUE: Branch Premises	 3 hrs
29.07.2015 Wednesday 6.00pm to 8.00pm	Study Circle Meet Practical Aspects in Cost Audit of Manufacturing Industries CA. Chalapathy Rao.G VENUE: Branch Premises	 2 hrs
01.08.2015 Saturday 05.00pm to 08.15pm	Series of Intensive Workshop on International Taxations (Series-II) CA. K.R. Sekar VENUE: Branch Premises No Delegate Fee	 3 hrs
05.08.2015 Wednesday 6.00pm to 8.00pm	Study Circle Meet Impact of Venture Capital Business in CAs Profession CA. Srikant Parthasarathy VENUE: Branch Premises	 2 hrs
06.08.2015 Thursday 05.00pm to 08.15pm	Intensive Workshop on Issues in Tax Audit Report CA. K. Gururaj Acharya <i>Delegate Fee: ₹ 200/-</i> VENUE: Branch Premises	 3 hrs
07.08.2015 Friday 6.00pm to 8.00pm	PRACTICE ALERT - DISCUSSIONS VAT CA. Sanjay M. Dhariwal & CA. Annapurna Kabra VENUE: Branch Premises	  2 hrs
10.08.2015 Monday 6.00pm to 8.00pm	PRACTICE SUPPORT WORKSHOP Hands on Workshop on Service Tax e-filing CA. Lakshmi.G.K <i>Delegate fee: ₹ 200/-</i> Restricted seats 50 VENUE: ICAI Bhawan, No. 29/1, Race Course Road, Next to SBI, Bengaluru	2 hrs
11.08.2015 Tuesday 6.00pm to 8.00pm	PRACTICE SUPPORT WORKSHOP Hands on Workshop on VAT Monthly Returns (VAT-100/105/120) e-filing & Uploading Procedure CA. Annapurna Kabra <i>Delegate fee: ₹ 200/-</i> Restricted seats 50 VENUE: ICAI Bhawan, No. 29/1, Race Course Road, Next to SBI, Bengaluru	2 hrs



CALENDAR OF EVENTS - AUGUST 2015

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
12.08.2015 Wednesday	Study Circle Meet ICDS-Income Computation Disclosure Standards CA. D.S. Vivek	Branch Premises 6.00pm to 8.00pm	2 hrs
14.08.2015 Friday	PRACTICE ALERT - DISCUSSIONS Service Tax CA. Madhur Harlalka & CA. Badrinath.N.R	Branch Premises 6.00pm to 8.00pm	2 hrs
15.08.2015 Saturday	Independence Day - Flag Hoisting & Celebration	Branch Premises 09.30am	—
17.08.2015 Monday	Hands on Workshop on Service Tax e-filing CA. Lakshmi.G.K <i>Delegate fee: ₹ 200/-</i> Restricted seats 50	ICAI Bhawan, No.29/1, Race Course Road, Next to SBI, Bengaluru 6.00pm to 8.00pm	2 hrs
18.08.2015 Tuesday	Hands on Workshop on VAT Monthly Returns (VAT-100/105/120) e-filing & Uploading Procedure CA. Annapurna Kabra <i>Delegate fee: ₹ 200/-</i> Restricted seats 50	ICAI Bhawan, No.29/1, Race Course Road, Next to SBI, Bengaluru 6.00pm to 8.00pm	2 hrs
19.08.2015 Wednesday	Study Circle Meet Depreciation as per Companies Act 2013 in SAP-Changes and Its Effects CA. Rajeew Kumar	Branch Premises 6.00pm to 8.00pm	2 hrs
21.08.2015 Friday	PRACTICE ALERT - DISCUSSIONS Income Tax Issues CA. H. Padamchand Khincha, CA. B.R. Sudheendra & CA. Shivanand Nayak	Branch Premises 6.00pm to 8.00pm	2 hrs
26.08.2015 Wednesday	Study Circle Meet Recent Issues in Income Tax Shri. M.V. Seshachala, Advocate	Branch Premises 6.00pm to 8.00pm	2 hrs
29.08.2015 Saturday & 30.08.2015 Sunday	Jnanadayini ICAI National Conference <i>Jointly organized by All the Branches of Karnataka</i> <i>Hosted by Bangalore Branch of SIRC of ICAI</i>	Jnana Jyothi Auditorium Bengaluru	12 hrs

