

# AIFTP TIMES

Volume 5 - No. 2 | February 2014

<b>FORTHCOMING PROGRAMMES</b>		
<b>Date &amp; Month</b>	<b>Programme</b>	<b>Place</b>
18-1-2014 to 3-5-2014	Workshop on MVAT Act & Allied Laws	Mumbai
15-2-2014	National Executive Committee Meeting	Ludhiana
15, 16-2-2014	National Tax Conference	Ludhiana

## REPORT FROM AIFTP – CENTRAL ZONE

One programme was conducted with Rajasthan Udhdyog Mela at Jodhpur in which Commissioner, Commercial Taxes, Jaipur was Chief Guest and Shri P. M. Chopra, National Executive Member-AIFTP was the Special Guest. More than 30 Members of AIFTP-CZ have attended the meeting.

### HALF DAY SEMINAR

Half Day Seminar on TDS provisions was jointly organised by AIFTP – CZ, Tax Practitioners Association, Indore Branch of Chartered Accountants and Income Tax Department on 17th January, 2014 in prestigious auditorium of Indore Branch of CIRC of ICAI.

More than 400 delegates representing various Govt. Departments, Schools, Colleges, Semi Govt. organisations, Tax Professionals etc. attended the seminar under the public awareness programme conducted by the Indore Branch of Chartered Accountants.

Hon'ble Commissioner Income Tax (TDS) – M.P. & Chhattisgarh charge, Mr. S. C. Sonkar along with their TDS officers were present. The CIT (TDS) in his welcome speech highlighted TDS Systems and assured the gathering to cooperate with the tax-payers in solving the TDS issues and day-to-day difficulties of TDS compliances on system.

Chairman, ICA Branch Mr. Manoj Gupta also highlighted responsibilities of salary TDS deductor and accountability, if TDS payment of issuance of salary certificate is not issued in time. President TPA Mr. Hitesh Mehta pointed out that of one day delay is making the TDS payment, delay interest of two months is being charged which is unreasonable and against the natural justice.

The entire programme was organised with sincere efforts of secretary AIFTP – CZ Mr. Rajesh Mehta. He also presented the paper on the subject and highlighted the late fee provisions under TDS, TCS provisions on scrap, waste material, penal provision of Section 271H etc. Programme was conducted by Secretary, ICA Branch Mr. Sunil G. Khandelwal and vote of thanks was given by Secretary TPA Mr. Vijay Bansal.

I am happy to inform you that the Seminar was without any registration charges for all the delegates. The seminar was concluded with High Tea.

**Dr. S. L. Jain**  
Chairman

**Rajesh Mehta**  
Secretary

**Ashok Jangid**  
Treasurer

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**REPORT OF 17TH NATIONAL CONVENTION HELD ON  
26TH & 27TH DECEMBER, 2013 AT Y. B. CHAVAN AUDITORIUM, MUMBAI**

by Kishor Vanjara, Chairman, Conference Committee

The 17th National Convention was held on 26th & 27th December, 2013 at Y. B. Chavan Auditorium, Mumbai after 11 years. The Theme of the Convention was "Tax Jurisprudence – Challenges Ahead". This Convention was dedicated to our respected Past President Late Shri B. C. Joshi who was the National President for the years 1984 to 1990. Shri Balabhadrabhai was instrumental in formation of the Federation. His contribution to the profession was tremendous and he lived for the profession.

Besides presentation of paper and Brains' Trust Session, this was the first time at the Federation, an interesting event of panel discussion was introduced, wherein panellists discussed various issues pertaining to Direct Tax, Indirect Tax & General Law. In the paper book, we have given 15 articles on different subjects contributed by the authors who are authorities on their respective subjects.

The Convention was inaugurated by Hon'ble Mr. Justice H. L. Gokhale, Supreme Court of India followed by Keynote address. Hon'ble Mr. Justice Rajesh Bindal, Judge, Punjab & Haryana High Court, Hon'ble Mr. Justice J. K. Ranka, Judge, Rajasthan High Court and Shri Y. P. Trivedi, Senior Advocate, Member of Parliament (Rajya Sabha) graced the occasion and shared their views.

Shri P. C. Joshi, Past President of AIFTP paid tribute to Late Shri B. C. Joshi and delegates observed two minutes silence and prayed to the almighty that the departed soul may rest in peace. At the inaugural session, Zonal Representatives as well as individuals were awarded. These awards were sponsored by Ranka Public Charitable Trust, in memory of, Late Darshan Lal Ji Gupta, Late Justice Dr. B. P. Saraf and Late Rajaram Agrawal. The photographs are published in AIFTP Journal, January, 2014 issue at page Nos. 39 & 40.

