

THE MONTHLY MAGAZINE FROM CASC



GST UPDATES



TP ADJUSTMENTS



RECENT JUDGEMENTS



SLUMP SALES VS. DEMERGER

VOLUME-4

ISSUE-2

FEBRUARY 2025



CASC BULLETIN

INDEX

Subject	Author	Page No.
Recent Judgments in VAT / CST / GST	CA. V.V. Sampathkumar	19
Case Laws - GST	CA. Vijay Anand	28
TP Adjustments In India : A Review of Recent Trends and Case Laws	Eshaan Singal	44
Slump Sale Vs. Demerger - Unfolding Tax Contrasts	CA. Abhinaya Ma	61
Signing Off	CA. R. Sundararajan	73
The Sabarmati Saga - The silver Jubilee ARC	Adv. B. Ramana Kumar	77
Delegates Feedback		84

Date	Topic	Speaker
13.02.2025 (Thursday)	Direct Tax Budget Analysis	Ms. Samyuktha Banusekar
27.02.2025 (Thursday)	Landmark Rulings in GST	CA. J. Srinivasan

The meetings will be held at CASC at 6.30 p.m. and will be preceded by fellowship over High Tea at 6.00 p.m

**CASC Annual Members are requested to renew their
subscription for 2024 - 2025**

EDITORIAL

Dear Professional Colleagues,

Ethics is knowing the difference between what you have a right to do and what is right to do.” – Potter Stewart

The Sabarmati Saga – ARC 2025 @ Ahmedabad

We, the members of CASC, proudly hosted our 25th Annual Residential Conference in the historic city of Ahmedabad. With the theme “The Sabarmati Saga”. The conference captured the essence of Ahmedabad’s rich heritage, its role in India’s freedom struggle, and its modern-day significance as a hub of commerce and innovation. The event witnessed with enthusiastic participation from our members, who engaged in thought-provoking technical sessions, interactive Group Discussions, and networking opportunities. Eminent speakers enlightened us on contemporary topics relevant to the profession, fostering both professional growth and personal inspiration.

Alongside intellectual pursuits, the conference offered memorable cultural experiences, including visits to the Sabarmati Ashram,

Statue of Unity and local landmarks, which resonated deeply with the theme. This gathering not only strengthened our bonds as professionals but also left us inspired by Ahmedabad's enduring legacy, epitomizing the spirit of resilience and progress.

Union Budget Expectations 2025:

The upcoming Union Budget is expected to focus on rationalizing income tax slabs, providing relief for salaried taxpayers, and introducing measures to boost digital payments. Simplifying the tax code further, particularly harmonizing capital gains tax across asset classes, could enhance compliance and boost investor confidence. Additionally, businesses, especially MSMEs, are expecting continued corporate tax rationalization to drive entrepreneurship and job creation. Industry bodies are lobbying for the extension of the sunset clause for tax exemptions under Sections 80-IAC and 115BAB to encourage start-ups and new manufacturing ventures.

ITC on CSR – Judicial Pronouncements

The eligibility of Input Tax Credit (ITC) on expenses incurred for Corporate Social Responsibility (CSR) activities has been a subject

of legal scrutiny in India. In the pre-GST regime, courts had provided clarity on the availability of ITC for CSR-related expenses. In the case of *Essel Propack Ltd. v. Commissioner of CGST, Bhiwandi* [2018 (362) E.L.T. 833 (Tri. - Mumbai)], the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai, held that CSR activities are integral to a company's operations. The tribunal emphasized that CSR is not merely charity but has a direct bearing on a company's manufacturing activities and its relationship with stakeholders. Consequently, the tribunal allowed CENVAT credit on service tax paid for CSR-related services.

With the introduction of the GST in 2017, the debate on ITC availability for CSR expenditures resurfaced. Under Section 16 of the CGST Act, a registered person is entitled to ITC on goods or services used "in the course or furtherance of business." Companies argued that since CSR activities are mandatory under the Companies Act, 2013, and contribute to the furtherance of business by enhancing reputation and goodwill, ITC should be available for such expenses. Section 17(5) of the CGST Act, specifically blocking ITC on goods or services used for CSR activities. This amendment clarified that ITC would not be available for expenses related to mandatory CSR

obligations. The rationale was to align with the provisions of the Income Tax Act, 1961, which also disallows deductions for CSR expenditures. A recent judicial pronouncements have upheld the restriction on availing ITC for CSR-related expenses. In Pristine Industries Ltd., In re, the Authority for Advance Ruling (AAR) held that ITC is not available for goods or services used for CSR activities, emphasizing that such expenses are excluded from the purview of ITC

Message to Members

As we navigate these evolving regulatory landscapes, the role of Chartered Accountants has never been more critical. Whether it is interpreting complex laws, advising businesses on strategic decisions, or ensuring compliance, we are at the forefront of driving financial discipline and economic growth. Let us continue to engage in knowledge-sharing and uphold the highest standards of our profession.

We hope this bulletin serves as a valuable resource for your practice. Stay updated, stay informed, and let's continue to lead with integrity and expertise.

Appeal

We, at Chartered Accountants Study Circle, request members to contribute articles for the bulletin and you may contact the editorial board regarding the same. We have been regularly conducting technical programmes every month. Members are requested to attend the programmes conducted by CASC and are also requested to send their suggestions and / or value additions to the services provided by CASC including this Bulletin. The same can be sent as hard copy to the office of the CASC or emailed to admin@casconline.org or to any of the members of the Management Committee of the CASC. Any member interested in using the CASC platform for addressing our members on technical topics may kindly feel free to contact us by way of email at admin@casconline.org

For and on behalf of the Editorial Board

Bhuvaneshwari.R.V.

CA. BHUVANESWARI R.V.

GLIMPSES FROM THE MONTHLY MEETING HELD ON 09.01.2025

SPEAKER : CA.K.VASUDEV JOSHI

TOPIC - STRATEGIES FOR ADHERING TO REVERSE CHARGE REGULATIONS



GLIMPSES FROM THE MONTHLY MEETING HELD ON 30.01.2025

SPEAKER : CA.K.VIVEK

TOPIC - LANDMARK RULINGS IN 2024



GLIMPSES FROM THE 25TH ARC @ AHMEDABAD





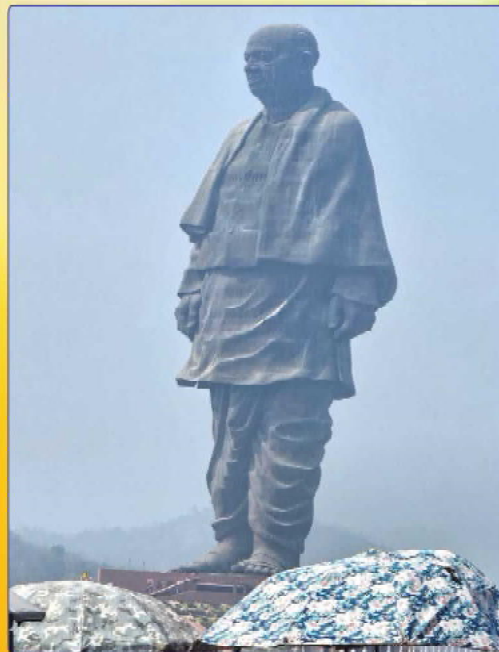












PRESENT MEMBERS OF THE MANAGEMENT COMMITTEE
OF THE CHARTERED ACCOUNTANTS STUDY CIRCLE
IN ALPHABETICAL ORDER

S.No.	Name	Email ID	Mobile No.
1	CA. Akshunn Daga G	caakshunndaga@ gmail.com	8695234818
2	CA. Balaji V	balaji.venkat@ gmail.com	9003067900
3	CA. Bhuvanewari R V	ca.bhuvanewari@ gmail.com	9894314621
4	CA. C. Madasamy	cmsamyca@ yahoo.co.in	9841113526
5	CA. Manikandan S	smanik85@ yahoo.com	9884756461
6	CA. Praveen T Venkatesulu	rtrpraveen89@ gmail.com	9884525023
7	CA. C.S. Ramesh Babu	fca.ramesh@ gmail.com	9840134257
8	CA. Thulasidaran V	vthulasi97@ gmail.com	9884029712
9	CA. Uttamchand Jain	uttamchallani@ gmail.com	9840123097

EDITORIAL BOARD

CA. Balaji V

Editor

CA. Bhuvanewari R.V

Member

CA. Praveen T.V

Member

DISCLAIMER

The contents of this Monthly Bulletin are solely for informational purpose. It neither constitutes professional advice nor a formal recommendation. While due care has been taken in assimilating the write-ups of all the authors. Neither the respective authors nor the Chartered Accountants Study Circle accepts any liabilities for any loss or damage of any kind. No part of this Monthly Bulletin should be distributed or copied (except for personal, non-commercial use) without express written permission of Chartered Accountants Study Circle.

COPYRIGHT NOTICE

All information and material printed in this Bulletin are subject to copyrights of Chartered Accountants Study Circle and its contributors. Any reproduction, retransmission, republication, or other use of all or part of this document is expressly prohibited, unless prior permission has been granted by Chartered Accountants Study Circle. All other rights reserved.

ANNOUNCEMENTS

1. The copies of the material used by the speakers and provided to CASC for distribution, for the regular meetings held twice in a month is available on the website and is freely downloadable.
2. Earlier issues of the bulletin are also available on the website in the “News” column.

The soft copy of this bulletin will be hosted on the website shortly.

READER'S ATTENTION

You may please send your Feedback/ Contributions/ Queries on Direct Taxes, Indirect Taxes, Company Law, FEMA, Accounting and Auditing Standards, Allied Laws or any other subject of professional interest to admin@casconline.org

For Further Details contact :

“The Chartered Accountants Study Circle”

“Prince Arcade”, 2-L, Rear Block, 2nd Floor, 22-A, Cathedral Road,
Chennai - 600 086. Phone 91-44-28114283

Log on to our Website : www.casconline.org

For updates on monthly meetings and professional news.

