

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



# Bangalore Branch of SIRC Newsletter

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Celebrating 50 years

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Come out into the universe of light, Everything in the universe is yours,  
stretch out your arms and embrace it with love.

- Swami Vivekananda



# Happy Deepavali



Training Programme on the theme  
**“An insight on the concepts  
applicable to Autonomous Bodies”**

on 13th & 14th October 2011 at Branch Premises



**WAY FORWARD**  
Innovate ♦ Integrate



Workshop on  
**“Value Added Tax (VAT)”**

from 17th to 20th October 2011  
at Branch Premises

# Chairman's Communique . . .



## Dear Professional Colleagues

Hope that all of you would have completed audit assignment, more particularly the tax audit, within the stipulated time, of course at times burning the midnight oil. Human tendency is to relax and enjoy after a hectic schedule – more so when festivals like Dasara and Deepavali are on the way. But people on the path of growth both personally and professionally need to proceed further with little rest and more zeal to achieve excellence in the chosen fields.

In fact, those individuals and organizations will succeed who have mastered the art of continuous learning and comprehending the rapid changes in the most professional way. Hence after facing a hectic season on audit and filing of returns in September, this is the time to hone our professional skills. Keeping this in view, a number of fruitful programmes are on the anvil, which will help our members to sharpen our competitive edge and professional dynamism.

## The month ahead:

### Training programme on “An insight on the concepts applicable to Autonomous Bodies”:

With ever increasing outlays of the government and changes and complexities introduced in the system of public service delivery, auditing has become more extensive and onerous. This training programme will enable the participants to enhance the quality of financial reporting in Autonomous Bodies and to help the organizations to prepare their financial statements within the stipulated time. Hence the above said programme is being organized under the aegis of **Committee on Public Finance and Government Accounting of ICAI** and it is a privilege to Bangalore Branch of SIRC of ICAI to host the event. Members are requested to derive maximum benefit out of this programme on 13th & 14th October 2011, at our Branch.

### Workshop on VAT:

31st December being the last date to file the VAT Audit Report, a sixteen hour workshop is being conducted to provide an insight of the VAT Laws, which will be of immense value to all the participants.

### Workshop on XBRL:

Though we had 2 programmes on XBRL earlier, this being a sought for topic for the present scenario, a workshop on XBRL is being organized on 21st and 22nd October at ITT South Centre, Bangalore-560004. XBRL being the global initiative revolutionizing business reporting around the world, we, members should update in this area to have greater efficiency and improved accuracy and reliability in financial data to perform well.

### Workshop on Transfer Pricing:

The globalization of the Indian Economy has resulted in a multiplicity of the International transactions, where in Transfer Pricing is one of the key areas with many issues to be dealt with. Hence a workshop on Transfer Pricing is also organised.

Apart from our regular Study Circle Meetings on Wednesdays, except 05th & 26th October, being holidays on account of Vijaydashami & Deepavali festivals, the aforesaid programmes are being organized and members are requested to participate in large numbers to update their knowledge and enhance their skills in the specific areas to render quality service.

### ICAI invites suggestions for Pre-Budget Memorandum – 2012:

On behalf of ICAI, Bangalore Branch requests its members to send suggestions on laws relating to Direct Tax, Central Excise Duty, Customs Duty and Service Tax for the purpose of inclusion in the Pre-Budget Memoranda – 2012. Suggestions can be mailed to [bangalore@icai.org](mailto:bangalore@icai.org), by 15th October 2011.

### Exposure Drafts of New / Revised Ind ASs:

After finalization of the Ind ASs by ICAI and recommendation thereof by the National Advisory Committee of Accounting Standards (NACAS), the Ministry of Corporate Affairs (MCA) have placed these Ind ASs on its website. May I request you to visit the website [www.icai.org/www.bangaloreicai.org](http://www.icai.org/www.bangaloreicai.org) and send in your views and suggestions on the above referred exposure drafts by 10th October 2011, to The Secretary, Accounting Standards Board, ICAI or to [bangalore@icai.org](mailto:bangalore@icai.org).

### Month that was:

It was heartening to note that all the Study Circle Meetings organized in the month of September, was very well received by the members. We thank all the resource persons and speakers, who have conducted these educative sessions. I also thank all the members who have participated in these programmes despite their busy schedule.

### Certification Course on International Financial Reporting Standards (IFRS):

We are happy to inform that 7th Batch of Certification Course on IFRS was commenced on 24th September 2011 at Bangalore and was inaugurated by CA. K Raghu, Chairman CMII, ICAI. On behalf of Bangalore Branch let me take this opportunity to thank CA. K Raghu, Central Council Member for having taken initiative and shown keen interest to conduct this Certification Course at Bangalore for the benefit of the members of our Branch.

### CPE Compliance:

As you are aware that 31st December 2011, being the last day for annual CPE compliance for the year 2011, maximum number of CPE programmes are being organized for the benefit of the members at large. **We therefore request you all to attend the programmes and adhere with the CPE requirements.**

On behalf of the Managing Committee and on my own behalf, hearty greetings to you and your family on the occasion of **Dasara and Deepavali festivals**. Dasara is a festival of victory of good over bad. Deepavali is the festival of lights, which signify the triumph of good over evil. We once again wish you all the very best to be a burning candle, spreading light to the people around us.

With Best regards,

**CA. Venkatesh Babu T R**  
Chairman

## CALENDAR OF EVENTS - October & November 2011

Date/Day	Topic /Speaker	Venue/Time	CPE Credit
04.10.11 Tuesday	CPE Teleconference on “Service Tax – Point of Taxation Rules & other significant amendments” <b>CA. P. Rajendra Kumar, Central Council Member</b>	Branch Premises 11.00am to 01.00pm	<b>2 hrs</b>
05.10.11 Wednesday	<b>No Study Circle Meeting on account of Ayudha Pooja - Branch Holiday</b>		
08.10.11 Saturday	Tax holiday benefit under Section 10A & 10B Computation mechanism & recent judicial controversies <b>CA. Ishita Bhaumik &amp; CA. Prashant Jain</b> <i>Delegate Fee: Rs.250/-</i>	Branch Premises 10.00am to 01.00pm	<b>3 hrs</b>
12.10.11 Wednesday	Paradigm shift for Finance <b>CA. Manoj Ladi</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
13.10.11 Thursday & 14.10.11 Friday	Training programme on “An insight on the concepts applicable to Autonomous Bodies” <i>Details at page no: 19 Delegate Fee: Rs.1,500/-</i> <b>Restricted to 200 participants</b>	Branch Premises 09.00am to 05.00pm	<b>12 hrs</b>
17.10.11 Monday to 20.10.11 Thursday	Workshop on “Value Added Tax (VAT)” <i>Coordinators:</i> <b>CA. S. Venkatramani &amp; CA. S. Vishnumurthy</b> <i>Details at page no: 18 Delegate Fee: Rs.1,000/-</i>	Branch Premises 04.00pm to 08.00pm	<b>16 hrs</b>
19.10.11 Wednesday	Taxation of expatriate <b>CA. Tapati Ghose</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
21.10.11 Friday & 22.10.11 Saturday	Workshop on XBRL <b>Fri(06.00pm to 08.00pm) &amp; Sat(10.00am to 05.00pm)</b> <i>Details at page no: 13 Delegate Fee: Rs.2,500/-</i> <b>Restricted to 45 participants</b>	ITT South Centre, B'lore Branch of SIRC of ICAI, Sanjay Towers, #216, Subbarama Chetty Road, B'lore - 04, Ph: 080 -26621434	<b>8 hrs</b>
26.10.11 Wednesday	<b>No Study Circle Meeting on account of Deepavali - Branch Holiday</b>		
29.10.11 Saturday	Workshop on Transfer Pricing - Law & Practice: Discussion on Key Case Laws <b>CA. Vishweshwar Mudigonda, Mr. Vinay Nichani, CA. Priya Gopalakrishnan</b> <i>Details at page no: 13 Delegate Fee: Rs.750/-</i>	Branch Premises 09.30am to 05.30pm	<b>6 hrs</b>
02.11.11 Wednesday	Corporate Governance in unlisted companies <b>Mr. J. Sundareshan</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>
09.11.11 Wednesday	Drafting & pleading before appellate authorities <b>CA. Prashanth G. S.</b>	Branch Premises 06.00pm to 08.00pm	<b>2 hrs</b>

