



All India Federation of Tax Practitioners

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AIFTP TIMES

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FEDERATION NEWS

J. K. Ranka, Secretary General

FORTHCOMING PROGRAMMES

Date & Month	Programme
27th February, 2010	Seminar on Union Budget 2010, organised by AIFTP (EZ) at Kolkata
6th March, 2010	Discussion on Union Budget 2010, organised by AIFTP (CZ) at Indore
9th April, 2010	National Executive Committee Meeting at Conference Hall of Hotel Akbari Continental, Dolamundai, Cuttack
10th & 11th April, 2010	National Tax Conference at Cuttack
27th May, 2010 to 14th June, 2010	International Study Tour to USA & Canada

WORKSHOP ON MVAT & ALLIED LAWS AIFTP (WZ) JOINTLY WITH BCAS, CTC & STPAM

Date : 6th, 13th, 20th, 27th February, 2010 and 6th March, 2010.

Time : 2.30 p.m. to 5.00 p.m.

Venue : The S.T.P. Association Library Hall, R. No. 104, 1st Floor, Vikrikar Bhavan, Mazgaon, Mumbai 400 010.

Fees : Rs. 1,000/- for Members & Rs. 1,250/- for Non-members.

For further details, please contact office of the Federation.

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REPORT OF NATIONAL TAX CONVENTION – 2009 AT JAIPUR ON DECEMBER 18 – 20, 2009

Jaipur, popularly known as 'Pink City', 'Utsav City', 'Heritage City' & 'Chhota Kaashi' which was founded in 1727 A.D. by Maharaja Sawai Jai Singhji and designed by architect Vidyadhar Bhattacharya, Jaipur, which is famous throughout the world for Palaces, Temples, Museums, Forts and the Capital of the princely State of Rajasthan which has become a hub for International Conferences, Seminars, Conventions, has rich heritage and culture, is developing like a WORLD-CLASS CITY had organized the 15th National Tax Convention, 2009 on December 18 – 20, 2009 at B.M. Birla Auditorium, Statue Circle, C-Scheme, Jaipur by the All India Federation of Tax Practitioners (CZ), Jaipur Branch of CIRC of ICAI, Jaipur, Rajasthan Tax Consultants Association, Tax Consultants Association, Jaipur, Jaipur Tax Bar Association & Tax Bar Association, Kota. The National Tax Convention, 2009 began on Friday, the 18th December, 2009 with the National Executive Committee Meeting at 2.30 p.m. at Om Tower, M.I. Road, Jaipur. The Meeting was called to order and Chaired by the National President of AIFTP Shri Bharatji Agrawal. Thereafter, Special Annual General Meeting and election of Executive Members and Office-bearers for the year 2010 – 2011 were conducted by Shri N.M. Ranka, Chief Election Officer completed the process of election of National Executive members and declared the names of the elected National Executive Members for the term 2010 & 2011. Thereafter a Meeting of the new National Executive Committee was called at 6.00 p.m. by the National President. The new Executive Members elected the officer bearers of AIFTP – Shri M.L. Patodi, National President, Shri S.K. Poddar, Dy. President, Shri J.K. Ranka, Secretary General and others for the term 2010 & 2011. A few names were considered for co-option and thereafter it was left to the National President to fill up the vacancies.

Thereafter a dinner was organized at Ashok Club Lawns where Hon'ble Mr. Justice Dalveer Bhandari, Judge, Supreme Court of India, Hon'ble Mr. Justice G.S. Singhvi, Judge, Supreme Court of India, Hon'ble Mr. Justice Jagdish Bhalla, Chief Justice of Rajasthan, Hon'ble Mr. Justice S. N. Bhargava, Chief Justice (Retd.), Shri H.M. Bangur, Managing Director, Shree Cement Limited, other Hon'ble Judges namely; Justice K.S. Rathore, Justice Rajesh Bindal, Punjab & Haryana High Court, Justice N.K. Jain, Justice R.S. Rathore, Justice Mahesh Sharma, Chairman, Central Board of Direct Taxes, Hon'ble Shri S.S.N. Moorthy, other delegates from outside joined the dinner.

Saturday 19th December, 2009

The Inaugural Session was called to order at 10.00 a.m. followed by 'Vandana' by the members of the Tax Wheel Club, Jaipur. The Inaugural Session started at 10.00 a.m. on Saturday, the 19th December, 2009. Hon'ble

Mr. Justice Dalveer Bhandari, Chief Guest of the Inaugural Session inaugurated the Convention by lighting a lamp. All other eminent dignitaries on the Dias also lit the lamp. Shri M.L. Patodi, Dy. National President, AIFTP & Chairman, National Tax Convention, 2009 welcomed on behalf of the Convention Committee. Shri Bharatji Agrawal, National President, AIFTP welcomed on behalf of the Federation. Thereafter, bouquets were presented to the Hon'ble Chief Guest and other dignitaries on the Dias by the Senior Members of the profession. Thereafter, Shri N.M. Ranka, Past President of the Federation declared the winners and runners up of "Ranka Awards". He also declared the election results of Office-bearers for the term 2010 & 2011. Thereafter, the Guest of Honour Shri H.M. Bangur, Managing Director, Shree Cements Ltd., addressed the audience. Hon'ble Mr. Justice Jagdish Bhalla, Chief Justice, Rajasthan High Court, being the Guest of Honour addressed the gathering. He also released the Souvenir (Paper Book) and was offered to all the dignitaries on the Dias. The book on "Media & Entertainment Industry" authored by 34 professionals including Mr. Ajay Sekhri and Ms. Isha Sekhri was also got released at the hands of Hon'ble Mr. Justice Dalveer Bhandari and Mr. Justice G.S. Singhvi .

