



**VIJAYAWADA BRANCH OF  
SOUTHERN INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**



# NEWS LETTER

For Private Circulation Only

**VOL.XII**

**FEBRUARY, 2010**

**OFFICE BEARERS FOR THE  
YEAR 2009-2010**

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**Chairman's Column**

Dear Colleagues,

It has been wonderful experience serving the vijayawada branch for the past 6 years as a member of the managing committee in different positions. The icing on the cake is my tenure as chairman of the branch. The support, love and affection received by me from all the members, students and staff cannot be expressed in words. The support I received from the Institute, its central and regional council members has been to my fullest expectation.



Having seen the working of the Institute and its various departments very closely I have no doubt to say that our Institute is one of the most professionally run body if not the best. The speed at which certain departments work has been truly an eye opener. The branches are given total autonomy in its working subject to the guidelines issued from time to time. The confidence reposed on the branches and its managing committee members is unquestionable.

With the inauguration of the new branch premises most of the infrastructure bottleneck would be solved. The branch would be in a position to take up new activities which would ultimately benefit the members and the students. For the sake of repetition I would again thank all who have lent their helping hand in completing the building project.

I would also like to thank the speakers of the CPE lecture meetings CA G.Gangadhar, CA K.Ramanarayana, CA M.R Prasad, and CA A.C Gangaiah for spending their valuable time for the branch.

Friends, this will be the last time I would be communicating to all of you through this news letter in my capacity as chairman of this branch and I felt happy to share my views through out the year and I thank all of you for giving me this wonderful opportunity.

Finally I pray the almighty to bless this profession, members and students the very best.

With warm regards

**D.DURGA PRASAD**  
Chairman

**EDITORIAL BOARD**

Editor, **CA. S. GOPALAKRISHNA MURTHY**

Member, **CA. D. DURGA PRASAD**

Member, **CA. P. SUBBARAYUDU**

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## Causeless love is the ultimate

Whenever we look at something our first reaction is to calculate what we can get from it. Whether it is a person or an object doesn't matter. Our thoughts start functioning either through fear or through greed to calculate what is the benefit in the situation for us. Our attention is centred on that object or person. It is possible to turn our attention towards our own inner space and ask, 'What can I contribute?', 'What can I add?', 'How can I enrich others?' If the process is only to ask, 'What can I get out of it?' then it is driven by lust. If the process asks, 'How can I enrich it?' it is driven by love! Lust is an energy that demands Love is an energy that gives.

Love is an intense experience in one's inner space. Many of us perceive love as a choice. We believe experience and expression of love is a choice. We assume that if we want to, we can handle love; other-wise we can let it go. No! It is not a choice as we think. It is a basic necessity of life.

Causeless love means being alive at the innermost being level, as a live Consciousness. If you can express love, if you can experience love, that is the only way of being alive as a Consciousness. If you do not experience and express love, you might inhale and exhale, but you cannot pronounce that you are a lie being.

Causeless love can never be made to happen with just our logical decisions. Our mental setup itself should be created in such a manner that we become love and our actions articulate love. Our logic should start radiating a love which is beyond logic! When genuine love happens in us, we will not even be aware that we have become loving.

All human beings are born as loving beings. New born babies radiate causeless love. Do they recognise anyone around them at birth? No! Their energy is causeless love. But as we grow, society instills fear and greed in us and we orient our love based on greed and fear. Then it is no longer causeless love. It is love with a reason. We start feeling other emotions like jealousy and anger. But with a little awareness and awakeneing, it is possible to reclaim our original love.

Love is the ultimate experience of a human being. When the experience happens, we will not be able to possess the experience, only the experience will possess us! Whatever we do will be like a beautiful song. Our body language will radiate grace. All our expressions will be of great service to humanity. Be blissful.

— PARAMAHAMSA NITHYANANDA.

## Gist of Case Laws on Direct Taxes

Compiled by Mr. S.S.R.Gupta, B.Com, F.C.A., D.I.S.A. F.I.V. M.P.V.A.I.

Supply of reasons recorded for reassessment-s.148-Berger Paints India Ltd vs. ACIT & Ors [2004] 266 ITR 462 [Cal]

**Assessee is entitled to be supplied with the reasons in the event he challenges the notice for reassessment; assessee is not stopped from challenging the impugned notice after having submitted to the jurisdiction of the officer by filing returns.**

Rejection of objections by assessee-s.148-Asian Paints Ltd vs. Dy. CIT [2009] 296 ITR 90 [Bom]

**If assessing officer rejects objections filed to notice under s.148 he shall not proceed further in matter for a period of four weeks from date of receipt of service of said order on objections, on assessee.**

Disposal of objections raised by the assessee-s.148-MCM Exports vs. Dy. CIT [2009] 23 DTR 356 [Guj]

**Reassessment framed by the assessing officer with out disposing of the primary objection raised by the assessee to the issue of reassessment notice issued by him was liable to be quashed.**