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

### Advertisement Tariff for the Branch Newsletter

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

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

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# TAX UPDATES AUGUST 2011

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

## VAT, CST, ENTRY TAX, PROFESSIONAL TAX PARTS DIGESTED:

- a) 16 KCTJ – Part 5
- b) 71 KLJ – Part 7 & 8
- c) 6 GST – Part 4

### *Reference / Description*

**2011 (71) Kar. L.J. 215 (SC): Commissioner of Trade Tax v. Parikh Gramdoyog Sansthan** - In the instant case the Apex Court was dealing with the classification of a voltage stabilizer either as an 'electric good' or an 'electronic good' for the purpose of taxation under the U.P. Trade Tax Act. The Apex Court observed that an automatic voltage stabilizer involves the operation of a number of electronic components. The Court was of the view that a voltage stabilizer might have many components some of which use electricity which could not be the sole reason for classifying it as electrical goods. The Court further observed that an electrical device could be an electronic device, but not vice-versa. The Tribunal being the last fact-finding authority, in the instant case, after taking into consideration the components of voltage stabilizer, the purpose for which it was used and the principles on which it worked had come to the conclusion that the voltage stabilizer was electronic goods, for the purpose of taxation under the U.P. Trade Tax Act.

**2011 (71) Kar. L.J. 234 (HC) (DB): State of Karnataka v. Kitchen Appliances India Ltd.** - In the instant case the Karnataka High Court was dealing with allowability of deduction on account of discount while computing the turnover of the

assessee. The Court held that the deduction of discount would be allowable while computing the taxable turnover only if the amount allowed as discount was shown in the tax invoice or bill of sale issued in respect of sale relating to such discount. The Court noted that discount offered after sale by issuing credit note, could not be allowed as an item of deduction.

Further the Court noted that the validity of Rule 3(2)(c) requiring dealer to show the amount allowed as discount in the tax invoice or sale bill having been pronounced by the Division Bench earlier as not contravening provisions of Section 30 of Act, and therefore within the rule making power of Government, the Tribunal, was bound by the said judgments and the judgment of the High Court was liable to be set aside and would in fact border on contempt of Court (arising as a situation of obstructing the course of justice).

*It is unfortunate that after several rounds of flip flop between the High Court and the tribunal, eventually the assessee ended up losing. It is unfortunate also for the reason that when the law otherwise recognises offering discounts through credit notes, it is too pedantic an approach of the government to insist on impractical requirement of giving discount necessarily in the invoice. This requirement apart from being impractical does not seem to serve any useful purpose.*

**2011 (71) Kar. L.J. 241 (HC) (DB): Bharti Airtel Ltd. (Formerly known as Bharti Telenet Ltd) v. State of Karnataka & Others** - In the instant

case the Karnataka High Court has held that Artificially Created Light Energy (ACLE) used as carrier of data/information and transmitted through optical fibre cable (OFC) lines by providers of broadband internet services is not 'goods' as defined in the sales tax law of States. The Court while holding so took notes as to the process involved in the same. The Court observed that ACLE was obtained by converting electrical energy by using Light Emitting Diodes (LED) or Laser Device (LD). The light energy so created was mixed/modulated with data/information and transmitted through OFC for delivery of data/information at desired destination. On delivery of data/information light energy got dissipated completely and the said light energy used as a carrier was one form of electromagnetic wave which was not 'goods'.

*It is indeed a welcome decision; what with the current trend (moreso post the enactment of the service tax law) of the Department to go on a hyperbole and call any and everything as 'goods'. It is almost always the direct tangle of the central and the state executives in claiming the right of way in a tax war.*

*It is also time the State sales tax authorities realise that their overzealous attitude of extracting sales tax from non-sales would eventually drive the businessman out of the state. The sales tax department need not exist if the business is driven out of the state.*

**[2011] 6 GST 543 (Mad.): Sri Rajeswari Agencies v. Addl. Dy. CTO** - In the instant case the High Court of Madras has held that the AO could not refuse to issue C Forms to an assessee on ground that it was in arrears of tax and penalty. It was noted that though under the Puducherry

VAT Act there was an explicit provision that at the time of any recovery proceeding initiated under the Act the AO had the power to withhold the issuance of statutory or other declaration forms, in the absence of similar provisions under the CST Act the said refusal was uncalled for. Further when the AO had other means of recovery (in terms of attaching the sale proceeds or the bank account) there was no justifiable ground to have rejected the request for the grant of C Forms.

Further in the context of validity of the writ filed under Article 226 of the Constitution on a show cause notice, the Court opined that though normally show-cause notice could not be challenged by filing a writ petition, in view of the fact that there was an unjust denial to issue C Form licence to the petitioner and that too, when the Respondent had no jurisdiction to do so, the Court could entertain the writ petition.

*The ever so present, self-proclaimed domineering stance of the Department seems to persistently reduce their actions to nothing short of being farcical, miring their thought process; Judicious intervention of the Court to mitigate any further injustice.*

**[2011] 6 GST 562 (AP) : Nutrine Confectionary Co. (P.) Ltd. v. State of Andhra Pradesh** - In the instant case the Andhra Pradesh High Court was dealing with the taxability under the sales tax Act in respect of transfer of right to use certain goods. The assessee in the instant case had entered into an agreement with another company (assignee) for the use of its trademark and logo against the payment of royalty. The Tribunal had held that consideration received by assessee from assignee for transfer of right to use its trademark and logo was amount realized in respect of

transfer of right to use goods and, therefore, it was taxable under the sales tax Act. The assessee contended before the High Court that the agreement in question was not only for transfer of a right to use trademark and logo but also there was obligation on its part to suggest various business modalities and to provide formulas and recipes to assignee and, therefore, there was no transfer of right to use goods as contemplated under the sales tax Act. The High Court held that transfer of a right to use any goods for any purpose whatsoever fell within the ambit of the sales tax Act and merely because the agreement in question provided for other aspects, in addition to creating a right in assignee to use trademark and logo, the same would not make any difference to it. Since in the instant case the agreement in question was certainly one evidencing transaction of transfer of a right to use trademark and logo and that the assignee was free to make use of trademark and logo and would have full control over such use, the Court held that the Tribunal was justified in its view.