Hon'ble Mr. Justice Dalveer Bhandari, Judge, Supreme Court of India delivered his Inaugural address. He mentioned that the Tax Laws are very complicated and should be simplified. Thereafter, Hon'ble Mr. Justice G.S. Singhvi, Judge, Supreme Court of India gave his Presidential address and mentioned that the rich people should also think about the economically weaker section so that they can live with respect. He also mentioned that new Direct Tax Code will reduce the litigation.

Thereafter, Shri Bharatji Agrawal was felicitated by the members for his outstanding tenure and his great contribution to the Federation. Mementoes were presented to the Hon'ble dignitaries. Vote of thanks was delivered by Shri J.K. Ranka, Convention Secretary & Vice President, AIFTP. The Inaugural Session ended with National Anthem.

1st Technical Session

The First Technical Session on the subject "Implications of Direct Taxes Code" was Chaired by Hon'ble Shri S.S.N. Moorthy, Chairman, Central Board of Direct Taxes. The Guest of Honour of this Session was Shri M.K. Singhvi, Executive Director, Shree Cements Ltd. Shri Nishith Desai, Advocate and Founder of International Law Firm Nishith Desai Associates, Mumbai who spoke on the subject. Shri S. Ganesh, Senior Advocate, Supreme Court of India, New Delhi was also spoke on the subject. The Session was conducted by the President and Secretary of Rajasthan Tax Consultants Association, the co-organizer of the Conference.



2nd Technical Session

The Second Technical Session was Chaired by Hon'ble Mr. Justice Rajesh Bindal, Judge, Punjab & Haryana High Court. The subject of this Session was "Computation of Sources of Income under the Direct Taxes Code". Shri Padam Khincha, FCA, Bangalore and Shri Narayan Jain, Advocate, Kolkata were the Speakers. Dr. K. Shivaram, Advocate & Past President, AIFTP, gave his expert comments. The Session was conducted by the President and Secretary of Jaipur Tax Bar Association, the co-organizer of the Conference.

3rd Technical Session

The Third Technical Session was Chaired by Hon'ble Mr. Justice M.N. Bhandari, Judge Rajasthan High Court. Shri M.L. Goyal, Vice-President J.K. Cement Ltd. was the Guest of Honour. The subject was "Road Map – GST" and the Speaker was Shri Santosh Dalvi, Executive Director, PWC, Mumbai. The Session was conducted by the President and Secretary of Tax Bar Association, Kota, the co-organizer of the Conference.

Cultural Evening

At 7.15 p.m. a cultural programme "Best of Rajasthan" was organized with the Indian Council for Cultural Relations, Ministry of External Affairs, Government of India and Members of Tax Wheel Club for about two hours. Traditional Dances "Mayur Dance", "Bhawai", "Jugal Bandi", "Chari Dance", "Banjara", "Ghoomer", "Kalbhelia Dance" were performed by internationally acclaimed Ms. Gulabo, Virender Singh, Brij Lok Kala Munch, Deeg, Ashok Sharma and others and floral holi was played by not only the performers but also by the Members of the Federation who joined and enjoyed the gala evening. In this cultural evening spouses of (members of all Tax Wheel Club) and children of the members also gave beautiful performances. Thereafter, a sumptuous dinner was organized. The day's event was well covered by the daily newspapers Rajasthan Patrika, Dainik Bhaskar and others prominently.

Sunday 20th December, 2009

4th Technical Session

The Fourth Technical Session which was a unique one in the sense that in this Session all females sat on the Dias and entire activity was performed by the females only and which was highly appreciated by not only the dignitaries but also well appreciated in the Press as well and was highlighted specially by the Press. The Chief Guest of this Session was Smt. Vinita Singhania, Managing Director, J.K. Lakshmi Cements Ltd., and President of Cement Manufacturers Association of India, Smt. Ritam Agrawal, Advocate and Joint Secretary of Punjab & Haryana High Court was the Guest of Honour. Smt. Nikita Badheka, Advocate, Mumbai spoke on "Subsequent Sale under CST & Recent Controversial Issues with Special Reference to

Works Contract". Smt. Ritu G.P. Das, FCA, Kota spoke on "Present & Proposed Provisions of Penalty on Concealment".

Smt. Surbhi Ranka, FCA, Jaipur spoke on "Tax Management through Hindu Undivided Family". Smt. Prem Lata Bansal, Advocate, New Delhi gave her expert comments. Smt. Anjali Jain, C.A., Kota and Smt. Ritu Bohra, F.C.A., Kota conducted the proceedings.

