

**PROGRAMMES FOR THE MONTH OF OCTOBER 2008**

DATE/TIME	TOPIC	VENUE
11th October 2008 9.45 am -11.45 am	<b>CPE TELECONFERENCING PROGRAM ON RECENT DEVELOPMENTS IN SERVICE TAX</b>  Details Inside	Branch Premises
17th October 2008 9.30 am to 5.30 pm	<b>CPE FULL DAY SEMINAR ON REAL ESTATE TRANSACTIONS</b>  Details Inside	KLN Prasad Auditorium FAPCCI
22nd October 2008 9.30 am -5.30 pm	<b>CPE FULL DAY SEMINAR ON VAT - LATEST ISSUES</b>  Details Inside	Surana Udyog Auditorium FAPCCI
24th & 25th October 2008 9.30 am -5.30 pm	<b>NATIONAL WORKSHOP ON IFRS</b>  Details Inside	Hotel Fortune Katriya Towers, Somajiguda.
27th October 2008 5.30 pm -7.30 pm	<b>DUE DILIGENCE AUDIT - ROLE AND OPPORTUNITIES FOR CAS</b>  Details Inside	Branch Premises
30th & 31st October 2008 9.30 am -5.30 pm	<b>PRACTICAL HANDS-ON WORKSHOP ON HOW TO CONDUCT INFORMATION SYSTEMS / SECURITY AUDITS</b>  Details Inside	Branch Premises

Programmes

**CPE TELECONFERENCING PROGRAM ON  
RECENT DEVELOPMENTS IN SERVICE TAX**

<b>Day &amp; Date</b>	: Saturday, 11th October 2008
<b>Time</b>	: 9.45 am to 11.45 am
<b>Venue</b>	: Branch Premises
<b>Delegate Fee</b>	: Rs.100/-

## CPE FULL DAY SEMINAR ON REAL ESTATE TRANSACTIONS

Organised by : Committee for Members in Industry of SIRC &

Hosted by : Hyderabad Branch of SIRC of ICAI



### PROGRAMME STRUCTURE

<b>Day &amp; Date</b>	:	Friday, 17th October 2008
<b>Venue</b>	:	<b>KLN Prasad Auditorium, FAPCCI</b>
<b>Time</b>	:	9.00 am to 9.30 am - Registration 9.30 am to 10.00 am - Inauguration Chief Guest - Eminent Personality Guest of Honour - <b>CA. P. Rajendera Kumar</b> Chairman - SIRC of ICAI
<b>1st Technical Session</b>	:	10.00 am to 11.15 am
<b>Topic</b>	:	Real Estate Transactions - Issues for Developers and Land Owners
<b>Speaker</b>	:	<b>Sri Banusekhar T, FCA</b> Chennai
<b>2nd Technical Session</b>	:	11.15 am to 12.00 pm
<b>Topic</b>	:	Strategic MIS in Real Estate Industry
<b>Speaker</b>	:	<b>Mrs Sudha Suresh, FCA, Bangalore</b>
<b>3rd Technical Session</b>	:	12.00 pm to 01.15 pm
<b>Topic</b>	:	Non Resident Investments - Real Estate Tax and Non Tax issues
<b>Speaker</b>	:	<b>Sri P V S S Prasad, FCA, Hyderabad</b>
<b>Lunch</b>	:	1.15 pm to 2.15 pm
<b>4th Technical Session</b>	:	2.15 pm to 3.30 pm
<b>Topic</b>	:	Survey, Search and Seizure with special reference to Real Estate & Construction Industry.
<b>Speaker</b>	:	<b>Sri K C Devdas, FCA, Secunderabad</b>
<b>Tea Break</b>	:	3.30 am to 3.45 am
<b>5th Technical Session</b>	:	3.45 am to 5.15 am
<b>Topic</b>	:	Service Tax & VAT in respect of real estate - A study
<b>Speakers</b>	:	<b>Sri Lalith Mohan Chandna, FCS</b> <b>Sri R Raghavan, FCA</b>