*However, the point that is not addressed was one of the important requirements of transfer of right to use as stated by Justice Lakshmanan in the case of BSNL 145 STC 91 that once such right is transferred by one person to another, the transferor should not be giving it out to any third party during the period of such transfer. If the trademark assignment agreement reserved the right of the transferor to assign the trademark to any other person simultaneously and if the assignment is on a non-exclusive basis, the aforesaid test may fail. This would mean that there is no transfer of right to use and hence no tax.*

**[2011] 6 GST 66612 taxmann.com 180 (Kar.): Essar Telecom**

**Infrastructure (P.) Ltd. v. Union of India** - In the instant case the Assessee Company had erected and constructed cellular telephony towers either on land or on roof of buildings and leased out the same on rent to various telecom/cellular operators. Further the assessee had also entered into agreement with operators for the purpose of rendering service in relation to passive telecom network including operating and maintenance. The High Court of Karnataka held that the tower in question was a movable property. Further the Court noted that having regard to the nature of the agreement entered into between parties and nature of transaction, since effective control was with assessee and the component of delivery was also involved and maintenance and over all control were also with assessee, it could be said that right to use goods had been transferred by assessee to telecom companies and that very much would fall within Article 366 (29A)(d) of the Constitution.

*With due respect, it is submitted that the High Court failed to appreciate that the telecom covers being permanently fastened to earth will be in the nature of immovable property.*

## INCOME TAX

### PARTS DIGESTED:

- a) 335 ITR – Part 4 & 5
- b) 336 ITR – Part 1 to 3
- c) 200 Taxman – Part 1 to 5
- d) 10 ITR (Trib) – Part 5 to 7
- e) 11 ITR (Trib) – Part 1
- f) 5 International Taxation – Part 2

### Reference / Description

**[2011] 335 ITR 508 (P&H) HC: Aravali Engineers P. Ltd. v. CIT & another** - In the instant case the High Court dealing with the matter of deductions while computing income from house property has held that brokerage paid to a broker was an



independent transaction, as against the earning of the rental income. The Court opined that wherever deductions out of income from property are permissible, the same have been specified in Section 24. Dehors the said provision, deduction from income was not permissible. It may be noted that it was the contention of the assessee that rent to the extent of brokerage paid having never been received by the assessee, the assessee was not liable to include the said rent in its income.

**[2011] 335 ITR 541 (Delhi) HC: CIT v. Karan Bihari Thapar** - In the instant case the High Court was dealing with the effect of amendment to Section 6(6) made vide the Finance Act 2003 w.e.f. 1-4-2004. The Court held that the said amendment was not retrospective in nature. Therefore in respect of the assessment years 1998-99 and 1999-2000 the old Section was applicable. It was held that the assessee who was not resident for three years out of the ten previous years was assessable as 'resident but not ordinarily resident'.

The Court noted that even though the Department's Circular No. 7 of 2003 (see [2003] 263 ITR (St.) 62) which stated that the amendment was made in order to remove doubts about the interpretation of the Section and it was clarificatory in nature, nevertheless, it had been made applicable only from April 1, 2004. The Court noted that there was a significant difference between the Section as it existed prior to the amendment and thereafter in as much as prior to the amendment the reference was with respect to a person who has 'not been resident in India', while what was contemplated post amendment was that of a person who has 'been a non-resident'.

**[2011] 336 ITR 56 (Bom) HC: CIT v. Cable Corporation of India Ltd.-**

In the instant case the High Court has held that for the purpose of calculating depreciation allowable to a block of fixed assets, only the apparent consideration for which the flat was sold should be reduced from the block of fixed assets which was different (far lesser) from the fair market value of the flat as determined by the Departmental Valuation Officer.

The Court upholding the view of the Tribunal observed that Section 43(6)(c)(i)(B) has used a different connotation in respect of sale of assets and sale of scrap. As per that Section on sale of an asset, the written down value of the block of assets is to be reduced by the amount at which the asset is actually sold, whereas, in the case of sale of scrap, the value of the scrap, being the fair market value of the scrap and not the price at which the scrap is sold should be reduced from the written down value of the block of assets.

**[2011] 336 ITR 65 (Ker) HC: CIT v. Sree Seetharama Anjaneya Veda Kendra** - In the instant case the High Court dealing with the exemption under Section 11 held that prima facie, the carry forward of income up to 75 percent, though permitted under Section 11(2) of the Act, should not be adopted on a routine basis and if it is done, the very purpose of the trust would be defeated. The Court was of the view that Section 11(2) providing for carry over up to 75 percent is an exception and if it is followed from year to year, then the genuineness of the activities of the trust itself should be examined by the Assessing Officer. *The decision though to a great extent might try to construct the provision in the light of what was intended by the legislatures; it is a little strange to interpret (in a manner of imposing extra conditions) something beyond what has been explicitly provided*

*under the provisions of law.*

**[2011] 336 ITR 321 (Delhi) HC: CIT v. Sumi Motherson Innovative Engineering Ltd.** - In the instant case the High Court was dealing with method of computation of book profit for the purposes of Section 115JB. The High Court held that the Tribunal was correct in law and on the merits in holding that the assessee is entitled to deduction of brought forward losses even though the losses have been liquidated during the course of the year and nothing was left to be available for set off. The same was with reference to Explanation 1(iii) appended below the said Section. In the instant case the Company had losses brought forward and the same were wiped out during the course of the year due to reduction of capital.

The AO in the case had given his own rationale in choosing the last date of the financial year, which is the subject matter of assessment for the purpose of ascertaining the amount of unabsorbed losses brought forward. On the other hand, the order of the Tribunal provided its own justification for adopting the last day of the preceding year/first day of the current financial year. The Court having regard to the said Explanation noted that the same categorically and unhesitatingly used the term 'loss brought forward'. The meaning that was to be assigned to this term would be the loss on the last date of the immediately preceding year, which is to be brought forward to the financial year in question. The Court further observed that what happens during the course of the year was not relevant, as under the scheme of the aforesaid provision no such contingency was taken note of.

**[2011] 336 ITR 348 (P&H) HC: CIT v. K. Streetlite Electric Corporation** - In the instant case the High Court was

of the view that interest-free security deposit taken by the assessee being hugely disproportionate to monthly rent charged, the same was a device to circumvent liability to income-tax. Therefore the Court held that notional interest on security deposit had to be treated as income from house property under Section 23 of the Act. *With due respect, the High Court missed the point that the assessee would have earned interest income on such deposit and offered the same to tax. Taxing him in respect of notional interest on deposit would amount to double taxation.*

**[2011] 336 ITR 383 (Delhi) HC: CIT v. Jai Drinks P. Ltd.** - In the instant case there was an agreement by the assessee with the distributor for distribution of products manufactured by assessee. The distributor purchased the products at pre-determined price for sale within specified area. Both the assessee and the distributor were collecting and paying sales tax separately. In such a case the High Court held that the payment being made by the assessee to the distributor were in the nature of incentive and discount and not commission and therefore there was not liability to deduct tax on such payments under Section 194H.

