



The Institute of
Chartered Accountants of India
(Set up by an Act of Parliament)

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Western India Chartered Accountants Newsletter

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*India is the
world's largest
democracy...*

*we are
responsible*



PASSION

“ The quality of possessing tremendous enthusiasm and strong emotions.

The mark of a truly passionate person is conjuring up constant enthusiasm for every task, irrespective of its importance – whether substantial or trivial – a trait that all CAs share.





Orientation Programme for Managing Committee Members of Branches held on 23rd & 24th March, 2014 at Alibaug, Maharashtra



CA. Sushrut Chitale, RCM, CA. Mahesh Madkholkar, RCM, CA. Shiwaji Zaware, CCM & Faculty, CA. Shrinivas Joshi, CCM & Faculty, CA. Shruti Shah, Secretary, WIRC, CA. Jay Chhaira, CCM & Faculty, CA. Sunil Patodia, RCM, CA. Anil Bhandari, Chairman, WIRC, CA. Girish Kulkarni, Treasurer, WIRC, CA. Hardik Shah, RCM, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Sandeep Jain, RCM, CA. Abhishek Nagori, RCM, CA. Priti Savla, RCM, CA. Vishnu Agarwal, RCM, CA. Dilip Apte, RCM, CA. Nihar Jambusaria, CCM & Faculty, CA. Dhiraj Khandelwal, RCM, CA. Parag Raval, RCM



CA. Girish Kulkarni, Treasurer, WIRC, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Manoj Fadnis, Vice President, ICAI, CA. K. Raghu, President, ICAI, CA. Anil Bhandari, Chairman, WIRC, CA. Prafulla Chhajed, CCM & Faculty, CA. Shruti Shah, Secretary, WIRC

Other Speakers



CA. Rajkumar Adukia, CCM



CA. Tarun Ghia, CCM



CA. Ramnath Iyer



Shri H. M. Jorapur, Dy. Secretary, ICAI



Shri Koshy John, Jt. Secretary, ICAI



Shri P. Mahalingam, Asst. Secretary, ICAI



Shri A. D. Paulson, Sr. EO, ICAI



Seminar on Economic Agenda of the Country & Corporate Taxation held on 2nd March, 2014



CA. Mahesh Bhageria, CA. Shailesh Ghedia, CA. Mangesh Kinare, Imm. Past Chairman, WIRC, CA. Kamal Dhanuka, CA. Sanjeev Maheshwari, CCM, CA. Piyush Goyal, MP, CA. Uttam Agarwal, Past President, ICAI, CA. Anil Bhandari, Chairman, WIRC, CA. Shruti Shah, Secretary, WIRC, CA. Sunil Patodia, RCM



Dear Colleagues,

When I speak of passion, I mean the powerful feeling of enthusiasm we all have inside of us. When we are enthusiastic and proud of the work we do, the better equipped we'll be to overcome the many obstacles that will surely arise in

our professional life. Also, the more enthusiasm we have, the more inclined we are to work harder at improving ourselves.

Ensuring we are passionate about our work will provide us with both, a meaningful career as well as excellent financial opportunities. It is passion which differentiates between the ordinary and the extra ordinary. One of the most successful companies in the world today is Apple whose ex-CEO, the late Steve Jobs, believed in the power of passion, and once said, **"The only way to do great work is to love what you do"** and claimed that the passion he had for his work made all the difference.

This makes me strongly believe that if all CA's utilise their passion by sharing their ideas, brainstorming, seizing on thoughts and theories and conceiving ways to put them into practice, we will definitely rise above and beyond the ordinary. A small glimpse of which was evident in the recent Branch Orientation Program at Alibaug. This program evoked detailed deliberations and mind share amongst more than 200 Office Bearers, Managing Committee Members of various Branches and leaders of the profession at ICAI. I am sure the outcome, which was a head-start in planning for the year ahead, will ultimately result in a number of pertinent activities in the Western Region for Members and Students at large.

The Members' Meet program with ICAI President CA K. Raghu and Vice President CA Manoj Fadnis was attended by over 450 Members, including several Past Presidents of ICAI and Past Chairmen of the Region. President CA K. Raghu articulated the theme for this year **"Moving Towards New Frontiers"** and inspired Members with his planned and detailed roadmap.

Past Presidents provided insightful inputs and valuable suggestions for the Institute as well as Regional activities.

Professionally, for Members in practice the month of April is generally dominated by Bank Branch Audits. WIRC, supported by various Branches and Study Circles reached out with a series of Seminars on Branch Audits. The effort was supported by the WIRC team, which compiled the crucial background papers for the seminars. I acknowledge and congratulate all paper writers and presenters for their contribution in knowledge and time towards the larger interest of the Members. I am sure these efforts would go a long way in helping our Members clarify their doubts and develop expertise in this area.

This is also the time for rest and relaxation for Members and their families as the holiday season is just around the corner and cricket matches are in full swing. It is a perfect time for everyone to recharge their batteries and get prepared for the year ahead.

In the upcoming programme, WIRC is organising an 'International Study Tour to Europe' in the month of May. Members will visit countries across Europe and study first-hand, the profession as it is practiced in the Euro Zone. Details are present in this issue and on WIRC website.

Further, the highly anticipated WIRC Direct Tax Refresher Course (DTRC) will begin in a couple of months. I encourage Members to take advantage of this knowledge fest by making time for this course.

At WIRC we would like to enhance our engagement levels with Members. One such attempt is to address the grievances of members related to administrative matters (if any) in a time bound manner. I would strongly urge members to email the details to wircgrievance@icai.in which is managed by the Grievance Cell under the Grievance Committee at WIRC.

I am reminded of the fact that the Indian general election is a phenomenal political event showcasing the largest democracy in the world. Approximately 814 million people — more than the entire population of Europe — will be eligible to vote in the world's biggest democratic exercise. Around 930,000 polling stations will be set up for the month-long election using electronic voting machines. However, all these preparations at the cost of hundreds of crores will be useless if people do not exercise their right to vote, especially the middle class. In fact, India needs people to vote in order to elect a stable government, which in turn will provide stability, push forward reforms and put India back on the track to economic growth. In the words of John F. Kennedy, **"The ignorance of one voter in a democracy impairs the security of all"**.

Thus, it is clear that India's democracy is our responsibility. For now, I exhort every Member and Student to be responsible citizens and conscientiously vote in the elections. In the words of Goethe, **"Knowing is not enough; we must apply. Willing is not enough; we must do"**.

With best regards,

CA. Anil Bhandari

OFFICE BEARERS

CA. Anil Bhandari
Chairman

CA. Julfesh Shah
Vice Chairman

CA. Shruti Shah
Secretary

CA. Girish Kulkarni
Treasurer

EDITORIAL BOARD

Editor:
CA. Anil Bhandari

Joint Editor:
CA. Shruti Shah

MEMBERS

CA. Mangesh Kinare | CA. Priyam Shah
CA. Hardik Shah | CA. Neel Majithia
CA. Sanjeev Maheshwari

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Forthcoming Events



Seminar on Prevention of Money Laundering Act (PMLA)

Finance

DAY & DATE	SATURDAY, 19TH APRIL, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Shardul Shah 9820287625 CA. Dhiraj Khandelwal 9867642684 CA. Priyam Shah 9824096112 (Regional Council Members)	
Co-ordinators	CA. Y. R. Desai 9820448365 CA. Vipul Agrawal 9821359804 CA. Mehul Sheth 9820297310	

For more details visit www.wirc-icai.org



Seminar on Financial Planning – A New Professional Opportunity

Finance

Although we as Chartered Accountants have studied the subject of Financial Management, our major focus after qualification has been on managing finances for our clients or our businesses / practice. Times are now requiring Chartered Accountants to explore their full potential and emerge as versatile solution providers in various fields.

In this context, this seminar intends to introduce you to the concept of Financial Planning relevant in today's time and also take you through the various areas where we can either develop our expertise or collaborate to deliver more value to our clients as well as to our own families. Experts and Professional Financial Planners will take you through the various nuances and case studies of evaluation of Financial Planning in the manner detailed below supported with Case Studies:

DAY & DATE	SATURDAY, 17TH MAY, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Neel Majithia 9820327660 CA. Hardik Shah 9375533336 (Regional Council Members)	
Co-ordinators	CA. Amogh Pandit 8108132425 CA. Anil Bhomawat 9323243205 CA. Harsh Dedhia 9892444121	

TOPICS & SPEAKERS

Introduction and Broad Overview of Financial Planning – How to be the Right Financial Planner • Opportunities and Intricacies of Planning for Salaried Persons • Opportunities and Intricacies of Planning for Business Owners • Opportunities and Intricacies of Planning for HNIs / NRIs • Opportunities and Intricacies of Planning for Senior Citizens – **Experienced Financial Planners will take up each session.**



Seminar on E-filing of Returns Under Direct Tax and Indirect Taxes

Direct Taxes

DAY & DATE	SATURDAY, 19TH APRIL, 2014	
Venue	Hotel Kohinoor Continental, Andheri-Kurla Road, J. B. Nagar, Andheri (E), Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,650/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Subodh Kedia 9879267750 CA. Abhishek Nagori 9426075397 (Regional Council Members)	
Co-ordinators	CA. Shirish Pandit 9820133126 CA. Amar Bafna 9869201186 CA. Mandeep Singh Talwar 9820247697 CA. Manish Dedhia 9930883146	

TOPICS	SPEAKERS
E-Filing Under MVAT Act,	CA. Somit Goyal
E-Filing of TDS Return	CA. Avinash Rawani
E-Filing of Income Tax	Eminent Faculty
E-Filing Under Service Tax Act	CA. Jinit Shah

Jointly with J. B. Nagar CPE Study Circle

Students Section

Organising Crash Courses & One Day Programmes for CA Students for May 2014 Exam

DAYS & DATES	MONDAY, 28TH, TUESDAY, 29TH & WEDNESDAY, 30TH APRIL, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	9.00 a.m. to 2.00 p.m.	
Fees	₹ 1,000/-	
Chief Co-ordinators	CA. Satyanarayan Mundada 9422080814 Chairman, WICASA CA. Mahesh Madkholkar 9820075966 (Regional Council Member)	
Co-ordinators	Mr. Sumit Rathi 8898242257 Mr. Swapnil Surolia 9022232197 Mr. Swapnil Kolte 9819988177	
TOPIC	SPEAKER	
Costing for CA Final	CA. Dani Khandelwal	

DAYS & DATES	MONDAY, 28TH, TUESDAY, 29TH & WEDNESDAY, 30TH APRIL, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	2.30 p.m. to 7.30 p.m.	
Fees	₹ 1,000/-	
Chief Co-ordinators	CA. Satyanarayan Mundada 9422080814 Chairman, WICASA CA. Mahesh Madkholkar 9820075966 (Regional Council Member)	
Co-ordinators	Mr. Sumit Rathi 8898242257 Mr. Anshul Agarwal 8879022637 Mr. Deepak Mehta 9664063109	
TOPIC	SPEAKER	
Indirect Taxes for CA Final	CA. Yashwant Mangal	



06
CPE HRS

Seminar on Information Technology

Technology

DAY & DATE	SATURDAY, 3RD MAY, 2014	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Shardul Shah	9820287625
	CA. Abhishek Nagori	9426075397
	CA. Hardik Shah	9825510422
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Kinjal Shah	9892100844
	CA. Jignesh Nagda	9930506033
	CA. Mayank Ahuja	9833557109