Please email your suggestions / feedback to admin@casconline.org

RECENT JUDGEMENTS IN VAT / CST / GST

Cross Empowerment: Without considering the proceedings initiated by the Central Authorities, the State Authorities had also initiated a similar proceeding and issued the impugned Form ASMT-10. Further, the petitioners' submit that now, the Central



CA. V.V. SAMPATHKUMAR

Authorities have issued DRC-01A on 08.10.2024 with regard to the wrongful availment of a sum of Rs.13.10 Crores. Therefore, the petitioners submit that the impugned Form DRC ASMT-10 issued by the State Authorities shall be quashed. In support of the law regarding the negative blocking, the learned counsel referred to the judgement of the Hon'ble Division Bench in Samay Alloys India Pvt. Ltd., vs. State of Gujarat reported in 2022 (61) GSTL 421 (Guj.) and also the judgement of High Court of Delhi in Best Crop Science Pvt. Ltd., vs Principal Commr, CGST Commissionerate reported in (2024) 22 Centax 531 (Del.). In the absence of any further orders, subsequent to the issuance of ASMT-10 by the State Authorities, it is pre-mature to decide as to whether the State Authorities are barred by cross empowerment or not. Even if the State Authorities are barred by cross empowerment for initiation of proceedings

against the petitioner, the blocking of ITC will always be the domain of State Authorities, which was also accepted by the Central Authorities, since the petitioners are registered person of the State Authorities. The Court ruled that the State Authorities are empowered to pass blocking orders to the extent of credit, which was fraudulently availed and available in ECL for discharge of output tax liabilities either at the time of blocking or subsequently, in the event if the same was already utilised. Though the issues raised by the Central and State Authorities are similar in nature, if the period, for which the notice was issued, is different, both the Authorities are empowered to initiate the proceedings for the respective period. **M/s.Skanthaguru Innovations P Ltd Vs 1.CTO, Thiruvallikeni Assessment Circle, 2.AC (ST), Review, Appeal and Legacy, Chennai South-I, 3. Supdt of GST, HPU, Chennai North, 4.Principal Commr of GST & CE, Chennai North Commissionerate, W.P.No.29872 of 202428.11.2024**

Opportunity: Impugned order came to be passed against the petitioner, behind their back, as the respondent-Department has not taken any steps to serve any notices/ communications, which culminated in the impugned order directly through physical mode of service and made it available only in the GST Portal, that too,

not in the usual column, which the petitioner used to verify , viz., under the tab “View Notices and Orders”, but under the different column, “View of additional notices and orders”, therefore, petitioner, who was not aware of those notices, could not file reply nor appear before the respondent on the date fixed for personal hearing, however, the respondent, without hearing the petitioner proceeded to confirm the proposals contained in show cause notice and passed the present impugned order. Thus, it is clear that the respondent passed the impugned order without affording an opportunity of hearing to the petitioner, which is in total violation of principles of natural justice. Therefore, this Court set aside the impugned order with directions. **M/s. Ace Industrial Gases (P) Ltd. Vs. The Assistant Commissioner (ST), Gummidipoondi Assessment Circle, W.P.No.32242 of 2024. DATED : 29.10.2024**

ITC : The present Writ Petition is filed challenging the assessment order dated 22.04.2024 for the period 2018~2019, on the premise that the Input Tax Credit has been disallowed only on the ground that the claims have been lodged beyond the period prescribed under Section 16(4) of the GST Acts. The learned counsel for the petitioner would submit that earlier this Court has on numerous occasions, remanded on the basis of the Bill proposing the present

amendment. The learned Government Advocate for the respondent would submit that they would re-do the assessment taking into account the Finance (No.2) Act, 2024. In view thereof, the impugned order passed by the respondent dated 22.04.2024 is set aside. The learned assessing/ adjudicating authority/ respondent would re-do the assessment by taking into account the amendment. **M/s.Vishaha & Co.,Vs.The State Tax Officer, Bhavani Assessment Circle, W.P.No.25904 of 2024 DATED: 28.11.2024**

SCN and ORDER: It was submitted by the learned counsel for the petitioner that inasmuch as the impugned order traverses beyond the Show Cause Notice, the impugned order is liable to be set-aside. The learned counsel for the respondents would submit that in view of the apparent discrepancies between the Show Cause Notice and the order of assessment, the petitioner may submit their response treating the impugned order as Show Cause Notice and submit its reply along with supporting materials within a period of two weeks. In view this, the impugned order was set aside by the Hon'ble Court and issued certain directions to both the parties. **M/ s.S.P.K.Enterprises Vs. 1.The Deputy State Tax Officer-I, and 2.The Assistant Commissioner (ST), Thiruvottiyur Assessment Circle 3.The Branch Manager, Indian Bank, ETPS,Ennore, Chennai-57. W.P.No.33875 of 2024 DATED : 28.11.2024**

Penalty and Interest: It is submitted by the learned counsel for the petitioner that they had reversed the entire input tax credit and what remains is only interest and penalty. It is further submitted by the learned counsel for the petitioner that they have already remitted the entire disputed tax and they may be granted an opportunity before the adjudicating authority to put forth their objections to the proposal. Taking into account the peculiar facts of the case, wherein, the petitioner has already remitted the entire disputed taxes, this Court viewed that the petitioner may be granted one final opportunity to put forth his objections, which was not objected to by the learned Special Government Pleader for the respondent. Stating so, the impugned order is set aside with directions. **M/s.ISTONE Technologies Vs. The Deputy Commercial Tax Officer- I Chinthadripet Assessment Circle, W.P.No.35968 of 2024 DATED: 02.12.2024**

Extra Nuclear Alcohol: The respondent had passed Assessment Orders under TNVAT Act, for the period from 2017-2018 to 2021-2022 on 16.10.2024 levying VAT on sales of Extra Neutral Alcohol. The learned counsel for the respondent submitted that counter has now been filed wherein, it is clarified that the Extra Nuclear Alcohol,

for the period between 01.07.2017 to 31.10.2024, can be taxed only under GST Act and not under VAT Act. These Writ Petitions are closed and the impugned orders are set aside. It is made clear that this Court has not expressed anything on merits and it is open to the respondent to proceed in accordance with law. **M/s.Southern Agrifurane Industries Private Limited, Vs.The Assistant Commissioner (State Tax),Villupuram - 1, W.P.Nos.34562 etc of 2024 DATED : 26.11.2024**

GSTR 3B and GSTR 2A: An intimation in ASMT-10 was issued on 02.03.2024, followed by a show cause notice in DRC-01 on 03.04.2024. Thereafter, reminders were also issued on 08.05.2024 and 06.07.2024. However, the petitioner had not responded to any of the above notices / intimation, the impugned order was thus passed confirming the proposal. It is submitted by the learned counsel for the petitioner that if the petitioner is provided with an opportunity, he would be able to explain the discrepancy between GSTR 3B and GSTR 2A. Reliance was also placed upon the recent judgment of this Court in Sree Manoj International Vs. DSTO in W.P.No.10977 of 2024 dated 25.04.2024, to submit that this court has remanded the matter back in similar circumstances subject to

payment of 10% of the disputed taxes. Stating so, the impugned order dated 22.07.2024 is set aside with directions as to remittance of 10% of tax and time etc., **M/s.Paruma Enterprises, Vs. The Assistant Commissioner [ST], N.S.C. Bose Road Assessment Circle, W.P.No.34787 of 2024 DATED: 02.12.2024**

Interest: The Ld counsel for the petitioner submitted that entire taxes have been paid and that they are willing and ready to pay the interest part but would request some time to remit the interest inasmuch as the petitioner is facing severe financial crises. Ld Additional Government Pleader appearing for the respondents would submit that it is always open to the petitioner to avail their remedy under Section 80 of the Act. Petitioner submits that the petitioner had no other option but to approach the court inasmuch as there is recovery proceedings, which is initiated and the application u/ s 80 does not enable them to seek any interim protection. Taking into fact that the petitioner have already remitted the entire taxes, they shall pay the interest of Rs.28,87,154/ - in ten equal monthly instalments. The first instalment shall be on the 15th of December, 2024, followed by 15th of every successive months. The attachment shall be lifted/ withdrawn, on the payment of the

first instalment. If there is any default, the entire sum shall become due and payable in one lumpsum. It is always then open to the respondent authorities to proceed with the recovery proceedings, in accordance with law. **M/s.Priya Associates, Vs.1.DC(ST), Kancheepuram Zone, Kancheepuram-1 2. The DSTO-1, Sirperumbudur Assessment Circle,3.The Bank Manager, Yes Bank, Sriperumbudur-5. W.P.No.35657 of 2024 DATED : 26.11.2024**

Article 226 jurisdiction: Normally jurisdiction under Article 226 would not be entertained when there is an alternate remedy, however the same is not an absolute bar but is a self-imposed restriction and has exceptions carved out to the above rule, one such exception is where the order is without jurisdiction. The assessment made in the name of dead person has been held to be a nullity and would thus fall within the exception to the rule of alternate remedy. **Mrs.Lakshmi Periyasamy vs 1. State Tax Officer, Vanagaram Assessment Circle, Vanagaram. 2.The Deputy Commissioner (ST), Poonamallee Zone, Poonamallee. WP No.34380 of 2024 DATED: 25.11.2024**

Excess of demand than in SCN: The petitioner's status as intermediary was set out in the impugned order for the first time which resulted in the increase in the demand of taxes and the consequential interest and penalty in the impugned order being in excess of the amount specified in the notices, it was submitted by the learned counsel for the respondent that the petitioner may treat the impugned order of assessment as a show cause notice and submit their reply within a period of 3 weeks from the date of receipt of a copy of this order. If any such reply is filed the same would be considered and orders would be passed on merits in accordance with law after affording the petitioner a reasonable opportunity of hearing. Stating this, the Court set aside the impugned order with directions. **M/s.Glo Shipping Logistics Pvt. Ltd Vs. The State Tax Officer, Kilpauk Assessment Circle, W.P. No.33358 of 2024 DATED : 12.11.2024**

(The Author is a Chennai based Chartered Accountant in Practice. He can be reached at vvsampat@yahoo.com)

CASE LAWS - GST

1. **GST – INDIAN COMPANY SETTING UP COMPANIES IN MALDIVES FOR CONSTRUCTION OF AN IMMOVABLE PROPERTY PURSUANT TO AGREEMENT ENTERED INTO BETWEEN**



CA. VIJAY ANAND

GOVERNMENT OF INDIA WITH GOVERNMENT OF MALDIVES AT MALDIVES – NO LEVIABILITY OF GST IN INDIA

In Sri Avantika Contractors (I) Ltd. v. Appellate Authority for Advance Ruling (GST) 2024(91) GSTL 75/ (2024) 23 Centax 239 (Telangana), Government of India (GoI) entered into a Memorandum of Understanding (MoU) with Government of Maldives for constructing a Police Academy funded by the GoI. In turn, the GoI appointed National Buildings Construction Corporation Ltd., (NBCCL) to execute the construction of Police Academy by itself or through a contractor. NBCCL awarded contract to the petitioner.