**All events finalized till October 2015 are uploaded in our Website.
Please visit our website for further details: www.bangaloreicai.org**

Advertisement Tariff for the Branch Newsletter

COLOUR FULL PAGE		INSIDE BLACK & WHITE	
Outside back	₹ 40,000/-	Full page	₹ 20,000/-
Inside front	₹ 35,000/-	Half page	₹ 10,000/-
Inside back	₹ 30,000/-	Quarter page	₹ 5,000/-

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

EDITOR : CA. Allama Prabhu M.S.
SUB EDITOR : CA. Geetha A.B.

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.



Jnanadayini

ICAI National Conference

12 hrs
CPE

29 & 30 Aug 2015

Jnana Jyothi Auditorium, Bengaluru

Hosted by Bangalore Branch of SIRC of ICAI

Jointly organized by Belgaum, Bellary, Hubli, Mangalore, Mysore, Udupi Branches of SIRC of ICAI

Sat, 29 Aug 2015

08:30 AM	Registration
09:30 AM	INAUGURAL SESSION
11:15 AM	Tea Break
11:30 PM	I TECHNICAL SESSION
	What is India's response to BEPS ? Dr. Parthasarathi Shome
12:30 PM	II TECHNICAL SESSION
	Income Computation & Disclosure Standards CA. Padamchand Khincha
1:30 PM	Lunch
2:30 PM	III TECHNICAL SESSION
	Digital Commerce: Changing Business Models Opportunities & Challenges for CA's CA. Anjana Vivek
3:30 PM	Tea Break
3:45 PM	IV TECHNICAL SESSION
	EPC Contracts - Tax implications CA. K.S. Ravishankar CA. K.K. Chythanya
5:30 PM	High Tea
6:15 PM	SPECIAL SESSION FOR MEMBERS & FAMILY
	Don't expect, only accept - Key for bridging the family relationships Sri. Gururaj Kharjagi
7:15 PM	FAMILY ENTERTAINMENT
	Chief Guest : Sandalwood Super Hero: Rocking Star YASH*

Sun, 30 Aug 2015

8:30 AM	Breakfast
9:30 AM	SPIRITUAL SESSION
	Powerfully Living by Mr. Khurshed Batliwala (BaWa) Faculty at Art of Living, Dean of Students Affairs, Sri Sri University, Bhuvaneshwar
10:30 AM	V TECHNICAL SESSION
	Auditors Additional Responsibilities under Companies Act 2013 CA. Gururaja Acharya K
11:30 AM	Tea Break
11:45 AM	VI TECHNICAL SESSION
	Significant provisions of "Undisclosed Foreign Assets & Income (imposition of tax) Bill 2015" CA. Dilip J Thakkar, Mumbai
1:15 PM	Lunch Break
2:15 PM	SPECIAL SESSION
	Generating Bonus Time CA. Nanu Mallya
3:15 PM	Tea Break
3:30 PM	VII TECHNICAL SESSION - PANEL DISCUSSION
	Taxation of e-Commerce - Covering the Entire Gamut of Taxation CA. S. Ramasubramanian CA. K.R. Sekar CA. V. Raghuraman CA. S. Venkataramani Moderator : CA. Sanjay Dhariwal
5:30 PM	VALEDICTORY & Choosing the Lucky Delegates
6:00 PM	High Tea

CA. Allama Prabhu M.S.
Chairman

CA. Geetha A.B.
Secretary

DELEGATE FEE:

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DIGEST OF RECENT DECISIONS OF THE INCOME TAX APPELLATE TRIBUNAL

CA. K.S. Satish, Mysore



INCOME FROM HOUSE PROPERTY

Where the assessee let out the terrace of his building to two companies for installation of mobile antennas thereon and received rent, the rental income was assessable as 'income from house property' since rent was for the space provided for installation of antennas opined the Delhi 'E' Bench in *Manpreet Singh v. ITO* (2015) 168 TTJ (Del) 502.