Delgate Fee : Rs. 500/-

**CA M. Devaraja Reddy**  
Chairman of Members in  
Industry Committee of SIRC

**CA Naresh Chandra Gelli**  
Convenor & Treasurer  
of SIRC

**CA. Harigovind Prasad**  
Secretary, Hyderabad  
Branch of SIRC of ICAI

**CA. B. Chakrapani**  
Chairman, Hyderabad  
Branch of SIRC of ICAI

**CPE FULL DAY SEMINAR ON VAT - LATEST ISSUES**

<b>Day &amp; Date</b>	: Wednesday 22nd October, 2008
<b>Time</b>	: 9.30 am to 5.30 pm
<b>Venue</b>	: <b>Surana Udyog Auditorium, FAPCCI.</b>
<b>Inauguration</b>	: 9.30 am to 10.00 am
<b>Chief Guest</b>	: Eminent Personality
<b>1st Technical Session</b>	: 10.00 am to 11.30 am
<b>Topic</b>	: Issues in Telecommunications & SEZ's.
<b>Speaker</b>	: <b>CA A C Gangaiah</b>
<b>Tea Break</b>	: 11.30 am to 11.45 am
<b>2nd Technical Session</b>	: 11.45 am to 1.15 pm
<b>Topic</b>	: Works Contract (Intra & Inter State)
<b>Speaker</b>	: <b>CA M. Rama Chandra Murthy</b>
<b>Lunch Break</b>	: 1.15 pm to 2.00 pm
<b>3rd Technical Session</b>	: 2.00 pm to 3.15 pm
<b>Topic</b>	: Recent Amendments to APVAT Act 2005
<b>Speaker</b>	: <b>CA Satish Saraf</b>
<b>Tea Break</b>	: 3.15 pm to 3.30 am
<b>4th Technical Session</b>	: 3.30 pm to 5.00 pm
<b>Topic</b>	: Warranties
<b>Speaker</b>	: <b>CA A C Gangaiah</b>
<b>Topic</b>	: Lease Rentals (Intra & Inter Stae)
<b>Speaker</b>	: <b>Sri S K Jeelani Basha, Advocate</b>

Delegate Fee : Rs. 500/-

**NATIONAL WORKSHOP ON IFRS**

Organised by : Continuing Professional Education Committee, ICAI  
& Hosted by : Hyderabad Branch of SIRC of ICAI



<b>Discussion Sessions</b>	
<b>Day &amp; Date</b>	: Friday & Saturday, 24th & 25th October 2008
<b>Venue</b>	: <b>Hotel Fortune</b> Katriya Towers, Near Yashoda Hospital, Somajiguda, Hyderabad
<b>Inaugural Session</b>	: Friday 24th October 2008 9.30 am to 10.00 am
<b>1st Technical Session</b>	: 10.00 am to 12.00 pm
<b>Topics</b>	: Introduction to IFRS - Conceptual Framework Convergence with IFRS - ASB's Progress and Plans
<b>Speaker</b>	: <b>By CA. Amarjit Chopra</b> , Central Council Member, ICAI
<b>Tea Break</b>	: 12.00 pm to 12.15 pm
<b>2nd Technical Session</b>	: 12.15 pm to 2.15 pm
<b>Topic</b>	: Challenges in adoption of IFRS

Contd...page 4

- First Time Adoption of IFRS  
Issues in Change over to IFRS
- Speaker** : **By CA. S. Gopalakrishnan**, Central Council Member, ICAI
- Lunch Break** : 2.15 pm to 3.15 pm
- 3rd & 4th Technical Sessions** : 3.15 pm to 5.15 pm
- Topic** : IAS 11 - Construction Contracts  
IAS 33 - Earnings Per Share  
IAS 24 - Related Party Disclosures
- Speaker** : **By CA. C. Ganesan**, Chennai

**End of the day**

25th October 2008

- 5th Technical Session** : 9.30 am to 11.30 am
- Topic** : IAS 1 - Presentation of Financial Statements  
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.  
IAS 12 - Income Taxes
- Speaker** : **By CA. Ganesh .B**, Hyderabad
- Tea Break** : 11.30 am to 11.45 am
- 6th Technical Session** : 11.45 am to 1.15pm
- Topic** : IAS 10 - Events after the Reporting Period  
IAS 19 - Employee Benefits
- Speaker** : **By CA. C.V. Sajan**, New Delhi
- Lunch Break** : 1.15 pm to 2.15 pm
- 7th Technical Session** : 2.15 pm to 4.15 pm
- Topic** : IAS 16 - Property, Plant and Equipment  
IAS 38 - Intangible Assets  
IAS 23 - Borrowing Costs
- Speaker** : **By Dr. Sanjeev Singhal**, New Delhi
- Tea Break** : 4.15 pm to 4.30 pm
- 8th Technical Session** : 4.30 pm to 6.00 pm
- Topic** : IAS 37 - Provisions, Contingent Liabilities and Contingent Assets  
IAS 7 - Statement of Cash Flows  
IAS 18 - Revenue
- Speaker** : **BY CA. K Kanagaraj Antony**samy, Chennai

**End of the day****Fees :****Members** : Rs. 2,500/-**Non-Members** : Rs. 3,000/-

(Fees includes kit, course material, Lunch, Refreshments etc.)