**[2011] 200 Taxman 35 (Kar.)(Mag.)11 taxmann.com 368 (Kar.): CIT v. Chinnanachi Muthu**

**Construction & Co.** - In the instant case the High Court has held that income derived by the assessee out of fixed deposit kept in banks, to obtain a bank guarantee, in order to furnish the same to acquire contract work, constituted business income and not income from other sources. *Similar view has been taken by the Delhi High Court in a case reported in 335 ITR 132 (reported in last month's journal); re-iterating the principle that the taxability of interest under the head 'income from other sources' would be only by exception and not by rule.*

**[2011] 200 Taxman 66 (Punj. & Har.)(Mag.) 11 taxmann.com 312 (Punj. & Har.): Pawan Arya v. CIT** - In the instant case the assessee claimed exemption on capital gains on sale of flat on the ground of acquisition of two houses. The AO set off the capital gain against one of the houses but held the claim not to be admissible against the second house. The High Court held that as regards claim for exemption against acquisition of two houses under Section 54, the same was not admissible in plain language of statute.

**[2011] 200 Taxman 27112 taxmann.com 108 (Delhi) HC: Indglonal Investment & Finance Ltd. v. ITO** - In the instant case the assessee had filed its return of income

declaring a loss. In the said return of income the assessee had not shown any tax collected and deducted at source nor any claim for refund was made. However, in the statement of income and audited balance sheet annexed with return of income it was shown that assessee had received dividend from a company on which TDS had been deducted and the same was refundable. Subsequently the assessee wrote a letter to the revenue authorities seeking refund of TDS amount. The Revenue, however, rejected the refund claim on the ground that the same had not been mentioned in return of income. The High Court held that merely because the assessee had not claimed the refund in the its return of income itself it could not be said that the assessee was not entitled to refund. Since in accordance with Section 139(9) the assessee had annexed statement of total income, computation of tax payable on total income and attached the original TDS certificate to the return of income, the Court held that the assessee had made a claim for refund.

*The interpretation of the tax laws seems as per the convenience of, rather to cater to the 'privy purses'; while the Department citing procedural lapses sought to illegitimately usurp assessee's money in blatant disregard to Article 265. ■*

**ATTENTION : STUDENTS**

**MOCK TEST FOR IPCC & FINAL STUDENTS APPEARING FOR NOV.2011 EXAMS**

IPCC			CA FINAL		
Date	Time	Subject	Date	Time	Subject
8-10-2011	10 am to 01 pm	<b>Cost Accounting &amp; Financial Management</b>	15-10-2011	10 am to 01 pm	<b>Financial Reporting</b>
	02 pm to 05 pm	<b>Taxation</b>		02 pm to 05 pm	<b>Strategic Financial Management</b>
9-10-2011	10 am to 01 pm	<b>Accounting (Group - I)</b>	16-10-2011	10 am to 01 pm	<b>Advanced Management Accounting (Costing)</b>
	02 pm to 05 pm	<b>Advanced Accounting (Group - II)</b>		02 pm to 05 pm	<b>Direct Tax Laws</b>

**Fees: Rs. 50/- per paper**  
**Venue: Bangalore Branch premises**

**Limited Seats. Registration closes on 04<sup>th</sup> October 2011**  
*For further details please contact: Ms. Rajalakshmi on 080-30563509*



# RECENT JUDICIAL PRONOUNCEMENTS IN INDIRECT TAXES

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

## Central Excise:

▪ The respondent-assessee is engaged in manufacture of Sugar. In addition to central excise duty, the assessee is required to pay additional excise duty at the rate of Rs. 45.55 paise per quintal on that quantity of sugar cleared which falls short of export quota fixed for the manufacturer under Section 7 of Sugar Export & Promotion Act, 1958 (SEPA, 1958). The provisions of the Central Excise Act, 1944 and the Rules made thereunder relating to levy and collection including refunds and exemptions of the duty of excise are also made applicable to levy of additional duty of excise by virtue of Section 7(4) of the SEPA, 1958. The adjudicating authority levied interest under Section 11AB under CEA, 1944 and penalty under Rule 25(1) of Central Excise Rules, 2002 for the delay in payment of duty. On appeal, the Commissioner (Appeals) has partly allowed by setting aside the penalty but confirmed the interest. On appeal to the Tribunal, the Tribunal set aside the demand of interest. The revenue aggrieved with order of the Tribunal, an appeal was preferred before the Hon'ble Gujarat High Court. The Gujarat Hon'ble Court held that interest is only payable if there is a substantive provision for payment of interest though levy

and collection of interest can be said to be a part of the machinery provisions and not part of the charging provisions. In the absence of any substantive provision in the Act for levy of interest on late payment of tax, no interest could be so levied based on the application of sub-section (4) of section 7 of the Sugar Export and Promotion Act, 1958. Accordingly upheld the decision of the Tribunal and dismissed the appeal of revenue. [*CCE&C., SURAT-I Vs. Ukai Pradesh Shakari Khand Udyog Mandli Ltd. 2011 (271) E.L.T. 32 (Guj)*]

▪ The assessee purchased the capital goods in the year 1998 for use in the process of manufacture of excisable goods and CENVAT credit was availed on such goods. The said capital goods were destroyed in a fire accident on 20-05-2003. Thereafter, the assessee purchased new capital goods on 27-11-2003. Insurance company reimbursed the amount including excise duty to the assessee on the basis of claim put forth by assessee. The excise department called upon the assessee to reverse the CENVAT credit attributable to capital goods and on the failure of the assessee to do so, also confirmed the demand for payment of the said amount. The assessee preferred an appeal, which came to be dismissed by Commissioner (Appeals). On

further appeal to the Tribunal, the Tribunal set aside the demand of reversal of the CENVAT credit. Aggrieved with the order of the Tribunal, the revenue filed an appeal before Hon'ble Karnataka High Court. Hon'ble High Court held that it is clear that there is no provision in the rules which provides for a reversal of the credit except where it has been irregularly taken in which event it stands cancelled or if utilized has to be paid for. When the assessee purchased the capital goods, he is entitled to avail the CENVAT credit of excise duty paid on them. Capital goods were destroyed in fire after use in the manufacture process. Insurance company in terms of the policy has compensated including for the value of excise duty paid on such machinery. CENVAT credit Rules does not confer any right on the Excise Department to demand reversal of credit or default to pay the said amount merely because the Insurance Company paid the value of goods including the excise duty. In that view of the matter, the substantial questions of law framed in this appeal are answered in favour of the assessee and against the revenue. [*CCE, Bangalore Vs. Tata Advanced Materials Ltd, 2011 (271) E.L.T. 62 (Kar)*]

▪ The assessee is availing CENVAT credit on MS fabricated rack falling under 7308 90 10 for storing, keeping material in their factory premises. The Excise Department was of the view that these goods were neither inputs as they do not form part of final product and used in or in relation to the manufacture of final product



nor capital goods as these racks cannot be said to be a component spares and accessories of the capital goods and as such not used in or in relation to the manufacture of final product in terms of Rule 3 of CENVAT Credit Rules, 2004. Therefore, central excise duty was confirmed by both the lower authorities. Aggrieved with the order, an appeal was preferred before the Tribunal. The Tribunal held that storage system is being used for storing raw material and is an integral part of the activity of manufacturing. Thus, it is directly or indirectly involved in the process of manufacturing. Therefore, the appellants are entitled for CENVAT credit on these MS slotted racks. The Tribunal set aside the impugned order and allowed the CENVAT credit on the above capital goods. Tribunal placed reliance on the decision of CCE V. Sonai Engineering Private. Ltd (T-Mum) ((2010 (253) E.L.T. (806)). [Kosi Plast Pvt. Ltd. Vs. CCE., PUNE, 2011 (271) E.L.T. 93 (TRI-MUMBAI)]

- The appellant is engaged in manufacturing of motorcycles falling under Chapter 87 under the First Schedule to Central Excise Tariff Act, 1985. The issue relates to non-inclusion of the value of packing charges in the assessable value for motorcycles. At the time of removal from the factory, the motorcycles were cleared in fully packed condition and sent to depots located outside Chennai on stock transfer basis. The Central Excise department has confirmed demand order duty on packing charges and the same also confirmed the Commissioner (Appeals) and Tribunal.