SECTION 40(a)(i)

The Pune 'A' Bench in *Gera Developments (P) Ltd. v. JCIT* (2015) 169 TTJ (Pune) 181 where the facts were that the assessee-company paid architectural fees to a non-resident which was not debited to the profit & loss account but was capitalised as work-in-progress and shown in the balance sheet and the fees paid was not claimed as a deduction from the business profits, took the view that the fees paid could not be disallowed under section 40(a)(i) as it was not claimed as a revenue expenditure.

BUSINESS EXPENDITURE

In *DCIT v. Jaipur Vidyut Vitran Nigam Ltd.* (2015) 167 TTJ (Jp) (UO) 24, the Jaipur Bench held that the front end fees paid by the assessee to Housing & Urban Development Corporation Ltd. as a precondition for sanction of loan by the latter to the assessee to be utilised for improvement in transmission, network and infrastructure is deductible as a revenue expenditure in toto in the year of payment even though the assessee has written off the amount over a period of five years in its books of accounts.

CAPITAL GAINS

Where the assessee-firm sold its land and building and made investment in Bonds of Rural Electrification Corporation Ltd. in the names of its two partners, it was eligible for exemption under section 54EC opined the Pune 'B' Bench in *Chakrabarty Medical Centre v. TRO* (2015) 169 TTJ (Pune) 745.

SECTION 69

The Chennai 'A' Bench has in *DCIT v. Justice P.D. Dinakaran & Ors.* (2015) 169 TTJ (Chn) 329, where the wife of the assessee who had a separate Permanent Account Number filed her returns of income separately and was independently assessed to income tax received gifts from her brother who explained the source for making the gifts, taken the view that since the identity and creditworthiness of the donor was established, the said gifts could not be added in the hands of the assessee.

REASSESSMENT

The Assessing Officer is not precluded from initiating reassessment proceedings for the reason that the first appellate authority had deleted an identical addition for an earlier assessment year as the doctrine of merger extends only to the year for which the first appellate authority had passed the order held the Mumbai 'E' Bench in *DCIT v. Tivoli Investment & Trading Co. (P) Ltd.* (2015) 168 TTJ (Mum) 651.

PENALTY

In *Mitsuba Systems (India) (P) Ltd. v. DCIT* (2015) 168 TTJ (Mum) 507 where the assessee-company had claimed

deduction of interest paid under sections 234A, 234B & 234C as a business expenditure in its return of income and agreed to the disallowance on being queried during the course of assessment proceedings, the Mumbai 'B' Bench held that the assessee-company was liable for penalty under section 271(1)(c) as it consciously claimed the said deduction which cannot be treated as a mere mistake.

TRIBUNAL

The Tribunal, in terms of the proviso to section 254(2A), has power to stay proceedings initiated by the Assessing Officer for launching prosecution under section 276C(1) till the disposal of appeals filed by the assessee before it ruled the Delhi 'D' Bench in *Jindal Steel & Power Ltd. v. ACIT* (2015) 169 TTJ (Del) 704.

PRECEDENT

The Delhi 'E' Bench has in *Minda Sai Ltd. v. ITO* (2015) 167 TTJ (Del) 689 taken the view that a Bench of the Tribunal has to follow the decision of a non-judicial High Court in preference to a Special Bench decision of the Tribunal.

WEALTH TAX

In *Shah Rukh Khan v. ACWT* (2015) 167 TTJ (Mum) 73 where the wife of the assessee purchased a house for Rs. 1,65,95,000 and jewellery for Rs. 62,93,530 out of the interest-free loan given by him and she had repaid a part of the loan, the Mumbai 'H' Bench expressed the view that Interest-free loan cannot be said to be a transfer and, therefore, it could not be included in the net wealth of the assessee under section 4(1)(a)(i). ■

PARTS DIGESTED: STR VOL. 38: PART 5 & 6

CA. A. Saiprasad



Coal Handlers Pvt Ltd V. CCE, 2015 (38) STR 897 (SC)

The Supreme Court held that when the assessee has no role in (a) getting goods cleared from supplier, (b) movement of the goods, (c) loading/unloading of the goods, (d) warehousing the goods, (e) dispatching goods as per direction of principal, (f) maintaining records of receipt & dispatch, (g) preparing invoice on behalf of principal, then the activity rendered by the assessee does not fall under C&F agent service (S.65(25)). The activity of mere supervising and liaising with the coal company (supplier) as well as railways (carrier), without taking possession of goods and to see that materials required by principal is loaded as per schedule does not fall under C&F agent service.