Cheque/DD to be drawn in favour of "Hyderabad Branch of SIRC of ICAI" payable at Hyderabad and should be sent to:  
Hyderabad Branch of SIRC of ICAI, "ICAI Bhawan", 11-5-398/C, Red Hills, HYDERABAD - 500 004.

**Contact Persons & Contact Details :**

**CA. K. Raghu**  
Chairman, CPE Committee  
Workshop Chairman  
E-Mail: Kraghu9999@gmail.com

**CA. B. Chakrapani**  
Chairman, Hyderabad Branch  
Workshop Co-ordinator  
E-Mail: bchakrapani@yahoo.com  
Mb. 9849025872

**CA. Shanti Lal Daga**  
Member, CPE Committee  
Workshop Director  
E-Mail: dagasl@rediffmail.com

**CA. Harigovind Prasad**  
Secretary, Hyderabad Branch  
Workshop Co-ordinator  
E-Mail: harigovindprasad66@gmail.com  
Mb. 9246152040

**CA. J. Venkateswarlu**  
Member, CPE Committee  
Workshop Director  
E-Mail: jv9009@hotmail.com

**CA. Amrit Kumar Kota**  
Member, CPE Committee  
Workshop Co-ordinator  
E-Mail: amritkota@gmail.com

## INCOME - TAX HYDERABAD & SECUNDERABAD JURISDICTION CHART

Range & Address	Jurisdiction (Area)	Jurisdiction Class of Cases / Assesses
O/o Addl. CIT/ JCIT, <b>Range 1,</b> 4th Floor, Aayakar Bhavan, Basheerbagh, Hyderabad.	Revenue Districts of Hyderabad and Rangareddy	A) Companies/Co-operative Banking Institutions/Govt. Corporations whose names start with Alphabet A.B.C.D. & F B) Managing Directors/Wholetime Directors of above Companies
O/o Addl. CIT/JCIT, <b>Range 2,</b> 5th Floor, Aayakar Bhavan, Basheerbagh, Hyderabad.	Revenue Districts of Hyderabad and Rangareddy	A) Companies/Co-operative Banking Institutions/Govt. Corporations whose names start with Alphabet E,G,H,I,J,K & T B) Managing Directors/Wholetime Directors of above Companies
O/o Addl. CIT/JCIT, <b>Range 3,</b> 6th Floor & Block 7B I.T.Towers, Hyderabad.	Revenue Districts of Hyderabad and Rangareddy	A) Companies/Co-operative Banking Institutions/Govt. Corporations whose names start with Alphabet R,S,U,V,W,X,Y & Z B) Managing Directors/Wholetime Directors of above Companies
O/o Addl. CIT/JCIT, <b>Range 4,</b> 6th Floor, Aayakar Bhavan, Hyderabad.	Hyderabad Municipal ward Nos. 1,2,&3 (New Nos. 1 to 15)	Jawaharnagar, Ashoknagar, Gandhinagar, Kavadiguda, Domalguda, Bholakpur, Musheerabad, Parsigutta, Ramnagar, Chikkadpally, Vidyanagar, Nallakunta, Durgabai Deshmukh Colony, Bagh Amberpet, Tilaknagar, Amberpet, Kachiguda, Barkatpura, Narayanguda and Himayatnagar.
O/o Addl. CIT/ JCIT, <b>Range 5,</b> 6th Floor, Aayakar Bhavan, Hyderabad.	Hyderabad Municipal ward Nos. 4 & 5 (New Nos. 16 to 19)	Sultan Bazar, Ramkote, Kingkoti, Esamiabazar, Koti, Putlibowli, Jambagh, Troopbazar, Nampally, Gunfoundry.
O/o Addl. CIT/ JCIT, <b>Range 6,</b> 6th Floor & Block 7D I.T.Towers, Hyderabad.	Hyderabad Municipal ward Nos. 6 & 9 (New Nos. 20 to 33)	Khairatabad, Anandnagar Colony, Erramanzil Colony, Punjugutta, Srinagar Colony, Somajiguda, Ameerpet, Madhuranagar, Vengalrao Nagar, Sanjeevreddy Nagar, Balkampet, Sanath Nagar, Sultannagar, Vikaspuri Colony, Erragadda, Banjara Hills, Jubilee Hills, Yousufguda, Bora Banda, Rehamatnagar, Golkonda & Tolichowki.
O/o Addl. CIT/JCIT, <b>Range 7,</b> Floor & Block 1B, 2B I.T.Towers, Hyderabad.	Hyderabad Municipal ward Nos. 10 & 15 (New Nos. 34 to 49)	Chintalbasti, Vijayanagar Colony, Ahmednagar, Aghapura, Mallepalli, Red Hills, Asifnagar, Muradnagar, Guddimalkapur, Ushodaya Colony, Padmanabhanagar, Kakatiya Nagar, Nanalnagar, Mehdipatnam, Sitarambagh, Tallagadda, Ziaguda, Karwan, Mangalhat, Begum Bazar, Chudi Bazar, Siddiamber Bazar, Gowliguda & Dhoolpet.
O/o Addl. CIT/JCIT, <b>Range 8,</b> Floor & Block 8C,8D I.T.Towers, Hyderabad.	Hyderabad Municipal ward Nos. 19 & 21 (New Nos. 68 to 72 & 75 & 76) and R.R. District	Doodhbowli, Tadban, Chandulal Baradari, Jahanuma, Qazipura, Hussaini Alam, Gulzar Houz, Revenue Mandals of Sherlingampally, Shankarpalli, Rajenderanagar, Shamshabad, Maheshwaram, Moinabad, Vikarabad, Shabad, Chevella, Nawabpet, Moinpet, Basheerabad, Yalal, Tandur, Darur, Pargi, Dona, Garded, Marpally, Kulkicherla, Pudur, Peddawal and Manthavaram of R.R. District.