Aggrieved with the above orders, the assessee filed an appeal before Supreme Court. Supreme Court held that value in relation to excisable goods includes the cost of packing where the excisable goods are delivered at the time of removal in a packed condition unless the packing is of durable in nature and is returnable. The Supreme Court placed reliance its own decision of *Government of India v. Madras Rubber Factory Ltd., (S.C.)*. [Royal Enfield V. CCE, CHENNAI, 2011 (270) E.L.T. 637 (S.C.)]

- The appellant was confirmed identical demand of duty, interest and penalty for the same period at Hyderabad and Rampur, where the warehouses of the company are located. The Tribunal Bangalore vacated the demand, interest and penalty vide its order dated 9-11-2009 [2010 (252) E.L.T. 273 (Tri - Bangalore)]. Whereas New Delhi Tribunal vide order dated 30-11-2010 [2011 (270) E.L.T. 395 (Tri - Del)] given contradicting decision to the decision given by Bangalore Tribunal. Aggrieved by the assessee preferred appeal to Hon'ble Allahabad High Court by placing reliance on the Hon'ble Supreme Court decision in case of *Gammon India Ltd., v. Commissioner of Customs, Mumbai. The Hon'ble High Court held that a bench of a Tribunal has to adhere to the principles of judicial disciplines. In case where identical facts and similar evidences are involved, Tribunal has to adhere to the decisions of a coordinate bench. If the subsequent bench of the Tribunal is of the opinion that the earlier view taken by the coordinate*

bench of the same Tribunal is incorrect, then it has to refer the matter to a larger bench to avoid the difference of opinion between two coordinate benches on the same point, for which provision exists in the Act itself. Accordingly, the order of New Delhi Tribunal is set aside and the matter is remanded back to the New Delhi Tribunal to decide in accordance with law and in case it does not agree with the decision of CESTAT Bangalore, it may refer the matter to a Larger Bench. [Xerox India Ltd., Vs. CCE, Meerut-II, 2011 (270) E.L.T. 651 (All)]

- The assessee engaged in the manufacture of readymade garments and availed the CENVAT credit on duty paid on inputs. However, subsequently, ready made garments were exempted during the year 2004 with a condition no CENVAT credit benefit. The assessee reversed the CENVAT credit to extent of inputs available in stock and CENVAT credit is not reversed to the extent of inputs contained in the work-in-progress and also finished goods. During the year 2007, CENVAT Credit Rules, 2004 were amended to provide for reversal of CENVAT Credit for inputs contained in the WIP. The revenue has confirmed demand for reversal of CENVAT credit for inputs contained in the WIP, interest and penalty. However, the Tribunal set aside the demand of reversal of CENVAT credit, interest and penalty. Revenue, aggrieved by decision of Tribunal preferred to appeal before Hon'ble Karnataka High Court. The Hon'ble High court held that the assessee is



entitled to CENVVAT credit in respect of inputs contained in WIP. The above amendment is prospective in nature and inapplicable prior to the date it came into force. [CCE Bangalore v. Gokaldas Intimate Wear 2011 (270) E.L.T. 351 (Kar)]

- The assessee is engaged in the manufacture of printing ink by procuring inputs / capital goods from domestic suppliers / manufacturers and availed the CENVAT credit on such inputs and capital goods. However, the assessee exported the same on payment of duty by reversing the credit of duty on those inputs / capital goods under Rule 3(4) of the CENVAT Credit Rules, 2002 (CCR). Subsequently, the assessee claimed the rebate of duty paid on the inputs / capital good as per Central Excise Rules, 2002 (CER) which was rejected by the adjudicating authority and also first appellant authority. Aggrieved with the orders, the assessee filed a revision application before Joint Secretary, Government of India, who held that the assessee is liable to be treated as deemed manufacturer. Hence, he is entitled to claim rebate on such inputs / capital goods. Aggrieved with the above order, the revenue preferred an appeal before Hon'ble High Court. Hon'ble High Court has held that Inputs and capital goods on which CENVAT credit is availed can be removed from the factory by paying an amount equal to duty of excise at the rate applicable to such goods at the time of removal and such duty paid is to be treated as duty paid on clearance of inputs / capital goods in terms of Rule 3(4) and Rule 3(5) of CCR, 2002. The

Circular No. 283/1996-CE dated 31.12.1996 clarified that an assessee avails CENVAT credit on inputs / capital goods and subsequently clears for export on payment of duty, then such assessee shall be deemed to be a manufacturer of exported inputs / capital goods and is entitled to claim rebate of that amount. [CCE Raigad v. Micro Inks Ltd., 2011 (270) E.L.T. 360 (Bom.)]

#### **Service Tax:**

- In the present case issue before the Large Bench of the Tribunal is the value of service includes cost of goods and material used and consumed in course of rendering such service. In this regard, Tribunal has formed the following two questions:
  1. *Whether for the purpose of Section 67 of the Finance Act, 1994 the value of service provided in relation to photography would be the "gross amount charged" including the cost of material, goods used / consumed minus the cost of unexposed film?*
  2. *Whether the term 'sale' appearing in exemption Notification No.12 / 03-S.T., dated 20-6-03, is to be given the same meaning as given by Section 2(h) of the Central Excise Act, 1944, read with Section 65(121) of the Finance Act, 1994 or this term would also include the deemed "sale" as defined by Article 366 (29A)(b) of the Constitution?*

#### **The Larger Bench has analyzed as follows:**

In this regard, service tax is levied on the gross value of taxable service in terms of Section 67 of Finance Act, 1994 read with the Service Tax (Determination of Value) Rules 2006. Depending on the facts and circumstances of each taxable

service provided, certain elements of cost make value of such services and such elements which are integral, relevant, indispensable and inevitable to provide taxable service and bring that service to the stage of performance, contribute to the value of such service. Service tax being destination based consumption tax, till the taxable service reaches its destination, all elements of cost making the service reachable to such destination contribute to the value addition and form part of value thereof. Agreement or understanding of the parties to deal with the consideration for the service rendered and received does not affect incidence of tax. In whatever manner the recipient and provider of taxable service mutually arrange their affairs for their benefit to deal with consideration that is of no significance to law.