The First Technical Session was a Panel Discussion on "Issues arising out of transactions with suspicious dealers" and was ably moderated by CA. Pradip Kapasi. Shri P. C. Joshi, Advocate and Dr. K. Shivaram, Advocate discussed issues on VAT and Income Tax respectively. The Second Technical Session was regarding Levy of Service Tax on Supply of Tangible & Intangible Goods, IPRs Transactions where Rapporteur CA. Sunil Gabhawalla introduced the paper and CA. Ashit Shah, Paper writer discussed the issues, followed by concluding remarks by Chairperson CA. Bhavna Doshi. At the Third Technical Session which was Panel Discussion "Issues arising out of Real Estate Transactions" wherein Dr. Anita Sumanth, Advocate very ably conducted the session as moderator and Mr. Firoze B. Andhyarujina, Sr. Advocate answered the posers on Income Tax, Shri P. C. Joshi, Advocate answered posers on VAT and Shri K. K. Ramani, Advocate answered posers on General Law. On 27th December, 2013, Fourth Technical Session was on "Issues under Capital Gains" where Mr. Ganesh Purohit, Sr. Advocate introduced the paper and Paper writer, Mr. Ajay Singh, Advocate discussed various issues raised. This was followed by concluding remarks by Chairman, Mr. S. R. Wadhwa, Advocate. The Fifth Technical Session was on "Important Controversial issues relating to Determination of Turnover Sales under the VAT & CST Acts" where Mr. J. V. Rao, Advocate introduced the paper as Rapporteur and CA. K. Sankarnarayan, Paper writer answered queries. This was followed by concluding remarks by Chairman, Dr. Ashok Saraf, Sr. Advocate & Advocate General (Arunachal Pradesh), Guwahati. Last Technical Session, the Brains' Trust which was co-ordinated by Mr. M. L. Patodi, Advocate and Trustees Shri N. M. Ranka, Sr. Advocate answered queries on Direct Taxes, the Indirect Taxes queries answered by Mr. P. S. Sarin, Advocate & Mr. C. B. Thakar, Advocate and Shri Vikram Nankani, Advocate answered queries on Service Tax.

At the Concluding Session, Shri S. K. Poddar, National President thanked all the persons and felicitated Organisers and Office Bearers by offering mementos in appreciation of their hard work and contribution to the Federation.

The following individuals and zonal representatives were presented awards:-

<b>Sr. No.</b>	<b>Name of Award</b>	<b>Sponsored by</b>	<b>Awarded to</b>
1.	Best Conference Award, 2012	Ranka Public Charitable Trust	AIFTP - EZ (Guwahati Conference)
2.	Best Conference Award, 2013	Ranka Public Charitable Trust	AIFTP - WZ (Baroda Conference)
3.	Best Seminar, 2012	Ranka Public Charitable Trust	AIFTP - CZ (Raipur Seminar)
4.	Best Seminar, 2013	Ranka Public Charitable Trust	AIFTP - NZ (Varanasi Seminar)

5.	Best Zone Chairman	Ranka Public Charitable Trust	Mr. Indu Chatrath – Eastern Zone
6.	Membership Development 2012 & 2013	Mukul Gupta in memory of Late Darshan Lal Ji Gupta	Mr. Dilip Kumar Agrawal, Silliguri
7.	Maximum Participation, 2012	Dr. Ashok Saraf in memory of Late Justice Dr. B. P. Saraf	Samir Jani, Junagarh
8.	Maximum Participation, 2013	Dr. Ashok Saraf in memory of Late Justice Dr. B. P. Saraf	M. Srinivasa Rao, Eluru
9.	Best Upcoming Speaker, 2012	Shri Bharatji Agrawal in memory of Late Rajaram Agrawal	Mr. Deepak Jain, Kolkata
10.	Best Upcoming Speaker, 2013	Shri Bharatji Agrawal in memory of Late Rajaram Agrawal	Mr. Ruchir Bhatia, New Delhi
11.	Best Zone Vice Chairman for Term	Dr. Ashok Saraf in memory of Late Justice Dr. B. P. Saraf	Mr. A. Retna Kumar, Trivandrum (SZ)
12.	Chairman for Best Zone	Shri Bharatji Agrawal in memory of Late Rajaram Agrawal	Southern Zone
13.	Outstanding Contribution to the Development of Tax Profession	Dr. Ashok Saraf in memory of Late Justice Dr. B. P. Saraf	Dr. K. Shivaram, Mumbai
14.	Outstanding Tax Conference, 2012	Presidential Award	Surat Conference
15.	Maximum Participants in Conference	Income Tax Bar Association, Varanasi in memory of Late Anil Kumar Singh	Ranchi Conference (EZ)
16.	As Secretary General	Presidential Award	Mr. Narayan Jain, Kolkata
17.	Outstanding Contribution	Presidential Award	Mr. Kishor Vanjara, Mumbai



## NATIONAL TAX CONFERENCE 2014

15th and 16th February, 2014  
at Guru Nanak Dev Bhawan Auditorium, Ludhiana

*Organized by*

**ALL INDIA FEDERATION OF TAX PRACTITIONERS (NZ)**

*Jointly with*

**PUNJAB TAX BAR ASSOCIATION**

**DISTRICT TAX BAR ASSOCIATION (SALES TAX) LUDHIANA**

**TAXATION BAR ASSOCIATION (DIRECT TAXES) LUDHIANA**

**Theme : Existing & Emerging Issues in Taxation**

### PROGRAMME

**SATURDAY - 15TH FEBRUARY 2014**

8.30 am	Arrival, Registration, Fellowship & Breakfast
10:00 am	<b>Inaugural Session</b> <i>Chief Guest</i> Hon'ble Mr. Justice J. S. Khehar, Judge, Supreme Court of India <i>Presided by</i> Hon'ble Mr. Justice S. K. Kaul, Chief Justice, P&H High Court <i>Guests of Honour</i> Hon'ble Mr. Justice S. K. Mittal, Judge, P&H High Court
11:30 am	High Tea