Range & Address	Jurisdiction (Area)	Jurisdiction Class of Cases / Assesses
O/o Addl. CIT/JCIT, <b>Range 9</b> , Floor & Block 1B, 2D I.T.Towers, Hyderabad.	Hyderabad Municipal ward Nos. 16,17,18,20,22,23 (New Nos. 50 to 67,73 & 74 and 77 to 80) and R.R. District	Saidabad, Akbar Bagh, Chanchalguda, Azampura, Old Malakpet, Moosarambagh, Madannapet, Yakutpura, Imlibun, Dabeerpura, Gowlipura, Jangammet, Aliabad, Chanchalam, Edibazar, Riyasath Nagar, Maisaram, Kanchanbagh, Charminar, Puranapool, Darulshifa, Pathargatti, Mogulpura, Sultan Shahi and Revenue Mandals of Saroornagar, Hayatnagar, Ibrahimpatnam, Yacharam, Kandukur and Medchal of R.R. District.
O/o Addl. CIT/JCIT, <b>Range 10</b> , Floor & Block 5A, 6B I.T.Towers, Hyderabad.	Secunderabad Municipal Ward Nos.1 to 6 (New Nos. 81 to 86) and Cantonment.	Begumpet, Prakasham Nagar, Brahmanawadi, Ramgopalpet, Ranigunj, General Bazar, Tobacco Bazar, Bansilalpet, New Boiguda, Padmaraonagar and Secunderabad Cantonment.
O/o Addl. CIT/JCIT, <b>Range 11</b> , Floor & Block 5D, 6B I.T.Towers, Hyderabad.	Secunderabad Municipal Ward Nos.7 to 12 (New Nos. 87 to 100) and R.R. District.	Hissam Gunj, Monda Market, Rezimental Bazar, Ghas Mandi, R.P. Road, Teachers Colony, Lodhi Nagar Colony, Marredpally, Addagutta, Shati Nagar, Lalapet, Mettuguda, Boudhanagar, Keshavnagar Colony, Manikeshwar Nagar, Sithaphalmandi, Warasiguda, Taranaka and Revenue Mandals of Uppal, Ghatkesar, Malkajgiri, Keesara, Shameerpet, Medchal, Qutballapur and Balanagar of R.R. District.
O/o Addl. CIT/JCIT, <b>Range 12</b> , Shapoor House, Hyderabad.	Revenue Districts of Hyderabad and Ranga Reddy	Pensioners and Salaried employees of all Banks, all Insurance Corporations including LIC, all organisations/ establishments/institutions/hospitals/medical institutions in private sector including Companies, Missionary Bodies and Private Educational Institutions.
O/o Addl. CIT/JCIT, <b>Range 13</b> , Shapoor House, Hyderabad.	Revenue Districts of Hyderabad and Ranga Reddy	A) Pensioners and Salaried employees of Central and State Govt. Departments including Central and State Govt. Undertakings and Local Authorities/Autonomous Bodies, all Agencies/Bodies/Organisations like ICRISAT etc., Income Tax Department in A.P. State, Cantonment Board and Municipalities. B) All Companies / Firms/Individuals etc., having income from business/profession relating to Films and T.V.
O/o Addl. CIT/JCIT, <b>Range 14</b> , Floor and Block 4B, I.T. Towers, Hyderabad.	Revenue Districts of Hyderabad and Ranga Reddy	All Persons responsible for making any payment which is liable for deduction/collection of Tax at Source under Chapter XVII of Income Tax Act 1961, All Public Sector Undertakings (PSUS) of A.P. State Govt. All State Govt. Officers, Local Authorities, Autonomous Bodies of A.P. State Govt. Film related cases, Print Media & Visual Media A to M Deductions U/s. 195 A to M
O/o Addl. CIT/JCIT, <b>Range 15</b> , Floor and Block 4D, I.T. Towers, Hyderabad.	Revenue Districts of Hyderabad and Ranga Reddy	All Persons responsible for making any payment which is liable for deduction/collection of Tax at source under Chapter XVII of Income Tax Act 1961, Public Sector Undertakings (PSUS) and Autonomous Bodies of Central Govt. All Central Govt. Offices Film related cases, Print Media & Visual Media A to M Deductions U/s. 195 N to Z
O/o Addl. CIT/JCIT, <b>Range 15</b> , 3rd Floor, Aayakar Bhavan, Hyderabad.	Revenue Districts of Hyderabad and Ranga Reddy	A) Companies/Co-operative Banking Institutions/Govt. Corpo rations whose names start with Alphabet L,M,N,O,P & Q B) Managing Directors/Wholetime Directors of above Companies