TOPICS	SPEAKERS	
Cloud Computing	CA. Atul Bheda	
Social Media for CA	CA. Ameet Patel	
Business Apps for CA	CA. Ashwin Dedhia	
Online Document & Task Management	CA. Prashant Athalye	

04
CPE HRS

Seminar on IND-AS / IFRS – Recent Updates (In the light of Revised Road Map)

Accounts & Auditing

DAY & DATE	SATURDAY, 3RD MAY, 2014	
Venue	Conference Hall, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 750/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Parag Raval	9824339200
	CA. Dhiraj Khandelwal	9867642684
	CA. Sarvesh Joshi	9822022292
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Kedar Limaye	9820287646
	CA. Nidhi Mewada	9619602084
	CA. Ashok Chheda	9322241696

TOPICS	SPEAKERS	
Introduction to IND-AS / IFRS : Revised Road Map and Recent Developments, the story so far... Concepts, Constitution and Framework IAS – 1 : Presentation of Financial Statements	CA. Yagnesh Desai	
New IND-AS / IFRS as issued and adopted since 2011 (IFRS – 10, 11, 12 and 13) Revision in IAS – 27	CA. Yagnesh Desai	

New Members Meet and Felicitation of Rank Holders

DAY & DATE	FRIDAY, 9TH MAY, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	3.30 p.m. to 7.30 p.m.	
Chief Co-ordinators	CA. Satyanarayan Mundada	9422080814
	CA. Mahesh Madholkar	9820075966
	<i>(Regional Council Members)</i>	
Chief Guest	CA. V. C. Darak, Past Chairman, WIRC	
Students who have secured rank in November 2013 examination of CPT, IPCC, & Final CA from the Western Region shall be felicitated		

09
CPE HRS

Seminar on Audit Aspects Relating to Co-operative Banks and Societies

Accounts & Auditing

DAYS & DATES	SATURDAY, 3RD & SUNDAY, 4TH MAY, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Saturday) 10.00 a.m. to 1.00 p.m. (Sunday) (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,500/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Girish Kulkarni	9225306814
	CA. Sushrut Chitale	9821112904
	CA. Subodh Kedia	9879267750
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Aniket Kulkarni	9821690559
	CA. Nehal Turakhia	9833991898
	CA. Ankit Sanghvi	9820689003

TOPICS	SPEAKERS	
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3rd May, 2014	Important Sections in Maharashtra State Cooperative Act as amended and in Maharashtra State Co-operative Rules (as amended) which are having bearing on accounts and audit. Eligibility of Auditors and Responsibilities cast on auditors	CA. Ramesh Prabhu
	Auditing in computerised environment and information technology system related issue	CA. Abhay Mate
	Reporting Requirement of Co-operative Banks	Eminent Faculty
	Corporate Governance in Co-operative Societies and Banks	CA. Sudhir Pandit
4th May, 2014	New Reporting Requirements in view of Amendment under Maharashtra Co-operative Act. List of Records to be maintained by Society. Considering Important Circulars and Notifications (Scope under Maharashtra Co-op. Act and Rules)	CA. D. A. Chogule
	Landmark decisions relating to fraud. Important Circulars relating to fraud. Case Studies in frauds in Co-op. sector. Lodging FIR	Eminent Faculty

06
CPE HRS

Seminar on Project Finance

Finance

DAY & DATE	SATURDAY, 26TH APRIL, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sushrut Chitale	9821112904
	CA. Sandeep Jain	9819788099
	CA. Vishnu Agarwal	9833310916
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Lalit Bajaj	9867692321
	CA. Amol Kamat	9823018763
	CA. Shrikant Mundhra	9029629384
	CA. Jignesh Vora	9819321123

For more details visit www.wirc-icai.org



Forthcoming Events

06
CPE HRS

Seminar on Service Tax Procedural Aspects

Indirect Tax

DAY & DATE

SATURDAY, 10TH MAY, 2014

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sushrut Chitale	9821112904
	CA. Priyam Shah	9824096112
	CA. Sarvesh Joshi	9822022292
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Gaurav Save	9969001607
	CA. Aalok Mehta	9892001645
	CA. Vikas Vishwasrao	9892915272

TOPICS

Letters, Enquiries and Summons from Department (Preliminary Scrutiny, DGCII Enquiries, Anti Evasion Enquiries- Reasons, Preparations and Response)

Service Tax Audit – Preparations and Procedures

Adjudication Procedure, Recovery of Tax, Penalty and Arrest Provisions

Refund under Service Tax (with special reference to recent developments)

SPEAKERS

Eminent Faculty

CA. Pritam Mahure

Eminent Faculty

CA. Parag Mehta

06
CPE HRS

Seminar on VAT-CST

Indirect Tax

DAY & DATE

SATURDAY, 17TH MAY, 2014

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Mahesh Madkholkar	9820075966
	CA. Priti Savla	9321426883
	CA. Girish Kulkarni	9225306814
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Nikhil Damle	9820170436
	CA. Ankit Kapadia	9867876376
	CA. Viral Chheda	9833594045

TOPICS

Sales u/ss. 5(1) & 5(3)

High Sea Sales & Sales in Transit

Works Contract under VAT Act

VAT Computation & Assessment of Developer/Builder

SPEAKERS

CA. Sujata Rangnekar

CA. Vikram Mehta

CA. Mayur Parekh

CA. Deepak Thakkar

06
CPE HRS

Seminar on Internal Audit

Accounts & Auditing

DAY & DATE

SATURDAY, 10TH MAY, 2014

Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Priti Savla	9321426883
	CA. Vishnu Agarwal	9833310916
	CA. Dilip Apte	9930314856
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Jayesh Vora	9820274272
	CA. Harshvardhan Shah	9820247299
	CA. Abhijit Paranjpe	9820049297

TOPICS

Internal Audit Overview and Emerging Opportunities for CAs

Internal Audit Standards

Internal Audit Methodology

Report Writing Techniques, Closure of Reports, Findings, Recommendation, etc.

SPEAKERS

CA. Prasanna Bharatan

CA. Neeta Shah

CA. Purav Gala

CA. Sumangali Shah

06
CPE HRS

Seminar on Companies Act

Corporate Law

DAY & DATE

SATURDAY, 24TH MAY, 2014

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Neel Majithia	9820327660
	CA. Sunil Patodia	9820344085
	CA. Abhishek Nagori	9426075397
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Kedar Mehendale	9820819459
	CA. Kunal Parikh	9892429993
	CA. Rahul Lotlikar	9821140019

TOPICS

New Concepts under Companies Act – One Person Company, Small Companies, CSR, NFRA etc.

Changes relevant to Private Limited Companies

Provisions relating to Accounts and Audit

Corporate Governance & New Company Law (Responsibilities of Management & Independent Directors, Related Party Transaction & Internal Controls etc.)

SPEAKERS

Eminent Faculty

CA. Abhay Arolkar

Eminent Faculty

CA. Rajan Kamat



06 CPE HRS Seminar on Construction Industry (Compliance & Finance) Industry

DAY & DATE		SATURDAY, 31ST MAY, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai		
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)		
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
Chief Co-ordinators	CA. Dhiraj Khandelwal CA. Dilip Apte CA. Sunil Patodia (Regional Council Members)	9867642684 9930314856 9820344085	
Co-ordinators	CA. Lalit Bajaj CA. Harmesh Madhyani CA. Ajit Sharma	9867692321 9819259799 9920756464	
TOPICS		SPEAKERS	
Issues under the Income-Tax Act		Eminent Faculty	
Overview of Accounting Standards with a comparison to IFRS		CA. Anand Banka	
MVAT and Service tax provisions applicable-issues relating to overlapping of these taxes, classification of services (works contract vis-a-vis other services)		Adv. Bharat Raichandani	
Fund raising, Emphasis on NMIZ policy		CA. Ratan Moondra	

15 CPE HRS 1st Women Regional Residential Refresher Course

DAYS & DATES		FRIDAY 30TH, SATURDAY, 31ST MAY, & SUNDAY, 1ST JUNE, 2014	
Theme: Inspire, Innovate & Implement			
Venue	Hotel Byke Retreat, South Goa		
Time	10.00 a.m. to 6.00 p.m. (Friday, Saturday) 10.00 a.m. to 1.00 p.m. (Sunday)		
Fees	₹ 6,500/- (Ex-Goa) per person		
Chief Co-ordinators	CA. Priti Savla CA. Shruti Shah (Regional Council Members)	9321426883 9892407988	
Co-ordinators	CA. Rekha Dhamankar CA. Kirti Agarwal CA. Kejal Pandya CA. Pinky Kedia	9326447619 9326089102 9825977220 9869030652	

For more details visit www.wirc-icai.org

15 CPE HRS Direct Tax Refresher Course (DTRC 2014) Direct Tax

DAYS & DATES		SATURDAY, 7TH, 14TH, 21ST, 28TH JUNE & 5TH JULY, 2014	
Venue	Birla Matushri Sabagraha, New Marine Lines, Churchgate		
Time	2.00 p.m. to 6.00 p.m. (Registration 1.30 p.m. to 2.00 p.m.)		
Fees	₹ 1,900/- for all sessions (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
Chief Co-ordinators	CA. Shruti Shah CA. Julfesh Shah CA. Girish Kulkarni CA. Priyam Shah CA. Priti Savla CA. Hardik Shah CA. Neel Majithia (Regional Council Members)	9892407988 9823096540 9225306814 9824096112 9321426883 9825510422 9820327660	
TOPICS		SPEAKERS	
7th June, 2014			
Reassessment & Revision Proceedings – Important Provisions		CA. Anil Sathe	
Taxation of Salary		CA. Yogesh Thar	
14th June, 2014			
Important issues in section 43(CA), 50(C), 56(2), (viiia)–(viib)		CA. Kishor Karia	
Computation of Arm's Length Price in Transfer Pricing		CA. Rakesh Alsi	
21st June, 2014			
Assessment of Search Cases		CA. Snehal Shah	
Controversies in TDS & TCS		CA. Atul Suraiya	
28th June, 2014			
Settlement Commission – Approach & Process		CA. Chetan Karia	
Taxation & Accounting of Builders & Developers		CA. Pradip Kapasi	
5th July, 2014			
Brains Trust		CA. Ved Jain* Past President, ICAI Adv. Hiro Rai* CA. Rajan Vora	

Note:
Brains Trust Quarries to be sent before 14th May on wirc-events1@gmail.com
*Subject to Confirmation

INTERNATIONAL STUDY TOUR TO FRANCE, BELGIUM, NETHERLANDS, GERMANY, SWITZERLAND AND ITALY



WIRC is pleased to announce its much awaited International Study Tour during this holiday season to France, Belgium, Netherlands, Germany, Switzerland and Italy. So enroll fast!

Dates : 17th to 25th May, 2014 (8 Nights & 9 Days)
Fees : INR 64,990 + EUR 699 + 3.09% GST per adult cost (per person on twin sharing)
INR 52,990 + EUR 349 + 3.09% GST per child without extra bed
(prevailing rate ₹ 80 per Euro)

Chief Co-ordinators
CA. Mahesh Madkholkar 9820075966
CA. Shruti Shah 9892407988
CA. Julfesh Shah 9823096540
CA. Hardik Shah 9825510422
CA. Subodh Kedia 9879267750
(Regional Council Members)

Minimum commitment 25 people (can be extended up to 50 people, subject to availability of tickets & cost of tickets actual.)