12:00 pm	<b>1st Technical Session</b> <b>Input Tax Credit</b> <i>Chief Guest</i> Hon'ble Mr. Justice Hemant Gupta, Judge, P&H High Court <i>Chairman</i> Shri Ashok Aggarwal, Senior Advocate & Advocate General, Punjab <i>Keynote Speaker</i> Shri V. Lakshmi Kumaran, Mg. Partner & Founder Lakshmikumaran & Sridharan <i>Moderator</i> Shri Mukul Gupta, Advocate, Ghaziabad & Director, Federal Mogul Goetze (I) Ltd <i>Speakers</i> Shri Naveen Rattan, Advocate, Amritsar Shri Puneet Agarwal, Advocate, Delhi High Court
1:30 pm	Lunch Break
2:30 pm	<b>2nd Technical Session</b> <b>TDS/TCS Provisions and Cash Credit and Unexplained investment u/s 68 &amp; 69</b> <i>Chief Guest</i> Hon'ble Mr. Justice A. K. Mittal, Judge, P&H High Court <i>Chairman</i> Shri Firoze B. Andhyarujina, Senior Advocate, Bombay High Court <i>Moderator</i> Shri V. P. Gupta, Advocate, Delhi <i>Keynote Speaker</i> Shri Ajay Vohra, Managing Partner, Vaish Law Associates <i>Speakers</i> Ms. Radhika Suri, Additional Advocate General, Punjab Shri Sumit Khurana, Chartered Accountant Shri Deepak Agarwal, Advocate, Punjab & Haryana High Court
4:30 pm	Tea
8:00 pm	Dinner & Cultural Programme at Embassy Palace, Ferozepur Road, Ludhiana

**SUNDAY - 16TH FEBRUARY 2014**

8.00 am	Breakfast at and visit to GOBIND GODHAM MANDIR, LUDHIANA
10:00 am	<b>3rd Technical Session</b> <b>VAT / Service Tax on Works Contract &amp; Real Estate Transactions</b> <i>Chief Guest</i> Hon'ble Justice Mr. Rajesh Bindal, Judge, P&H High Court <i>Chairman</i> Shri Bharat Ji Agarwal, Senior Advocate, Allahabad High Court <i>Keynote Speaker</i> Shri H. C. Bhatia, Advocate, Delhi High Court <i>Moderator</i> Shri Sujit Ghosh, Co founder Advaita Legal, Gurgaon <i>Speaker</i> Shri Jagmohan Bansal, Additional Advocate General, Punjab Shri Sandeep Goyal, Advocate, Punjab & Haryana High Court
11.30 am	Tea break
11:35 am	<b>Valedictory Session</b> <i>Chief Guest</i> His Excellency Sh. Shivraj V. Patil, Governor of Punjab
1:00 pm	Lunch
1.30 pm	<b>4th Technical Session</b> <b>Panel Discussion on Punjab VAT Act with reference to recent amendments</b> <ol style="list-style-type: none"><li>1. Shri K. L. Goyal , Senior Advocate, Punjab &amp; Haryana High Court</li><li>2. Shri G. R. Sethi, Advocate, Jalandhar</li><li>3. Shri Varinder Goyal, Advocate, Ludhiana</li><li>4. Shri Naresh Kumar Garg, Advocate, Sangrur</li><li>5. Shri B. K. Gupta, Advocate, Ludhiana</li><li>6. Shri Suresh Aggarwal, Advocate, Patiala</li><li>7. Shri Rajesh Malhotra, Advocate, Patiala</li><li>8. Shri Ajay Chaudhary, Advocate, Ludhiana</li><li>9. Shri Sushil Jindal, Advocate Bathinda</li><li>10. Shri Ranjiv Loomba, Advocate, Chandigarh</li><li>11. Shri J. P. Dhiman, Advocate, Mohali</li></ol>

**Delegate Fees** Members/ Corporates : ₹ 2,500/- ; Accompanying spouses ₹ 1,500/-  
Cheque/DD to be issued in favour of "All India Federation of Tax Practitioner"  
e-mail: ludhianaconference2014@gmail.com

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**WORKSHOP ON MVAT ACT & ALLIED LAWS**

*Organized by*

**ALL INDIA FEDERATION OF TAX PRACTITIONERS (WZ)  
Jointly with BCAS, CTC, MCTC, STPAM & WIRC of ICAI**

<b>Timing</b>	2.30 P.M. to 5.30 P.M.	
<b>Venue</b>	Mazgaon Library, 1st Floor, 104, Vikrikar Bhavan, Mazgaon, Mumbai – 400 010.	
<b>Delegate Fees</b>	Members ₹ 1,686/- (incl. of Service Tax), Non-Member ₹ 2,247/- (incl. of Service Tax)	
<b>Date (Saturday)</b>	<b>Subject</b>	<b>Speaker</b>
18-1-2014	Power of DDQ, Survey, Search and Seizure Proceedings Conducted by Department	Shri C. B. Thakar Advocate
	Input Tax Credit, Cross Checks, ITC claim as per Sec. 48(5)	CA. Janak Vaghani
24-1-2014 Friday	Power of Review, Rectification, Re-assessment and Appeal Proceedings Conducted by Department	Shri Ratan Samal Advocate
	Practical Aspects under Business & Refund Audit	CA. Rajat Talati
1-2-2014	<b>Intricate Issues Under Works Contracts under</b>	<b>Jugal Bandi Lecture</b>
	- MVAT Act	CA. Vikram Mehta
	- CST Act	
	Construction Service including Works Contract Services, Erection & Commissioning Services	CA. Ashit Shah
15-2-2014	Issues in Taxation of Intangible goods & Leasing/Franchisee Transaction under MVAT and CST Acts	Shri Vinayak Patkar Advocate
	Issues in Taxation of Intangible goods & Leasing/Franchisee Transaction under Service Tax Act	Eminent Faculty
1-3-2014	Issues in Branch Transfer & Sales in Transit under CST Act and High Seas Sale	Mrs. Nikita Badheka Advocate
15-3-2014	Issues in Place of Provision of Service Rules, 2012	CA. Rajiv Luthia
	Issues in Point of Taxation Rules, 2011	Eminent Faculty