**DIVISIONS AND CIRCLES UNDER A.P. VAT**

Sl. No.	Division	Circle	Deputy Commissioner	Phone Numbers
1	Abids	Abids	D.No: 5-4-435,1st Floor.Old Kakatiya Hotel, Nampally Station Road, Nampally, Hyderabad - 500 001	040-24614089
		Barkatpura		040-24734254
		Hyderguda		040-24650123
		Gowliguda		040-24614089
		Nampally		040-24605830
		Narayanaguda		040-24619599
		Basheerbagh		040-24603919
		Sultan Bazar		040-24732665
		M.J.Market		040-24732514
		Agapura		040-24733874
2	Begumpet	M.G.Road	Dno: 6-3-789, Pavani Prestige, 6th Floor,Opp.Cherma's,Ameerpet, Hyderabad-500 016	040-23417445
		S.D.Road		040-23418979
		Begumpet		040-23415068
		Ramgopalpet		040-23416893
		Ranigunj		040-23417095
		Marredpally		040-23415090
		Bowenpally		040-23417129
3	Charminar	Charminar	1st Floor, Gagan Vihar Complex, Opp.Gandhi Bhavan,M.J.Road, Nampally, Hyderabad - 500 001	040-24603337
		Malakpet		040-24600066
		Lord Bazar		040-24601012
		Afzalgunj		040-24732530
		Begum Bazar		040-24733821
		Maharajgunj		040-24740952
		Osmangunj		040-24732020
		Mehdipatnam		040-24614126
Nizam Shahi Road	040-24614581			
4	Hyderabad Rural	Jeedimetla	4th floor, East Wing, Gagan Vihar Complex, Opp. Gandhi Bhavan, Nampally, Hyderabad - 500 001.	040-24657104, 040-24606814

Sl. No.	Division	Circle	Deputy Commissioner	Phone Numbers
5	Panjagutta	Ferozguda	D.No: 5-9-279,6th Floor, Mayur Kushal Complex,B-Block, Beside Chermas, Abids, Hyderabad-500001	040-24600494, 040-24600489.
		Madapur		040-24658559
		Fathenagar		040-24658564
		IDA-Gandhi Nagar		040-24658568
		Bala Nagar		040-24658571
		Hydernagar		040-24653383, 040-24600516. 040-24653383
		Panjagutta		040-23298640
		Sanatnagar		040-23244856
		Jubilee Hills		040-23298702
		Srinagar Colony		040-23243767
6	Saroonagar	Saroonagar	II nd Floor, M4 Block, Manoranjan Complex, Nampally, Hyderabad	040-2398702
		Rajendra Nagar		040-24605161
		Nacharam		040-24600022
		Malkajigiri		040-24608664
		Vanasthalipuram		040-24742142
		Kesara		040-24650696
		Special		040-24651294
		Commodities Circle		040-24651231
7	Secunderabad	Musheerabad	Dno:5-8-279,4th Floor, Mayur Kushal Complex,C-Block, Beside Chermas,Abids,Hyderabad-500001	040-23243851
		Ashok Nagar		040-23243850
		General Bazar Circle		040-23210024
		Mahankali Street		040-23210008
		R.P.Road		040-23240024
		Hissamgunj Circle		040-23210021
		Tarnaka		040-23212871
		Gandhinagar		040-23240020
		Vidyanagar		040-23210121
		Market Street Circle		040-23243741