In order to complete the work at Republic of Maldives (Maldives), the NBCCL sets up an office and in turn the petitioner also set up their office at Addu city, Maldives. The Authorized

Dealer Bank {Oriental Bank of Commerce (OBC)}, which is acting on behalf of Reserve Bank of India approved the establishment of branch office of petitioner in Maldives.

The petitioner treated the consideration received towards ‘works contract service of construction’ which was completely executed in the territory of Maldives through their Maldives establishment as outside the scope of GST laws of India. NBCCL did not pay GST on the construction to the petitioner and also opined that supplies rendered outside India are beyond the purview of GST.

NBCCL had obtained a legal opinion wherein it was opined that the project executed in Maldives is neither taxable under the Service Tax regime before 01.07.2017 nor thereafter under the GST regime consequent to which no amount of GST is to be reimbursed to the contractor/ petitioner. However, it was further opined that since a huge amount was involved in respect of GST, the petitioner may request for an ‘advance ruling’ from GST authority on the taxability issue. In turn, the petitioner.

On the petitioner’s application seeking advance ruling, an adverse ruling was given against which the petitioner’s appeal was rejected by the appellate authority. On a writ petition, the high court observed as under:-

-
1. Taxation fundamentally operates as a legal principle, structured by a comprehensive set of laws, regulations, and statutory provisions that establish the processes for calculating, levying, and allocating taxes. These legal instruments, enacted by legislative bodies, aim to ensure fairness, equity, and the effective financing of public services. They are crafted to prevent tax evasion, stimulate economic progress, and equitably distribute the tax obligation.
 2. However, the application of tax law is not a mere application of set rules. The determination of taxes involves a deep dive into the factual aspects of each taxpayer's circumstances. The practical details of each case including income streams, allowable deductions, business operations, and investment activities are critical in applying the legal framework. Each taxpayer's circumstances are distinct, necessitating a careful approach to determine tax obligations based on factual elements.
 3. There was no dispute between the parties that an MoU was entered into between the GoI and Government of Maldives for the construction. In turn, another contract was entered into between the GoI and NBCCL. NBCCL was treated to be an 'Executing Agency' and was authorized to get the work done

through any other agency. In turn, another contract between NBCCL and the petitioner was entered into pursuant to which the works contract services were rendered in Addu city of Maldives.

4. The petitioner was ‘re-registered’ at Maldives under provisions of Maldivian laws. The petitioner engaged a sizable number of persons to execute the work and also established a site office. Similarly, NBCCL in order to supervise the work and get it executed through petitioner, established its office and both engaged a sizable number of persons.
5. The location of registered office of petitioner and NBCCL are in India and all the contracts mentioned hereinabove were entered into between the parties within the territory of India. The payment was required to be made in Indian Rupees. These are the only events which have taken place within the territory of India. The other things i.e., ‘re-registration’ of the petitioner at Maldives, establishment of site office/ establishment by the petitioner and NBCCL at Addu city of Maldives and the construction of ISLES pursuant to works contract services had taken place within the territory of Maldives.

-
6. The petitioner's contention was not accepted by the first appellate authority due to the following:-
- a. As per the agreement, the petitioner will receive consideration from NBCCL in 'Indian Rupees'.
 - b. The petitioner was registered under laws and regulations of Maldives.
 - c. NBCCL was engaged under the aegis of the Ministry of Urban Development as the 'Executing Agency' and its office was located at New Delhi from where 'individual goods and services' involved in the works contract are supplied and from where services are received is immaterial in determining the location of recipient and supplier.
 - d. The services (works contract services) have to be looked in a holistic manner and the promise to deliver has been made by the petitioner which will be held responsible for the non-performance of the agreement.
 - e. The supply agreement to perform is being made from the place of business for which registration has been obtained at Hyderabad. Thus, Hyderabad will be the location for the supplier of services.

-
- f. As per definition of ‘person’, ‘company’ and ‘foreign company’, the petitioner and re-registered company at Maldives are separate legal ‘persons’ and thus, are separate legal entities.
- g. The registered place of business of M/ s. Sri Avanthika Contractors (I) Limited, Maldives cannot be considered as ‘fixed establishment’ of the petitioner.
- h. The ‘location of the supplier’ is the registered place of business of the applicant i.e., Hyderabad.
- i. NBCCL is the recipient of services located at New Delhi. Thus, New Delhi will be the ‘location of the recipient of services’. Since the location of the recipient of services and location of supplier of services are located in India and services are directly in relation to contract of immovable property Section 12 (3) (a) of the IGST Act would apply. Since locations of both are held to be in India, the questions raised by the petitioner were answered against him.
7. The petitioner and NBCCL have admittedly opened their establishments to execute and oversee the work at Maldives. The construction activity took several years. During this period, a sizeable number of persons were engaged by the petitioner and NBCCL.

-
8. In this backdrop, the question is whether such establishments of the petitioner and NBCCL can be treated to be ‘fixed establishment’ under Section 2(7) of the IGST Act.
 9. A careful reading of Section 94 (a) indicates that an existing company registered outside Maldives needs to get itself ‘re-registered’ before commencing any business in Maldives. The aforesaid Certificate of Re-registration was obtained by the petitioner as per the requirement of Section 94 (a). It is clear like noon day that same company registered outside Maldives (in India) got re-registered. Thus, it is difficult to hold that merely because petitioner got Certificate of Re-registration under the Maldivian law, the Maldivian entity became a separate legal entity or person.
 10. If this finding given in OIA is accepted that the petitioner and re-registered Maldivian entity are two separate legal entities, it will be difficult to understand under which authority/ contract the said independent legal entity of Maldives was permitted to execute the work. Admittedly, no contract is entered into between respondent Nos.1 and 2 with the re-registered entity of Maldives. In absence thereof, it is difficult to give seal of approval to the finding that the ‘works contract services’ were rendered at Maldives by independent/ separate legal entity.

-
11. For these cumulative reasons, it was held that the petitioner and NBCCL had ‘fixed establishments’ at Addu city, Maldives and the petitioner was ‘re-registered’ at Addu which is evident from the re-registration certificate.
 12. The parties have rightly placed reliance on the judgment of Supreme Court in the case of *Appropriate Authority Vs. Sudha Patil* (1998) 101 Taxmann 286/ 235 ITR 118 (SC) consequent to which the interference can be made if (i) High Courts come to the conclusion that in arriving at the conclusion, the authority has failed to consider some relevant material (ii) has considered some extraneous irrelevant materials, (iii) findings are based on no evidence and (iv) the finding is such that no reasonable man can come to such a conclusion on the basis of which the finding has been arrived.
 13. The learned Appellate Authority although mentioned that petitioner’s main contention was based on Section 13 (4) of the IGST Act, during the entire analysis, he has not assigned any reason as to why Section 13 (4) cannot be pressed into service and instead Section 12 (3) of the IGST Act will hold the field. Similarly, Section 8 and Explanations appended to it on which reliance is placed by the petitioner and NBCCL have not been

considered. Thus, one of the parameters for judicial review i.e., Authority has failed to consider relevant material is certainly attracted. The impact of such non-consideration of said provisions will be discussed hereinafter.

14. The learned Appellate Authority clearly erred in holding that from where services were supplied pursuant to 'works contract' is immaterial. This finding runs contrary to the statutory provisions. Section 2(14) of the IGST Act defines 'location of recipient of services'.
15. There is no any merit in the finding given in the OIA and argument advanced to support it for the simple reason that the language employed in Clause (a) is 'where a supply is received at a place of business for which the registration has been obtained'. Where supply is received is certainly the determinative factor and learned Appellate Authority has gone wrong in holding that the said aspect is immaterial. The 'works contract services' were supplied and received at Maldives and not at Hyderabad or New Delhi where registered office of NBCCL is situated. Thus, Clause (a) of Section 2 (14) has no application in the instant case. In our view, Clause (b) of Section 2 (14) will hold the field.

-
16. Clause (b) in no uncertain terms throws light that where supply is received, is material and determinative factor to decide 'location of recipient. The supply in the instant case is admittedly received by the 'fixed establishment' of NBCCL at Maldives. No registration of recipient under the Indian law was separately made for NBCCL at Maldives.
17. Thus, it is crystal clear that it was received at 'fixed establishment' *i.e.*, a place other than the place of business for which registration was obtained *i.e.*, New Delhi. Section 2(15) defines 'location of the supplier of services'.
18. A comparative reading of definitions of 'location of recipient of services' and 'location of supplier of services' shows that only difference between two provisions is relating to 'receiving' and making the 'supply'. Otherwise, provisions are identically worded.
19. The supply is certainly made through 'fixed establishment' at Maldives, which is other than the place of registration of business of the petitioner *i.e.*, Hyderabad.
20. Hence, the Appellate Authority erred in interpreting and understanding the definitions of 'location of recipient and

supplier'. The erroneous reading and understanding of Section 2(7), (14) and (15) in the OIA has 'dislocated' the location of recipient and supplier.

21. While prescribing about 'Intra-State Supply', the statute (Explanation 1) takes care of a situation where a person has an 'establishment' in India and any other 'establishment' outside India. Explanation 2 further provides that if the person carrying on a business has a branch or agency or representational office in any other territory, it shall be treated as an establishment in that territory. This provision has totally escaped notice of learned Advance Ruling Authority and Appellate Authority.
22. A combined reading of Explanations 1 and 2 shows that if the petitioner had any 'establishment' in Maldives, it must be treated to be his 'establishment' in that territory and such establishment shall be treated as 'establishment' of distinct person. Once such 'fixed establishment' is treated to be as establishment of distinct person and treated as his 'representational office' in other territory, it will be clear that the 'work contract services' performed by the petitioner are relating with the 'establishment' of the petitioner in India and his 'fixed establishment' in Maldives is his other establishment or 'representational office'.

-
23. In the peculiar facts of this case, distinct person mentioned in Explanation-I will not mean that petitioner's Maldivian establishment is a separate and independent legal entity as projected in impugned OIA dated 16.07.2022. At best, it may be treated as an artificial juridical person as per Section 2 (84) (n) of the CGST Act. Similarly, the location of the petitioner's registered office at Hyderabad or NBCCL's office at New Delhi will not be the decisive factor.
24. If the aforesaid Explanations to Section 8 of the IGST Act are read conjointly with Section 2 (14)(b) and 2 (15)(b), the conclusion will be inevitable that the 'establishments' of the petitioner and respondent No.2 were 'fixed establishments' at Maldives which were not at a place of the registered place of business i.e., Hyderabad and New Delhi respectively.
25. The finding given by learned Appellate authority are mutually inconsistent. On the one hand, he opined that where the services were supplied is immaterial and on the other hand it is held that the supply and the agreement to perform is being made from the place of business i.e., Hyderabad which became decisive factor for him.