Note: Above decision applies to pre-negative regime service tax law. Consideration for mere liaising and supervising would fall within ambit of Service u/s 65B(44) and may be liable to tax in the negative regime from 1.7.12. Aforesaid SC decision also approves Larsen & Toubro Ltd V. CCE, 2006 (3) STR 321 (Tribunal – Larger Bench) decision.

ICICI Bank Ltd V. UOI, 2015 (38) STR 907 (Bom)

The High Court held that revenue cannot threaten assessee with recovery action when assessee declares a particular service as not liable to service tax. The department had to assess the tax and pass an adjudication order either u/s 72 or u/s 73 for such service declared

as not taxable by assessee. Further held that when assessee has paid tax for such service under duress/coercion, the revenue cannot argue that SCN need not be issued since tax has already been paid by assessee. Additionally, High Court held that tax becomes payable only after determination/adjudication thereof u/s 72/73 of FA, 44.

Maheswari Enterprises V. CCE, 2015 (38) STR 942 (Cal)

The High Court held that adjudicating authority cannot demand tax on the basis of a finding, the contravention of which has not been alleged in the SCN. The adjudicating authority had confirmed demand on the basis of violation of Rule 3(3) of Works Contract Composition Rules, 2007, however there was no allegation of contravention of Rule 3(3) in the SCN.

Note: Decision based on Reckitt & Colman of India Ltd V. CCE, 1996 (88) ELT 641 (SC).

CCE V. State of Madhya Pradesh, 2015 (38) STR 954 (MP)

The High Court held that supervisor appointed by the State Government as per Section 28A of MP Excise Act, 1950 to keep watch on material stored in warehouse and to ensure that person manufacturing, exporting, importing or storing liquor is in accordance with MP Excise Act, 1950 does not provide any service. The High Court held that the activity of the supervisor is discharge of statutory function and hence not in the nature of service.

Akbar Travels of India Pvt Ltd V. CCE, 2015 (38) STR 957 (Ker)

The High Court held that once the Tribunal found that the assessee had 'reasonable cause' u/s 80 of FA, 94, all the penalties should have been set aside since S.80 starts with *non-obstante* clause. The Tribunal had set aside penalty only u/s 78 but not u/s 76.

Note: S.80 has been amended w.e.f. 6.8.14, so as to remove section 78. Further S.80 itself has been omitted from FA, 94 by FA, 15.

CCE V. Lalloo Rajeev Chandra & Sons, 2015 (38) STR 969 (T)

The Tribunal held that primary adjudication order issued without a show cause notice is unsustainable and *non-est* in law.

Krishnapatnam Port Co Ltd V. CCE, 2015 (38) STR 974 (T)

While granting complete waiver of pre-deposit, the Tribunal held that tax confirmed ignoring revised return is incorrect. The Tribunal held that reasons need not be given by assessee while filing revised return. Since the assessing officer has power to scrutinize the return, the proper course would have been for the assessing officer to ask the assessee to explain the reason for difference in value of taxable services in their returns.

Bangalore Metropolitan Transport Corporation V. CST, 2015 (38) STR 976 (T)

The department sought to levy service tax under 'rent-a-cab scheme operator'



service on BMTC for providing buses to factories, schools, colleges, individuals for specific functions. The Tribunal analysed the definition of 'rent-a-cab scheme operator' and held that BMTC cannot be considered as a person engaged in renting of cab and held that the 'definition clause' itself excludes BMTC, though the definition of cab as per erstwhile S.65(20) includes motor vehicle capable of carrying more than 12 passengers (i.e. Bus). The Tribunal has gone by the activity of BMTC which is to facilitate transport of citizens and not renting of motor vehicles and therefore held that BMTC is not liable under rent a cab scheme.

Reliance Infratel Ltd V. CST, 2015 (38) STR 984 (T)

The Tribunal held that credit availed on steel structures, cables, pre-fabricated buildings used in erection/ fabrication of telecom towers would be available for assessee providing 'passive telecom infrastructure' to telecom companies under 'Business Support Service'. The assessee had availed the aforesaid credit as capital goods but since credit was not available under capital goods, credit was granted under inputs for the self-same goods.