## DUE DILIGENCE AUDIT - ROLE & OPPORTUNITIES FOR CAs



<b>Day &amp; Date</b>	: Monday 27th October 2008
<b>Time</b>	: 5.30 pm to 7.30 pm
<b>Topic</b>	: Due Diligence Audit - Role & Opportunities for CAs
<b>Resource Person</b>	: <b>CA. P. Pradeep Kumar</b> , Hyderabad
<b>Venue</b>	: Branch Premises
<b>Delegate Fee</b>	: Rs.100/-

## HANDS ON PRACTICAL WORKSHOP ON "HOW TO CONDUCT INFORMATION SYSTEMS/SECURITY AUDITS"



<b>Day &amp; Date</b>	: Thursday, Friday 30th & 31st October 2008
<b>Time</b>	: 9.30 am to 5.30 pm
<b>Venue</b>	: Branch Premises
<b>Delegates</b>	: Restricted to 25 Participants.

- Learn about implementing the complete IS Audit Lifecycle, including Planning, Risk Assessment, Evidence Collection, Audit Opinions and Follow-Up
- Learn how to identify and assess Risk from the Systems Auditor's perspective on
  - General IT Risks and Controls
  - Application Risks and Control
  - IT Deployment Risks
  - IT Management Risks
- Learn to audit
  - IT Operations and Management
  - Application Development
  - IT Infrastructure
  - Information Security Management
  - Business Continuity Plans
- Gain a perspective on GRC, COSO and COBIT as well as an IS auditors role in ISO 27001, Basel II, SOX and SAS 70 audits.

Faculty  
**CA. Anand Prakash Jangid**,  
ACA, CISA, CISM, and ACP, Bangalore

**Delegate Fees: Rs. 1,500/-**

## WILL GOODS REMAIN GOODS?

by CA Saraf Satish

B.Com., LL.B., FCA

The Union Finance Minister in Union Budget 2008 has showered plenty on farmers and citizens of India and at the same time created a dichotomy between Value Added Tax (VAT) (formerly known as Sales Tax) & Service Tax. The Trade, Industry & Service sectors are contributing tremendously towards the growth of economy of our country, the Union Government creating hassles to those who contribute to the exchequer by bringing in barriers in the fiscal laws of our country.

By introducing two services namely "Information Technology Services" & "Supply of Tangible goods for use" as new services in the Union Budget 2008, effective 16th May 2008 under Service Tax Laws, the union Government is creating unpleasant situation for the trade, industry and service sectors. Software and Right to use goods are already subjected to tax under VAT by the State Governments.

The most confusing & worrying factor for the entire business community is whether to pay VAT or Service Tax on sale of software and on supply of tangible goods. These two already find their existence in Sales Tax Law. Software finds its place in Sales Tax/VAT for more than two decades and right to use goods (supply of tangible goods for use) finds its place in Sales Tax Law since 1985 by virtue of 46th Constitutional Amendment and now, Service Tax Law brought these two into its ambit.

First, one needs to know what is good and what is service?

Let us consider the definition of goods first.

### Sale of Goods Act, 1930 defines goods as:

Section 2(7) defines "goods" means every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale; and

### Central Sales Tax Act 1956 defines goods as:

Section 2(d) "goods" includes all materials, articles, commodities and all other kinds of movable property, but does not include news papers, actionable claims, stocks, shares and securities;

It is very clear from the above two definitions, when an article or thing qualifies as goods, for what ever be the reason, in the process of evolution of Sales Tax Law, at present not only tangibles even intangibles have also become goods.

### Now let us know the definitions of these two services:

Service Tax Act defines "Information Technology Service" in terms of Section 65(105)(zzzz): any service provided or to be provided to any person, by any person in relation to information technology software for use in the course of furtherance of business or commerce include:

1. Development of information technology software.
2. Study, analysis, design and programming or information technology software.
3. Adaptation, up gradation, enhancement,

implementation and other similar services related to information technology software.

4. Providing advice, consultancy and assistance on matters related to information technology software, including conducting feasibility studies on implementation of a system, specifications for a database design, guidance and assistance during the startup phase of a new system, specification to secure a database, advice on proprietary information technology software.
5. Acquiring the right to use information technology software for commercial exploitation including right to reproduce, distribute and sell information technology software and right to use software components for the creation of and inclusion in other information technology software products.
6. Acquiring the right to use information technology software supplied electronically.