-
26. The heading of Section 12 of the IGST Act suggests that the provision was introduced in order to determine the place of supply of services where the location of supplier and recipient is within the territory of India. Except proviso to sub-section (3) of Section 12, the entire Section 12 deals with the aspect of determination of place of supply of services where location of both i.e., recipient and supplier is within India.
27. The proviso to Section 12(3) was interpreted by learned Appellate Authority in the line of his finding that Avantika Contractors (I) Limited, Maldives, cannot be treated as 'fixed establishment'. The re-registered body of the petitioner at Maldives is a different legal entity than the petitioner and Sections 2(14)(a) and (15) (a) will be applicable for deciding the 'location of supplier and recipient'.
28. The said proviso, in no uncertain terms, makes it clear that if location of immovable property is outside India, the place of supply shall be the location of recipient.
29. The purpose of proviso was considered by the Supreme Court in Sundaram Pillai v. Pattabiraman (1985) 1 SCC 591, Swadeshi Match AB v. Securities and Exchange Board of India (2004) 11 SCC 641 and Southern Petrochemical Industries Co. Ltd.

v. Electricity Inspector & ETIO (2007) 5 SCC 447 wherein it was held that the proviso serves the following four purposes:-

- i. Qualifying or excepting certain provisions from the main enactment;
 - ii. It may entirely change the very concept of the intendment of the enactment by insisting on certain mandatory conditions to be fulfilled in order to make the enactment workable;
 - iii. It may be so embedded in the Act itself as to become an integral part of the enactment and thus acquire the tenor and colour of the substantive enactment itself; and
 - iv. It may be used merely to act as an optional addenda to the enactment with the sole object of explaining the real intendment of the statutory provision.
30. The first and second purpose mentioned above squarely covers proviso to Section 12(3) of the IGST Act. It is qualifying/excepting a situation from Section 12 of the IGST Act which necessarily deals with a situation which happens within India. Similarly, it changes the concept of intendment in cases where location of immovable property is outside India.

-
31. Thus, the opinion that even as per the aforesaid proviso, the location of recipient will be in Maldives. The proviso was inserted with above mentioned purpose and its literal interpretation does not make it redundant or otiose.
32. In the peculiar factual backdrop of this case, the location of immovable property in Maldives/ outside India. Hence, the place of supply shall determine the 'location of recipient'.
33. As analysed above, the place of supply of services is at Addu, Maldives. The 'location of recipient' is already interpreted by us by holding that as per Section 2(14)(b), it will be the 'fixed establishment' of respondent No.2 which will be the location of recipient.
34. Thus, even as per the aforesaid proviso to Section 12(3), the OIA passed by the Appellate Authority cannot be approved.
35. As heading suggests, Section 13 of the IGST Act is a direct and special provision which deals with a matter of this nature where the place of supply of service (carrying out construction work) and location of supplier and location of recipient is outside the territory of India.

36. A plain reading of Section 13 (4) makes it clear like cloudless sky that the ‘place of supply’ in relation to an immovable property for carrying out construction work shall be the place where the immovable property is located. Section 13 is clear and unambiguous and hence must be given effect to irrespective of its consequences.

37. In the peculiar facts of this case, since the supply of service and location of recipient and supplier is outside India, the question of levy and collection of tax in the teeth of Section 9 of the CGST Act or Section 5 of IGST Act does not arise. The said provisions can be pressed into service only in cases of intra-state and inter-state supplies respectively.

Hence, it was held that the learned Appellate Authority has taken a view which no reasonable man well-versed with the subject can take upon reading the relevant provisions of the Acts and the OIA was set aside and the department was directed to reimburse the amount of GST, interest and penalty (if any) deposited by the petitioner in respect of construction services provided in Maldives as per contract dated 08.07.2016 within 90 days.

(The Author is a Chennai based Chartered Accountant in Practice. He can be reached at rechanandvis@gmail.com)

TP ADJUSTMENTS IN INDIA: A REVIEW OF RECENT TRENDS AND CASE LAWS

Introduction

India's Transfer Pricing framework has become increasingly robust and sophisticated over the past two decades. With the growing complexity of global business structures and transactions, the Indian tax authorities have intensified their focus on TP to curb tax base erosion and ensure the alignment of intra-group pricing with market principles. This article reviews recent trends in TP adjustments in India, examines notable case laws, and explores the implications for MNEs operating in the country.



ESHAAN SINGAL

1. Evolution of Transfer Pricing in India

1.1. Genesis and Growth

The TP regime in India was formally introduced in the year 2001 under Sections 92 to 92F of the Income Tax Act, 1961. Its primary goal was to ensure that international transactions between AEs are conducted at ALP, thereby preventing profit shifting and safeguarding India's tax base.

1.2. Role of OECD and BEPS

India's TP regulations are largely influenced by the guidelines of the OECD. With India being an active participant in the BEPS initiative, the incorporation of BEPS Action Plans—especially Action Plan 13, which introduced CbCR—has significantly shaped the Indian TP framework.

1.3. Introduction of Safe Harbor Rules and Advance Pricing Agreements (APAs)

To reduce disputes and provide certainty to taxpayers, Safe Harbor Rules were introduced in 2013, followed by the APA program. These measures have contributed to reducing litigation and fostering a collaborative approach between taxpayers and the tax authorities.

2. Recent Trends in TP Adjustments

2.1. Focus on High-Risk Transactions

Indian tax authorities have intensified scrutiny on transactions involving intangible assets, intra-group services, and royalties. These transactions are often seen as vehicles for shifting profits.

Intra-group Services: Questions around whether the services provide economic value to the Indian entity.

Royalty Payments: Focus on benchmarking and justifying the payments for intellectual property rights.

2.2. Rise in Digital Economy Cases

The emergence of e-commerce and digital services has added complexity to TP adjustments. The valuation of digital transactions, user data, and algorithms remains a contentious issue.

Digital businesses often have limited physical presence but significant economic activity in India, leading to challenges in applying traditional TP rules.

2.3. Increased Use of APAs

The APA program has seen steady growth in India, with both bilateral and unilateral agreements being signed.

Benefits for Taxpayers: Certainty for up to five years (plus rollback for four years).

Impact on Litigation: Reduction in the number of disputes due to proactive resolution of pricing issues.

2.4. Evolution of Benchmarking Practices

There has been a shift towards more sophisticated benchmarking techniques:

Adoption of the Profit Split Method (PSM) for complex transactions involving intangibles.

Use of multiple-year data to reduce volatility in financial metrics.

3. Key Case Laws Shaping TP Jurisprudence

TP jurisprudence in India has been significantly influenced by landmark case laws that address various contentious issues. This section delves into key judicial pronouncements to provide insights into their implications for TP adjustments.

3.1. Royalty Payments and Intangibles

Case: CIT vs. Ericsson India Pvt. Ltd.

Issue:

The core question in this case was whether royalty payments made by Ericsson India to its parent company for using technical know-how could be considered at arm's length. The tax authorities argued that the royalty payments were excessive and sought to disallow a portion of the payments, contending that they did not align with the benefits received by the Indian subsidiary.

Ruling:

The Delhi High Court ruled in favor of Ericsson India, stating that as long as the royalty payments were supported by robust documentation and benchmarking analyses, they should be considered at arm's length. The Court emphasized the following points:

- The agreement between the parent and subsidiary for royalty payments was legitimate and commercially justified.
- The tax authorities must rely on comparative data to question the arm's length nature of royalty payments.
- Payments made for genuine technical know-how and intellectual property rights, supported by proper documentation, should not be arbitrarily challenged.

Implications:

This ruling underscored the importance of maintaining detailed and accurate documentation for royalty payments. It also highlighted the need for the tax authorities to provide concrete evidence when challenging such transactions.

Case: Maruti Suzuki India Ltd. vs. CIT

Issue:

This case revolved around marketing intangibles, specifically whether Maruti Suzuki India's advertising, marketing, and promotion (AMP) expenses, incurred to promote the "Suzuki" brand in India, resulted in a TP adjustment. The tax authorities contended that these expenses benefited the parent company, Suzuki Motor Corporation, and hence a portion of the costs should be reimbursed by the parent.

Ruling:

The Delhi High Court ruled in favor of Maruti Suzuki, stating that a detailed functional analysis was necessary to determine the actual economic benefit to the parent company. The Court observed:

- Merely incurring AMP expenses does not imply that the Indian subsidiary is creating marketing intangibles for the parent.
- A proper analysis of the functions, assets, and risks (FAR analysis) is required to establish a TP adjustment.
- The arm's length nature of AMP expenses cannot be determined solely based on the quantum of expenditure.

Implications:

This judgment provided clarity on the treatment of AMP expenses and set a precedent for disputes involving marketing intangibles. It also emphasized the need for detailed functional and economic analyses to support TP positions.

3.2. Intra-Group Services

Case: Deloitte Consulting India Pvt. Ltd. vs. DCIT

Issue:

The controversy in this case was whether the intra-group services received by Deloitte Consulting India from its parent company had economic value and were necessary for the Indian subsidiary. The tax authorities questioned the arm's length nature of the payments made for these services, arguing that the services were duplicative or did not result in tangible benefits.

Ruling:

The Bangalore ITAT held that it is the taxpayer's responsibility to:

- Demonstrate the necessity of the services received.
- Provide evidence of the economic or commercial benefit derived from the services.

-
- Benchmark the payments to establish that they are at arm's length.
 - The Tribunal ruled that Deloitte Consulting India failed to sufficiently demonstrate the economic value of the services and upheld the TP adjustment made by the tax authorities.

Implications:

This case highlights the challenges in substantiating the arm's length nature of intra-group service transactions. It reinforces the need for detailed documentation, including service agreements, invoices, and evidence of benefits received.

3.3. E-Commerce Transactions

Case: Flipkart Internet Pvt. Ltd. Vs. DCIT

Issue:

The primary issue was the valuation of discounts and incentives offered by Flipkart to its customers and whether these expenses were in line with the arm's length principle. The tax authorities argued that the significant discounts reduced the reported profits of the Indian subsidiary and sought to make a TP adjustment.

Ruling:

The Bangalore ITAT ruled in favor of Flipkart, stating that the business model of e-commerce companies relies heavily on customer acquisition through discounts and incentives. The Tribunal observed:

The tax authorities must take into account the commercial realities of the e-commerce sector.