18 CPE HRS

For further details, visit website www.wirc-icai.org





Forthcoming Events

Foundation Day Celebration
 ~ 9th year ~
Mile Sur Mera Tumhara
1st July, 2014

AUDITION FOR DANCE, SINGING & ACTING
 Sunday 25th May, 2014 | 11.00 a.m. to 2.00 p.m. | J. S. Lodha Auditorium, ICAI Bhawan, WIRC

Watch out for detailed announcement in forthcoming Newsletters. Interested participants are requested to send their names & concept of programmes/event for participation by 5th May 2014 to wireevents1@gmail.com *Right of selection is reserved*

06 CPE HRS **Seminar on Audit & Taxation for Charitable Organisation** *Direct Taxes*

DAY & DATE	SATURDAY, 31ST MAY, 2014	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Shruti Shah	9892407988
	CA. Shardul Shah	9820287625
	CA. Parag Raval	9824339200
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Sachin Holmukhe	9820561266
	CA. Kishor Joshi	9869186849
	CA. Neha Patel	9833678901

TOPICS	SPEAKERS
Registration with IT Dept., Exemption u/s 80G 10(23)	Eminent Faculty
Formation of trust, drafting of deed, important provisions under MPT Act	CA. Suhas Malankar
Receipt of donation / grants by charitable trust vs. FCRA	Eminent Faculty
Accounting and Auditing Aspects	CA. Vijay Joshi

02 CPE HRS **Lecture Meeting on Treasury Management** *Finance*

DAY & DATE	FRIDAY, 16TH MAY, 2014	
Venue	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	6.00 p.m. to 8.00 p.m.	
Fees	Free	
Chief Co-ordinators	CA. Shruti Shah	9892407988
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Shantesh Warty	9819947969
	CA. Reema Jethwa	9619602083

TOPIC	SPEAKER
Practical Aspects of Treasury Management Including Risk Management & Hedging	Shri Anurag Goenka VP, Kotak Bank

15 CPE HRS **Programme on IFRS for Young Members** *Accounts & Auditing*

To enhance professional skills of young members of our profession, the YMEC with technical support from IND-AS (IFRS) Implementation Committee of ICAI is pleased to organize special programme on emerging important areas i.e. IFRS

DAY & DATE	SATURDAY, 3RD, 10TH, 17TH, 24TH & 31ST MAY, 2014	
Venue	Conference Hall, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	2.00 p.m. to 6.00 p.m.	
Fees	₹ 500/-	
Programme Chairman	CA. Prafulla Chhajed CCM, Chairman YMEC	9320350007
Programme	CA. Rishabh Adukia	9819861049
	CA. Mehul Sheth	9820297310
	CA. Raj Advani	8080774080

TOPICS
3rd May, 2014
Introduction and Concepts
Introduction to IFRS • Conceptual Framework for Financial Reporting • Convergence process with IFRS in India and Indian Accounting Standards (IND-AS)
Presentation of Financial Statements
IAS 1, Presentation of Financial Statements • IAS 7, Statement of Cash Flows • IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

10th May, 2014
Recognition and Measurement of Assets
IAS 2, Inventories • IAS 16, Property, Plant and Equipment • IAS 40, Investment Property
IAS 38, Intangible Assets • IAS 36, Impairment of Assets

17th May, 2014
Recognition and Measurement of Liabilities
IAS 37, Provisions, Contingent Liabilities and Contingent Assets • IAS 12, Income Taxes • IFRS 2, Share-based Payments

Revenue Recognition
IAS 11, Construction Contracts • IAS 18, Revenue

24th May, 2014
Financial Instruments
(IAS 39, IAS 32, IFRS 7, IFRS 9)

31st May, 2014
Business Combinations and Consolidations
IFRS 3, IAS 27, IAS 28, IFRS 10, IFRS 11 and IFRS 12
IFRS 1, First-time Adoption of International Financial Reporting Standards

Organised by Young Members Empowerment Committee (YMEC) of ICAI

Forthcoming Branch Meetings



Date	Time	Subject(s)	Speaker(s)	Venue
NAGPUR				
19/04/2014	4.00 p.m.	Workshop on HUF & Family Arrangement 1) Taxation 2) Preparation of Wills and Documents	Eminent Faculty	ICAI Bhavan
25-26/04/2014	9.30 a.m.	IT Workshop – Jointly with Committee on Information Technology, ICAI	Eminent Faculty	ICAI Bhavan
29/04/2014		Insurance Awareness Programme	Eminent Faculty	ICAI Bhavan
30/04/2014	5.00 p.m.	Panel Discussion on Minimum Scale of Fees	Eminent Faculty	ICAI Bhavan
NAVI MUMBAI				
19/04/2014	10.00 a.m.	Full Day Seminar on Companies Act, 2013	Eminent Faculties	Navi Mumbai Sport Association, Vashi
26/04/2014	3.00 p.m.	Half Day Seminar on issues under MVAT Act and Recent Notifications under MVAT Act	CA. J. D. Adhyapak Adv. C. B. Thakar	Navi Mumbai Sport Association, Vashi
17/05/2014	3.00 p.m.	Mock Tribunal	CA. Chandrashekar Vaze	Navi Mumbai Sport Association, Vashi
SURAT				
28/04/2014	5.00 p.m.	International Taxation vis-à-vis recent amendments in filing of Form 15CA-CB	CA. Mehul Shah	2nd Floor, Saifee Building, Nanpura, Surat

Forthcoming Study Circle Meetings



Date & Day	Time	Subject(s)	Speaker(s)	Venue	Organised by / Convenor / Tel. No.
18/04/2014 Friday	5.30 p.m.	Wealth Tax vis-à-vis Recent Amendments	CA. Shailesh Kataria	Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad	Ellisbridge CPE Study Circle CA. Kartik Dave M: 9427525676
19/04/2014 Saturday	4.00 p.m.	Analytical view of Accounting Standards AS:2 and AS:9	CA. Uday Ranpara	Kalpa Vriksha Learning Center, Plot No. A-1 & A-2, G.I.D.C. Electronic Estate, Sector-25, Gandhinagar	Gandhinagar CPE Study Circle CA. Jayprakash Shah M: 9825083570
19/04/2014 Saturday	5.30 p.m.	Taxation on Sale of Immovable Properties vis-a-vis Deemed Valuation as per Section 50C	CA. Sanjeev Lalan	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Hemang Shah M: 9223273189
20/04/2014 Sunday	8.45 a.m.	Balancing Professional Success and Family Chartered Accountant - A Brand	CA. Ramnath Iyer Eminent Faculty	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. N. M. Bansal M: 9322338652
20/04/2014 Sunday	9.30 a.m.	Preparing for Peer Review and Keeping of Audit Records Code of Ethics for Chartered Accountants	CA. Abhay Arolkar CA. Chandrashekar Vaze	Seminar Room [Mayor Hall], All India Institute of Local Self Government, Sthanikraj Bhavan, C. D. Barfiwala Marg, Andheri (W)	Andheri (West) CPE Study Circle CA. Shantesh Warty M: 9819947969
20/04/2014 Sunday	9.45 a.m.	Study Group Meet on Issues in Adoption of IFRS	CA. Bhaskar R. Iyer	Vrundas Veg., Near Ajanta Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Giriraj Khandelwal M: 9820344999
20/04/2014 Sunday	10.00 a.m.	Seminars for Cyber Crime	Eminent Speaker	Hotel Sankalp, 1st Floor, Nr. Maxus Mall, 150 Ft Road, Bhayander (W)	Bhayander CPE Study Circle CA. Deepak Bansal M: 9320981019
25/04/2014 Friday	5.30 p.m.	Advance Pricing Agreements and Safe Harbour Rules	CA. Namita Jhavery	Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad	Ellisbridge CPE Study Circle CA. Kartik Dave M: 9427525676
26/04/2014 Saturday	5.30 p.m.	Amendments relating to A.Y. 2014-15 under Income-tax Act	CA. Atul Mehta	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Hemang Shah M: 9223273189
27/04/2014 Sunday	9.00 a.m.	VAT Computation for Builder & Developers and recent updates on MVAT Act.	CA. Deepak Thakkar	Mysore Association, 2nd Floor, Bhau Daji Road, Matunga Central	Matunga CPE Study Circle CA. Atul Shahade M: 9821116850
27/04/2014 Sunday	9.30 a.m.	Reporting on Audit Conclusions (SA 700, 705, 706, 710 & 720) Issues in Reporting under CARO	CA. Khurshrd Pastakia CA. Abhay Mehta	Bhatia Wadi, Opp. Veer Savarkar Udyan, T.P.S. Road, Borivali (W)	Borivali (Central) CPE Study Circle CA. Giriraj Khandelwal M: 9820344999
04/05/2014 Sunday	8.45 a.m.	Overview of law of arbitration and opportunities for Chartered Accountants Overview of law of Wealth Tax	CA. Pawan Agarwal CA. Avinash Lalwani	Seminar Room [Mayor Hall], All India Institute of Local Self Government, Sthanikraj Bhavan, C. D. Barfiwala Marg, Andheri (W)	Andheri (West) CPE Study Circle CA. Shantesh Warty M: 9819947969
04/05/2014 Sunday	8.45 a.m.	Recent Amendment and Update under MVAT Laws SME Bank Finance Opportunity for CA's	CA. Deepak Thakkar CA. B. L. Maheshwari	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. N. M. Bansal M: 9322338652
07/05/2014 Wednesday	6.30 p.m.	Overview of Wealth Tax Act	CA. Amish Shah	Hotel Woodland, Nadiad	Nadiad CPE Study Circle CA. Hitesh Shah M: 9428435900
11/05/2014 Sunday	9.30 a.m.	Direct Tax Issues – Entertainment Industry Indirect Tax Issues – Entertainment Industry	Eminent Faculty Eminent Faculty	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Giriraj Khandelwal M: 9820344999
17/05/2014 Saturday	5.30 p.m.	Basics of International Taxation	CA. Jimit Dewani	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Hemang Shah M: 9223273189
18/05/2014 Sunday	8.45 a.m.	Tally ERP as Audit Tool Smarter use of Smart Phone	Shri Darshan Shah CA. Sanjay Chedda	A-52, AIPMA House, Street No. 1, Nr. Tunga International Hotel, MIDC, Andheri (E)	J. B. Nagar CPE Study Circle CA. N. M. Bansal M: 9322338652
18/05/2014 Sunday	9.30 a.m.	Direct Tax Issues – Software Industry Indirect Tax Issues – Software Industry	Eminent Faculty CA. Divyesh Lapsiwala	Bhatia Wadi, Opp. Veer Savarkar Udyan, T.P.S. Road, Borivali (W)	Borivali (Central) CPE Study Circle CA. Giriraj Khandelwal M: 9820344999
24/05/2014 Saturday	5.30 p.m.	Opportunities for CAs in Business Restructuring and SME Models	CA. Paras Savla	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Hemang Shah M: 9223273189
24/05/2014 Saturday	5.30 p.m.	Study Group Meeting – Audit Planning Set off and Retention under MVAT Laws	CA. Mandeep Singh Talwar CA. N. M. Jain	Direct-I-Plex, Old Nagardas Road, Near Andheri East Subway, Andheri (E)	J. B. Nagar CPE Study Circle CA. N. M. Bansal M: 9322338652



GRIEVANCE REDRESSAL MECHANISM on Administrative Matters

- E-SAHAYATAA is a time bound grievance redressal mechanism hosted on ICAI website for administrative matters. Members and students are requested to visit www.icaai.org to log in their grievances. In this context, members and students are requested to log in their grievances to “correct activity”, which has been listed under the E-Sahayataa, so as to avoid delay in resolving such matters/receiving appropriate replies.
- In addition to the above, this year, the Grievance Committee of WIRC of ICAI under the chairmanship of CA Hardik Shah has restarted the Grievance Cell, wherein members and students can send their grievances related to administrative matters, to the dedicated e-mail ID wircgrievance@icaai.in. This grievance cell will further ensure that all such e-mails received will be directed/forwarded to the designated/appropriate officials on daily basis on all working days and also will strive to ensure the solution within reasonable time.