29-3-2014	Issues in Definition of Service, Exempt & Declared Service	CA. Manish Gadia
	Issues in Valuation of Service, Abatement & Reverse Charge Mechanism	Shri Vidyadhar Apte Advocate
5-4-2014	Issues in Interest, Penalties and Show Cause Notices/Summons	CA. Jayesh Gogri
	CENVAT Credit Rules	CA. Naresh Sheth
19-4-2014	Filing of Returns (including E-Filing & Payment of taxes, Assessment, Interest, Penalties & Prosecutions, Maintenance of books, Registers) under LBT Act	Shri Deepak Bapat Advocate
3-5-2014	Input Tax Credit & Refunds under LBT Act	Shri Kishore Lulla, Advocate

*Cheque at par/DD may be drawn in favour of*

**"All India Federation of Tax Practitioners – Western Zone", payable at Mumbai.**

## DIRECT TAXES

**Ajay R. Singh, Rahul Hakani, Rahul Sarada and Ms. Neelam Jadhav**  
*Advocates, KSA Legal Chambers*

### HIGH COURTS

**1. S. 36(1)(iii): Deductions – Interest on installment payment – No borrowing. [S. 37(1)]**

Interest payable due to installment payment for purchase of land without any borrowing was not deductible u/s 36(1)(iii). Also, the same was not deductible u/s 37(1) as the same was capital expenditure. (A.Y. 2004-05, 2005-06, 2006-07)

*CIT v. Career Launcher India Ltd. (2013) 358 ITR 179 (Delhi) (HC)*

**2. S. 43(5): Speculative transaction – Transactions in derivatives – Delay in notification of stock exchanges**

Rules prescribing conditions for notification of stock exchanges were framed with effect from July 1, 2005 and proviso (d) to section 43(5) was inserted w.e.f. 1-4-2006. However, the notification of stock exchanges was only in January 2006. Held, the delay was occasioned as procedure and formalities have to be complied with. This should not disentitle and deprive an assessee, specially, when the transactions were carried through a notified stock exchange. (A.Y. 2006-07)

*CIT v. NASA Finelease P. Ltd. (2013) 358 ITR 305 (Delhi) (HC)*

**3. S. 194-I: Deduction at source – Landing and parking of aircraft – Nature of lease**

Agreement for landing and parking of aircraft was held not in the nature of lease. Hence, payment under such agreement is not rent within meaning of section 194-I. Hence, payments made by an international airline company to the International Airports Authority were liable to be considered for deduction of tax at source u/s 194-I.

*CIT v. Singapore Airlines Ltd. (2013) 358 ITR 237 (Mad.) (HC)*

### TRIBUNAL

**1. S. 271(1)(c) : Assessee is not guilty of concealment of income or furnishing of inaccurate particulars of income – Even though the assessee's claim for the expenditure has been disallowed**

The assessee is following mercantile system of accounting and in his books of account has shown professional fees payable to Mr. BD of ₹ 12.50 crores and commission charges payable to M/s. SB for ₹ 13 lakhs which is also a proprietary concern of Mr. BD, for providing services with respect of various projects of the assessee. The said amount has been shown in the balance sheet under the head "Sundry Creditor" as on 31st March, 2004. In support of such a claim, the assessee has filed appointment letter giving details of the activities which are to be carried out by the said person and debit note for the amount payable as professional fees and commission. In the course of assessment proceedings, the said person could not appear before the Assessing Officer in response to the summons issued under section 131, instead a confirmation letter was filed along with the document of appointment letter and debit note. The A.O. disallowed the said amount on the ground that (i) there is no evidence of actual services rendered by these parties; (ii) no prudent businessman will perform the duties without receiving any amount; (iii) Mr. BD, is a cloth trader not connected with the assessee's business; and (iv) during the course of survey, the assessee could not give proper details of the various outstanding shown in the balance sheet. The Hon'ble Tribunal in quantum appeal confirmed the said findings on the ground that the projects for which said parties were required to render the services could not take off and, therefore, there is no question of payment accruing to them. The Tribunal also observed that even if the agreement to the parties are genuine, however, they have not rendered any service and more so when

the said amount has been offered for tax in the subsequent year under section 41(1), therefore, the A.O. has rightly disallowed in this year. In the penalty proceedings the A.O., mainly relied on the observations and the reasoning given by the A.O. as well as CIT(A) in the quantum proceedings that the evidence of actual services rendered and other details have not been provided.

On appeal the Hon'ble Tribunal held that it is almost a settled preposition of law that the findings given in the quantum proceedings may not be a conclusive or final verdict insofar as the penalty proceedings are concerned. In the penalty stage plea can be taken relying upon the existing material or explanation to prove that the assessee is not guilty of concealment of income or furnishing of inaccurate particulars of income. Even though the assessee's claim for the expenditure has been disallowed, however, the evidence which have been filed by the assessee in support of such a claim have not been found to be bogus or false. The main case of the A.O. is that

such evidences have not been corroborated by the said person through personal appearance even though he has directly filed the confirmation before him.

In this case none of the material adduced by the assessee has been found to be false and so much so Mr. BD, has confirmed the transaction before the A.O. which goes to show that he was not a bogus person, at least this is not the charge of the revenue and he has also accepted the payment due to him. The said amount has ultimately been offered to tax in the assessment year 2007-08 and to this extent, there is no loss to the revenue on the said amount as the tax has been paid in subsequent year and also disallowance has been made in this year. All these factors lead to the inference that balance of probabilities is in favour of the assessee insofar as the Explanation is concerned in the penalty proceedings. The levy of penalty under section 271(1)(c) on the amount is not justified.