Further, the notification No.12/ 2003-ST dated 26.06.2003 exempts so much of value of all the taxable services as is equal to the value of goods and material sold by the service provider to the recipient of service. The term "sold" as appearing in the Notification can only be read with reference to definition of 'sale' as appearing in the Central Excise Act, made applicable for the purpose of levy of service tax under the Finance Act, 1994, It therefore follows that the Notification intends to exempt the value of goods and materials sold by the service provider while providing service. To claim a part of the value charged as exempt in terms of the Notification, an Assessee has to discharge burden of proof adducing evidence showing value of goods and material actually sold and satisfy the conditions of Notification. The expression 'sold' cannot in our considered view include 'deemed sale' of goods and material consumed

by the service provider while generating and providing service.

**In view above, the Larger Bench has answered the two questions as follows -**

- (i) *For the purpose of Section 67 of the FA, 1994, the value of service in relation to photography would be the gross amount charged including cost of goods and material used and consumed in the course of rendering such service. The cost of unexposed film etc. would stand excluded in terms of Explanation to section 67 if sold to the client.*
- (ii) *The value of other goods and material, if sold separately would be excluded under exemption Notification No.12/2003 and the term 'sold' appearing there-under has to be interpreted using the definition of 'sale' in the Central Excise Act, 1944 and not as per the meaning of deemed sale under Article 366 (29A)(b) of the Constitution.*

Further, it is held that determination of value of taxable service of photography depends on the facts and circumstances of each case as the Finance Act, 1994 does not intend taxation of goods and materials sold in the course of providing all the taxable services. [M/s Aggarwal Colour Advance Photo System and others Vs. CCCE, Bhopal, 2011-TIOL-1208-CESTAT-DEL-LB]

#### **VAT AND CST:**

- The appeal was filed in the Supreme Court against the judgement passed by the High Court of Andhra Pradesh, wherein the High Court had dismissed the revision petition filed by the appellant, *inter alia*, holding that the disputed transactions constitute inter state sales, as

contemplated under Section 3A of the Central Sales Tax Act, 1956. The appellant had entered into an agreement with a Company named Usha Sales Limited (UIL) for sales, distribution and marketing of the appellant company's products. The appellant would dispatch goods to out-of-state depots and claim an exemption on the value of such goods from the turnover. The revenue contended that such transfer of goods was not in the nature of branch transfers and such goods were further sent to out of state depots/ branches to UIL for sales as per the agreement. The appellant's claim that such transfer of goods were 'forecasts' was not accepted by the revenue and exemption was denied. The lower adjudicating authority and the lower appellate authority also held the same view. The Supreme Court observed that, it was clear from the facts and circumstances of the case that an order was placed by UIL in composite form for supply of goods through their branch offices and the movement of the goods thereto from the appellant's factory to appellant's godown was to fulfil the demand made pursuant to the "letters of allocation" which the appellant claims that the same is in the nature of forecast. The movement of goods from the appellant's factory to its various godowns situated in different parts of the country was pursuant to 'sales agreement' coupled with 'forecasts' which are nothing but 'indents' or firm orders. Therefore, the transactions between the appellant with its branch offices is a clear case of inter state sales and not branch transfer, as claimed by the appellant [Hyderabad Engineering

*Industries vs. State of Andhra Pradesh, 2011 (71) KLJ 189 (SC)]*

- The appellant is a government owned Telecom Company which uses Artificially Created Light Energy (ACLE) for transmission of data, for providing broadband internet service to its customers. The appellant was a registered service provider and paying service tax on the internet and telecommunication services provided by it. The revenue issued a reassessment order demanding value added tax on the ground that this transaction includes sale of goods i.e. ACLE. An interim order was passed in writ proceeding directing the appellant to deposit 550 crores within four weeks as a condition for staying the impugned order. Aggrieved by such order, the appellant filed a writ petition in the Supreme Court of Karnataka. The Supreme Court in the appellant's own case had rendered a judgement on the same issue earlier. The High Court held that, the question whether it is sale of goods or not is yet to be decided at the highest level. On the face of it, the judgement of the Apex Court applies to the facts and circumstances of the case. Unless the law declared by the Apex Court is held not to be applicable to this case or varied or modified, any demand of tax by the State contrary to the law of the land prima facie cannot be sustained. The assessee's contention is they are service providers. They are not in the business of sale of goods. As service providers they have already paid tax. As the question of law is yet to be decided, the assessee is entitled to an absolute stay. [BSNL, Bangalore vs. State of Karnataka, 2011 (71) KLJ 147 (HC) (DB)] ■



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## Two Days Workshop on XBRL - Extensible Business Reporting Language

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at ITT South Centre, Bangalore Branch of SIRC of ICAI,

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on Friday, 21<sup>st</sup> October & Saturday, 22<sup>nd</sup> October 2011

Programme Structure - XBRL

8 Hrs  
CPE

DAY 1 – Friday, 21st October 2011 (06.00pm to 08.00pm)		
Time	Session details	CPE Hrs
06.00 pm	<b>Technical Session I</b> : An overview on XBRL <ul style="list-style-type: none"> <li>• What is XBRL</li> <li>• XML/XBRL Basic Concepts</li> <li>• Advantages of XBRL</li> <li>• Global XBRL Initiatives</li> </ul>	2 Hrs
DAY 2-Saturday, 22nd October 2011 (10.00am to 05.00pm)		
10.00 am	<b>Technical Session II</b> : XBRL Taxonomies <ul style="list-style-type: none"> <li>• Structure of taxonomies</li> <li>• Indian GAAP Taxonomy</li> <li>• Tagging</li> <li>• Attributes/Characteristics of Elements</li> <li>• Dimensions</li> </ul>	2 Hrs
12.00 noon	<b>Technical Session - III</b> : Instance documents <ul style="list-style-type: none"> <li>• Creation of instance documents</li> <li>• XBRL Instance Validation and Viewing</li> </ul>	2 Hrs
02.00 pm	<b>Lunch</b>	
03.00 pm	<b>Technical Session -IV</b> : XBRL Tool <ul style="list-style-type: none"> <li>• Overview of XBRL Generation Process</li> <li>• Taxonomy Editing and Extensions</li> </ul>	2 Hrs

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## Workshop on Transfer Pricing

6 Hrs  
CPE

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Day & Date: Saturday, 29<sup>th</sup> October 2011, 09.30 am to 05.30 pm

Venue: Bangalore Branch Premises

Timing	Topic	Speaker
09.00 am	Registration	
09.30 am	Inaugural Session	
10.00 am	<b>Technical Session – I</b> : Discussion on provisions on Transfer Pricing and dispute resolution panel process	CA. Vishweshwar Mudigonda
11.30 am	Tea Break	
11.45 am	<b>Technical Session – II</b> : Case Studies	CA. Priya Gopalakrishnan
01.15 pm	Lunch Break	
02.00 pm	<b>Technical Session – III</b> : Recent Judgments	*Confirmation awaited
03.30 pm	Tea Break	
03.45 pm	<b>Technical Session – IV</b> : Recent Judgments and way forward	Mr. Vinay Nichani

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1

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S.No.	Date	Event(s)	Venue
1.	9 <sup>th</sup> December 2011	Career Ascent	Hotel Bangalore International, Bangalore
2.	10 <sup>th</sup> December 2011	Gulf Campus	Bangalore
3.	9 <sup>th</sup> and 10 <sup>th</sup> December 2011	Financial Services Expo	Hotel Lalit Ashok, Bangalore
4.	9 <sup>th</sup> and 10 <sup>th</sup> December 2011	Corporate Conclave	Hotel Lalit Ashok, Bangalore
5.	10 <sup>th</sup> December 2011	ICAI Awards 2011	Bangalore Palace, Bangalore