5th Technical Session

The Fifth Technical Session was Chaired by Hon'ble Shri Bharatji Agrawal, our National President. Shri Abhay Baijal, Vice-President (Finance), Chambal Fertilizers and Chemical Ltd., New Delhi was the Guest of Honour and Shri V. Lakshmi Kumaran, Sr. Advocate, Supreme Court of India, New Delhi spoke on "Controversial Issues under the Central Excise Act". Shri Sunil Talati, FCA and Past President, Institute of Chartered Accountants of India, Ahmedabad spoke on "Income from Undisclosed & Other Sources under Income Tax Act". Shri M.D. Sodani, FCA, Ujjain gave his expert comments. This Session was conducted by the President and Secretary of Jaipur Branch of ICAI of CIRC, the co-organizer of the Conference.

Brain Trust Session

There were very little questions and they were replied by Shri S.K. Poddar, Sr. Advocate, Ranchi, Shri K.L. Goyal, Sr. Advocate, Chandigarh, Shri H.C. Bhatia, Advocate, New Delhi, Shri Mukul Gupta, Advocate, Ghaziabad and Shri Pankaj Ghiya, Advocate, Jaipur. The proceedings were conducted by the President and Secretary of Tax Consultants Association, Jaipur.

Valedictory Session

Hon'ble Mr. Justice Dr. A.R. Laxmanan, Former Judge, Supreme Court of India & Former Chairman, Law Commission of India gave his Valedictory address as the Chief Guest of this Session. Hon'ble Shri K.S. Rathore, Judge, Rajasthan High Court gave his Presidential Address. Hon'ble Smt. Jyoti Khandelwal, Mayor of Jaipur was the Guest of Honour. In this Valedictory Session mementos were presented to the members and others who put in hard labour for the success of this National Tax Convention. Shri Mukul Gupta, the outgoing Secretary General proposed Vote of thanks.

The total delegates were over 760. The delegates came from length and breadth of the country.

Ms. Anisha Mathur, CA conducted the proceedings of the Inaugural Session. Smt. Savita Rathi, Advocate conducted the proceedings of the Valedictory Session. Efforts of both of them were highly appreciated by one and all.

J. K. RANKA
Organising Secretary &
Secretary General, AIFTP



NATIONAL TAX CONFERENCE, 2010

on
10th and 11th April, 2010

Venue : Saheed Bhawan Auditorium, Choudhury Bazar, Cuttack – 753 009

THEME : PROPOSED DIRECT AND INDIRECT-TAX LAWS IN THE CHANGING ECONOMIC SCENARIO.

Organised by
**ALL INDIA FEDERATION OF TAX PRACTITIONERS (EZ), ALL ORISSA TAX BAR ASSOCIATION
IN ASSOCIATION WITH ALL THE TAX BAR ASSOCIATIONS
& CHARTERED ACCOUNTANTS ASSOCIATIONS OF ORISSA**

Conference Chairman

Mr. B. K. Mohanty, Senior Advocate Ph. : 0671-2319126, (M) 9437032326
Former Advocate General, Orissa High Courts Orissa.

Co-Chairman

Mr. B. Panda, Advocate, (O) 0671-2310768 (M) 9337118046, Joint Secretary, AIFTP

Conference Secretariat

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Madhusudan Nagar, Tulasipur, Cuttack - 753 008.
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AND

Mr. B. N. Mohapatra, Advocate
Vice-Chairman, AIFTP (EZ)

E-17, BJB Nagar, Bhubaneswar - 14 • Ph. : 0674 - 2431937/2431938, Mob. : 9337110348

Cuttack popularly known as the Silver City, is of more than million years of old. The old capital of Odisha. Cuttack is famous for world famous filigree works. Cuttack is the birth place of Netaji Subhash Chandra Bose. The historical Barabati Fort, Jawaharlal Indoor Stadium, Cuttack Chandi Temple, Gadachandi Temple and Gadagadeswar Temple are the places of Tourist Visit. Barabati Stadium is one of the oldest stadium of the country where many International Cricket Matches have been played. The city is surrounded and embraced by River Mahanadi and Kathagodi from both sides. It has rich heritage of Art and Culture. It has good numbers of Class hotels with affordable Tariff and modern facilities. Bhubaneswar, the capital of Orissa is just at a distance of 25 K.M. from Cuttack. The Bhubaneswar Airport is at a distance of 30 K.M. and half an hour drive Cuttack and Bhubaneswar are twin city Hotel Tariff, Train Timings and Details of Connections by Air with Flights are given else where in this bulletin.

We on behalf of the "All India Federation of Tax Practitioners (E.Z.), All Orissa Tax Bar Association with its associate local Bar Associations and the Chartered Accounts of Orissa invite you to the **National Tax Conference 2010 of ALL INDIA FEDERATION OF TAX PRACTITIONERS on 10th and 11th April, 2010** at 'Saheed Bhawan' auditorium, Cuttack most cordially welcomes you to more than million years City and the cultural capital of Orissa which is renowned for its warm hospitality. We invite professional brothers from throughout the country to attend in large numbers. Please convey to all our professional bothers (the Advocates & Chartered Accountants and Tax Practitioners practising in Tax branch of Law) about convention.

We shall be discussing on the subjects of proposed important amendments and suggested Draft on "Direct Tax Code", Financial Bill, 2010 and its implication. We will also discuss on the subject of VAT and GST, Competition Law, Money Laundering Law etc. In addition to the normal Tax Law subjects like Income-tax, VAT, Service Tax, Central Excise and Customs also Brain Trust session will be held.