The Service of "Supply of Tangible goods for use" is defined in terms of Section 65(105)(zzzz): any service provided or to be provided to any person, by any other person in relation to supply of tangible goods including machinery, equipment and appliances for use without transferring right of possession and effective control of such machinery, equipment and appliances.

It is very clear from the above definitions of both the services; The Union Government is encroaching jurisdiction of States. Item number 97 of List - I of Seventh Schedule to the Constitution of India gives right to the Union Government as follows, as a residuary power to levy taxes:

"Any other matter not enumerated in List - II or List - III including any tax not mentioned in either of those lists".

As per List - II of Seventh Schedule to the Constitution of India, the State Governments have power to levy tax on Sale or Purchase of goods. The Levy of Tax on Sale or Purchase of goods by the Union Government is unconstitutional, because the residuary item of List - I does not empower the Union Government to levy tax on Sale or Purchase of Goods.

The Honourable Supreme Court of India has already held that, software is goods in the case of Tata Consultancy Services (TCS) Vs. State of Andhra Pradesh (2004) 39 APSTJ 205. The Supreme Court of India in two cases namely Bharat Sanchar Nigam Limited (BSNL) Vs. Union of India (2006) 42 APSTJ 85 & Imagic Creative Private Limited (2008) 9 STR 337 has held that, Value Added Tax and Service Tax are mutually exclusive.

In this scenario one transaction suffers two indirect taxes; State & Union Governments will levy tax on the same goods/ transactions, which is never the intention of our Constitution and the Judiciary.

May be, it appears from the relevant statutes that one Government is not encroaching upon another, but the poor tax payer is at the mercy of authorities. The VAT authorities will always say, for example that there is transfer of effective control in the goods given on lease. The service tax authorities on the

other hand will say that there is no such transfer of effective control. The result would be that both the authorities will be levying tax on the same transaction and substantiate their stand with 'to err on revenue side'. The litigation may reach finality after 2 or 3 decades and in the meanwhile both the departments would coerce the person to shell down the taxes levied. There will be no solution to such practical problems in the statute. The First appellate authorities, who generally belong to the same Department attempt to support the orders of their authorities. The question therefore always remains whether the transaction is liable to Service Tax or VAT and is not easy to get quick answer

Ultimately consumer is the one who is going to bear all this burden, he will end up paying more taxes than what is required to pay, when both VAT & Service Tax are imposed on same transaction. The Union and State Governments should awake and see that the common man does not suffer with unnecessary dual tax burden. To the contrary, one could make a good tax planning to minimize

his tax liability, for example the seller of software is a service receiver too and it is advisable to levy service tax, so that he will make a good savings. The dealer supplying tangible goods for use, if he is a trader in goods and taking input tax credit, it is advisable to levy VAT on Supply of Goods for use.

In my view both the transactions by name "sale of software" and "supply of tangible goods for use" should suffer Value Added Tax only and not Service Tax. Every citizen of this country is aware that total service tax collections are more than 50% of GDP of this great nation; the Union Government should not be too greedy to increase revenue. It is only a beginning that one Government is encroaching other Government's jurisdiction, if the same is permitted and continued, one cannot imagine the situation, as it is rightly said 'history repeats', once again a taxation enquiry commission may be required to sought out the issue.

To conclude, it is my wish that the GOODS should remain GOODS.

## SEARCH AND SEIZURE UPDATE

by CA Hari Agarwal, FCA

**1. Estimation of Cost of construction** - Without pointing out any specific defects in the books of accounts or rejecting them, addition made by AO on account of construction on the basis of report of DVO obtained under an invalid reference was rightly deleted by CIT(A) observing that higher plinth area was taken by DVO, that PWD rates should have been applied against CPWD rates and that expenditure should have been spread over the period of cost of construction consisting of more than one year.

-ITO vs. Agencies Rajasthan (P) Ltd. (JP 'A') 217.

**2. Reference to DVO for estimation of cost of construction** - Assessment having already been completed by the AO, commission issued by AO to DVO thereafter under s. 131(1)(d) for valuation of property was invalid - Assessment had not become final within the meaning of proviso to s. 142A as order of CIT(A) had been carried in appeal but this issue remained only academic

-ITO vs. Agencies Rajasthan (P) Ltd. (JP 'A') 10 DTR 217 (2008).