Sixty Third Annual General Meeting of WIRC of ICAI – Advance Intimation

The Sixty Third Annual General Meeting of the Members of the Western Regional Council will be held either in the month of last week of June 2014 or first week of July, 2014. The detailed notice etc. for the said meeting will be sent by e-mail, in due course, to all members of the Western Region, whose e-mail ids are available on the records of ICAI. Members who have not furnished their e-mail ids are requested to update their e-mail ids in the records of ICAI, to enable the above notice being e-mailed to them also.

The aforesaid notice, as also the Annual Report of WIRC of ICAI for the period 1st June, 2013 to 31st May, 2014 and the Audited Financial statements for financial year 2013-14 will be hosted on the WIRC Website www.wirc-icaai.org in due course. The said Notice will also be displayed on the Notice Board of the WIRC office in the BKC premises of ICAI, but after it has been hosted on the WIRC website. The hard copies of the aforesaid Annual Report and the Annual financial statements will be sent to those members who express their desire for the same in writing, but after the same has been hosted on the WIRC website.

Empanelment of “Writers” for Chartered Accountants examination

The ICAI is in the process of building a panel of writers (scribes), in various cities, who can act as “writers” for differently abled candidates in CA examinations and invites applications from eligible persons who are studying in recognised schools, colleges and other educational institutions for empanelment as “Writers” in the following cities:

Delhi, Mumbai, Chennai, Kolkata, Kanpur, Jaipur, Ahmedabad, Pune, Bengaluru, Hyderabad, Chandigarh, Bhubaneswar, Guwahati, Indore and Ludhiana.

The detailed guidelines in this regard are hosted on www.icaai.org in the students> examination section. Last date is on or before 30th April, 2014.

Clarification on prohibition of simultaneously undertaking Concurrent Audit and Quarterly Review of the same Bank

Attention is invited of the members to the announcement on the above-mentioned subject matter which is hosted on the homepage of ICAI website www.icaai.org under the heading “Announcements”.

Announcement regarding abstaining from sharing of Firm details intended for comparison of Firms

Attention is invited of the members to the announcement on the above mentioned subject matter which is hosted on the homepage of ICAI website www.icaai.org under the heading “Announcements”.

Invitation to act as Checker for Chartered Accountants Examinations

The Examination Department of the ICAI avails the services of examiners to evaluate the answer books of Chartered Accountants Examinations. To assist them in totaling etc. of marks awarded by them, a Checker is allocated to each examiner. For this purpose, the ICAI would like to avail the services of the Members of the ICAI. The details of the Eligibility requirement, functions of the Checker and other terms and conditions on the ICAI website www.icaai.org under the heading “Announcements”.

Scholarship from S. Vaidyanath Aiyar Memorial Fund - 2014

The Managing Committee of the S. Vaidyanath Aiyar Memorial Fund have decided to award scholarships to 100 students (who are currently undergoing articled training in accordance with The Chartered Accountants Regulations, 1988 and are poor, needy but meritorious) requiring scholarship to pursue the Chartered Accountancy course. Detailed announcement outlining the eligibility requirement and other terms and conditions are hosted on the ICAI website www.icaai.org under the heading “Announcements”. Last date for receipt of application at ICAI’s office at New Delhi is 30th April, 2014.

Study Group of Service Tax

WIRC of ICAI is planning to form a Study Group on Service Tax. The Study Group will deliberate on issues commonly arising in service tax and prepare a discussion paper on the same. Members of the Group can be from Practice or industry but having reasonable exposure to service tax. The membership of the Group will be restricted to 40. Interested members should mail to wircvent@icaai.in. The Convenor of the Group will be CA. Mangesh Kinare, Imm. Past Chairman of WIRC.

Study Group Meeting on BFSI & Capital Market

Date : Friday, 25th April, 2014 **Time** : 5.30 p.m. - 8.30 p.m.

Venue : ICAI Towers, BKC **CPE** : 3 hours

Annual Fees : ₹ 1,000/- per annum

ROUNDTABLE DISCUSSION - TOPIC (MODERATOR - CA. MANOJ ALIMCHANDANI

- Fund Raising for SME’s and Mid-Corporates – Critical Issues for CA’s in Project and Working Capital Finance for SME and Mid-Corporates – Group Study by CA. Nikhil Sahajwani, CA. Prakash Bhatia etc.
- Monetary Policy – Impact on Industry & Investments – Eminent Panel (Moderator: CA Bharat Sampat)



DIRECT TAX

(Contributed by CA. Haresh P. Kenia & CA. Deepak Lala)

Finance Bill 2014 – Interim Budget 2014-15

221 TAXMANN (St.)49

Relevant extract of speech of Shri P. Chidambaram, Ministry of Finance on February 17, 2014 concerning Finance Budget 2014-15 and the clause wise Finance Bill as introduced in the Lok Sabha on February 17, 2014 is available at above magazine. The object of Finance Bill is to continue existing rate of income tax for FY 2014-15.

Double Tax Agreement-protocol – amending the conventions between India and United Kingdom of Great Britain and Northern Ireland

221 TAXMANN (St.)77

The Notification No. 10 dated 10/2/2014 gives protocol amending the conventions between India and United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and capital.

The Central Government hereby directs that all the provisions of said protocol shall be given effect to in the Union of India from 27/12/2013. This amends the Notification No. GSR 91(E) dated 11/2/1994.

CBDT clarification on scope of Additional Income Tax on distributed income u/s. 115R

221 TAXMANN (St.)76

The CBDT *vide* circular No. 6/2014 dated 11/2/2014 clarified that additional income tax u/s. 115R(2) of the Act is to be levied on income distributed by way of dividend to unit holders of mutual fund/specified companies and receipt for redemption/repurchase of units or allotment of additional units by way of bonus units would not be subjected to levy of additional income tax under that section. This clarification is issued as instructions to subordinate authorities. The object of issue of clarification is that some field authorities are taking view that Mutual Fund/Specified companies are required to pay additional income tax u/s. 115R(2) not only income distributed by way of dividend but also payments made at the time of redemption/repurchase of units as well as at the time of allotment of bonus units to existing investors. The CBDT clarified that redemption/repurchase of units would not attract levy of tax u/s. 115R(2) as such income is not of the nature of income "Distributed" to the unit holders and hence lies outside of the purview of the section. Further, the income so distributed is specifically exempt from the tax u/s. 10(35) of the Act in the hands of the recipient. The recipient of such income is liable to pay capital gains tax if applicable on transfer of such units as per the relevant provisions of the Act and should not be subject to additional income tax u/s. 115R of the Act.

MAHARASHTRA VAT

(Contributed by CA. C. B. Thakar)

MVAT ACT, 2002

Notifications

The Government of Maharashtra has issued Notification dated 20/2/2014 under section 9(1) whereby exemption for various goods has been extended from 31st March, 2014 to 31st March, 2015.

The Government of Maharashtra has issued one more Notification dated 20/2/2014 under section 9(1) whereby the rate of tax on diamonds etc. is replaced at 1% from 1.1%, w.e.f. 1/4/2014.

Ordinance

The Government of Maharashtra has promulgated Ordinance VII of 2014 dated 3/3/2014 whereby the date for completion of assessments of builders and developers has been extended up to 30/9/2015 for relevant years where the time limit for assessment was expiring on 31/3/2014.

Circulars

- (i) The Commissioner of Sales Tax has issued circular bearing No. 6T of 2014 dated 21/2/2014, and extended further the date of filing of audit Report, to 31st March, 2014 in respect of builders/developers, who have not opted for Composition Scheme for discharging the tax liability in respect of ongoing old projects.
- (ii) The Commissioner of Sales Tax has issued another circular No. 7T of 2014 dated 21/2/2014, and extended the date of filing of Revised returns by specified builders/developers. Now, such developers can file Revised Returns up to 30th April, 2014.
- (iii) The Commissioner of Sales Tax has issued circular bearing No. 8T of 2014 dated 11/3/2014 by which exemption is provided from late fees for delayed returns under section 20(6) of MVAT Act for deserving cases subject to fulfilment of certain terms and conditions.
- (iv) The Commissioner of Sales Tax has issued circular bearing No. 9T of 2014 dated 25/3/2014 by which it is proposed to provide for uploading of Annexure J1 and Annexure J2 before filing periodical MVAT Returns.

CORPORATE LAWS

(Contributed by CA. Rahul Joglekar)

MCA General Circular No. 4/2014 dated 25th March, 2014 – Clarification with regard to Section 180 of the Companies Act, 2013

MCA has received many representations regarding various difficulties arising out of implementation of section 180 of the Companies Act, 2013 with reference to borrowings and/or creation of security, based on the basis of ordinary resolution. After examination of the matter, the Ministry clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12/9/2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. Therefore a relief has been granted to the companies to comply with the requirements. For the complete text of this circular please refer to the link: http://www.mca.gov.in/Ministry/pdf/gencircular_042014.pdf

MCA Notification No. – S.O(E) dated 26th March, 2014 – Commencement Notification of Companies Act, 2013

In addition to 99 sections of the Companies Act, 2013 already notified, the Central Government has further notified 183 sections of the Companies Act and the same would be in force from 1st day of April, 2014. For a complete list of the notification and the sections which become effective, please refer to the link: <http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification26March2014.PDF>

The MCA has also provided a ready reckoner of applicable sections of the Companies Act 2013 *vis-à-vis* the 1956 Act. The list can be referred to at the link: http://www.mca.gov.in/Ministry/pdf/ProvisionsTable_CompAct.pdf

Notification of various chapters of Companies Act, 2014

The MCA has notified various Chapters of the Companies Act 2014 which contain various Rules under the Act. The Rules will be effective from the date of their publication in the Official Gazette. The Rules are available on the MCA website at the link: <http://www.mca.gov.in/MinistryV2/companiesact.html>

SEBI Circular No. – CIR/CFD/DIL/1/2014 dated 25th March, 2014 – Format for Auditors' Certificate required under Clause 24(i) of the Equity Listing Agreement

Clause 24(i) of the Listing Agreement requires that the company, while filing for approval of any draft Scheme of amalgamation / merger / reconstruction, etc. with the stock exchange under Clause 24(f), shall also file an auditors' certificate to the effect that the accounting treatment contained in the



scheme is in compliance with all the Accounting Standards specified by the Central Government. SEBI observed that there is no standardisation in the format of the Auditor's Certificate. Therefore standard format for Auditors' Certificate is formalised and made applicable for companies. For complete text of this Circular please refer to the link: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1395745810782.pdf

SEBI Circular No. – CIR/IMD/DF/05/2014 dated 24th March, 2014 – Enhancing disclosures for mutual fund products, etc.