Experts and legal luminaries in the field of Law and Accountancy from all over the country will address the gathering, and it will be an excellent opportunity to have indepth study on various subjects not only in Tax Laws but also in Competition Law and Money Laundering Laws etc. You may come prepared with your questions and problems which will be clarified and solved by Senior and experienced professionals. This will provide an unique opportunity to know each other and have fellowship with Professional brothers from all over the country.

Places of Interest and Attractions

Bhubaneswar

1. Lingaraj Temple
2. Rajrani Temple
3. Mukteswar
4. Khandagiri, Udayagiri
5. Dhauli Temple
6. Peace Pagoda
7. Info-city
8. Amusement Parks
9. Regional Plant Resource Centre
10. State Museum and Museum of Natural History
11. Nandan Kanan, the Botanical Garden

Puri

- Lord Jagannath Temple
- Gundicha Temple
- Sunar Gaurang
- Lokanath
- Siddha Bakula
- Gumbhari Math
- Chakratirtha
- The Sea Beach

Konark

- World Famous
- Sun Temple
- Chandra Bhaga

Note : Special Buses with guide can be arranged through "Orissa Tourism Development Corporation" Govt. of Orissa if sufficient Nos. of interested persons are available.

Approach

- AIR :** Cuttack which is only 25 k.m. from Bhubaneswar is connected by Air with Flights to Delhi, Kolkata, Raipur, Hyderabad, Chennai and Mumbai by Sahara Airlines, Indian Airlines, Kingfisher, Indigo. (For the further details you may visit web-sites in Internet).
- RAIL:** Cuttack is an important Railway Station & Bhubaneswar is a major railhead of the East Coast Railways, it has fast and superfast train connections to Kolkata, Guwahati, Delhi, Chennai, Hyderabad, Mumbai, Bangalore, Thiruvananthapuram, Ahmedabad and other major cities and towns of the country.
- ROAD:** Cuttack being Twin City with State Capital-Bhubaneswar, on N. H. 5, it is connected by motorable Roads within the states and sister states.

Conference Registration Fees

Up to 15th March, 2010	Rs. 1,250.00	Accompanying Spouse	Rs. 1,000.00
Spot Registration	Rs. 1,500.00	Representatives of Corporates	Rs. 3,000.00

Outstation Members are requested to make the payment by Demand Draft only in favour of "All Orissa Tax Bar Association" payable at Cuttack

PROPOSED PROGRAMME

9th April, 2010 at 7.30 p.m. : National Executive Committee Meeting of AIFTP for the term 2010 and 2011 will be held **at the Conference Hall of Hotel Akari, Dolamundai, Cuttack.**

Headquarters Hotel : Hotel Akbari, Dolamundai, Cuttack, Ph. 0671-2423254/64/69

10th April, 2010

- Registration & Breakfast : 8.30 a.m. to 9.30 a.m.
- Inaugural Session : 9.30 a.m. to 12 Noon
- Tea Break : 12 Noon to 12.15 p.m.
- First Technical Session : 12.15 p.m. to 1.45 p.m.
- Lunch Break : 1.45 p.m. to 2.30 p.m.
- Second Technical Session : 2.30 p.m. to 4.00 p.m.
- Tea Break : 4.00 p.m. to 4.15 p.m.
- Third Technical Session : 4.15 p.m. to 6.15 p.m.
- Cultural Programme : 7.00 p.m. to 9.00 p.m.

11th April, 2010

- Breakfast : 8.30 a.m. to 10.00 a.m.
- Fourth Technical Session : 10.00 a.m. to 11.30 a.m.
- Fifth Technical Session : 11.30 a.m. to 1.30 p.m.
- Lunch : 1.30 p.m. to 2.15 p.m.
- Brain Trust Session : 2.15 p.m. to 4.15 p.m.
- Valedictory Session : 4.15 p.m. to 6.15 p.m.
- High Tea : 6.15 p.m.

Note : Details of Programme with name of the Chief Guests, Inaugurator, Guest of Honour, Chairman for different Technical Sessions, Subjects, Paper Writers, Speakers, Group Leaders, Co-ordinators, Expert Commentators, etc. will be published and circulated through AIFTP Times & Journal as soon as they are finalised.