**3. Validity of protective assessment under s. 143** - Income which was assessed as undisclosed income for the block period cannot be assessed even on protective basis in regular assessments under s. 143 for those years -From the plain reading of s. 158BA and Explan. (C) thereto, it is clear that the assessment of undisclosed income relating to the block period shall have to be made only in accordance with the provisions of Chapter XIV-B which provide special procedure for such assessment and that the total undisclosed income relating to the block period which is assessed under the said chapter shall not be included in the regular assessment of any previous year included in the block period.

**COMMISSIONER OF INCOME TAX vs. WIPRO FINANCE LTD. (2008) 218 CTR (Kar) 105**

**4. Loose sheets:-Assessee doing business of develop**

ment and sale of real properties, having disclosed the investment in construction and receipt from sales in the returns of income for relevant assessment years before the date of

search, no addition in the block assessment could be made only on the basis of loose papers found during search not containing any date-wise break-up of investment and receipts without any corroborative evidence.

-Sonal Constructions vs. Dy. CIT (Del 'E') 10 DTR 507 (2008).

**5. Belated Return:-** Income shown in the belated return after the date of search is not undisclosed income.

-CIT vs. A .M .Mohan Babu (Mad) 235 (2008).

**6. Undisclosed income** - Once the assessee has paid advance tax, income shown in the belated return filed after the date of search is not undisclosed income.

-CIT vs. Smt. Shoba Ramalingam (Mad) 10 DTR 233 (2008).

**7. Non-consideration of applicability of s. 40A(3)** - AO having failed to consider cash purchases and applicability of s. 40A(3) corresponding to undisclosed sales unearthed during search and considered in block assessment, CIT was justified in exercising revisional jurisdiction and directing the AO to make good the lapse.

-Ranka Jewellers vs. Addl. CIT (Pune'A') 10 DTR 537 (2008).

**8. Amount of consideration-** In the absence of any material on record to suggest that the assessee has received higher amounts than the sale price shown in the books of accounts, addition cannot be made in the proceedings under s. 158BC r/w s. 158BD.

-Rushil Industries Ltd vs. Dy. CIT (Ahd 'D') 9 DTR 601 (2008).

**9. Interest under ss. 234B and 234C-Chargeability-Adjustment of seized cash** - Assessee having requested the Department to adjust the cash which was seized during the search against his tax liability, the Department has to adjust the seized amount towards the advance tax, etc. from the date when it was seized.

-Sudhakar M. Shetty vs. Asstt. CIT (Mumbai 'J') 10 DTR 173 (2008).

Article

## ANNOUNCEMENT

### EMPANELMENT TO FUNCTION AS INVIGILATORS FOR CA EXAMINATIONS

Our Institute proposes to have a panel of persons who are willing to act as Invigilators in the examinations centres conducting our CA examinations. Interested Members/Retired Professors/Retired Teachers/ Retired Officials from Government PSUs and others who are interested to work as Invigilators may fill in the application form and send the same to the Examination Department of the Institute at New Delhi. However it is clarified that merely sending of an application will not be a pre-condition for appointment as an examination functionary and this Panel of Persons would be utilized as and when any need arises from any of the centres located in a particular city conducting our CA examinations.

The filled in applications as per the enclosed proforma may be sent to:

**Sri G.Somasekhar,**  
Sr.Joint Secretary (Exams), The Institute of Chartered Accountants of India,  
Post Box No. 7112, Indraprastha Marg, New Delhi-110 002.



### THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

I.P. MARG, NEW DELHI - 110002.

#### APPLICATION FOR EMPANELMENT AS INVIGILATORS AT EXAMINATION CENTRES CONDUCTING THE CHARTERED ACCOUNTANTS EXAMINATIONS

1	NAME AND ADDRESS FOR COMMUNICATION OF THE MEMBER (IN CAPITAL LETTERS)					
2	Age					
3	Communication Details :					
	E-MAIL ID:					
	MOBILE:					
	PHONE (O) (WITH STD CODE):					
	PHONE (R) (WITH STD CODE) :					
	FAX NO. (WITH STD CODE):					
4	PAN NO.:					
5	If Chartered Accountant :					
	Membership Number :					
	Whether ACA or ECA :					
	Date of Enrollment :					
6	If not Chartered Accountant :					
		1.				
		2.				
		3.				
		4.				
		5.				
7	Whether Employed / Retired.					
	If employed particulars of employment	Name of Organisation	From	To	Designation	Nature of duties
8.	If you have ever served any educational institution for any examination work like invigilation and Examinership etc. (Give Details):					
9.	References  (Pl. give names of 2 persons)	Name, Address, Phone No. etc,		Name Address, Phone No. etc.		

Date :

Signature

**THERE ARE DEFEATS MORE TRIUMPHANT THAN VICTORIES.**