SEBI has framed a Long Term Policy for Mutual Funds in India which *inter alia* includes enhancing the reach of Mutual Fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. This policy issued as per the aforesaid circular would be applicable since 1st April, 2014. The circular includes requirements pertaining to disclosures of Assets Under Management, votes cast by Mutual Funds, financial inclusion, development of alternative distribution channels etc. For complete text of the circular please refer to the link: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1395658919125.pdf

CENTRAL EXCISE **(Contributed by CA. Jayesh Gogri)**

Notifications

Non-Tariff Notifications

Introduction of procedure, conditions and limitations in case of application to be filed by service provider for refund of credit

Rule 5B has been introduced *vide* Budget 2012, which provides refund of credit in case of Reverse Charge mechanism. Notification No. 12/2014 has been issued to prescribe procedure and conditions to avail refund the same.

The said Notification specifies the refund shall be allowed only in case of renting of motor vehicle, supply of manpower and service portion in execution of works contract. Further, it provides that refund application can be done twice in a year, post filing Service Tax returns. It also mandates that the amount of credit which is applied for refund shall be debited to credit register. The refund is allowed only for post July, 2012 period. Detailed procedure and forms for filing the refund application have been prescribed in the said Notification.

(Notification No. 12/2014-CE (NT) dated 3/3/2014)

Withdrawal of Notification 5/2012 CE (NT)

The powers were given to Member (Central Excise), CBEC under Notification 6/2012 CE (NT) dated 13/2/2012 to withdraw facility of CENVAT Credit of a person who is involved in specified offences. Now, the powers shall rest with Chief Commissioner instead of Member (Central Excise).

(Notification No. 13/2014- and 14/2014 CE (NT) dated 21/3/2014)

Chief Commissioner can impose restrictions in certain situations instead of officer authorised by Board

Chief Commissioner can withdraw facilities or impose restrictions as specified in the given Notification if manufacturer, first and second stage dealer and exporter including merchant exporter *prima facie* found to be knowingly involved in any of following situations:

- Removal of goods without the cover of an invoice and without payment of duty
- Removal of goods without declaring the correct value for payment of duty, where a portion of sale price, in excess of invoice price, is received by him or on his behalf but not accounted for in the books of account
- Taking of Credit without the receipt of goods specified in the document based on which the said credit has been taken
- Taking of Credit on invoices or other documents which a person has reasons to believe as not genuine

- Issuing duty of excise invoice without delivery of goods specified in the said invoice
- Claiming of refund or rebate based on the duty of excise paid invoice or other documents which a person has reason to believe as not genuine
- Removal of inputs as such on which credit has been taken, without paying an amount equal to credit availed on such inputs in terms of sub-Rule (5) of Rule 3 of the Credit Rules, 2004

Chief Commissioner of Central Excise may impose following restrictions on the facilities:

- The monthly payment of duty of excise may be withdrawn and the assessee shall be required to pay duty of excise for each consignment at the time of removal of goods
- Payment of duty of excise by utilisation of CENVAT credit may be restricted and the assessee shall be required to pay duty of excise without utilising the CENVAT credit
- The assessee may be required to maintain records of receipt, disposal, consumption and inventory of the principal inputs on which CENVAT credit has not been taken
- The assessee may be required to intimate the Superintendent of Central Excise regarding receipt of principal inputs in the factory on which CENVAT credit has or has not been taken, within a period specified in the order and the said inputs shall be made available for verification up to the period specified in the order

However, where a person is found to be knowingly involved in committing any one or more type of offences as specified above, every removal of goods from his factory may be ordered to be under an invoice which shall be countersigned by the Inspector of Central Excise or the Superintendent of Central Excise before the said goods are removed from the factory or warehouse.

By way of an Explanation, it has been clarified as under–

- A person against whom the order under sub-para (2) of para 4 has been passed may continue to take CENVAT credit, however, he would not be able to utilise the credit for payment of duty during the period specified in the said order
- Principal inputs means any input which is used in the manufacture of final products where the cost of such input constitutes not less than 10% of the total cost of raw materials for the manufacture of unit quantity of a given final product
- If the assessee commits any offence for the first time, the period of imposition of restrictions may not be more than 6 months
- If the assessee commits any offence subsequently, the period of imposition of restrictions shall not be more than 1 year

Where a first stage or second stage dealer is found to be knowingly involved in committing the type of offence specified at clauses (d) or (e), the Chief Commissioner of Central Excise may order suspension of the registration granted under Rule 9 of the Central Excise Rules, 2002 for a specified period. During the period of suspension, the said dealer shall not issue any Central Excise Invoice. He may continue his business and issue sales invoices without showing duty of excise in the invoice and no CENVAT credit shall be admissible to the recipient of goods under such invoice.

Where a merchant exporter is found to be knowingly involved in committing the type of offence specified in clause (f), the Chief Commissioner of Central Excise may order withdrawal of the self-sealing facility for export consignment and each export consignment shall be examined and sealed by the jurisdictional Central Excise Officer.

If a manufacturer, first stage dealer or second stage dealer or an exporter does anything specified in clause (f), the Chief Commissioner of Central Excise may order withdrawal of the other facility available to them.

The provisions of this notification shall be applicable only in a case where the duty of excise or CENVAT Credit alleged to be involved is more than rupees ten lakhs.

A detailed procedure has also been prescribed for the Chief Commissioner in this regard, in the Notification.

(Notification No. 16/2014-CE (NT) dated 21/3/2014)

SERVICE TAX (Contributed by CA. Rajiv Luthia)

SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

Commissioner of Service Tax, Mumbai-I vide Trade Notice No. 21/13-14-ST dated 11th March, 2014 has issued guidelines for rectifying the mistake of payment of service tax deposited under wrong accounting code and wrong service tax registration code.

In case of service tax paid under wrong accounting code, the assessee should inform Deputy Commissioner (Technical), Office of the Commissioner of Service Tax-I, Mumbai, 115, New Central Excise Building, M.K. Marg, Churchgate, Mumbai – 400 020, in writing along with the copy of Service Tax paid challan and other information in the prescribed format, to rectify their mistake.

In case of service tax paid under wrong assessee code/service tax registration code, which might happen on account of either having multiple service tax codes on same PAN for different branches or on account of error committed by the assessee's Chartered Accountant or Consultant, there is no mechanism for the transfer of the amount. However, the assessee can resort to rectify these mistakes by:

- Adjustment under rule 6(4A) of the Service Tax Rules, 1994, against the liability of subsequent month or quarter, as the case may be
- The assessee may file a refund application under section 11B of the Central Excise Act, 1944 for the amount wrongly paid within the time limit prescribed under the law.

CBEC vide Internal Communication Letter F. No. 275/05/2014-CX.8A dated 19th February, 2014 has communicated the decision of Hon'ble Allahabad High Court in the case of *CCE Vs J P Transformers* (2013) TIOL 1152 on the validity of Section 35C (2A) of the Central Excise Act, 1944 wherein the Hon'ble HC has held that "Though we are conscious of the pendency of the appeals and workload assigned to the Principal Bench as well as various Benches of CESTAT, we are of the view that entire object and purpose of insertion of sub-section 2A in Section 35C by Section 140 of the Finance Act, 2002 (20 of 2002) w.e.f. 11/5/2002 and third Proviso by Finance Act, 2013 will stand defeated, if the waiver of pre-deposit is granted indefinitely. The judgment in *Kumar Cotton Mills Pvt. Ltd.* (supra) cannot be interpreted to give powers to the Tribunal to extend the order of waiver of pre-deposit indefinitely."

It is also stated in the said letter that the above decision would be useful to the Revenue in effecting recoveries of arrears where stay orders have been issued by CESTAT and the appeal itself is not decided within 365 days of such stay order. In terms of Section 35C(2A) of the Central Excise Act, 1944, such stay orders stand vacated after 365 days.

GUJARAT VAT (Contributed by CA. Kishor R. Gheewala)

Update of GVAT Act, 2003

Opportunity of Hearing

When the Authority cancelled the R.C. of the dealer on coming to know of the arrest of the dealer in a criminal case, Hon'ble Gujarat High Court quashed the order as illegal, being in breach of principles Natural Justice of affording reasonable opportunity of being heard & mandatory Service of notice stating reasons for the proposed action. The matter is remanded.

Mohamed Ilyas alias Tata Shabbir Husain Sajvani SCA No. 16718/2013 dated 23/1/2014.

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No reduction in ITC for discount

The Determining Authority in a Determination u/s. 80 of the GVAT Act has held that when selling dealer has deposited tax on full amount of invoice, Input Tax Credit can't be reduced on account of discount allowed subsequently.

Shriji Agencies 2013-D-231 OTW 559-562 dated 23/12/2013

FEMA

(Contributed by CA. Manoj Shah & CA. Hinesh Doshi)

Export Data Processing and Monitoring System (EDPMS) for Export of Goods and Services

A.P. (DIR Series) Circular No. 109 dated February 28, 2014

RBI has *vide* A.P. (DIR Series) Circular No. 101 dated February 4, 2014 informed the AD Banks about new comprehensive IT- based system called Export Data Processing and Monitoring System (EDPMS) which has been developed for better monitoring of export of goods and software and facilitating AD banks to report various returns through a single platform.

The EDPMS has now been operationalised with effect from February 28, 2014 and the same would be available to AD banks with effect from March 1, 2014. Accordingly, AD banks are advised to use web link <https://edpms.rbi.org.in/edpms> for accessing the system. The user credentials for accessing the system have already been shared with the AD banks.

Henceforth, the entire shipping documents should be reported in the new system and old shipping documents would continue to be reported in the old system till completion of the cycle. Both the old and new systems will run parallel to each other for some time before the old system is discontinued. This will be advised to AD banks separately.

Money Transfer Service Scheme (MTSS) – 'Direct to Account' facility

A.P. (DIR Series) Circular No. 110 dated March 4, 2014

To facilitate receipt of foreign inward remittances directly into bank account of the beneficiary, RBI has decided to allow foreign inward remittances received under MTSS to be transferred to the KYC compliant beneficiary bank account through electronic mode, such as NEFT, IMPS, etc. The detailed procedure to be followed for this purpose can be referred to in the said circular which is available on RBI website at–

<http://rbidocs.rbi.org.in/rdocs/notification/PDFs/AP11040314SF.pdf>

Rupee Drawing Arrangement – Increase in trade related remittance limit

A. P. (DIR Series) Circular No. 111 dated March 13, 2014

The limit of trade transactions has been increased from the existing ₹ 2,00,000/- (Rupees Two Lakh only) per transaction to ₹ 5,00,000/- (Rupees Five Lakh only) per transaction, with immediate effect in respect of the Permitted Transactions under the Rupee Drawing Arrangements (RDAs).

Foreign Portfolio Investor – Investment under Portfolio Investment Scheme, Government and Corporate debt

A.P. (DIR Series) Circular No. 112 dated March 25, 2014

The extant guidelines for Portfolio Investment Scheme for Foreign Institutional Investor (FII) and Qualified Foreign Investor (QFI) have since been reviewed and RBI has been decided to put in place a framework for investments under a new scheme called 'Foreign Portfolio Investment' scheme.

The salient features of the new scheme are:

- Under the new scheme, the portfolio investor registered in accordance with SEBI guidelines shall be called as 'Registered Foreign Portfolio Investor (RFPI)' and the existing portfolio investor class, namely, Foreign Institutional Investor (FII) and Qualified Foreign Investor (QFI) registered with SEBI shall be subsumed under RFPI;

- RFPI may purchase and sell shares and convertible debentures of Indian company through registered broker on recognised stock exchanges in India as well as purchases shares and convertible debentures which are offered to public in terms of relevant SEBI guidelines/ regulations.