HOTEL ROOM TARIFF AT CUTTACK

Sr. No.	Name of Hotel	Contact No.	Single A/C	Double A/C	Executive A/C	Budget A/C
1.	Hotel Akbari Continental, Dolamundai	00-91-6712423251 2423254/64/69	Rs. 1,200/-	Rs. 2,200/-	Rs. 3,000/-	-
2.	Hotel Dwaraka, Barjakabati Road, Cuttack	06710 2422220	Rs. 1,185/-	Rs. 1,650/-	Rs. 2,300/- Rs. 1,720/-	Rs. 2,500/- Rs. 1,980/-
3.	Hotel Bombay Inn College Square, Ice Factory, CTC	0671-6549801/ 2010566	Rs. 850/-	Rs. 950/-	Rs. 1,500/-	Rs. 1,200/-
4.	Grand Residency, Link Road, CTC 21	23/3229/2313129	Rs. 1,800/-	Rs. 2,200/-	Rs. 2,400/3,000	Platinum Single Rs. 3000 Double Rs. 3600
5.	Panthanivas	0671-2306916 2306867	Rs. 1,000/-	Rs. 1,500/-		
6.	Mahabir Galaxy Hotel	0671-2310281	Rs. 1,200/-	Rs. 1,500/-	Rs. 2,200/-	
7.	Hotel Manorama Plaza, Mahatab Road	0671-2331681 6980077	Rs. 700/-	Rs. 900/-	Rs. 900/-	Rs. 1,100/-
8.	Hotel Lords, Haripur Road, Dolamundai	0671-	Rs. 250/-	Rs. 500/-		
9.	Hotel Silver City, Badam Badi Bus Stand	0671-2333120 2335320	Rs. 500/-	Rs. 600/-	Rs. 600/-	Rs. 700/-
10.	Hotel Monalisa & Suchitra Palace Bus Stand, Link Road	0671-2421109 3204779	Rs. 550/-	Rs. 700/-	Rs. 850/-	
11.	Hotel Swagat, Bus Stand	0671-2329430	Rs. 600/-	Rs. 700/-		
12.	Hotel Shree Jagannath Maahatab Road	0671-2310804 2327805	Rs. 800/-	Rs. 1,000/-		
13.	Hotel Bishal, Bus Stand, Badambadi Link Road	0671-2310752 2310993	Rs. 500/-	Rs. 600/-		
14.	Hotel Sagar Shree Haripur Road	0671-2433132 2430251/2429037 09437103396	Rs. 1,100/-	Rs. 1,000/-		
15.	Hotel Ashoka College Square, Ice Factory, CTC	0671-2647509 2648815	Rs. 700/-	Rs. 800/-	Rs. 850/-	Rs. 950/-
16.	Hotel Vijaya College Square, Ice Factory, CTC	0671-2647557 2648560		Rs. 600/-		
17.	Hotel Neeladri, Mangalabag	0671-2144221		Rs. 700/-	Rs. 800/-	
18.	Bombay Hotel	0671-2649009-18		Rs. 625/-	Rs. 1,000/-	
19.	Hotel The Triple 'C', Buxi Bazar	0671-2424100/101 102/103	Rs. 1,500/-	Rs. 2,000/-		
20.	Nilam Lodgs, Haripur Road, Dolamundai	0671-2433553 5561213	Rs. 1,170/-	Rs. 1,230/-		

HOTEL ROOM TARIFF AT BHUBANESWAR

Sr. No.	Name of Hotel	Contact No.	Single A/C	Double A/C	Executive A/C	Budget A/C
1.	Mayfair, 8-B, Jaydev Vihar, BBSR - 13	91-674-2360101			Rs. 9,000/- (Cottage)	Rs. 16,000/- (Deluxe Cottage)
2.	Swosti Group, P-1, Jaydev Vihar, Bhubaneswar - 751 013, Orissa.	0674-2300008/14/28	Rs. 5,600/-	Rs. 6,600/-	Rs. 15,000/-	
3.	The New Marrison 6, Janpath, Bhubaneswar - 751 001.	06710-2422220 91-674-2380850-57	Rs. 6,100/-	Rs. 6,500/-		
4.	Hotel Pal Regency	0674-2361156 9937144466 9937144477 9438784263	Rs. 2,500/-	Rs. 3,000/-	Rs. 7,999/- (Suite)	
5.	Panthanivas, Lewis Road, BBSR-14.	0674-2432515 0674-2432314	Rs. 1,200/-	Rs. 1,500/-		

DISCUSSION ON UNION BUDGET 2010

AIFTP (CZ) jointly with Tax Practitioners Association Indore and Indore Branch of CIRC of ICAI has arranged the Budget talk at Indore. All are invited to attend the function.

Day & Date : Saturday, 6th March, 2010
Venue : Jall Auditorium, Nath Mandir Road, Indore.
Time : 3.00 to 5.00 P.M
Speaker : Dr. Rakesh Gupta, Advocate, Delhi

M.D. Sodani
Vice President, AIFTP

Suresh Ramnani
Jt. Secretary, AIFTP

SEMINAR ON UNION BUDGET 2010

All India Federation of Tax Practitioners (EZ) have organized a Symposium on Union Budget for the year 2010-2011 to be held on 27-2-2010 at 3.00 p.m. at Conference Hall of Calcutta Chamber of Commerce, 18/H, Park Street, Kolkata – 700 071.

The speakers include:– Prof. N.P. Jain, LL.M., Advocate; Shri Sanjay Bhattacharya, FCA.

We have requested Shri S.K. Poddar, Dy National President and Dr. Ashok Saraf, National Vice President to join the seminar.

C.K. Chatterjee,
Zone Secretary (EZ)

INTERNATIONAL STUDY TOUR — USA & CANADA (ALASKA & CRUISE)

Duration : 27th May, 2010 to 14th June, 2010

Ex Mumbai

Airline — Lufthansa

Tour will start with boarding at Mumbai for CALGARY in CANADA

Other places — BANFF, LAKE LOUISE, (JEWEL OF ROCKIES) JASPER (Columbia Ice Fields), VANCOUVER (3 Days) Seattle.....And then CRUISE — 7 Days Ship..... NORWEGIAN STAR (LUXURIOUS multi-storied ship)

Cost Approx. Rs. 2,20,000/- (Subject to confirmation) on Twin Sharing Basis. Aboard the Ship..... Category D/E/G....Ocean view Cabins.