*Mr. Bobby Mukherji v. ACIT, ITA No. 8395/Mum/2010  
Date of Order 15-1-2014.*



## WITHER – MY DREAM FEDERATION ?

*N. M. Ranka, Senior Advocate and Past President*

### My Association

Shri P. N. Shah and Shri L. C. Patni be friended me with Shri Narendra Bhai (N. C. Mehta) in or about 1965. I visited him in his office at Bombay in 1967. He used to visit Jaipur and meet me. As President of Tax Consultants Association, Jaipur, I organized '2nd Rajasthan Tax Consultants Conference, 1974' where I invited Shri N.C. Mehta as a faculty on Central Sales Tax. Subsequently, he participated in some of the Residential Refresher Courses organized by the Rajasthan Tax Consultants Association under my Chairmanship / Presidentship. All India Federation of Tax Practitioners resolved to hold its 3rd National Convention at Jaipur in December, 1981. S/Shri N. C. Mehta and P. C. Joshi, the then President and Secretary General respectively, sought my assistance and cooperation, which was heartily extended. I was a trustee at the Brains Trust. I became a life member on a fee of ₹ 500/-. The Convention had a great impact on me.

On the request of Shri P. C. Joshi, the then Secretary General, I participated in the 6th National Convention at Bombay in December, 1987. Shri U. M. Loonawat, Senior Chartered Accountant-cum-Treasurer hosted dinner at his residence. I developed friendship with Shri B.C. Joshi, the then President and others. On invitation as a faculty, I attended 8th National Convention at Jamshedpur in January, 1992. I still cherish the hospitality and respect shown by Shri S. N. Mittal. In between I was also invited as a faculty with the good offices of Shri P. C. Joshi at Mumbai.

### Our Past

One fine morning in 1994, Shri P. C. Joshi, founder Secretary General, the then President and prime architect of the Federation, requested me to join his cabinet as Vice President, to which I could not decline. I actively associated since 1994, was elevated as Deputy President in 1997 and during these six years, we tried to get organized National Tax Conferences every quarterly, in all the Zones, apart from One Day Seminars at Zonal level. We decided to keep meeting of the National Executive tagged with the National Tax Conference, to enable the organizers to have larger participation and availability of members of the National Executive as faculty/Chairman. It gave a boost to the educational activities, prime object of the Federation. To encourage and inspire in educational field, the Federation installed "Ranka Best Tax Conference Award" from 1994, sponsored by Ranka Public Charitable Trust. There use to be a tough competition and fight for the Award which was noticed at Kolkata, at the National Convention in December, 1996. There was multi claim from Jamshedpur and ultimately we had to announce for winner, runner and consolation prize. Looking to its importance as well as popularity, it used to be awarded at the Inaugural function, with gracious presence of the organizers at the dais.

11th National Convention was organized in December, 1999 at New Delhi wherein I was elevated, as per Convention, as President, for the term 2000-2002. On my declaration as President, I desired that I should have free hand in selecting my team. I opted for Dr. K. Shivaram, as Deputy President, and whole

team was selected by me in consultation with the Past-Presidents, President and the Deputy President. On account of the cabinet of my choice, I could get organized 3 Day National Convention at the Pink City of Jaipur, in the princely State of Rajasthan, in December, 2000 with ever high participation exceeding 1200. I express my sincere thanks to the organizing team and also express my gratitude to the registrants and a fairly large number appreciating not once but over years / later years.

I salute the Office bearers, Chairmen, Faculties, Brains Trustees and Members of the National Executive for observing a convention and adhering, not to be reimbursed for travel and stay being optional on the part of the organizers. Thereby every organizer would save at least 2.00 lacs of rupees. We decided to have our own office - premises with regular office and the present office premises at 215, Rewa Chambers, 31, New Marines Lines, Mumbai, was purchased and renovated with voluntary contributions of the members and great effort of Shri N.C. Mehta. Very little amount was invested out of the Federation's fund. Dr. K. Shivaram, proved a big valuable asset. He gave a new look qualitatively and quantitatively to AIFTP Journal and educational activities. A fairly large number of the publications to be precise 32 have been published primarily and solely with strenuous efforts, contacts and humbleness of Dr. K. Shivaram and his well selected team. Later AIFTP Times was revived and is provided free to all the members. More than 20 PIL have been filed over years with success.

As per Convention of the Federation, it is for the Deputy President to organize National Convention and accordingly Dr. K. Shivaram organized 12th National Convention at Mumbai in December, 2002. It was organized graciously, on a grand scale with participation exceeding 600. Hon'ble Mr. Justice S. H. Kapadia, the then Judge, Bombay High Court later Chief Justice of India inaugurated. In between an annual feature started wherein five prime tax/accountancy institutions of Mumbai joined in organizing Annual Tax Conference, viz., TAXCON to build up cordial relationship. However, it continued only for two or three years and had to be abandoned. I cherished and stated at the Conference in 2002: "I am eldest in age, but my Federation is youngest". Shri V. Ramachandran, Senior Advocate, was nominated as President at Chennai Convention in 2005. He was succeeded by Shri Bharatji Agrawal, Senior Advocate at New Delhi Convention in 2007. He activated, expanded and consolidated "North Zone" and enhanced reputation of the Federation. Hon'ble Mr. Justice S. H. Kapadia at the said Convention told to me "Keep Up with Awards". Shri M. L. Patodi, Advocate, my Secretary General, was nominated as President at the Jaipur Convention, in 2009. He did nicely and Shri S. K. Poddar was nominated as Deputy President, who took over as President at Ranchi Convention.