Offering discounts is a legitimate business strategy, and the expenses incurred cannot be arbitrarily disallowed.

A holistic approach is needed to assess the overall profitability and long-term strategy of the business.

Implications:

This ruling was a landmark for e-commerce businesses in India, as it provided clarity on the treatment of discounts and incentives in TP adjustments. It highlighted the importance of understanding industry-specific practices in TP assessments.

3.4. Advance Pricing Agreements

Case: Shell India Markets Pvt. Ltd. Vs. CIT

Issue:

Shell India was accused of underreporting its taxable income due to TP manipulations. The tax authorities alleged that the APAs entered into by the company were used to shield income that should have been subject to tax in India.

Ruling:

The Bombay High Court ruled in favor of Shell India, reaffirming the binding nature of APAs. The Court noted:

- APAs provide certainty and clarity to taxpayers and tax authorities.
- Once an APA is approved, it cannot be arbitrarily overridden by the tax authorities.
- The tax authorities must honor the terms and conditions of the APA and ensure that adjustments made are consistent with the agreed-upon methodology.

Implications:

This ruling reinforced the credibility of the APA program in India and encouraged more taxpayers to consider this mechanism for

resolving TP disputes. It also emphasized the importance of adhering to the principles of certainty and transparency in TP assessments.

4. Challenges Faced by Taxpayers

TP compliance in India is intricate and comes with significant challenges. Taxpayers must navigate a complex regulatory framework, often leading to disputes and a heavy administrative burden. Key challenges include:

4.1. Compliance Burden

India's TP regulations demand extensive compliance from taxpayers, particularly in maintaining and submitting documentation for international transactions with associated enterprises.

Master Files and Local Files:

Taxpayers must prepare and maintain detailed Master Files and Local Files to provide a comprehensive view of the global business operations and local transaction specifics.

- **Master Files:** Include details of the global group, such as organizational structure, business descriptions, and intangibles.
- **Local Files:** Contain details of transactions undertaken by the Indian entity, including benchmarking analyses.

-
- **Country-by-Country Reporting:** CbCR requirements demand disclosure of revenue, profits, employees, and tax paid by each entity in the global group. Non-compliance can lead to penalties and increased scrutiny.

The administrative burden of compiling, maintaining, and updating these documents annually is significant, particularly for small and medium-sized enterprises (SMEs) operating under MNE umbrellas.

4.2. Uncertainty and Litigation

Despite mechanisms like APAs, disputes remain prevalent. Subjective interpretations of the arm's length principle often lead to prolonged litigation.

Inconsistent Assessments: Different tax authorities may adopt varying interpretations of pricing methodologies and transaction valuations, leading to conflicting judgments.

Prolonged Dispute Resolution: The backlog in courts and tax tribunals contributes to delays, often leaving taxpayers in limbo for years.

Uncertainty in Valuation of Intangibles: Determining the value of intellectual property and other intangibles continues to be a gray area, fueling disputes.

4.3. Double Taxation

One of the most pressing challenges is the risk of double taxation due to TP adjustments.

Reasons for Double Taxation:

- The Indian tax authorities may increase taxable income in India, while the jurisdiction of the associated enterprise does not provide a corresponding adjustment.
- Absence or ineffective implementation of MAPs under Double Taxation Avoidance Agreements.
- This issue is particularly severe for transactions involving royalties, management fees, and intangibles, as countries often differ in their treatment of these items.

5. Opportunities and Best Practices for Taxpayers

Despite the challenges, taxpayers can adopt several strategies to minimize risks and improve compliance:

5.1. Proactive Use of APAs and MAPs

a. Advance Pricing Agreements:

APAs provide a pre-agreed pricing mechanism for specified transactions, offering certainty for up to five years, plus rollback for four years.

Benefits:

Avoids disputes by locking in pricing arrangements.

Reduces litigation risks.

Improves tax predictability.

b. Mutual Agreement Procedures:

Taxpayers should leverage MAPs under applicable DTAAAs to resolve double taxation issues and achieve relief.

Advantages:

Provides a platform for bilateral negotiation between tax authorities.

Aligns taxation outcomes with international norms.

5.2. Strengthening Documentation

Robust TP documentation serves as the first line of defense against adjustments.

Detailed Functional Analysis: Highlighting the roles, responsibilities, and risks assumed by each entity in the transaction.

Comparable Uncontrolled Price (CUP): Benchmarking transactions using comparable market data to justify pricing.

Maintaining contemporaneous documentation ensures that taxpayers are prepared for audits and assessments.

5.3. Collaboration with Authorities

Transparent Communication: Proactively engaging with tax authorities can help clarify ambiguities and prevent disputes.

Pre-Filing Consultations for APAs: Consulting with authorities before filing APAs ensures alignment on expectations and reduces the likelihood of rejection.

Voluntary Disclosures: Taxpayers should consider voluntary disclosures in cases of unintentional non-compliance to avoid penalties and build trust.

6. Policy Recommendations and the Way Forward

India's TP regime can be further strengthened by addressing key structural and operational challenges.

6.1. Simplification of Rules

Streamlined TP Compliance: Simplifying documentation requirements, particularly for SMEs, can reduce compliance burdens.

Thresholds for Documentation: Raising thresholds for mandatory documentation requirements can help smaller entities focus on core business activities.

6.2. Enhanced Capacity Building

Training for Tax Authorities:

Ensuring consistent application of TP rules requires regular training for officers on the latest regulations and international developments.

Specialized training in sectors like digital economy, pharmaceuticals, and e-commerce can improve assessment quality.

Technological Integration:

Tax authorities can use data analytics and AI to streamline assessments, ensuring faster and more accurate resolution of cases.

6.3. Addressing Digital Economy Challenges

Profit Attribution Rules: Developing clear guidelines for attributing profits to jurisdictions where digital businesses operate, even without significant physical presence.

Global Alignment: India should collaborate with international bodies like the OECD to develop frameworks for taxing digital economy players fairly.

Conclusion

India's TP framework has evolved significantly since its inception, with continuous refinements aimed at balancing the twin objectives of preventing tax base erosion and creating a conducive business environment. While initiatives like APAs and Safe Harbor Rules have provided relief, challenges such as compliance burdens, litigation, and adapting to the digital economy persist.

For MNEs, understanding the nuances of India's TP regime is critical. Proactive strategies, robust documentation, and collaboration with tax authorities can go a long way in mitigating risks. Meanwhile, policymakers must strive for simplification, capacity building, and global alignment to make India's TP framework more predictable and business-friendly.

By addressing these challenges and leveraging opportunities, India can strengthen its TP ecosystem, ensuring fairness and certainty for both taxpayers and the government.

(The Author is an Article Assistant. He can be reached at eshaansingal@gmail.com)

SLUMP SALE VS. DEMERGER - UNFOLDING TAX CONTRASTS

Introduction:

During the initial growth phase, organizations tend to house businesses having distinct value drivers and operating environments at a micro level, under a single roof. As the companies achieve specialization and grow further, there arises concerns about management focus, lack of transparency, hyper generalization, complex reporting structures within the organization, etc., thereby leading to a conglomerate discount. Such circumstance triggers the need to hive-off the business with the aim to create focused entities with distinct strategic goals and operational autonomy. The typical options considered are (1) Slump sale (2) Demerger, while there are other choices as well viz., stock sale, itemized sale etc.



CA. ABHINAYA MA

‘Slump sale’ is a pure tax terminology defined under section 2(42C) of the Income-tax Act, 1961 (‘the IT Act’) as transfer of one or more undertakings, by any means, for a lump sum consideration without values being assigned to the individual assets and liabilities in such sales. Slump sale can be undertaken by way of a Business Transfer

Agreement, which provides an edge over demerger from a timing perspective. Demerger, a corporate restructuring strategy, also referred as a spin-off or divestiture, involves hiving off a business undertaking under a scheme of arrangement under section 230 to 232 of the Companies Act, 2013 with an approval from the National Company Law Tribunal and hence, the process takes 6 to 10 months approximately.

W.e.f. April 1, 2021, slump exchange (i.e., sale of business undertaking for non-monetary consideration say, consideration in the form of shares) is also covered within the purview of ‘slump sale’ under section 50B of the IT Act. Given the above, one may wonder as to whether there are any contrasting features between slump sale and demerger (other than the process duration as discussed above) in today’s scenario. This article throws light on key Income tax aspects, which differentiates slump sale from demerger and also, assists the business in deciding the mode of reorganization.

1) Taxability in the hands of transferor

Demerger shall be tax neutral as per section 47(vib) r.w.s. 2(19AA) of the IT Act, subject to satisfaction of the following conditions:

Condition 1 - All the properties and liabilities of identified 'business undertakings' of Demerged company immediately before the demerger becomes the property of Resulting company by virtue of the demerger.Condition 2 - Transfer shall take place at book values, unless the companies follow Ind AS.Condition 3 - Shareholders holding not less than 3/ 4th in value of the shares in Demerged Company becomes shareholder of Resulting Company.

Condition 4 - Transfer of the business undertakings is on a going concern basis.Condition 5 - Resulting Company is an Indian Company.

On the other hand, there is no tax neutrality bestowed for a slump sale. Section 47(iv) / (v) of the IT Act may be invoked for a slump sale transaction between holding company and a wholly owned subsidiary on the basis that slump sale is chargeable to tax under section 45 of the IT Act, which is subject to section 47 and section 50B is merely a computation mechanism. Such a principle has been observed in the cases of **B.V. Reddy Marketing (P) Ltd. [2014] 42 taxmann.com 311 (Kar)**, **Nutrine Confectionary Co. (P) ltd. [2014] 45 taxmann.com 11 (Kar)**],

Accelerated Freeze Drying Co. Ltd. [2011] 337 ITR 40 (Ker).

Albeit, the applicability of section 47(iv) / (v) in a slump sale scenario is untested before courts.

Section 50B of the IT Act taxes capital gains arising from a slump sale as consideration less net worth of the business undertaking. Any undertaking that has been held by the transferor for more than 36 months shall be deemed to be a long-term capital asset irrespective of how long the individual assets comprised of in the undertaking have been held by the transferor [**Equinox Solution (P) Ltd [2017] 80 taxmann.com 277 (SC)**]. Capital gains shall be taxed at the rate of 12.5% (long term) plus surcharge and cess (or) slab rates (short term), as the case may be.