Those interested may contact the AIFTP Office for further details.

DIRECT TAXES

AJAY R. SINGH, PARAS S. SAVLA, RAHUL K. HAKANI & RANGESH BANKA
Advocates, KSA Legal

SUPREME COURT

1. Copying software onto blank discs is "manufacture" – S. 80IA

In interpreting the expression "manufacture or processing of goods", one has to move with the times and bear in mind that technological advancement in computer science makes knowledge as of today obsolete tomorrow. Therefore where the issue arises for determination, the Department should study the actual process undertaken by the assessee to decide whether there is manufacture or processing.

The term "manufacture" implies a change, but, every change is not a manufacture, despite the fact that every change in an article is the result of a treatment of labour and manipulation. However, this test of manufacture needs to be seen in the context of the process adopted by the assessee for duplication of software. **If an operation/process renders a commodity or article fit for use for which it is otherwise not fit, the operation/process falls within the meaning of the word "manufacture"**. Applying this test, as the assessee has undertaken an operation which renders a blank CD fit for use for which it was otherwise not fit, the duplicating process constitutes 'manufacture' under section 80IA(12)(b).

CIT vs. Oracle Software India (Supreme Court) C.A. No. 235/2010 @ SLP(C) No. 4719/2008

Source:www.itatonline.org

2. Re-opening – Change of opinion is not permissible even within 4 years – S. 147

Though the power to re-open under the amended section 147 is much wider, one needs to give a schematic interpretation to the words "reason to believe" failing which section 147 would give arbitrary powers to the Assessing Officer to re-open assessments on the basis of "mere change of opinion", which cannot be per se reason to re-open. One must also keep in mind the conceptual difference between power to review and power to re-assess. The Assessing Officer has no power to review; he has the power to re-assess. But re-assessment has to be based on fulfilment of certain pre-condition and if the concept of "change of opinion" is removed, as contended on behalf of the Department, then, in the garb of re-opening the assessment, review would take place. One must treat the concept of "change of opinion" as an in-built test to check abuse of power by the Assessing Officer. Hence, after 1.4.1989, the Assessing Officer has

power to re-open, provided there is "tangible material" to come to the conclusion that there is escapement of income from assessment. Reasons must have a live link with the formation of the belief. This is supported by Circular No. 549 dated 31.10.1989 which clarified that the words "reason to believe" did not mean a change of opinion.

CIT vs. Kelvinator of India (Supreme Court) CIVIL APPEAL Nos. 2009-2011 OF 2003

Source:www.itatonline.org

HIGH COURT

3. Block Assessment – S. 143(2)

Notice under section 143(2) not having been issued within one year of filing the return by assessee. Block assessment was invalid, no substantial question of law arises.

CIT vs. Ms. Mudia G. Nanavati (2009) 227 CTR 387 (Bom.)

4. Depreciation – S. 32

Assessee, in the business of leasing having given assets on lease and having received lease rental was eligible for depreciation notwithstanding the fact that lessee had put the assets to use after the close of the previous year.

CIT vs. Kotak Mahindra Finance Ltd. (2009) 227 CTR 596 (Bom.)

5. Interest waiver – S. 234B, 234C

Assessee having paid tax voluntarily and having pleaded a good and reasonable reason for not filing the returns in time and therefore interest under section 234B and 234C was liable to be waived.

V. Akilandewari vs. Chief Commissioner of income-tax (2009) 227 CTR 582 (Mad.)

6. Re-assessment – S. 143(2)

Proceedings under section 147 could not be held to be vitiated merely because the Assessing Officer had right to proceed under section 143(2).

CIT vs. Smt. Shakuntala Devi (2009) 227 CTR 618 (P&H)

7. Rectification – S. 80IA

Question whether export incentive would qualify for deduction under section 80IA is a highly debatable matter as there are contrary judgements on the issue and therefore it does not come within the purview of section 154

CIT vs. TTK Prestige Ltd. (2009) 227 CTR 565 (Kar.)

FLASH NEWS

S. 14A, Rule 8D & Daga Capital: Bombay High Court to hear arguments

Writ Petition bearing No. 50 of 2010 (*Indian Exporters Grievances Forum & Other vs. CIT*) challenging the constitutional validity of Rule 8D has been admitted on 12-1-2010 by Hon'ble Shri Justice Dr. D.Y. Chandrachud and Hon'ble Shri Justice J.P. Devadhar of the Bombay High Court.

It has been directed that the said matter including appeals relating to section 14A shall be taken up for **final hearing on 15-2-2010**.

All those having matters relating to interpretation of section 14A which are pending before the High Court are requested to give the Appeal Nos. to the Associate for grouping matters.

TRIBUNAL

8. Assessment – S. 153A

Section 153A does not authorize the making of a de novo assessment. While under the 1st Proviso, the Assessing Officer is empowered to frame assessment for six years, under the 2nd Proviso, only the assessments which are pending on the date of initiation of search abate. The effect is that completed assessments do not abate. There can be two assessments for the same assessment year. Assessments which are not pending before the AO on the date of search but are pending before an appellate authority will survive.