In order to expand and make it broad based, the constitution was amended in 2001. The tenure of the National Executive continued to be kept at three years. However, looking to the busy life of Sr. Advocates/ Advocates/Senior Chartered Accountants, it was reduced to two years in 2005 in Mumbai. Guidelines for functioning of Zonal Offices; Guidelines for organizing the Seminars; Guidelines for organizing the National Convention/Conference; Guidelines for Associate Members; Corporate Members; Rules for ITAT Co-ordination Committee and Rules for Election to the National Executive Committee etc. were framed in extenso. Though the Federation had expanded its membership activities, wings all over the country, acquired reputation, built goodwill, but all through out; President elect had free hand to select his team, in consultation with the Past-Presidents. Judgment of the Collegium was always respected.

To encourage Zone Chairman, an award was installed 'Ranka Best Zone Chairman Award' sponsored by Ranka Public Charitable Trust. Federation acted according to its logo "Sanghe Shakti" to signify unity and strength by joining together as one family. We adopted the motto 'Ethics, Education and Excellence' We framed 'Standards of Professional, Conduct and Etiquette for our members' and gave it statutory recognition by inserting in the constitution as 'Code of Ethics'. We also suggested to the President, Income-tax Appellate Tribunal, which too adopted though belated after Kolkata episode. Its membership has exceeded 5551 life members comprising of Advocates, Chartered Accountants and Tax Practitioners from 24 States and 3 Union Territories. It includes 121 Professional Associations. It also filed few public interest litigation writs successfully. It is regularly making representations which are being considered by the Government. It also constituted ITAT Coordination Committee apart from other Committees.

We had also decided to organize oath ceremony of the new office bearers, but it could not continue. As in Rotary International, we decided that President to wear a medal. I got it made of silver with inscription of Federation on one side and 'Navkar Mantra' on other side. I use to wear on all ceremonial sessions and meetings of the executive. On handing over, Dr. Shivaram wore. His successors also continued.

### **Tenure 2012-2013**

Shri S. K. Poddar, Advocate, Ranchi, took over as President at 16th National Convention organized at Ranchi, with much pomp and show doing away with simplicity. Shri N. P. Jain, Advocate was selected by him as 'Secretary General'. With the commencement the Hon'ble President, Secretary General and few others desired (i) to discontinue the existing awards by installing and formulating rules for AIFTP awards; (ii) to alter, amend and modify the Constitution and (iii) to amend/modify existing Rules and guidelines. Consequently, one man committee were appointed.



Suggestions were sought. Past Presidents were not elected/co-opted to the National Executive to do away with the age old convention, but were named as advisors. I for myself attended first meeting for some time, but did not attend subsequent meetings finding that advise given by the so called advisors is not acted upon but is discarded and thrown in waste paper basket for no reason or rhyme. In the Constitution there is no position of 'ADVISORS' and they have no right to vote or any status. Disturbing treatment was given to the Past-Presidents Shri P.C. Joshi and Shri Bharatji Agrawal. Such instances disturb peace and harmony particularly to those who have built Federation over years. It breaks unity, brotherhood and fraternity.

### Awards

On abandoning existing 4 – 5 awards, objections were raised in the National Executive by Shri P. C. Joshi and others, but not recorded in the minutes. Later good senses prevailed and following three awards:-

- (i) "AIFTP – Ranka Best Conference Award"
- (ii) "AIFTP – Ranka Best Seminar Award" and
- (iii) "AIFTP – Ranka Best Zone Chairman Award"

were continued, to be sponsored by Ranka Public Charitable Trust. Following new awards were introduced with sponsorship for each award with minimum sum of ₹ 1 lakh as donation to AIFTP:-

- (i) "AIFTP Membership Development Award" to an individual for proposing maximum members in each calendar year/term
- (ii) "AIFTP Maximum participation Award"
- (iii) "AIFTP Best Upcoming Speaker Award"
- (iv) "AIFTP Best Souvenir Award"
- (v) "AIFTP Best Zone Vice-Chairman Award"
- (vi) "AIFTP Best Article Award"
- (vii) "AIFTP Best National Officer Award".

Existent "Ranka Best Tax Seminar Running Trophy and Award Rules" were given go bye. Fresh guidance for the award was considered by the National Executive in its meeting at Mumbai on 6th October, 2013 and approved. In furtherance thereof Dr. Ashok Saraf, sponsored three awards in memory of his father late Dr. B. P. Saraf, former Chief Justice of J & K High Court. One award was sponsored by Shri Bharatji Agarwal in memory of his brother Late Shri Rajaram Agarwal. These awards were awarded at the National Convention at Mumbai in December, 2013 in the Inaugural function just before its closure, though earlier it used to be awarded just after the welcome address and it was so suggested to the

Secretary General also. I congratulate the President and Secretary General for enhancing awards to ten. I salute the sponsorors for the humble donation and gracious act. I hope many more awards would be sponsored in years to come to enhance funds of the Federation.

It has been stated: "Constitution of AIFTP judging panel will be decided by each NEC". However, to my knowledge no panel was constituted by the National Executive Committee for judging the aforesaid 10 awards. It has also been specified: "Till the finalization of the proposed AIFTP Award Manual all decisions shall be taken by the President, Deputy President, Secretary General and 2 more NEC members as may be selected by the President". However, to my knowledge the awardees have not been selected by the said persons, but have been selected by the President or/ and the Secretary General alone. Some awardees were selected at the last moment without any exercise. Guidelines for Awards were got ratified on 25-12-2013 without any discussion. Non-involvement of the sponsoror may not prove as qualitative selection in ensuing years. It is like "DONATE & FORGET".