Premier Ltd vs. Dy. CIT WPN o 2340 Dt 22-10-2008[Bom]

**Notices issued under sections 142[1] and 143[3] with out disposing of the objections raised in response to the reasons recorded held to be invalid.**

Issue of notice by successor-S.148-Hyoup Food and Oil Industries Ltd vs. ACIT [2008] 307 ITR 115 [Guj]

**Assessing Officer recording reasons for assessment and assessing officer issuing notice under s.148 must be the same person. Successor assessing officer can not issue notice under s. 148 on the basis of reasons recorded by predecessor assessing officer. Notice issued invalid and deserves to be quashed**

Issue of notice u/s148 before expiry of time limit prescribed u/s143-2CIT vs. Qatalys Software Technologies Ltd [2009] 308 ITR 249 [Mad]

**Time limit for issue of under s. 143[2]**

**When period for issue of under s. 143[2] not expired, reassessment held to be invalid**

CIT vs. Kapil Dev [2009] 177 Taxman 6 [Del]-s.148-G.N Shavo [Wine] P Ltd vs. ITO & Anr [2003] 260 ITR 513 [Cal]

**Tribunal having concluded that all the material facts were fully and truly disclosed by the assessee at the time of original assessment, invocation of provisions of s. 147 after the expiry of four years from the end of the relevant assessment year was not valid.**

Interest Waiver or reduction ss.234A, 234B, 234C

**S.Nagoor Babu @ Mano vs. CCIT & ANR [2009] 227 CTR 287 [Mad]**

**Assessee filing returns voluntarily and paying taxes due to his overbusy schedule during the relevant assessment years constituted as 'unavoidable circumstances' with in the meaning of cl.2 [e] of CBDT Notification No 400/234/1995-IT[B] and entitle him for waiver of interest under ss.234A, 234B, 234C levied upon by him for failure to file returns with in the allowed u/s 139[1][4]**

Undisclosed Income s. 139[1]-s.148- **Block Period ending 22-2-1996-Smt Jyothi Harshad Mehta vs. CIT [2009] 319 ITR 107 [Mum] [AT]**

**Where return not filed on due date does not ipso facto result in income being treated as undisclosed income.**

Penalty Addition based on valuation obtained from Sub-register office not maintainable s. 271[1] [c]-ACIT vs. Mrs N Meenakshi [2009] 319 ITR 262 [Chennai]

**Where additions based on valuation obtained from sub register's office in preference to valuers report. Guideline value can not be the basis and acceptance of addition do not amount furnishing of inaccurate particulars. Hence, Penalty can not be imposed**

Capital Gain TDR FSI Consideration not chargeable s.45

**Om Shanthi Co-op Society vs. ITAT [Mum]**

**Consideration received for permission to use TDR / FST not chargeable to tax as the cost of acquisition being nil**

Need for written contract-Commissioner Trade Tax, U.P Lucknow & Others vs. M/s Nav Durga Galla Bhandar & Others [2009] 34 PHT 523[All]

**The Allahabad High Court held that in the age of electronic era, it was not mandatory for a written contract between the commission agent and his principal.[though it is a case on indirect taxes, it has been given for usefulness in tax proceedings]**

Irregular transfer-Transfer of Property Act-Suraj Lamp & Inds (P) Ltd Thru DIR v State of Haryana & Anr. AIR [2009] SC 3077

**Power of attorney Sale of immovable property through execution of sale agreement / general power of attorney / will instead of execution and registration of regular deeds of conveyance deprecated as illegal and irregular under Transfer of Property Act, s.54[though it is a case on indirect taxes, it has been given for usefulness in tax proceedings]**

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A smooth sea never made skilled mariner

**VIJAYAWADA BRANCH OF  
SOUTHERN INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
II Floor, Ammana Estates, Museum Road, VIJAYAWADA - 520 002.**

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**NOTICE**

Notice is hereby given that the EXTRA ORDINARY GENERAL BODY MEETING of the MEMBERS of the Vijayawada Branch of the Southern India Regional Council of the Institute of Chartered Accountants of India will be held at 6 PM on Monday, the 1st day of March, 2010 at the Branch premises at 2nd floor, Ammana Estates, Museum Road, Governorpet, Vijayawada – 520002 to transact the following business.

**AGENDA:**

1. To clarify on the issue of conditional donations announced by some of the members for the Building Project.
2. To transact any other business as may be brought before the meeting with the permission of the Chairman.

**For VIJAYAWADA BRANCH OF SIRC OF ICAI**

Place: Vijayawada

Date: 5.02.2010

**Sd/- (CA.P.SUBBARAYUDU)  
Secretary**

**Explanatory Statement**

Some of the members of the branch have expressed their apprehension on the conditional donations announced by some members to building project of the branch thinking that the donations are unconditional. To clarify on the above issue the managing committee thought it fit to call for an EGM and communicate to the members about the related facts in that meeting.