Note: Cenvat Credit on Towers/ Pre-fabricated buildings were not allowed credit as capital goods in Bharti Airtel Ltd case, 2014 (35) STR 865 (Bom). The Tribunal supra has distinguished Bharti Airtel case on the ground that output service rendered in Reliance Infratel case was 'Business Support Service' whereas output service was 'telecommunication service' in Bharti Airtel case. Reliance has been placed by Tribunal on GTL Infrastructure Ltd case, 2015 (37) STR 577 (T), where credit on similar items was allowed and similar service albeit classified under 'Business Auxiliary Service'.

Jeevan Telecasting Corporation Ltd V. CCE, 2015 (38) STR 1126 (Ker)

The High Court held that the mandatory pre-deposit of 7.5% u/s 35F (made applicable to service tax by section 83), made effective from 6.8.14 is not required to be made where the *lis* commenced prior to 6.8.14 since right of appeal vests in a person on the date of institution of proceedings and not the law prevalent on the date of filing appeal.

Note: Also see identical decision in Muthoot Finance Ltd V. UOI, 2015 (38) STR 1133 (Ker)

Netambit Infosource & E Services Pvt Ltd V. CCE, 2015 (38) STR 1177 (T)

The Tribunal held that mandatory pre-deposit of 7.5% has to be paid for all appeals filed after 6.8.14, though SCN (institution of proceedings) prior to 6.8.14.

Note: Decision contrary to aforesaid High Court decision.

Alar Infrastructures Pvt Ltd V. CCE, 2015 (38) STR 1087 (T)

The Tribunal held that once service tax has been collected under BAS at the time of export of service, the classification of the same cannot be questioned at the time of rebate claim. Rebate claim also cannot be denied on the ground of absence of 'service agreements'. However rebate claim restricted to service tax paid on the amount 'received' by the exporter. The relevant date (period of one year for limitation purpose) has to be reckoned from date on which payment has been received.

Greater Noida Industrial Development Authority V. CCE, 2015 (38) STR 1062 (T)

The Tribunal held that:

- (1) Vacant land given on lease or license for construction of a building or a temporary structure at a later stage for furtherance of business as per

clause (v) of S.65(105)(zzzz) would be liable to service tax under 'renting of immovable property service' from 1.7.10 though renting of immovable property service was amenable to tax from 1.6.07 since clause (v) was inserted only from 1.7.10.

- (2) Lease whether for a short period or for a long term or *perpetuity* would be amenable to service tax.
- (3) Service tax would not be payable on 'premium' received over and above rent received for long term leases since premium is in the nature of 'salami' i.e. a capital receipt paid by lessee to lessor for transfer of interest in the immovable property and not for continuous enjoyment of property (rent is for continuous enjoyment of property). – *Reliance on CIT V. Panbari Tea Co Ltd, (1965) 3 SCR 811* for distinction between rent and premium on rent.
- (4) Processing charges of application for land allotment is leviable to service tax since 'activities in relation to renting of immovable property' is also a taxable service.
- (5) Processing and approval of building plan, map revision, malba charges connected with construction of structures on land allotted by assessee does not have any nexus with renting and hence not taxable.
- (6) Restoration charges or penalty is amount collected for violation of conditions of lease and hence not liable to service tax.
- (7) Rent/ License fee received by appellant from their staff, to whom residential units have been let out is not renting in the course of furtherance of business and commerce and hence not liable to service tax.

- (8) Allotment of vacant land to builders/ group housing societies for construction of residential complex would not be liable to service tax since the building would be used for residential purposes (non-commercial purpose) and not for furtherance of business or commerce.
- (9) Rent for leases of vacant land for commercial or industrial use would be taxable w.e.f. 1.7.10 though lease periods have begun prior to 1.7.10/ agreements entered prior to 1.7.10, since a non-taxable service had become a taxable service. – *Ratio of Vazir Sultan Tobacco, 1996 (83) ELT 3 (SC)* has been distinguished since excise duty is payable at the time of removal whereas service tax is payable on provision of service.
- (10) Extended period of limitation would not be invocable since there was merit in appellant's plea of *bonafide belief* that they were performing a statutory function of allotment of vacant land for industrial purposes in accordance with provisions of UP Industrial Development Act, 76.