Anil Kumar Bhatia vs. ACIT (ITAT Delhi) (Source: www.itatonline.org)

9. Cost of acquisition – S. 48

The assessee – society and its members had no right to construct additional floors on the existing building as they had exhausted the right available while constructing the flats in the building. The TDR was not obtained by the assessee and sold to the developer. Accordingly, the assessee had not transferred any existing right to the developer nor any cost was incurred / suffered prior to permitting the developer to construct the additional floors. In the absence of a cost of acquisition, the judgement in B. C. Srinivasa Shetty 128 ITR 294 (SC) applied and the consideration was not assessable as capital gains.

Om Shanti Co-op. Society vs. ITO (ITAT Mumbai) (Source: www.itatonline.org)

10. Depreciation – S. 32

The "use" of an individual asset can be examined only in the first year when the asset is purchased. In subsequent years the use of block of assets is to be examined. The existence of an individual asset in block of asset itself amounts to use for the purpose of business. This is supported by the proviso to section 32 which provides half depreciation for assets

acquired in the year and held for less than 180 days. Once an asset is included in the block of assets it remains there and can only be removed when it is sold, discarded etc. under section 43(6)(c)(i)(B) or used for non-business purposes under section 38(2) or where the entire block ceases to exist.

Swati Synthetics vs. ITO (ITAT Mumbai) (Source: www.itatonline.org)

FLASH NEWS

Samsung Electronics (Kar HC): Special Bench to hear arguments

In *M/s Prasad Productions Ltd*, a Special Bench, Chennai, has been constituted to hear the following question:

"Whether for the purposes of sections 201(1) and 201(1A), when an assessee responsible for making payment to a Non-resident, has not applied to the Assessing Officer u/s 195(2) for deduction of tax at a lower or Nil rate of tax, he is under statutory obligation to deduct tax at source computed on the entire payment to the Non-resident treating the same as income chargeable to tax, in the light of decision of the Apex Court in the case of *Transmission Corporation of A.P. Ltd. vs. CIT (239 ITR 587)?*"

The matter was heard by the Bench comprising **Hon'ble Shri P P Parikh, Shri N. Barathvaja Sankar and Shri Hari Om Maratha** on November 3, 2009.

In view of the judgement of the Karnataka High Court in **Samsung Electronics**, the matter has been refixed for hearing on **22nd February, 2010**.

Anybody desirous of intervene in the above matter may contact the Asst. Registrar, ITAT, Chennai.

Constitution of Special Bench on set-off of unabsorbed depreciation u/s 32 (2)

A Special Bench in the case of *M/s Times Guaranty Ltd.* has been constituted to decide the following question:

"On the facts and circumstances of the case, whether the unabsorbed depreciation relating to A.Y. 1997-98 to 1999-2000 is to be dealt with in accordance with the Provisions of Section 32(2) as applicable for A.Y. 1997-98 to 1999-2000 as claimed by the revenue or the same has to be dealt with in accordance with the said provisions as applicable to A. Y. 2003-04 and 2004-05 as claimed by the Assessed"

The matter has been fixed for hearing on **17th March, 2010 at Mumbai**.

Anybody desirous of intervene in the above matter, may contact the Asst. Registrar, ITAT, Mumbai.

Applications for appointment of Judicial & Accountant Members of the Tribunal

The Department of Legal Affairs, Ministry of Law & Justice has invited applications for the posts of **Judicial Members** and **Accountant Members** in the Income Tax Appellate Tribunal. There are **22** vacancies for the post of Judicial Member while there are **13** vacancies for the post of Accountant Member.

For Further details, please visit www.itatonline.org

INTERNATIONAL TAXATION

CA. DHANESH BAFNA, CA. MADHAV KHANDELWAL, SUJEETH KARKAL, Advocate

(A) ADVANCE RULING

1. Seismic Survey – Income Tax Act – S. 44BB.

Once the deployment of the vessel in the prospecting operations is considered to be integral part of such operations, the second part of section 44BB(1) gets triggered. It is immaterial whether the vessel is deployed in the prospecting activities pursuant to a direct contract with the oil producing company or pursuant to a contract with the seismic survey services provider. The person at whose instance the chase vessel participates in the seismic survey is not relevant to decide whether the requirements of the section are satisfied.

M/s. Wavefield Inseis ASA [228 CTR 58 (AAR)]

2. Transfer of shares on Amalgamation – Income Tax Act – S. 47.

The benefit of section 47(vi) & (vii) of the Income Tax Act cannot be denied to the non-residents applicants on the ground that the transfer of shares pursuant to amalgamation with the Indian concern is a legally impermissible step and the same is adopted by the applicants only with a view to avoid or evade the income tax without there being any commercial or business purpose.

Star Television Entertainment Ltd. [2010-TIOL-01-ARA-IT]

(B) TRIBUNAL

3. Cruise Packages – Income Tax Act – S. 44B.

As per the language used by the legislature in section 44B, income of the non-resident shipping company cannot be charged to tax in India unless the passengers who have booked the Cruise package are travelling from or to

any port in India. Unless any income is chargeable to tax in India as per the charging provisions of the I.T. Act, no effect can otherwise be given to other provisions of the Act. Reliance was also placed on the Board Circular No. 23 dt. 23-7-1969.