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# Exclusively structured Campus Placement Programme for Small and Medium Sized Enterprises (SMEs) For Newly Qualified Chartered Accountants



**Date:**  
20<sup>th</sup> & 21<sup>st</sup> October, 2011

**Time:**  
10:00 a.m. – 6.00 p.m.

**Venue:**  
Ahmedabad, Bangalore, Bhubaneswar, Chennai, Coimbatore, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi & Pune

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Tel : 080-3056 3500 / 511 / 512

## OVERVIEW

The Institute of Chartered Accountants of India (ICAI) through its Committee for members in Industry (**CMII**) is organizing an Exclusively Structured Campus Placement Programme for Small & Medium Sized Enterprises (SMEs) in October, 2011. In its endeavor to provide quality Accounting, Finance, Tax, Audit and Management Consultancy personnel to small and medium sized Industries and to provide a platform to the newly qualified Chartered Accountants, CMII would be conducting this Campus Placement Programme.

The Small and Medium Enterprises for this purpose would include all commercial, industrial and business reporting enterprises, whose turnover for the immediately preceding accounting period on the basis of audited financial statements does not exceed Rs 100 Crores.

## OBJECTIVE

The objective of this programme is to provide quality personnel to Small and Medium Sized Enterprises and to provide platform to newly qualified Chartered Accountants to get suitable jobs.

## PARTICIPATION FEE

The tariffs for Campus Interviews shall be as follows:

Name of Centre	Fee per centre (Rs.)*
Bangalore, Chennai, Kolkata, Mumbai and New Delhi	10,000
Ahmedabad, Bhubaneswar, Coimbatore, Hyderabad, Indore, Jaipur, Kanpur, Nagpur and Pune	7,500
Common to all Centres:	5,000
Conducting interviews on the immediate following day of the day of initial interviews	

*\*service tax as applicable*



# Exclusively Structured Campus Placement Programme for Small and Medium Sized CA Firms For Newly Qualified Chartered Accountants



**Date:**  
18<sup>th</sup> & 19<sup>th</sup> October, 2011

**Time:**  
10:00 a.m. – 6.00 p.m.

**Venue:**  
Ahmedabad, Bangalore, Bhubaneswar, Chennai, Coimbatore, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi & Pune

## Invitation for Participation to Small and Medium Sized CA Firms

**Dear Professional Colleague,**

We are pleased to inform you that The Institute of Chartered Accountants of India is welcoming all **Small and Medium Sized CA Firms** to the forthcoming Exclusively Structured Campus Placement Programme.

It has been the endeavor of Committee for Members in Industry (CMII) of ICAI to provide the newly qualified Chartered Accountants, placement opportunities. To achieve this objective, CMII has been successfully organizing the Campus Placement Programmes all over the country for more than a decade now.

The next Campus Placement Programme for Newly Qualified Chartered Accountants is scheduled to be held on **18<sup>th</sup>-19<sup>th</sup> October, 2011** at 14 centres in India. The Placement Programme of the Institute provides an excellent opportunity to peruse the particulars of a large number of newly qualified Chartered Accountants, interview and recruit the suitable ones in your firm. The scheme provides an opportunity – both to employing CA Firms as well as the young professional aspirants to meet and explore the possibility of having a mutually beneficial relationship. The ICAI makes all arrangements for the conduct of the Interviews at all the centres.

Complete details of the Campus Placement Programme are available on [www.icai.org](http://www.icai.org) and [www.cmii.icai.org](http://www.cmii.icai.org).

For participation you may get in touch with Dr. Surinder Pal, Secretary, Committee for Members in Industry, Indraprastha Marg, New Delhi - 110002, Tel. No. (011) 30110548/450 E-mail: [placements@icai.in](mailto:placements@icai.in), [mii@icai.in](mailto:mii@icai.in)

I look forward to your active participation in this Placement Programme and solicit your valuable cooperation by way of referring the programme to various recruiting entities known to your good selves as a help to our young professional brethren and sisters and our alma mater, ICAI.

With warm personal regards.

Yours Sincerely,

**CA. K. Raghu**  
Chairman  
Committee for Members in Industry  
The Institute of  
Chartered Accountants of India,  
'ICAI BHAWAN', Indraprastha Marg,  
New Delhi - 110 002, India  
Tel - Direct +91 11 30110450 / 548 / 430

**CA. T.R. Venkatesh Babu**  
Chairman  
Bangalore Branch of SIRC of  
The Institute of  
Chartered Accountants of India  
Tel : 080-3056 3500 / 511 / 512

## OVERVIEW

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Common to all Centres:	5,000
Conducting interviews on the immediate following day of the day of initial interviews	

\*service tax as applicable



# WORKSHOP ON KVAT LAW

16 Hrs  
CPE

Date: 17<sup>th</sup> to 20<sup>th</sup> October 2011

Venue: Bangalore Branch Premises

Date / Day	Timing - From – To	Topic	Speakers
17.10.2011 Monday	04.00 pm to 05.45 pm	Introduction to VAT	CA. K. K. Chythanya
	06.15 pm to 08.00 pm	Jurisdictional issues / Rights and remedies available to the dealer	Mr. M. A. Maniyar*
18.10.2011 Tuesday	04.00 pm to 05.45 pm	Dealers' obligations and consequences of failure to comply	CA. H. Vishnumoorthi
	06.15 pm to 08.00 pm	Practical issues in assessments and movement of goods and their resolutions	CA. Sanjay Dhariwal M.
19.10.2011 Wednesday	04.00 pm to 05.45 pm	Classification of goods for rate purposes	CA. S. Ramasubramaniam
	06.15 pm to 08.00 pm	Input Tax Rebate	CA. L. Sridhar*
20.10.2011 Thursday	04.00 pm to 05.45 pm	Interlinking between the Act and the Rules	CA. Naveen Rajpurohit
	06.15 pm to 08.00 pm	Contours of GST	CA. Badrinath N. R.

Co-ordinators: CA. S. Venkatramani & CA. S. Vishnumurthy

\*Confirmation awaited

Registration Fees: **Rs.1,000/-** per Participant.

DD/Pay order/Cheque should be drawn in favour of **"Bangalore Branch of SIRC of ICAI"** payable at Bangalore.

Please mention your name, membership number and contact details at the back of the cheque/demand draft.