**For VIJAYAWADA BRANCH OF SIRC OF ICAI**

Place: Vijayawada

Date: 5.02.2010

**Sd/- (CA.P.SUBBARAYUDU)  
Secretary**



VIJAYAWADA BRANCH OF  
SOUTHERN INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
II Floor, Ammana Estates, Museum Road, VIJAYAWADA - 520 002.



**THE MEMBERS OF THE MANAGING COMMITTEE**

*cordially invite you to the Installation of*  
**NEW OFFICE BEARERS FOR THE YEAR 2010-11**

&

*One Day CPE Seminar on*

**TAXATION**

*On Saturday, the 20th February, 2010 at 9.30 A.M.*

*Venue - New Premises of*

**Vijayawada Branch of SIRC of ICAI**

Alibaig Street, Governorpet, Vijayawada-2

*Chief Guest*

**Sri A. K. BASU, I.R.S.**

Chief Commissioner of Income Tax, A.P - II, Hyderabad

*Guests of Honour*

**Sri B.V. RAMANA MURTY**

B.Com., B.A., LL.B., F.C.S., F.I.C.W.A.

Managing Director, Hyderabad Pharma Infrastructure & Technologies Ltd. Hyd.

**Past President, I.C.W.A.I. (2002-03)**

**Sri K. AJAY KUMAR, I.R.S.**

Commissioner of Income Tax, Vijayawada

**Sri P. SRIDHAR, I.R.S.**

Commissioner of Income Tax (Appeals), Vijayawada

<b>REGISTRATION &amp; BREAKFAST</b>	<b>09.30 AM - 10.00 AM</b>
<b>INAUGURATION &amp; INSTALLATION OF NEW OFFICE BEARERS</b>	<b>10.00 AM - 10.30 AM</b>
<b>FIRST TECHNICAL SESSION</b>	<b>10.30 AM - 01.30 PM</b>
<b>RELEVANCE OF COST RECORDS UNDER DIRECT TAX LAWS IN THE CHANGING ECONOMIC SCENARIO</b>	<b>Sri B.V. RAMANA MURTY</b> Hyderabad
<b>WORKS CONTRACT, WARRANTIES ISSUES &amp; CASE STUDIES</b>	<b>CA. A.C. GANGAIAH</b> Hyderabad
<b>LUNCH</b>	<b>01.30 PM - 02.15 PM</b>
<b>SECOND TECHNICAL SESSION</b>	<b>02.15 PM - 03.30 PM</b>
<b>IT COMPLIANCE BY ENTERTAINMENT INDUSTRY - ISSUES &amp; CASE STUDIES</b>	<b>CA. VIVEK NARASIMHAM</b> Hyderabad
<b>THIRD TECHNICAL SESSION</b>	<b>03.30 PM - 05.30 PM</b>
<b>ANALYTICAL REVIEW OF WEALTH TAX PROVISIONS &amp; ISSUES ON TDS</b>	<b>CA. MADHUSUDHAN MANTRI</b> Hyderabad

*Delegate Fee .. Rs.200/-*



PHOTOGRAPHS TAKEN ON THE OCCASION OF  
INAUGURATION OF OUR NEW BRANCH PREMISES



**PHOTOGRAPHS TAKEN ON THE OCCASION OF INAUGURATION OF OUR NEW BRANCH PREMISES**



**PHOTOGRAPHS TAKEN ON THE OCCASION OF HONOURING OF THE RANK HOLDERS OF CA FINAL & CPT**



**PHOTOGRAPH TAKEN ON THE OCCASION OF REPUBLIC DAY CELEBRATIONS**



**FORTHCOMING PROGRAMMES FOR MEMBERS DURING THE MONTH OF FEB., 2010**

<b>Date</b>	<b>Name of the Event</b>	<b>Speaker</b>	<b>CPE Credit</b>	<b>Delegate Fee</b>	<b>Venue</b>	<b>Time</b>
20.02.2010 Saturday	Installation of New Office Bearers of the Branch and One Day CPE Seminar on TAXATION	Detailed Information printed in in this News Letter	6 Hours	Rs.200	New Branch Premises	9.30 to 5.00 P.M
27.02.2010 Saturday	CPE Lecture Meeting on Issues on under the Head Business & Profession under Income Tax Act.	CA. Y. V. V. SIVARAM PRASAD Vijayawada	2 Hours	--	Branch Premises	6.30 to 8.30 P.M.

**MANAGING COMMITTEE MEMBERS  
FOR THE PERIOD 2010 - 2013**

CA. BONDADA VENKATA SSHA LINGA MURTY  
 CA. PENUGONDA SUBBARAYUDU  
 CA. KUNDA RAMANARAYANA  
 CA. BHIMAVARAPU SHIVAJI PRASAD  
 CA. AGNIHOTRAM SRINIVAS  
 CA. SUNKARA AKKIAH NAIDU  
 CA. GUDIPATI V. V. SATYANARAYANA,  
 Ex-Officio Member & Member of SIRC of ICAI.