2) Requirement to transfer all assets and liabilities pertaining to a ‘business undertaking’

At the outset, whether to transfer an asset or not is a commercial decision to be taken and is not wholly driven by legal / taxation requirements. The same has been observed in the case of **Triune Projects (P.) Ltd [2017] 77 taxmann.com 40 (Del)**.

In fact, the Indian Courts have allowed the exclusion of specific assets or liabilities from being transferred, if (1) assets not transferred are ‘not essential’ for the business operations of such undertaking (2) the business can continue to operate even in the absence of the transfer of such assets or liabilities. The rationale is that if the transfer is of a ‘going concern’ and the transferee is able to carry on the business on the basis of the assets acquired, then the non-acquisition of the non-essential assets or liabilities of the business does not vitiate the characterization as a ‘slump sale’. Some key jurisprudences are as follows:

- In the case of **Rohan Software (P.) Ltd. [2008] 115 ITD 302 (Mum)**, where the taxpayer sold IT business with IPs, computer and furniture, certain assets such as Building, motor car etc. was not transferred. It was held that IT business transferred could operate even without such assets retained and hence, it was held to be a ‘slump sale’.

- In the case of **Mahindra Engineering & Chemical Products Ltd.[2012] 51 SOT 496 (Mum)**, all the tangible and intangible assets of the business of sealants and adhesives were transferred, except for land. The Tribunal observed that non-transfer of land would not be a crucial factor. On the other hand, suppose

trademarks, copyrights, know-how which are critical to business were not transferred, the case would not have been a business transfer.

- Where all assets and liabilities of assessee's business unit were transferred as a going concern at a fixed slump price, merely because two assets were excluded on date of transfer, it cannot be considered as a sale of depreciable assets. [**Akzo Noble India Ltd. [2022] 136 taxmann.com 12 (Calcutta)**]

To sum up, non-transfer of certain assets and liabilities of a business does not affect the characterization of a transaction as a 'slump sale', unless such assets / liabilities left over is critical without which the intended business cannot be carried out as a going concern.

While the above principles are upheld in the context of slump sale, the same can be applied even in the case of demerger, however, with an add-on condition. In a demerger, section 2(19AA) of the IT Act requires 'all' assets and liabilities pertaining to an undertaking to be transferred [**NOCIL Ltd. [2017] 82 taxmann.com 267**]. Thus, in case the left-over asset

pertains to an undertaking but is not transferred, the same may be affect the tax neutrality of a demerger.

3) Consideration for the transaction

Under a slump sale, the consideration is passed on from the transferee to the transferor in monetary or non-monetary form.

On the other hand, the scheme for demerger typically requires consideration to be settled by Resulting Company to the shareholders of Demerged Company. This would invite new shareholders in Resulting Company and thereby, dilute the shareholding of existing promoters. Such an aspect plays a critical role in deciding between slump sale and demerger. Additionally, the following points are worth noting:

- Consideration for demerger can be in the form of cash or debentures. However, the same may not tantamount to a tax neutral demerger.
- Demerger can be without any consideration. Such demergers are held as not taxable in the hands of demerged company in the absence of consideration, though section 47(via) of the IT Act

does not apply. [**Avaya Global Connect Ltd. V. ACIT [I.T.A. No. 832/Mum/07], Aditya Birla Telecom Limited [TS-608-ITAT-2016 (Mum)] affirmed by Bombay HC [ITA no. 1866 of 2017]**]

4) Valuation requirements

W.e.f. April 1, 2021, consideration for slump sale shall be benchmarked to FMV on the date of sale, computed as per Rule 11UAE of the Income-tax Rules. By virtue of the said rule, even if slump sale takes place without consideration, the FMV of assets sold, subject to cost of acquisition, is chargeable to tax in the hands of transferor.

On the other hand, under the Companies Act, 2013, a valuation report is required to be obtained to determine the value of Demerged Company vis-à-vis the Resulting company, especially to fix the swap ratio.

5) Claim of tax depreciation

In the case of demerger, as per 5th proviso to section 32(1) of the IT Act, tax depreciation on assets acquired under a demerger

shall be claimable by the Demerged Company and Resulting Company in the ratio of number of days used in the Financial Year in which demerger took place.

The Mumbai Bench of Income Tax Appellate Tribunal in the case of **M/s. Archroma India Pvt. Ltd. v. ITO (ITA Nos. 306/Mum/2019 and 6919/Mum/2018)** ruled that transfer of business by way of slump sale falls within the ambit of Section 170 of the IT Act and constitutes 'succession' of business by the transferee. Relying on the said ruling, the tax depreciation in the case of slump sale can work in a manner similar to demerger. However, the possibility of litigation cannot be ruled out. Barring this, tax depreciation is allowable on the value of assets taken over under a BTA, supported by a purchase price allocation report.

From the subsequent year, tax depreciation shall be claimed only by Resulting Company / transferee.

6) Claim of expenditure incurred in relation to transaction

Expenditure incurred on demerger is claimable over a period of 5 years under section 35DD of the IT Act.

On the other hand, section 50B does not provide for claim of expenditure incurred in relation to slump sale. Further, there is a specific mention that no regard shall be given to section 48 of the IT Act (which allows deduction in respect of expenditure in connection with transfer). Albeit, in the case of **Nitrex Chemicals India Ltd. [2016] 75 taxmann.com 282 (Delhi)**, the Delhi HC allowed deduction in respect of expenditure incurred pursuant to a BTA, while computing gain for a transfer by way of slump sale. However, the ruling does not consider the specific prohibition in section 50B to refer to section 48 of the IT Act. To that extent, the claimability of expense is subject to litigation.

Further, the expenses may not be claimable under section 37(1) of the IT Act as these are not incurred wholly and exclusively for the purposes of business and may be characterized as capital expenditure.

7) Carry forward of business loss and unabsorbed depreciation

Section 72A allows carry forward and set off of business loss and unabsorbed depreciation directly relatable to the undertaking demerged. If not directly relatable, the losses shall

be apportioned between demerged company and resulting company in the same proportion in which the assets of the undertakings have been retained by the demerged company and transferred to the resulting company. However, in the case of slump sale, the losses are carried forward by the transferor company only.

8) Non-resident as a party to the transaction

The involvement of a non-resident in a slump sale transaction does not alter the taxability in the hands of transferor. Additionally, Transfer Pricing provisions may apply. On the other hand, where the resulting company is a foreign company, demerger does not qualify for tax neutrality under section 47 of the IT Act.

Conclusion:

While there are overlapping characteristics, as can be observed from the above, slump sale and Demerger has contrasting tax implications. For instance, slump sale could be advantageous in terms of timelines, processes involved and non-dilution of

transferee's shareholding; On the other hand, Demerger could provide avenues for claimability of tax losses, depreciation, expenses incurred in relation to restructuring etc. On that note, slump sale and demerger offers unique pathways with its own pros and cons, for businesses intending to hive off. Therefore, the organizations ought to analyze the above tax parameters alongside the commercial aspects to arrive at the right choice that aligns with their strategic business goals and maximizes shareholders value.

The Author is a Chennai based Chartered Accountant and a Rank holder both in CA Final and Inter. She can be reached at abhinaya98@gmail.com

SIGNING OFF - CA R. SUNDARARAJAN

As I put pen to paper to sign off as Convenor of Annual residential conference, a flood of emotions runs through my mind, creating a blockage that makes it difficult to write.



I am reminded of the song from Guna **CA R. SUNDARARAJAN** when Kamal sings “...**Ninaikumboduaruvimadhirikottudu, aanaezhudaninaikumbodu, varthai.... Varthai....**”

Overcoming the emotions with great difficulty, let me attempt to take a bit of time to reflect on my journey at CASC ARC.

When our Thalaivar Mr. P.Anand, after successfully managing 5 conferences including an amazing 5th ARC at Ramoji Film city, decided to step down, the CASC MC entrusted me with the responsibility in 2003 to conduct the next ARC.

First and Foremost, I thank the CASC and its members for expressing their confidence in my abilities and entrusting me with conference management year after year. I only hope that I have fulfilled my responsibilities to best of my efforts and to the satisfaction of the organisation.

Conferences of significance :

Debut Conference at Ooty :

My first conference as convener was at Ooty. As a Debutant I chose a very lighter venue - Sterling resorts which was easily managed due to its logistical advantages.

While reflecting on other conferences, I definitely experienced countless moments of happy, sad, pressurized, sensitive, sensible, ecstatic, sober, and what not.

First Overseas conference – Srilanka :

One of the most challenging moments was organizing a conference abroad , It was truly challenging and I should thank Travel Optionz to have lent their hands to effectively nullify the disadvantages, in spite of few challenges due to the tour manager's inability to manage situations. Still I consider the Srilankan Conference as one of the most cherished with the support of all in house speakers, volunteering themselves as delegates cum speakers and the delegates with their families cooperating with the time pressure and long travel distances.

Munnar Conference – Challenges :

Another challenging moment occurred when Road developments on the way to Munnar threw entire timings of the conference

inauguration for a six. We had to manage hungry delegates in buses due to un planned diversion due to the lackadaisical approach of the Travel operator not getting the permits earlier. We had suggested organizing travel by shorter route with the help of government contractors.

First Northern India Tour :

A milestone conference washeld in Jaipur, involving travel by air which was a moment of satisfaction for the entire CASC and its delegates. The challenge was even more critical in view of the initial moments of Pandemic setting in January 2020.

After that trip, we had to suspend conferences for two years due to Covid complications and restrictions on travel.

Conference of Signing off :

Finally, I managed another contingent to Ahmedabad in the latest conference, where there were lots of challenges including the delegate enrollment. Our thanks are due to the Tambaram branch and offices of Mr.N.V.Balaji who contributed by enrolling in large numbers and definitely the conference has been concluded successfully with lots of satisfaction and camaraderie.

CONCLUSION :

At that time of taking over as convenor in 2004, I was unsure if I could manage such a herculean task very ably managed by an able Captain, Thalaivar Anand. But looking back, I take pride in having satisfied the expectations of the members of CASC by managing 16 out of 20 conferences.

However the pride is definitely not mine alone; it is fully dedicated to the entire team and Many Other Committee Members, particularly my trusted lieutenants, Ravi, the evergreen JMurali, Singam Sathya, as well as the able guidance from Mr.Anand, Mr.G.S., Mr.R.G.Rajan and Mr.B.Thiyagarajan.

I am confident that the next gen CASC members are all well equipped and capable of managing and conducting the future ARC at exclusive venues with interesting content, year after year without any gaps.