### Zone Chairman

Zone Chairman for the 5 Zones is elected by the Zonal Committee and they are ex-officio members of the National Executive. They are expected to attend meetings of the National Executive and apprise all activities of their zone. It has been noticed that Central Zone Chairman did not attend National Executive meetings. Same was about West Zone, North Zone, East Zone attending very few meetings. South Zone Chairman attended some of the meetings. I have occasion to go through the zone election reported in AIFTP Times January issue, for the term 2014-15. Though the President, Secretary General and some of the other members were of the view, which later became a reality, that the term of office should be one year. However, Zone Chairman for the East was re-elected for second term. One of the senior most, aged but active and respectful, Past Vice-President, Shri R. D. Sharma backbone of East Zone informed, at the Extra Ordinary General Meeting held at Mumbai on 25th December, that more than 10 were renewed and without observing procedural formality. It did not matter with the President. Some of the old guards of Orissa expressed that they are not getting proper treatment and it would be advisable to delimit State of Orissa from East Zone and constitute a separate zone or join with the Central Zone. Existing guidelines for functioning of Zonal Offices were amended and got ratified on 25-12-2013. It was announced that Zonal elections for the term 2014-15 have been in accordance with the revised guidelines / relevant rules, which does not appear to be correct.

### **Constitution a sacred document**

Though earlier Constitution was exhaustively examined and amended on the recommendation of a Committee headed by Shri P.C. Joshi in 2001/2005, after detailed discussions at Hyderabad, still one man committee for amendments to the existing rules and regulations of the Federation was constituted at Guwahati on 16-3-2012. Proposed amendments were circulated. All the Past Presidents and other members were of the unanimous opinion (i) the term of office should continue as of two years and (ii) Patron member be not added being a professional association and particularly on payment of a donation. Object was mentioned 'for raising funds' which too was stated to be improper because when existing office premises could be acquired in Mumbai, the Office bearers, life members contributed voluntarily, whole heartedly substantial amount, without the caption 'Patron'. With regard to the reduction of term of office to one year, it was stated that it is difficult to find adequate suitable members for Presidentship and with one year term, the active association of the President would be hardly six months, the ultimate number of Past Presidents would be too large. It is being noticed that there have been around 50 Chairmen of Income-tax Settlement Commission over a period of 38 years. As per Agenda of the Extra Ordinary General Body Meeting Item 5 is: 'To consider amendments to the Memorandum, Rules & Regulations (proposed amendments enclosed - Annexure - C)' whereas Annexure 'C' is 'Guidelines for Awards of All India Federation of Tax Practitioners: Amendments are in Annexure 'B' (not 'C'). Annexure 'B' says that the following amendments were discussed in the meeting of National Executive Committee in Mumbai held on 6th October, 2013 and it was decided to place the same for consideration and approval by the members in EOGM to be held on 25th December, 2013 at Mumbai. It appears that the National Executive has not approved and recommended for approval by EOGM. When item 5 was taken up, election for the new National Executive was in last legs and counting was going on. Hence, Shri P. S. Sarin, a Senior Member, objected for its consideration and suggested that the proposed amendments be examined and considered by the new Executive Committee and the agenda item be postponed. Many other senior members also objected to. However, the Hon'ble President dismissed the valid objection and took up this agenda item in this meeting itself. Hurriedly, 'as it is' it was got approved. Shri P. S. Sarin declared from the dais in the post inaugural session to "Retire from the Federation".

New Rule 11(b) was inserted whereby 'the new National Executive Committee and office bearers shall take over the responsibility on the conclusion of the National Convention' instead at the end of the Calendar year. National Convention is convened on different dates in the month of December. In Ranchi, it was on 10-12-2011, whereas in Delhi on

8-12-2007 and in Mumbai on 25-12-2013. It does not appear to be appropriate. In Rotary International, President is elected before two years but takes over a fixed dated. Rule 21 was drastically substituted to amend the solemn document 'Constitution' by a simple majority against existing three-fifths. Annexure 'B' contained a note (b) observing "It is found necessary to make further changes as a result of the experience gained during the last several years" whereas the Past-Presidents were not consulted and advice given was ignored. Some members having experience of rules of Bombay Charity Commissioner, where the Federation is registered, expressed, some of the amendments may not be acceptable to the Charity Commissioner.

### **Elections**

Election Officer received 56 nomination for the National Executive Committee against strength of 40 members. Feeling amongst some of the senior members was that election could have been avoided, had the candidates for each Zone permitted to sit together and make efforts for withdrawal to avoid the election. It was not permitted. In the history of the Federation for the first time elections of five zones were conducted with in fighting amongst members. Such a scene could have been and should have been avoided, as avoided once or twice in the past. I am of the opinion that in a professional association, elections deserve to be eschewed. It builds groupism and creates ill-will, which was apparent.

### **New Executive Meeting**

While the meeting of the newly elected National Executive was being conducted, certain objections were raised. Meeting should be conducted smilingly, happily, peacefully and with courtesy.

### **Simplicity given go bye**

A culture had been created in the Federation not to serve alcohol and non-vegetarian food; as also not keeping a large number of dignitaries in the inaugural session; to maintain punctuality with thrust on education, ethics and excellence and to keep registration fee low, as the outside destination members have to incur travel and accommodation expenses extra. But ostentatious and wasteful expenditure is evident.