The terms of selling and acquiring shares or convertible debentures by an RFPI can be referred in the said circular available on RBI website at–
<http://rbidocs.rbi.org.in/rdocs/notification/PDFs/C1112AP250314F.pdf>

- The individual and aggregate investment limits for the RFPIs shall be below 10% or 24% respectively of the total paid-up equity capital or 10% or 24% respectively of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for RFPI investment shall also be within such overall FDI sectoral caps;
- RFPI shall be eligible to open a Special Non-Resident Rupee (SNRR) account and a foreign currency account with Authorised Dealer (AD) bank and to transfer sums from foreign currency account to SNRR account at the prevailing market rate for making genuine investments in securities. The AD bank may transfer repatriable proceeds (after payment of applicable taxes) from SNRR account to foreign currency account;
- RFPI shall be eligible to invest in government securities and corporate debt subject to limits specified by the RBI and SEBI from time to time;
- The investment by RFPI will be made subject to the SEBI (FPI) Regulations 2014, modified by SEBI/Government of India from time to time;
- RFPI shall be permitted to trade in all exchange traded derivative contracts on the stock exchanges in India subject to the position limits as specified by SEBI from time to time;
- RFPI may offer cash or foreign sovereign securities with AAA rating or corporate bonds or domestic Government Securities, as collateral to the recognised Stock Exchanges for their transactions in the cash as well as derivative segment of the market.

Any foreign institutional investor who holds a valid certificate of registration from SEBI shall be deemed to be an RFPI till the expiry of a block of 3 years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995. A QFI may continue to buy, sell or otherwise deal in securities subject to the SEBI (FPI) Regulations, 2014 for a period of 1 year from the date of commencement of these regulations, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

However, all investments made by that FII/QFI in accordance with the regulations prior to registration as RFPI shall continue to be valid and taken into account for computation of aggregate limit.

RFPI shall report the transaction to RBI as being reported by FII in LEC Form as per extant practice.

External Commercial Borrowings (ECB) for Civil Aviation Sector

A.P. (DIR Series) Circular No. 113 dated March 26, 2014

RBI had *vide* A.P. (DIR Series) Circular No. 113 dated April 24, 2012 allowed ECB to be raised by airline companies for working capital as a permissible end-use, under the approval route, subject to the conditions stipulated in the said Circular. The scheme was extended till December 31, 2013 *vide* A.P. (DIR Series) Circular No. 116 dated June 25, 2013.

On a review, RBI has decided that this scheme of raising ECB for working capital for Civil Aviation Sector will continue till March 31, 2015.

All other conditions stipulated in aforesaid Circular dated April 24, 2012 shall remain unchanged.

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DIRECT TAX

(Contributed by CA. Paras K. Savla & CA. Deepak Tikekar)

SUPREME COURT

S. 244A – Interest on refund of TDS

Assessee Company has made payment to the NR post deduction of tax at source in terms of the order of AO u/s. 195(2). Subsequently assessee-company has filed appeal, wherein appellate authority passed the order stating that such payments are not subject to TDS. Accordingly, such tax paid was required to be refunded to the assessee company. Apex Court held that, assessee is also entitled for the interest on refund and date of interest is to be reckoned from the date of payment of such tax – *UOI vs. Tata Chemicals Ltd.* [2014] 43 taxmann.com 240 (SC)

S. 158BD – Satisfaction of Assessing Officer

The Apex Court held that for the purpose of Section 158BD a satisfaction note is *sine qua non* and must be prepared by the assessing officer before he transmits the records to the other assessing officer who has jurisdiction over such other person. The satisfaction note could be prepared at either of the following stages:

- At the time of or along with the initiation of proceedings against the searched person under Section 158BC of the Act;
- Along with the assessment proceedings under Section 158BC of the Act; and
- Immediately after the assessment proceedings are completed under Section 158BC of the Act of the searched person.

CIT vs. Calcutta Knitweaves [2014] 43 taxmann.com 446 (SC)

HIGH COURT

S. 2(14) Sale of agricultural land to non-agriculturist

The agricultural land was sold in favour of non-agriculturist in violation of the law prevailing in the State, i.e. without prior permission of appropriate authority and without getting the land converted into non-agriculture would not convert agricultural land into capital asset and therefore, liable to be taxed. *CIT vs. Rajshibhai Meramanbhai Odedra* [2014] 42 taxmann.com 497 (Gujarat)

S. 2(42A) – Period of holding of asset

The confirmation (allotment) letter specifically states first, that no right to provisional/final allotment accrues until the Buyer's Agreement is signed and returned to the builders and second, that no right to claim title/ownership results from the confirmation letter itself. On the facts the Court held that a right or interest in an immovable property can accrue only by way of an agreement embodying consensus *ad idem*. Accordingly it was held that holding period of the asset to be reckoned from the date of Agreement and not from the date of confirmation letter - *Gulshan Malik vs. CIT* [2014] 43 taxmann.com 200 (Delhi-HC)

S. 10(2A) – Share of profit from firm includes exempt income

The assessee-company is entitled to claim exemption u/s. 10(2A) on the share of profit of the firm, inclusive of the income, which is exempted under sub-sections (34), (35) and (38) of Section 10, as the total income referred to in 10(2A), includes exempted income of the partnership firm - *Vidya Investment & Trading Co. (P.) Ltd. vs. UOI* [2014] 43 taxmann.com 1 (Karnataka)

S. 13 – Advances to related party

The assessee trust in furtherance of its objects to open a school, entered into agreements with A for purchase of the land. In these agreements the assessee paid 95% of the price of the land to A and simultaneously obtained possession of the plots. The advance paid by the assessee was recorded in books of account for the financial year 2004-05 and the amount so advanced was added to the list of fixed assets in the assessee's books and as advances received in the books of A.

High Court upheld the contention of the assessing officer who took the view that the real motive of the assessee-trust was to advance its surplus monies to A without charging any interest and since APIL was a prohibited person within the meaning of Section 13(3), the provisions of Section 13(1)(c)(ii) were attracted with the result that the assessee could not be allowed the exemption under Section 11 – *DIT(E) vs. Charanjiv Charitable Trust* [2014] 43 taxmann.com 300 (Delhi-HC)

S. 43B Statutory dues payments in case of contractual liability

In view of facts it was held that the liability to pay the amount of additional customs duty on behalf of the importers as and when they are called upon to discharge the same is a contractual liability and not a statutory liability. Accordingly provision of S. 43B is not applicable – *Oswal Agro Mills Ltd. vs. CIT* [2014] 42 taxmann.com 100 (Delhi)

S. 43B Employees Contribution of PF paid after due date

Court observed that the word "contribution" used in Clause(b) of Section 43B means the contribution of the employer and the employee. Accordingly if the contribution is made on or before the due date for furnishing the return of income u/s 139(1) the assessee-employer is entitled for deduction. Gujarat High Court decision in case *CIT vs. Gujarat State Road Transport Corpn.* [2014] 41 taxmann.com 100 distinguished – *Essae Teraoka (P.) Ltd. vs. DCIT* [2014] 43 taxmann.com 33 (Karnataka)

S. 68 Addition without making enquiry u/s. 133(6)

The assessee has provided the confirmation by the creditors, the bank statements, PAN numbers as well as copy of the acknowledgment of the returns filed by those persons. He had duly discharged his obligation as per the duty cast under the law. No addition u/s. 68 can be made by the Assessing Officer without carrying further inquiry u/s. 133(6) – *CIT vs. Chanakya Developers* [2014] 43 taxmann.com 91 (Gujarat HC)

S. 147 Reassessment

The reassessment order without passing order u/ss. 142(1)(a), 143(3) or 144 is not sustainable – *CIT vs. P. N. Sharma* [2014] 43 taxmann.com 131 (Allahabad HC)

S. 276B Prosecution

Wherever a company fails to deduct the tax at source and remit the same to the account of the Central Government, criminal prosecution and recovery proceedings are attracted. The criminal proceedings are independent of recovery proceedings. It was held that the pendency of proceedings under Sections 201(1) and 201(1-A) cannot act as a bar to the institution and continuance of criminal prosecution for the offences punishable under Section 276-B - *M/s. Kingfisher Airlines Ltd vs. The Income Tax Department CrI. P. No. 4964/2013 c/w CrI P. No. 4965/2013 & CrI. P. No. 4966/2013 Order dated 18/1/2014 Karnataka HC*

ITAT

S. 4 Interest on subsidy held in FD

Assessee received grant from the State Government for improving and creating infrastructure facilities in various parts of the State for export of horticultural produce. As per the direction said grant was required to be kept in FD till utilisation. ITAT relying on ICAI's EAC held that such grant is required to be capitalised not to be treated as income – *Karnataka State Agricultural Produce Processing & Export Corporation Ltd. vs. ACIT TS-677-ITAT-2013-Bang.*

S. 32 Depreciation allowance when business activity temporary shut down

Depreciation Allowance was allowed as deduction even when manufacturing activity was temporary shut down – *Shineup Fiber Ltd. vs. DCIT TS-106-ITAT-2014-Kol.*

S. 40A(3) Conversion of currency of small denomination into that of higher denomination

Unless and until the amount of such advance is in fact spent towards any expenditure incurred on behalf of the assessee company, the money

effectively does not go out of the coffers of the assessee company, and it is only the outgo of funds in the form of expenditure exceeding ₹ 20,000 in cash at a time, out of the coffers of the company, that attracts the provisions of S. 40A(3) of the Act. The payment made was for a definite purpose, viz. return after due conversion into currency of higher denomination, so as to facilitate depositing of the same into bank account. That being so, the provisions of S. 40A(3) are not attracted – *ACIT vs. Dodla Dairy Ltd.* [2014] 42 *taxmann.com* 407 (Hyderabad - Trib.)

S. 54EC – Reckoning of time limit

In absence of the definition of month under the Act, considering General Clauses Act, 1897 it was held that month should be contrasted as British month. Accordingly six months for the purpose of Section 54EC was to be reckoned from the end of the month in which transfer of capital asset took place and not after the date of transfer. It was further observed that once the purpose of the introduction of the section was served by making the investment in the specified assets then that purpose has to be kept in mind while granting incentive – *Alkaben B. Patel vs. ITO* [2014] 43 *taxmann.com* 333 (Ahmedabad - Trib.) (SB)

S. 56(2) – Issue of Bonus Share

The abuse measure, only seeks to tax the understatement in consideration as the income in the hands of the recipient (of the corresponding asset) as against the donor in the case of Gift Tax Act, since no longer in force, particularly considering the burden that the Revenue would otherwise be called upon to discharge, i.e., to prove otherwise, even as the receipt of the asset by the assessee is established. When bonus shares are received there is no receipt of any property by the shareholder. He merely receives split shares out of his own holding. Accordingly it was held that provisions of Section 56(2)(vii)(c) are not attracted on issue of bonus shares – *Sudhir Menon HUF vs. ACIT ITA No. 4887/Mum/2013, Mumbai ITAT 'A' Bench Order dated 12/3/2014*

S. 194A – Discount/factoring charges

Discount/factoring charges do not come within the purview of section 194A and assessee is not liable to TDS on these charges – *ITO vs. M.K.J. Enterprises Ltd.* [2014] 42 *taxmann.com* 460 (Kolkata - Trib.)