Finally I bow my head before the members of CASC with an assurance that I will be available for any inputs required for the ARC and other activities in future

With a heavy heart but with much satisfaction I sign off as Conference Convenor....Thanks a lot.

THE SABARMATI SAGA- THE SILVER JUBILEE ARC

- B. Ramana Kumar, Delegate and CASC life member

The silver Jubilee ARC, of the CASC, the 25th Annual Residential Conference, was held in Ahmedabad with the title as “The Sabarmati Saga”, from January 23rd to 26th, 2025. Twenty-five ARCs, and that too nonstop for a quarter of a century is a feather in the cap of any organisation and kudos to all who have been involved and attending the ARCs. This includes the founding fathers, the various members of the committees across the years and the present leadership team including the Convenors of the 25 conferences.



B. RAMANA KUMAR
Advocate

For those associated with CASC this event happened too soon. This only indicates the value addition, enjoyment and camaraderie the organisation has been providing over the years.

This time, it was an air travel programme being special in all ways. Though the flight was at noon, all assembled at the airport for the first greet as early as 9.30 am. The reason was first to enjoy the company of the extended family and the actual reason being the strict security check due to the republic day nearing in a couple of days.

As usual the arrangements were immaculate and perfect. Even Airforce one could learn a lesson or two from our organisers!!

Packed lunch, a thoughtful array of dishes apt for the timing and travel, was provided at the airport by the Rock of Gibraltar of CASC CA Ravi R and the ever smiling , ever witty Balaji Venkatasubramaniam. Ravi who silently executes all the plan to perfection deserves tons of praise for all of us. He not only delivers but takes the back seat as soon as the delivery is complete. He is one who never waits for praise or acknowledgement. Balaji was everywhere all the time with an ever-ready mode to help and that too with a smile, who in the process earned the name of “Yettiah” by his mentor and ‘Balaji Mama’ by yours faithfully. Many in the group mentioned that these two warriors of CASC are worthy ‘balikadaas’ for all future programmes.

The reach to the venue in military precession and the after the quick snack, the formal inauguration begin where the Convenors gave the flavour of things to come. The customary and the USP of CASC the group discussions begin for the direct and indirect tax papers. The young Turks of CASC who represent the very late 90s and early 2000s were mostly in charge of the groups and they did the same admirably well. Of course, the blend of the experienced and the youth as also maintained.

The day ended with an entertainment programme nicely organised by CA Bhuvanewari and then dinner. Srinivasan of Travel Optionz was checking the menu, the taste and any finer adjustments to be made in the same. The day ended with an announcement that the jamboree will leave the hotel at 6.15am for the statue of Unity.

The morning saw all, (well ... almost all) assembled at the bus by 6.30. the travel was for about 3-4 hours to the iconic Statue of Unity, the world's tallest statue dedicated to Sardar Vallabhbhai Patel. All were such with awe on seeing the same. Again, the arrangements were so seamless that I wondered how it was possible with such crowd at the venue. We were almost given a green pass, and we could view and experience the statue in a very short time, hurried up and left for lunch in a five-star hotel very near the venue. The group in two busses returned to the hotel for dinner.

The third day morning was dedicated for the technical sessions. The first was by CA Dhinal Shah who made a great presentation on Direct Taxes. The highlight of the presentation was summed by our senior Mr. K Ravi, Advocate, who mentioned that the speaker had the right approach in linking the case law with the section, which is the right way to read. This was followed by the presentation on Indirect Taxes, by our home-grown member

CA Sivarajan's who kept the audience captivated with his engaging delivery.

Immediately after lunch we stepped out to do the visits of the local heritages. The first was the famous Akshardham Temple and then was the historic Adalaj Stepwell. Then the young hearted of the group, embarked on a shopping spree and ended the day, which went well into the night, with a splash in the famous food street, which is an experience in itself, not to be missed.

The last day was the republic day, whereas usual the CASC group celebrated the Independence Day with the locals. Our seniormost member CA P. Anand was made the guest of honour, and it was heartening to see him escorted with uniformed men on all four sides and he unfurled the national flag and made a grand speech. The members of our group sang patriotic songs and when Barathi was sung in the western part of the country, the goose bumps were in plenty.

After the customary Ladoo and the group photos, the final sessions begun with CA Himanshu, who took the group through the learnings from the findings of NFRA orders and definitely made the scary piece of legislation to any CA in a sugar-coated form, however with the bitterness always inside.

The last technical session was by CA Ameet Patel, who explored “Changing the Landscape of CA Profession - Impact of Technology & AI” where he took the delegates through the various tech tools available and how one runs the 100 meters dash in technology to remain where one is and thus stay relevant in a rapidly evolving world of technology and practice.

The customary feedback session was the usual one used by many to thank and appreciate the organisers for their efforts. The feedback form was circulated and all, including the non-delegates were requested to fill the same. An interesting fact that the organisers ensured that the suggestions from the previous programmes were applied in the present programme and where it was not possible to do the same, the reasons were explained. This is a huge lesson on self-governance, and a learning, which many would not have noticed.

Post-lunch, and just before going to the airport for departure was the solemn visit to the Sabarmati Ashram, of Mahatma Gandhi. The next was the International Flower Show at Sabarmati Riverfront, which was again rushed up due to the departure to the airport and the long security check on 26 Jan.

The team of organisers comprising of R. Ravi, Balaji V and R Sundararajan, yet again pulled off a near perfect trip with around 100 passengers. As usual all the aspects of the trip were meticulously planned. There were many other invisible hands working from the back including CA Bhuvanewari, who got the printed material on time, CA Uttamchand Jain, who organised the customary dry fruits, and our Singam Sathya, who was ever present and monitoring the trip from chennai with his usual commands and instructions. Kudos are also due to R G Rajan was finalised the topics which were presently relevant, fixed the speakers and also took the role of the PT master of the group to ensure all are in the bus well before time to leave to the next place. The omnipresence of Sundararajan was felt everywhere and there are rumours to say that he is retiring, which will be vetoed by the group!

The parallel CASC meetings are with and by the second generation of the delegates. The team of the children graduated to double as technical delegates and group leaders too, which was very heartening to observe. The late-night card games, gossip and tons of laughter in the middle of the night is one another facet of CASC, which extends after the ARCs and each one is a family member of all others. Not many members are aware of this secret society of the kids.

As a flowing river, CASC has been steadily nurturing young talent to take on; not only the organisation but also the profession to greater heights. Presently with the number of professionals with coat and gowns raising in the team, one humorous talk was whether the name of the organisation should be changed to include them (us) also....

The compromise between learning and sight seeing, serious and frolic and technical and light topics is always a point of debate in groups like this. The heterogeneity which is setting in the ARCs of the CASC has kindled a debate. While there are some seniors who want atleast six sessions in programmes like this, there are members (and a few delegates too) who want the sightseeing to be elaborate to enjoy the local culture and places, which may not be visited often. This is an ever-conflicting ying-yang and the organisers in this ARC have admirably balanced the two, leaving another set of lessons to be learnt in this heterogeneous environment of the future.

Inputs for this article are also taken from the message sent by CA Arumugaraj in the whatsapp group, who is hereby acknowledged.

The author can be reached at ramanakumar@ovopaxlegal.com

DELEGATES FEEDBACK

AT 25th ARC @ AHMEDABAD

CA.S.HariPrasath, Chennai

“When I enrolled for this ARC I could see the delegates are from various age groups, which I thought was a slightly difficult one to get mingled with all others in the group. But the real fact was that myself and my family could easily move around with CASC and their family members. Would have been more happy to have Filter Coffee which was missing. Thanks to the CASC for organising such a memorable trip.”

CA. Harsh Ranka, Chennai

I am recently qualified as CA in November 24 and this is the first ever conference I am attending as a CA and it is a great experience.

CA Lakshay Chopra, Chennai

This is the first ever conference I am attending. It is a great experience and have made many contacts and will continue to attend the conferences in future.

Adv.T.S.Ravi, Chennai

I have earlier attending regular meeting in CASC in 2010-12 when I was in Murugappa Group and at that time the meetings are called in lighter vein as Pav Bhaji Meeting. After a long gap, thanks to “Shreyas Global”, I am induced back to join as a member of this group. I could seamless join the group discussions and was able to do instant deliberations and that was a wonderful experience. I am eagerly looking forward to attend such kind of programmes in future and have more such experiences.”

Kudos to the organizing team and the participants for making the entire trip meaningful and enjoyable in every way. Thanks to all concerned.

CA.Subramanian, Chennai

“I am the odd man out in this group. I was in industry for long and came out in 2020 for practice and hence considerably junior for the cases and discussions. Now I had the opportunity to meet my old friends K.Ravi, Sivarajan, Balaji, Kripakar, and also Mrs.Priya Venugopal who is my wife’s friend. So far I worked in Industry but here I could synchronise between me and the group.I was not aware what to do in this place and expressed the same in whatsapp group also and have come here to learn and was happy to learn.

My only suggestion to the organisers is that, since all are practicing members, our everyday tour itinerary can have 1hr or 2 hrs of time allotted to carry on the professional work of the members”.

Mrs.Mangala Ravi, Chennai

“I am also from Audit Fraternity, but from a different side. It was a good journey in the last four days. The Food arrangements were excellent for all the 4 days. Only thing I felt is that we all have missed the local food, “Guajarati Dhokla” which is very famous here”

Ms.SamyukthaBanusekar, Chennai

“I have been joining this ARC for many years as an accompanying person from childhood. This is the 1st year as a Delegate. Being given the role of a Team leader I was quite sceptical. But all the other members did their best to help me out. Moreover it was like a family time.”

Master Prahladh, S/o CA.S.HariPrasath

Thank you Friends.

CA.K.Ravi, Chennai

“Not on the conference, but I wish the youngsters take an opportunity to writing work, just as an example to assist in the Bank

Audit book authored by Mr.Sundararajan. I could learn a lot, when I had a great opportunity to work with Mr.ArvindDatar on Tax book on Palkivala and with Mr.PadamKinchha and K.K. Chytanya while updating Sampath Iyengar book. Was amazed with the discipline and persuasion and passion with which they are working and hence successful.

Also have to strive hard and make presentations in various forums including CASC.

On the conference front, for all these 16 out of the past 25 years Mr.Sundararajan has been handling and made all arrangements this conference in an excellent manner with the help of people like Ravi and Balaji. Now I feel its high time to train the next generations for this. Hope many youngsters will come forward to take up this with the guidance of their senior members. And I propose Mr.M.B.Kripakar as the person to carry forward in future conferences as Chairman”.