Note: This decision has relied upon New Okhla Industrial Development V. CCE, (Final order no. ST/A/58664/2013-CU(DB))

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CENVAT CREDIT ON TRANSIT SALE THROUGH DEALERS

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



In Budget 2015, a new proviso had been inserted to rule 11(2) of Central Excise Rules, 2002 ('CER') vide Notification 08/2015-CE (NT) dated 01/03/2015 which enabled the registered dealers to dispatch the goods directly from the premises of manufacturer to the premises of consignee and also allowed CENVAT credit on the basis of the registered dealer's invoice.

The above amendment had created a lot of confusion regarding the availment of credit on the strength of the invoice of supplier manufacturer in case the end customer receives the goods directly as consignee from the manufacturer through unregistered dealer as buyer. This is because the amendment specifically stated that Cenvat Credit would be available to the end buyer based on the manufacturer's invoice only if the registered dealer does a transit sale or dispatches the goods directly from the manufacturer to the end buyer. It did not specifically mention that even unregistered dealers can dispatch the goods to the end buyer for the buyer to take credit based on supplier manufacturer's invoice. Based on this, it caused hardship to a large number of unregistered dealers who were being instructed by the field excise officers to obtain registration under the central excise law if they wish to validly pass on the cenvat credit to the end customer.

Clarification as per the Circular

The CBEC clarified the above stated issues vide Circular 1003/10/2015-CX dated 05/05/2015.

As per the clarification:

Purchase from registered dealers

- Cenvat credit can be availed by the consignee on the basis of invoice issued by the supplier manufacturer when a registered dealer negotiates sale of an entire consignment from a manufacturer/registered importer and instructs direct transport of goods to the consignee. In such cases, no Cenvatable invoice shall be issued by the registered dealer in favour of consignee though commercial invoice can be issued. The above procedure also applies when a registered dealer negotiates sale of goods from total stock ordered to multiple buyers and manufacturer is willing to issue individual invoices for each sale in favour of the consignees.
- Since it is possible for the dealer to order direct transport of the consignments to the consignee without bringing the goods to his godown, then the registered dealer can negotiate sale by splitting a consignment procured from a manufacturer and issue a Cenvatable invoice for each of the sales.

Purchase from unregistered dealers

- Cenvat credit can be availed by the consignee on the basis of invoice issued by the supplier manufacturer when an un-registered dealer negotiates sale of an entire consignment from a manufacturer/registered importer and instructs direct transport of goods to the consignee. As the dealer is not registered, there is no question of issuance of any Cenvatable invoice.

Purchase from importer

- Cenvat credit can be availed on the

basis of importer's invoice when goods are transported directly from the port/warehouse at the port to the buyer's premises.

Based on the clarification as above issued by the CBEC, following would be the impact on businesses:

- The amendment and clarification on the same has facilitated registered / unregistered dealers, who need not physically bring the goods at their premises and can directly dispatch the same from the premises of manufacturer to the premises of consignee. This would save time and transportation costs for the dealer.
- Registered dealers need not issue invoice as per Rule 11 of CER 2002, though commercial invoice can be issued.
- It has also granted additional benefits for the registered dealers like direct transport in case of split consignments.
- It further clarifies that when unregistered dealers sell and order the direct dispatch of the goods to consignee, then such dealers can continue to be un-registered and Cenvat credit can be availed on the basis of invoice issued by the supplier manufacturer.

The much needed clarification has come timely. In the absence of this clarification, the amendments would have resulted in litigation regarding the direct dispatch of goods by unregistered dealers. This clarification further reiterates the Government's commitment for 'ease of doing business in India'. ■



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Invocation



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Felicitation to Shri D V Sadananda Gowda by Mr. J.D. Nankani, CA Allama Prabhu & CA Raveendra Kore



Felicitation to Jnanasagara CA S Krishna Swamy



Release of Souvenir



Presentation of Memento to Shri D V Sadananda Gowda



Mr. J D Nankani thanking CA D R Venkatesh, Convenor



CA Madhukar Hiregange



Ms. Anita Sumanth



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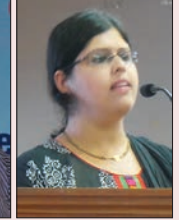
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