S. 271BA Penalty for non-filing of AIR returns

The ITAT directed the Assessing Officer to recompute the penalty leviable under Section 271BA of the Act and the period of penalty in furnishing the information would be computed on the basis of following directions:

1. No penalty to be levied till the first notice issued to the assessee to furnish the requisite information holding the same to be reasonable cause in not furnishing the AIRs in time. In the absence of any notice issued to the specified persons, the date of filing the first AIR would be date of notice.
2. Where the assessee had furnished manual information before the concerned authorities in respect of specified transactions of ₹ 30 lakhs or more and not uploaded the said information through appointed agency, then default between date of furnishing manual information and uploading on system, being technical is to be ignored, which has been ignored by DIT (CIB) in majority of cases. The onus is upon the assessee to furnish the complete information of manually furnishing the complete information, which in turn was uploaded.
3. No penalty under Section 271FA of the Act to be imposed for the overlapping period of default. For example if the assessee had defaulted in furnishing AIRs for four financial years i.e. financial years 2004-05 to 2007-08 and the first notice was received on 1/1/2006, then in all the years, no penalty is leviable for default up to 1/1/2006 and is leviable for the default thereafter.

Sub-Registrar, (Tehsildar), Jagadhari vs. DI(CIB) [2014] 42 *taxmann.com* 444 (Chandigarh - Trib.)

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INTERNATIONAL TAXATION

(Contributed by CA. Hinesh Doshi & CA. Dolly Waghela)

Facts of the case

The taxpayer, a US company, and a 100% subsidiary of Hexagon AB (Publ), Sweden, started a Liaison Office (LO) in India with permission of the Reserve Bank of India (RBI). The LO is established only as a communication channel between the taxpayer and its customers or prospective customers in India. In accordance with the conditions put forth by the RBI, the LO was debarred from rendering any consultancy or any other services directly or indirectly.

The Assessing Officer (AO) held that the LO was rendering the services for promotion and sales of the products of the taxpayer. Further, the taxpayer is registered with the ROC for establishment of a place of business in India. Therefore, the income attributable to the LO is taxable in India.

The Commissioner of Income Tax (Appeals) [CIT(A)] upheld the order of the AO.

It was claimed that the RBI had never alleged that the taxpayer had violated any condition. The LO had not rendered any services for procurement of order or sale of the product of the taxpayer. Further, LO has not earned any income in India and it is only receiving the reimbursement of expenditure from the Head Office (HO).

Held

The LO of the taxpayer had employed two employees (i.e., one is the chief representative officer and second is the technical support manager). The taxpayer besides paying fixed remuneration to these employees was also offering sales incentives. As per the employment contract, the employees were receiving sales incentives based on sales target of the taxpayer in India.

The taxpayer was also registered with the ROC for carrying on the business in India and to this effect; the certificate was also issued by the ROC.



Recent Judgments

It was evident from the return of the taxpayer that the loss is computed under the head business income. Thus, the taxpayer itself claimed that it derives income from business or profession in India.

The decisions relied on by the taxpayer were not applicable to facts of the present case. Further, all the activities performed by LO, for promoting the sales of the taxpayer in India are treated as income attributable to LO and are taxable in India.

The AO had deducted the expenditure incurred by the taxpayer from the amount received from HO and the excess amount received by the taxpayer is to be treated as income.

The High Court in the case of Industrial Engineering Projects Pvt. Ltd. has held that the reimbursement of expenditure cannot be treated as revenue receipt. The High Court has held that the actual expenditure incurred by the taxpayer is reimbursement and the amount in excess of the expenditure cannot be treated as reimbursement. However, in the present case in all the three years, the LO had received more amount than the expenditure actually incurred. Therefore, excess amount received by LO over and above the expenditure actually incurred is treated as income.

Accordingly, all the activities of LO were for promoting sales of the taxpayer in India and income attributable to the LO is taxable in India.

Arvind Singh Chauhan vs. ITO [2014] 42 taxmann.com 285 (Agra ITAT)

Facts of the case

The taxpayer, an employee of Executive Ship Management Pte Ltd, Singapore (ESM), worked as a crew member on merchant vessels plying on international routes.

The taxpayer qualified as an NR in the financial year and offered to tax in India his interest income from the Indian bank account and pension income from the Indian Army (previous employer).

Salary income from ESM was credited at the request of the taxpayer to his NRE bank account in Mumbai from the employer's bank account in Singapore. He did not offer his ESM salary on the understanding that the same is not liable to tax in India.

During the assessment proceedings, the Assessing Officer (AO) made an addition on account of the salary, considering it taxable in India owing to its accrual and receipt in India.

Aggrieved by the decision of the AO and subsequent decision of the Commissioner of Income Tax (Appeals) [CIT(A)], the taxpayer appealed before the Tribunal.

Held

The Tribunal observed that an employee has to render the services to get a right to receive a salary. Accordingly, the Tribunal opined that situs of accrual of salary income is the place where the services are rendered. Reliance was placed on the Bombay High Court ruling in the case of Avtar Singh Wadhvani in this regard. Thus, the Tribunal held that the salary was accrued outside India where the services were performed.

The Tribunal observed that the taxpayer received USD denominated salary. Further, the taxpayer had the right to receive such salary at the place of employment (Singapore) i.e. the taxpayer had the right to disposal of such salary. It was thus noted that in lieu of such right to disposal of the salary, the taxpayer exercised his discretion to receive it in his Indian bank account.

The Tribunal opined that for the purpose of Section 5(2) of the Income-tax Act, 1961, receipt of income refers to the first occasion when the assessee gets the money in his own control – whether real or constructive. What is material is the receipt of income in its character as income, and not what happens subsequently once the income, in its character as such, is received by the assessee or his agent. The Tribunal thus distinguished between 'receipt of income' and 'receipt of amount pertaining to the income'. Reliance was placed on the Madras High Court ruling in the case of AP Kalyankrishnan in this regard.

Thus, the Tribunal held that salary income was accrued outside India and was also received outside India. Accordingly, the same is not taxable in India.

IBM India Private Limited vs. DDIT [I.T. (IT) A. Nos. 489 to 498/Bang/2013] (Bengaluru ITAT)

Facts of the case

The taxpayer, an Indian company, was engaged in the business of providing information technology services and was a wholly owned subsidiary of IBM World Trade Corporation, USA. The taxpayer made certain payments to IBM Business Services, Philippines (IBM Philippines) for certain business information services, work force management, web content management and human resources accounting services rendered by them to the taxpayer.

The taxpayer contended that the tax treaty did not have an Article on FTS hence, such payments constituted 'business profit' under Article 7 of the tax treaty. Further, IBM Philippines did not have a PE in India hence, income of the IBM Philippines was not chargeable to tax in India. Accordingly, the taxpayer did not deduct tax at source (TDS) on such payments.

The Assessing Officer (AO), relying on the Central Board of Direct Taxes (CBDT) Circular and Article 24 – Elimination of Double Taxation, held that since there is no Article in the tax treaty dealing with FTS, domestic law will govern the taxation of the sums paid by the taxpayer to IBM Philippines and therefore, the taxpayer is an 'assessee in default' for not deducting tax on such payments.

Held

Nature of payments under the tax treaty

Payments to IBM Philippines, for providing services in the course of its business would be covered by Article 7 since the specific Article dealing with FTS is absent in the tax treaty. The services provided by IBM Philippines were in the course of its business and therefore, the payments received by it from the taxpayer partake the character of 'business profit' under Article 7 of the tax treaty.

As per Article 7(1) of the tax treaty, business profits of an enterprise of a contracting state shall be taxable only in that State, unless the enterprise carries on business in the other Contracting State through a PE situated therein. The taxpayer has submitted before the AO and the Commissioner of Income-tax (Appeals) that IBM Philippines does not have a PE in India and the same has not been negated by these authorities. Consequently, as per Article 7(1) of the tax treaty, the business profits arising out of payments made by the taxpayer to IBM Philippines are not chargeable to tax in India in the absence of a PE in India.

Article 23 of the tax treaty deals with 'Other Income' and provides that items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of the tax treaty, shall be taxable only in that State. An item of income is said to have been dealt with other Articles of the tax treaty if such income can be classified as taxable or not under any of the Articles of the tax treaty.

In the present case, the payments are dealt with by Article 7 of the tax treaty and therefore, Article 23 has no application even though the business profits are not chargeable to tax in India in the absence of a PE of IBM Philippines in India. In support of this ruling, reliance was placed on various decisions.

Further, in the case of Andaman Sea Food P. Ltd., the Kolkata Tribunal held that income from consultancy services, which cannot be taxed under Articles 7, 12 or 14 because conditions laid down therein are not satisfied, cannot be taxed under Article 23 either.

In the case of Bangkok Glass Industry Co. Ltd., the Madras High Court held that the FTS earned by the Thailand Company in the course of business was covered under Article 7 of the India-Thailand tax treaty and in the absence of a PE in India the income was not chargeable to tax in India. Further, the income was not chargeable to tax under Article 22.

Even if it is assumed that payments to IBM Philippines are not covered by Article 7 but are covered by Article 23 of the tax treaty dealing with 'Other Income', the payments would be chargeable only in Philippines since as per Article 23, items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing articles of the tax treaty shall be taxable only in that State (i.e. Philippines in the present case).

Non-taxability of FTS under Article 24 of the tax treaty

Article 24(1) of the tax treaty provides that the law in force in either of the Contracting States shall continue to govern the taxation of income in the respective contracting state, except where provisions to the contrary are made in the tax treaty.

Even though the tax treaty does not have an Article dealing with FTS, its taxation would be governed by Article 7 or Article 23 as the case may be. If Article 24(1) of the tax treaty is interpreted as dealing with taxation of items of income not dealt within the foregoing Articles 6 to 23 of the tax treaty, as per domestic laws, it would render Article 23 thereof redundant.

The contention of the tax department, that Article 24 confers a right to tax FTS in accordance with the respective domestic law, would render Article 23 redundant since it ceases to be a residuary/ omnibus clause covering items of income not dealt with in the foregoing Articles of the tax treaty. It is a well-settled principle that a clash is to be avoided while interpreting the provisions of the domestic law or tax treaty. The Central Government's Notification by which the tax treaty was brought into force has directed that all the provisions of the tax treaty shall be given effect to in the Union of India and therefore, no redundancy can be attributed to either Article 23 or Article 24(1) of the tax treaty.

On reference to the Mumbai Tribunal's decision in the case of BNP Paribas SA, the Tribunal in the present case held that Article 24(1) of the tax treaty, which is similar to Article 25(1) of the India-UAE tax treaty, does not confer a right to invoke the provisions of domestic laws for classification or taxability of income which is governed by Articles 6 to 23 of the tax treaty.

Article 24 does not provide any separate mechanism for quantification or computation of 'Philippine tax payable' or 'Indian tax payable' which is the starting point for claiming foreign tax credit. Accordingly, Article 24(1) operates in the field of computation of double taxed income and tax thereon in accordance with the domestic tax laws of each Contracting State, and is not a part of Articles 6 to 23 which deals with the classification of income into different heads.

Under Articles 24(4) and 24(5) of the tax treaty, 'Philippine tax payable' or 'Indian tax payable', includes *inter alia* the tax which would have been payable but for an exemption or reduction of tax granted by the special incentive provisions which are designed to promote economic development of the country. Thus, in cases where the above exceptions apply, the computation of doubly taxed income and tax thereon would be made in accordance with Articles 24(3)/24(5) of the tax treaty.