One day Seminar was organized by Shri S.K. Poddar at Ranchi during my Presidentship. When I enquired, he expressed non-vegetarian dishes have been ordered. On my objection he gracefully cancelled the order. On my request Direct Taxes Professional Association, a premiere tax Association of Kolkata stopped serving of non-vegetarian food and alcohol. They are stating in their brochure 'Only vegetarian food would be served'. Number of participants increased, not reduced. I congratulated Shreeji Shri

Arvind Singhji of Mewar, Udaipur for stating in the wedding invitation Card of his daughter and son "only vegetarian dinner will be served at the function". Recently serving of non-vegetarian food in State Collectors and SPs Conference was criticized. Larger section of the members do not appreciate the change over. It needs serious consideration of all concerned.

### Observations

I lost my friends, Founder President, Shri N.C. Mehta, his successor Shri B.C. Joshi and my Vice-President, Shri V. Ramachandran. It is not only my personal loss, but big loss to the Federation. The Federation maintained the grace to dedicate National Conferences/Conventions to its lost Past-Presidents.

As an age old Convention, the National Convention is organized by the Zone of the Deputy President. But breaking the Convention, 17th Convention had to be organized by the Head Office, on account of non-willingness and non-cooperation of the Zone Chairman and the Zonal Committee. I would conclude with the observations: "Age old many good Conventions have been broken", to become as non-conventional. Whether it is in the larger interest of the Federation is to be seriously considered by its members.

### Souvenir

Souvenir published at the National Conferences / Conventions / Seminars contain papers and articles of reputed tax experts, which are worthy to be preserved for future references. I for myself always keep one copy for the last 40 years. Souvenirs are normally provided free and advertisements are collected by the organizers to meet with the cost. Souvenir published at the 17th Convention is a precious property. It contains papers and 15 articles on different topics which have been authored by the experts on the subject. It has been beautifully printed under the leadership of dear Kishor Vanjara, Conference Chairman, my Joint Secretary, presently Vice-President. I congratulate him and his team. It was freely given to the registrants. Basic aim of the Federation is to educate its members, revenue collection is secondary, therefore, I am of the view that the souvenir or conference material must be made available to members at concessional price so that large number of professionals can get the advantage.

ITAT Bar Coordination Committee was a powerful Committee when Shri S. E. Dastur was its Chairman. Later it became weak and now non-existent. It needs to be revived under the leadership of a strong reputed tax expert with proper representation from all benches. The head must have towering personality.

### 17th Convention

The number of participants did not exceed 200 against the Membership of 1732 for the Western

Zone and total Membership of the Federation of 5552. Even in 2002 i.e. before 11 years, the number of participants were around 600. Apart it was apparent and patent that many Office bearers of the out going Zonal Committee and newly elected Zonal Committee were conspicuous by their absence. Mumbai is known for brevity and punctuality. Panel discussion conducted by Shri Pradip Kapasi and Dr. Anita Sumanth was a real treat and need be adopted. Brains' Trust Session was in the last and remained disturbed on expectancy of Swami Chitanandji of Parmarth Niketan, Rishikesh.

A melodious musical evening followed by sumptuous dinner at pool side of Radio Club was hosted by the newly elected President, Shri J.D. Nakani, with a large participation. However, alcohol and non-vegetarian food was served openly, though more than twenty ladies were present. Photo session is rememberable.

At this Convention, Chairman of Eastern, Central, Western & Northern could not be spotted by me. Senior Chartered Accountant and highly respectful, Shri Ashvin C. Shah, Vice-President, who creditably organized three Two Day National Tax Conferences in Ahmedabad was also absent. He is not actively participating for the last over one year for the reasons unknown to me. Shri Bharatji Agarwal, most dynamic and energetic Past President did not come. He too is unhappy with treatment accorded to him. Shri H.C. Bhatia, most powerful social activist, has slowed down and is not taking keen interest with enthusiasm. Many old stalwarts have become dormant. Even Dr. K. Shivaram expressed to be relieved of Chief Editorship.

### Conclusion

In all fairness I have tried to jot down my thoughts, views and observation, without any ill-will or malice for any one, or bad motives, but with an inner conscious intention to draw real picture of what I have seen and am seeing. Over these twenty and odd years, I have attended all meetings of the National Executive & National Tax Conferences and Seminars, except in the last term for the reasons explained hereinbefore. I may be excused for the pointed remarks. Forgive and forget. I may mention 'Federation has been built over years, brick by brick, by its Past-Presidents and office bearers, but may break and demolish, if issues raised remain seriously unconsidered by the Past, Present & Future Presidents, Vice-Presidents and Senior members with vast experience'. Save Federation and Build it as a unique institution of repute at national level. I have high hopes in my successors.

I have gone through an article 'Federation-Past-Present-Vision 2020' published in the 17th National Convention Souvenir, authored by the architect of the Federation, Shri P.C. Joshi. To me Vision 2020 printed on page 115 is a wishful thinking. However, I agree

with his advice 'Today let us all join unitedly with one voice to achieve the ultimate goal'. I appeal let us extend helping hand shedding ill-will and rat race to acquire office without doing our duty and obligation attached with it. Activate and give due respect to the Past Presidents and old guards.

I congratulate the newly elected office-bearers and members of National Executive and zonal committees with hope they would take strong steps to grow federation as per dreams of Shri P.C. Joshi, Dr. K. Shivaram, Bharat ji and many more.



### PAPER BOOK OF 17TH NATIONAL CONVENTION

Paper book of 17th National Convention is available for sale at ₹ 275/-. The book, besides, paper presented at 17th National Convention, also contains 15 articles on different subjects contributed by the authors who are authorities on their respective subjects.

Those who desire to buy, may contact the office of the Federation.

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