DDIT (International Taxation) vs. M/s. Star Cruises (India) Travel Services Pvt. Ltd. [2010-TIOL04-ITAT-Mum.]

4. Fees for Technical Services – Income Tax Act and Indo French DTAA – S.195(2) & Article 13(4)

The Tribunal held that the payments for all kind of technical service are to be treated as 'fees for technical services' for the purpose of Article 13(4) of Indo-French DTAA. The UTAC France had provided technical services to the assessee in India for product development of desired specifications and hence payments for such technical services are liable to be taxed in India. Therefore, the assessee was liable to deduct tax at source under section 195(2) of the Act.

Maruti Udyog Ltd. vs. ADIT [2010-TIOL-22-ITAT-Del]

5. Mutually Agreed Procedure – Income Tax Act and Indo USA DTAA – Section 90, Rule 44H

The only pre-conditions for giving effect to the mutually agreed resolution are mentioned in sub-rule (3) of rule 44H. The assessee has given the consent for implementation of the agreement and the appeal against the order is stated have been withdrawn. Therefore, there is no impediment in giving effect to the resolution as it is. The order so passed is an order u/s. 143(3) read with section 90 and it is in substitution of earlier order u/s. 143(3). Such an order is amenable to appeal before the CIT(Appeals) u/s. 246(1)(a).

Cable Networks LP, LLLP (P) Ltd. vs. ADIT [2010-TIOL-20-ITAT-Del.]

Hearty Congratulations

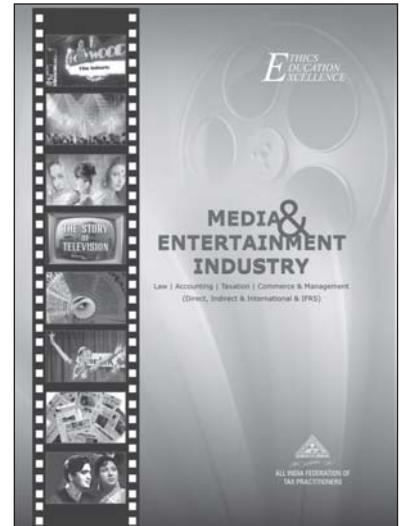
National President, Editor-in-Chief and All Executive Committee Members of All India Federation of Tax Practitioners congratulate Shri T. N. Manoharan for being honoured with Padmashree Awards.

We wish him all the success.

BOOK RELEASE ANNOUNCEMENT

We are pleased to make the announcement of the release of publication of the All India Federation of Tax Practitioners titled “**Media & Entertainment Industry**”. Hon’ble Mr. Justice Dalveer Bhandari, Hon’ble Mr. Justice G. S. Singhvi, Judges, Supreme Court of India & Hon’ble Mr. Justice Jagdish Bhalla, Chief Justice, Rajasthan High Court released the publication on 19th December 2009 at 15th National Convention at Jaipur organised by the AIFTP (Central Zone) in alliance with various prominent local associations.

The Publication encapsulates various tax, legal, accounting and commercial aspects of the multiple segments of the Indian Media and Entertainment industry. This is an unique publication on Media & Entertainment Industry in questions and answers format (Over 400 FAQs) with exhaustive coverage on subjects of Accounting, Costing, Dispute Resolutions, Entertainment Laws, Entertainment Policies, Entertainment Tax, FEMA & RBI Guidelines, IFRS, Income Tax, International Taxation, Management, Overview on GST, Prevailing Practices, Service Tax, Transfer Pricing, Value Added Tax and Sales Tax. The diverse issues addressed in this book by 34 authors, would benefit almost everyone who is a partaker in the industry – the industry and professionals alike. This book may also be a useful reference to the Revenue authorities and facilitate an enhanced understanding of the constantly evolving media and entertainment industry. The publication is edited by CA. Pradip Kapasi, Mumbai and Dr. K. Shivaram, Advocate, Mumbai. Convenors for the publication are Mr. Ajay Sekhri and Ms. Isha Sekhri, Chartered Accountants, Mumbai.



This publication will be a useful guide to tax-payers and tax consultants.

This publication is in association with Ranka Public Charitable Trust.

**The price of the publication is Rs. 350/- for Normal Bound & Rs. 450/- for Hard Bound.
For members of the Federation, the same is available at a price of Rs. 280/- & Rs. 360/- respectively.
Outstation members are requested to add Rs. 70/- and Rs. 90/- per publication as courier charges for
Normal Bound and Hard Bound respectively.**

Please make all drafts payable to “**All India Federation of Tax Practitioners**”.

For further details please contact:-

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APPEAL TO MEMBERS

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The journal has become monthly from January, 2002. We desire that the journal should become self-sufficient. Hence, we request you to send us advertisements for the journal. The rates of advertisement are as under:

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J. K. RANKA
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Eastern	—	790	33	0	823
Northern	—	766	17	0	783
Southern	—	676	13	2	691
Western	3	1498	32	10	1543
Total	3	4371	115	14	4503



List of Publications

Sr. No.	Name of Publication	Edition	Price		Courier Charges
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