FEEDBACK FROM THE WHATSAPP GROUP :

CASC Conference Committee thanks the following delegates for their overwhelmingly positive feedback and thanking, which are general in nature :

CA. J Srinivasan

CA Hariprasath

CA Kripakar

CA Madasamy

CA Shivachandra Reddy

Other Feedbacks :

CA Ramalingam, Vellore :

As the saying goes that all good things should come to an end, the CASC ARC 2025 ended with sweet memories and discussion of very useful topics with excellent presentation by the resource persons. If not felt impertinent wish to share a few points about environmental issues that came to my mind. 1st provision of writing pad with pencil to all when already the souvenir with contents and sufficient space for our writings were provided in it. Provision of additional writing pad & pencil seems to be unnecessary. Also the more serious environmental issue was usage of large number of water bottles in rooms, in seminar hall and in bus. Instead provision of single water bottle to each to be used for 3 days with water filling provision in needed places could avoid a lot of pollution of used plastic bottles. The main point is that our own children are going to be the suffers

of pollution and environmental issues in future due to our actions. I have seen some of the Jains washing their plate and drinking it to prevent residual wastage and its pollution issues. We can think of avoiding usage of umpteen number of water bottles in our future ARCs, if most others could accept it. I see most participants have complimented about the wonderful arrangements. Like the Newton's law, behind our memorable enjoyment a lot of efforts by the committee members, travel agents and all other staffs goes unnoticed. My sincere thanks again to all of them.

CA Sridhar Ganesh, Chromepet :

A well planned, organised and executed conference. I can see the deep roots and comradery in every member of our society. The weekend was well spent gaining knowledge, experiences and friendships. Special thanks for the Republic day celebration. We missed Singam Sir again.

Thanks for the Great opportunity friends.

I hope to meet everyone in the upcoming conferences.

CA Ganesh Prakash, Chennai :

Superb trip....kudos to CASC team

CA R.G.Rajan, Chennai :

பிரிவோம் சந்திப்போம்

CA S. Natarajan, Salem :

We have boarded train for salem and namakkal.

அனைவருக்கும் அன்பார்ந்த நன்றி..

Adv M.R.Venkatesh :

I hv left. Thanks for a wonderful trip

On the delegate momento, Pen and pencil useful for others,
screwdriver useful for me....thanks for being so thoughtful

CA V. Subramaniam :

Thanks CASC Team for the wonderful hospitality and sharing the
knowledge

CA. Nirmal Kumar, Vellore :

Thanks to all for wonderful arrangements. This helped us to cover
Dwaraka and Somnath, our long time desire places.

CA Sivagurunathan, Tambaram :

Thanks to the CASC Team for wonderful arrangements as usual by taking care of everything & giving us the opportunity to visit Gujarat State for the first time.

CA Arumugaraj, Tambaram :

I extend my heartfelt gratitude to the CASC team for organizing the spectacular 25th Silver Jubilee Annual Residential Conference at Ahmedabad. The meticulous planning, seamless arrangements, and attention to detail made the event a grand success. The thoughtfully curated sightseeing experiences allowed us to explore the rich heritage and vibrant culture of Ahmedabad, adding unforgettable memories to the conference. Thank you for your hard work and dedication in making this an exceptional and enriching experience for everyone!

Mrs.Preethi Suresh, Chennai :

Reached home. Looking forward for next year trip

CA R.Ravi, Mugappair :

Reached Home. Thank you all for your cooperation in concluding the conference in a successful manner. Thanks to Sundar, Balaji,

R G Rajan and Mrs. Bhuvaneshwari for making the conference a memorable one.

CA R.Bharat, Chennai :

Reached home. Thank you, CASC team, for the impeccable planning and execution of the 25th Silver Jubilee Annual Residential Conference in Ahmedabad. The seamless arrangements and cultural experiences made it truly memorable. Your hard work and dedication are deeply appreciated!

CA Suraj Nahar, Chennai :

Reached home!

Thanks to the entire team of CASC for the excellent arrangements as well as all other members and colleagues for a wonderful trip!

Adv B. Ramanakumar, Chennai :

Balaji aka yetaiah was everywhere in and during the conference. His smiling face and that immaculate wit was omnipresent in this silver jubilee ARC. His enthusiasm and dedication deserves our immense gratitude and boundless appreciation. He is an asset found for the organisation. Thanks Balaji

I came to know the silent contribution of Bhuvaneshwari madam. She had single handedly made the souvenir ready. The games could not be done due to lack of time.

The services of Ravi R and Rajan is actually taken for granted. They have been the Kattapas of CASC and have been in this for long. However they strive to be incrementally better each year. Thanks RR. Many a silent hands have also contributed. I have only mentioned a few.

Very happy to see the next gen CASC members. Sam Banu, Ashu, Suraj, Ish, Sricharan, Sangu, Srihari and many others seen as kids blossom as professionals and contribute so well to the CASC and the ARCs.

Mrs.Ramamani Ravi, Chennai :

Thanks to the organisers Mr sundararajan, Mr Ravi, Balaji and Bhuvaneshwari. As always 4 memorable days with total peace. Thanks to God for making all this happen

Mr.Harikrishnan, Cuddalore :

“ a great trip time”, thank you for having all,” or “It was an amazing experience, thanks for everything!”

CA V.Venkateswaran, Chennai :

Thank you all and especially the CASC organizers for this wonderful trip. Missed my favorite play. Do it only on the CASC trip. Organizers, please help me on our next trip and allot time. Of course, it has saved my money.

CA K.S.Murugan, Chennai :

Thank you for CASC organisers for the wonderful ARC 2025. My special thanks to Mr Sundarrajan sir for making ARC successful eventhough he has bad back. Once again my heartfelt thanks to one all.

CA Ravichandran, Tambaram :

For all these days , I saw Gujarat state in Map and studied in School . It is CASC , who made this Dream come True Trip . At this point , I have to convey my whole hearted thanks to Singam Sathya sir and sivagurunathan sir for introducing me to CASC before three years . Every year ARC , the bonding towards other CASC members is getting stronger and stronger for me gradually . The combination of Technical session , Sight seeing and shopping in ARC Programme kept all of them fully occupied and make best use of

this Trip . I should also thank the organisers and managing committee for their meticulous planning and execution of it and taking alternative decision if time exceeded the stipulated time in any activity . Battery fully charged for next 11 months till the next ARC . Miss you all .

On the delegate Kit, this is very very useful and we can store all the important items in it during travel and audit . Quality of the kit is Excellent .

CA T.R.Srinivasan, Chennai :

Thank you to the entire CaSC managing committee, organising team and members for a memorable trip and conference.

CA Priya Venugopal, Kanchipuram :

I want to take a moment to extend my deepest gratitude to entire team of CASC for planning and organizing such a fantastic trip.The effort and attention to detail that went into making this experience seamless and enjoyable did not go unnoticed.Especially the Republic day Flag hoisting ceremony.

From the well-thought-out itinerary to the comfortable arrangements, everything was managed with great care and professionalism. It

was not just a trip but an opportunity to bond with fellow participants and create lasting memories, which added immense value to the entire conference experience.

Your dedication and hard work are truly commendable, and I sincerely appreciate the effort you put into ensuring everyone had a wonderful time. Thank you once again for making this trip a highlight of the event! Special thanks to Sundarajan sir, Ravi sir, Rajansir, Balajisir, Sathya sir, Bhuvanewari and to all who worked at the back end for making this event a grand success. Count down started .

I also thank the kids who made the event even more lively and engaging. Their energy, enthusiasm, and involvement added a unique charm to the experience, bringing smiles to everyone and creating an atmosphere of warmth and togetherness. Right from thalapathyvijay to hari...

Mr.Sabarathinam, Cuddalore :

A heartfelt thank you to the CASC team and participants for an incredible two days of insightful infotainment in 25th Anniversary.

The event was a good blend of knowledge-sharing and engaging experiences, reflecting the passion and dedication that define the CASC community.

Congratulations on this remarkable milestone, and best wishes for continued success and impactful contributions in the years ahead!

CA Basheer, Chennai :

Heartful thanks to the CASC committee members for the excellent and wonderful arrangements made for the conference ever memorable one in our life in all manner. I also thank all other participants for their contributions and thank the almighty for an opportunity extended to bond with fellow members and all other participants. Thank you so much.

Incidentally we give the kit only to delegates but being useful and being silver jubilee ARC thought of giving to accompanying delegates also. Hope this is a good useful memorable gift from CASC on this occasion.

* * * * *



ABOUT OURSELVES

The Chartered Accountants Study Circle (Regd.)

During the middle of 1978 a handful of young chartered accountants, based on MADRAS (as it then was) met periodically to discuss matters of professional relevance and significance and to widen the knowledge exposure and skills. From a limited role of discussions on tax laws and corporate laws, we have become full fledged treasure-house of talent mobilization. More than two third of our speakers / Chief guests have made their first ever public Speech under our banner.

The organization is proud that many of its members have become men of great eminence including three of its members being occupants of coveted position of the President of the Institute of Chartered Accountants of India and a number of members have been serving in the Regional and Central Councils of ICAI, ICSI, Chambers of Commerce and other Bodies. The members of CASC are interspersed in the society and more particularly in practice and in the industry.

The membership of CASC is in the form of Life, Corporate and Annual Membership.

The Composition of the members includes lawyers, company secretaries, consultants and members of the other allied and related professions. Besides our regular meetings, the CASC organizes with regularity, workshop, refresher courses, seminars and group discussions on all professional related subjects and topics in its self owned fully Air-Conditioned Premises at central location in Chennai with the state of the art infrastructure.

Every Year, scholarship are granted to meritorious students of the CA Course through the various endowments created by members and their families.

The residential Conference conducted by CASC, an annual feature is awaited eagerly by all the members. The programmes are conducted in exotic places at affordable rates coupled with good learning experience are booked well in advance.

Our monthly publication, the CASC bulletin contains thought provoking articles, exchange of problems and solution and digest of recent discussions, notifications and circulars.

Our Other Regular Publications are "Cenvat - Demystified", "User Guide to TNVAT", "Corporate Audit Check List", "Anti Dumping Measures in the WTO frame work" 'A Handy Booklet on Bank Branch Audit', and "Guide to Tax Audit".

Published by :

THE CHARTERED ACCOUNTANTS STUDY CIRCLE

2-L, Prince Arcade, 22-A, Cathedral Road, Chennai - 600086

☎ : 044 2811 4283 📞 : 90031 03420 ✉ : admin@casconline.org

Book

Designed by

T. Babu (GB Designs)