For further details please contact: **Ms. Geethanjali D, Tel: 080-30563500 / 3513, Email: blrregistrations@icai.org**

## IMPORTANT DATES TO REMEMBER DURING THE MONTH OF OCTOBER 2011

5 <sup>th</sup> Oct. 2011	Payment of Excise Duty for September 2011 Payment of Service Tax for September 2011 by Corporates Payment of Service Tax for Jul-Sep 2011 for Non-Corporates
6 <sup>th</sup> Oct. 2011	E-Payment of Excise duty for September 2011 E-Payment of Excise duty for September 2011 for Corporates Payment of Excise duty for Jul-Sep 2011 for Non-Corporates
7 <sup>th</sup> Oct. 2011	Deposit of TDS/TCS Collected during September 2011 STPI Monthly Returns
10 <sup>th</sup> Oct. 2011	Monthly Returns for Production and Removal of Goods and CENVAT Credit for September 2011 Monthly Return of excisable Goods Manufactured & Receipt of Inputs & Capital Goods by Units in EOU,STP,HTP for September 2011 Monthly Returns of Information relating to Principal Inputs for September 2011 by Manufacturer of Specified Goods who Paid Duty of Rs.1 Crore or More during Financial Year 2010-11 By PLA/CENVAT/Both
15 <sup>th</sup> Oct. 2011	Payment of EPF Contribution for September 2011 Return of Employees Qualifying to EPF during September 2011 Monthly Return (VAT 120) and Payment of VAT/COT for the month of September 2011. Quarterly Return and Payment of CST and VAT Collected During July 2011 to September 2011 Quarterly e-TDS for the period July to September 2011 (Form 24Q, 26Q, 27Q and 27EQ)
20 <sup>th</sup> Oct. 2011	Monthly Return and Payment of Profession Tax Collected During September 2011 Monthly Return (VAT 100) and Payment of CST and VAT Collected During September 2011
21 <sup>st</sup> Oct. 2011	Deposit of ESI Contributions and Collections for September 2011
25 <sup>th</sup> Oct. 2011	Consolidated Statements of Dues and Remittances Under EPF and EDLI for the September 2011 Monthly Returns of Employees Joined & Left the organisation during September 2011 under ESI Filing of Half Yearly Return (ST-3) for the period ended September 2011 (Electronic Mode is Mandatory) Filing of Half Yearly Return (ST-3) for the period ended September 2011 by Input Service Distributors (Electronic Mode is Mandatory)
30 <sup>th</sup> Oct. 2011	Quarterly TDS and TCS certificates (Form 16A/ Form 27D) as per section 203
31 <sup>st</sup> Oct. 2011	Filing of Belated Annual Accounts & Annual Return to Register of Companies for Corporates under CLSS Scheme.

## Training Programme on the theme

# “An insight on the concepts applicable to Autonomous Bodies”

Committee on Public Finance and Government Accounting,

The Institute of Chartered Accountants of India

Jointly with the

Comptroller and Auditor General (C&AG) of India

Hosted by Bangalore Branch of SIRC of ICAI

12 Hrs  
CPE

Date: 13<sup>th</sup> & 14<sup>th</sup> October 2011

Venue: Bangalore Branch Premises

Time	Topic	Speaker
<b>DAY 1 - Thursday, 13<sup>th</sup> October 2011</b>		
09.00 AM	<b>Registration</b>	
09.30 AM	<b>Inaugural Session</b>	
11.00 AM	<b>Tea Break</b>	
11.15 AM	<b>Technical Session -1</b> Basic principles of Accounts such as principle of accrual accounting, dual concept, going concern concept and consistency concept	<b>CA. Sanjay Dhariwal M</b>
12.45 PM	<b>Lunch Break</b>	
01.45 PM	<b>Technical Session -2</b> Uniform Format Linked with accrual basis, dual concept, going concern concept and consistency concept	
03.15 PM	<b>Tea Break</b>	
03.30 PM	<b>Technical Session -3</b> Uniform Format Linked with accrual basis, dual concept, going concern concept and consistency concept	
<b>DAY 2 –Friday, 14<sup>th</sup> October 2011</b>		
09.30 AM	<b>Technical Session -1</b> Internal Control	<b>Shri. K. P. Sasidharan</b>
11.00 AM	<b>Tea Break</b>	
11.15 AM	<b>Technical Session -2</b> Practical Problems related to preparation of annual accounts of Autonomous Bodies	
12.45 PM	<b>Lunch Break</b>	
01.45 PM	<b>Technical Session -3</b> Accounting Standards – An overview – AS 1, 4,5,10,6	<b>CA. N Nityananda</b>
03.15 PM	<b>Tea Break</b>	
03.30 PM	<b>Technical Session -4</b> Accounting Standards: 9, 12, 13, 15, 21, 29 and <b>Introduction of IFRS and valediction</b>	<b>CA. Vinayak Pai</b>

**Registration Fees: Rs.1500/- per Participant.** Registration on First Come, First Serve Basis. **Restricted to 200 Members.** DD/Pay order/Cheque should be drawn in favour of “**Bangalore Branch of SIRC of ICAI**” payable at Bangalore. Please mention your name, membership number and contact details at the back of the cheque/demand draft.

*For further details please contact:*

**Ms. Geethanjali D, Tel: 080-30563500 / 3513, Email: [blrregistrations@icai.org](mailto:blrregistrations@icai.org)**

**Programme Chairman**

**CA. Anuj Goyal**, Chairman

Committee on Public Finance & Government Accounting, ICAI

**Programme Vice-Chairman**

**CA. Sanjeev Maheshwari**, Vice-Chairman,

Committee on Public Finance & Government Accounting, ICAI

**Programme Directors**

**CA. K. Raghu**,

Central Council Member, ICAI

**CA. Madhukar Narayan Hiregange**,

Central Council Member, ICAI

**Programme Coordinator**

**CA. K. Shanmukha Sundaram**,

Chairman, SIRC of ICAI

**Programme Convenor**

**CA. Venkatesh Babu TR**, Chairman,

Bangalore Branch of SIRC of ICAI

## An appeal to the members

### XIX Batch of Course on Corporate Accounting, Finance & Business Laws

*Duration:*

**November 2011 to March 2012  
(78 Sessions)**

*Timings:* **08.30am to 01.30pm  
(only on Saturdays)**

*Course Fee:* **Rs. 20000/-**

*Course Contents:*

- Corporate Finance
- Strategic Cost Management
- Financial Reporting and Analysis
- Financial Services

- Concepts and Practice of Automated Information Systems
- Corporate Business Laws

**For Whom:** The course is open for Members of the Institute & Non members who are currently working in the field of **Finance/ Accounts**. Applicants for this course should have at least 2 years experience in the finance function. Knowledge of accounting terms, principles and procedures are essential as the

course will cover areas that are comparatively advanced in nature.

*We request you to pass on this information to your clients: Finance/Accounts Executives to avail the benefits of this course.*

**CA Members are entitled to have unstructured CPE Credit**

*For details contact Branch on*

**Tel.: 080-30563511/512**

**e-mail: [blrprogrammes@icai.org](mailto:blrprogrammes@icai.org)**

#### Inauguration of 7th Batch of Certification course on IFRS



Inauguration



CA. K. Raghu,  
Central Council Member



CA. Mohan R. Lavi

#### Congratulations



CA. Shreyas Kumar M,  
becomes the

**first Chartered Accountant and one of the first three Indians to complete the Paris-Brest-Paris ride.** This is the world's oldest cyclic event spanning 1,230 kilometers which needs to be completed in 90 continuous hours.

#### 91st Batch of GMCS Inauguration



Inauguration



Chief Guest  
CA. K. Rajinish Menon



Participants of 91st Batch of GMCS

#### Speakers at Study Circle Meetings



CA. Vikas Oswal



CA. Pradeep M. S.



CA. Prashanth G. S.



CA. S. Anantha  
Padmanabhan

#### Bangalore Branch & DCO Staff Members at Outdoor Event