Article 24 of the tax treaty deals with the elimination of double taxation and therefore, it has no applicability regarding taxation of an item of income, FTS in this case, dealt with under the tax treaty.

Based on the above, the payments would not be chargeable to tax in India and consequently not liable for TDS under Section 195 of the Act.

ADIT vs. Antwerp Diamond Bank NV [TS-150-ITAT-2014(Mum)] dated March 18, 2014

Facts of the case

The assessee, a bank incorporated in Belgium, is operating through branch in India. For AY 2004-05, it claimed Head Office expenses of ₹ 1.24 crores in nature of reimbursements, attributable to banking business operation in India. These expenses were classified as general administrative expenses of ₹ 90 lakhs and data processing cost of ₹ 34 lakhs.

As regards to data processing cost, it was submitted that Head Office ('HO') had acquired its main banking application software which was also used by assessee branch for its business operations. The branch reimbursed

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HO data processing cost on pro rata basis for use of such software and other I.T. resources installed at Belgium.

However, AO disallowed the entire HO expenses u/s. 40(a)(ia) of the Act stating that payment made by assessee towards reimbursement of cost to HO was nothing but payment of royalty u/s. 9(1)(vi) of the Act and Article 12(3) of Indo-Belgium DTAA ('DTAA').

On appeal, CIT(A) ruled in favour of assessee and held that payments were not in nature of royalty.

It directed AO to allow in general administrative expenses of ₹ 90 lakhs in accordance with provisions of Section 44C dealing with HO expenses deductibility. Further, CIT(A) held that data processing cost, which was directly related to banking business, did not fall within the ambit of general administrative expenses as per Section 44C. Therefore, AO was directed to allow data processing cost of ₹ 34 lakhs as business expenses.

Aggrieved, the Revenue filed an appeal before Mumbai bench of ITAT on the issue of disallowance of data processing cost.

Issues

Whether reimbursement from India towards cost of data processing on computer software belonging to HO in Belgium, is taxable in India as "royalty" under India-Belgium DTAA?

Whether scope of the term "royalty" can be widened with regards to explanations 4 and 5 to Section 9(1)(vi) brought in statute by Finance Act, 2012 even though assessee is availing benefit of DTAA?

Held

Referring to terms of agreement between assessee branch and HO for usage of "Flexcube" software, ITAT noted that only HO had non-exclusive non-transferable rights to use such software brought for personal use. Further, said agreement specifically provided that HO did not have any right to assign, sub-licence or otherwise transfer the licence. Hence, ITAT held that "payment by Branch for use of computer software was not right in the copyright but only for doing work from the said software which subsisted



Recent Judgments

in copyright of the software” and ITAT thus concluded that payment made by assessee Branch to HO towards reimbursement of cost of data processing cannot be held to be “royalty” under Article 12(3)(a) of the India-Belgium DTAA.

ITAT rejected Revenue’s argument with regard to scope of ‘royalty’ widened by Explanation 4 and 5 to Section 9(1)(vi) brought in statute by Finance Act, 2012. ITAT held that once assessee had opted for benefit of DTAA, then there was no requirement for resorting to definition and scope of “royalty” u/s. 9(1)(vi). Further, ITAT held that the said amendment cannot be read into the treaty and will not influence the definition of “royalty”, as given in Article 12(3). In this regard, ITAT placed reliance on Bombay HC ruling in *Siemens Aktiengesellschaft [(2009) 310 ITR 320 (Bom.)]* and Delhi HC rulings in *Nokia Network [TS-700-HC-2012(Del)]* and *DIT vs. Ericsson AB, [(2012) 343 ITR 470]*.

DCIT Circle 12(1), New Delhi vs. M/s. Hero Management Services Ltd. (2014-TII-20-ITAT-Del-Intl) dated February 21, 2014

Facts of the case

The assessee is a company engaged in rendering management services. The assessee had incurred business promotion expenses, entertainment expenses advertisement and publicity expenses which were grouped under the head Market Development Expenses. The payments were made to Foreign Service providers, mostly in USA and UK under an agreement for providing services in examining the potential markets and promoting the products of the assessee in USA, Canada and UK.

In respect of advertisement and publicity expenses, the assessee had duly deducted tax wherever applicable. However, in other cases, there was no deduction of tax.

The AO held that the assessee should have deducted tax at source as per law and therefore, disallowed the market development expenditure.

On appeal, the CIT(A) accepted the assessee’s view point, finding the case as identical to the case of *Econ Technology (P) Ltd.* wherein, ITAT Delhi Bench held that the payer was bound to deduct tax at source only if the amount is assessable in India and if the tax is not so assessable, there is no question of making TDS.

The Revenue, contending that the assessee was liable to deduct tax at source and not having done so, the AO’s order should be restored, therefore revenue appealed before the Tribunal.

Issues

Whether when in case the service providers rendered services to the assessee company outside India and it did not have PE in India, assessee is liable to deduct tax at source under Section 195?

Whether in such case, it can be said that any income has accrued or arose or is deemed to accrue or arise in India?

Held

The Tribunal held that when in case the service providers rendered services to the assessee company outside India and it did not have PE in India, assessee is not liable to deduct tax at source under Section 195 as the payer was bound to deduct tax at source only if the amount is assessable in India and if the tax is not so assessable, there is no question of making TDS which is in this case.

The Tribunal also opined that no income could be said to have accrued or arisen or deemed to have accrued or arisen in India as the remittance did not fall within the meaning of fee for technical services. The service providers were just foreign sales representatives or marketing and selling agents engaged by the assessee for promoting its business in USA and UK and had no PE in India.

Asstt. Director of Income Tax vs. M/s. Merrill Lynch International (2014-TII-21-ITAT-Mum-Intl) date of decision: February 12, 2014

Facts of the case

The assessee company is incorporated under the laws of United Kingdom and operating as FI in India. The assessee had acted as lead manager and underwriter to the ADRs/GDRs issued by Indian companies abroad for raising capital. The assessee had thus undertaken investment banking transactions overseas and shown receipts from underwriting commission and reimbursement of expenses for issue of GDR / FCCB from Indian companies. The assessee claimed that the income from these transactions outside India did not fall within the scope of total income under section 5. The activity was carried on outside India and hence there was no income for such activities which was received or could be deemed to be received by the assessee in India.

The AO rejected the assessee’s explanation that these receipts had not accrued or arisen in India. The AO also rejected the alternative plea of the assessee that this income would not be taxable as per Article 13 of the tax treaty as the activity of rendering services did not satisfy the ‘make available’ clause. The AO held that the services rendered by the assessee had been utilised in India, therefore, the income was taxable as fees for technical services under Section 9(1)(vii).

On appeal, the CIT(A) held that the underwriting commission and reimbursement of expenses received by the assessee for issue of GDR/ FCCB etc. from Indian companies was not taxable as fees for Technical Services under the tax treaty.

Aggrieved Revenue filed an appeal before the Tribunal.

Issues

Whether for a lead manager and underwriter to the GDRs issued by Indian companies for raising capital overseas, neither management commission, nor underwriting commission nor even selling commission/concession would amount to fees for technical services within meaning of India-UK DTAA?

Held

The Tribunal held that, an identical issue has been considered and decided by this Tribunal in assessee’s own case for the Assessment Years 2005-06 and 2008-09. For the Assessment Year 2008-09, the Tribunal has considered and decided the issue under consideration and is squarely covered by the decision of ITAT Mumbai Benches in the case of *Raymond Ltd. vs. DCJT*, wherein it was held that “neither management commission, nor underwriting commission nor even selling commission/concession would amount to fees for technical services within meaning of DTA with UK and, consequently, there was no obligation on part of assessee-company to deduct tax under Section 195.

The Tribunal held that, the grounds raised by the Revenue for the A.Y. 2008-09 and for the Assessment Year under consideration are identical. Therefore, following the earlier order of this Tribunal, it decided this issue against the revenue and in favour of the assessee.

SERVICE TAX

(Contributed by CA. A. R. Krishnan & CA. Girish Raman)

Business Auxiliary service

‘Grinding’ of raw herbs on job work basis for a client is not liable for service tax under the category of ‘Business Auxiliary service’ prior to 16/6/2005. [*Prakash Pulversing Mills vs. CCE (2014) 33 STR 454 (Tri-Del.)*]

Clearing and Forwarding service

Where the appellants were engaged in providing labour for loading and unloading of cement and thereafter arranging the dispatch of the cement as per the directions of M/s. Binani Cement, the Tribunal relying on *CCE vs. Kuldip Medicines (2009) 14 S.T.R. 608 (P&H)* held that the appellant’s activity was only of ‘forwarding’ and not ‘clearing’ and hence not taxable under ‘Clearing and Forwarding service’ since the appellant did not perform both ‘clearing’ and ‘forwarding’ activities. [*Narottam & Company vs. CCE (2014) 33 STR 472 (Tri.-Del.)*]



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Commercial Industrial Construction Services

Whereon facts the Tribunal found that the appellant was engaged in the construction of major ground balancing reservoirs, for raising the height of existing ground balancing reservoirs and for protection work of existing ground balancing reservoirs and extension of secondary reservoirs and these reservoirs were used for the supply of water to industrial units on commercial terms it was held that the services of appellant were liable to service tax under the category of Commercial or Industrial Construction Services [Radius Corporation vs. CCE (2014) 33 STR 416 (Tri.-Del.)]

Event Management Service

Where the assessee had organised a cricket tournament and had granted commercial rights to 'franchisees' or 'co-sponsors' of the tournament for advertising their product by way of putting hoardings during the tournament for a consideration, the Tribunal held that the assessee had not organised the cricket tournament at the request of any franchisee or co-sponsor but on its own and hence they were not taxable under the category "Event Management Service". [CCE vs. Lokmat Media Ltd. (2014) 33 STR 272 (Tri.-Mum.)]

Maintenance and Repair service

Where the assessee has entered into a rate contract with manufacturer of transformer for repairing the damaged transformers in consideration of which it received payments, the Tribunal held that appellants activity would clearly be liable for service tax under the category of maintenance or repair

Obituary



CA. Rajesh Govindram Tajpuriya
M. No. 046276 left for Heavenly Abode
on 22/3/2014. May the departed soul
rest in peace.



CA. Hemant Sureshchandra Vakil
M. No. 010140 left for Heavenly Abode
on 19/3/2014. May the departed soul
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CA. Jayawantlal G. Mehta
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rest in peace.



Recent Judgments

services [CCE vs. Anand Transformers (P) Ltd. (2014) 33 STR 314 (Tri.-Del.)]

Maintenance of computer software is not liable for service tax under the category of "Management, Maintenance and Repair services" prior to 1/5/2006. [Financial Software Systems Pvt. Ltd. vs. CST (2014) 33 STR 393 (Tri.-Chennai)]

Mandap Keeper service

Services provided by club to its members are not taxable service as Mandap Keeper because the relationship of client and employer is absent. [CST vs. Safdarjung Club, (2014) 33 STR 415 (Tri.-Del.)]

Outdoor Catering Services

Where the assessee was engaged in preparation of food and serving the same to the employees of its customer at the customer's premises for a consideration received from the customer, the Tribunal held the same was liable for service tax under the category of outdoor catering service. [Indian Coffee Workers Co-op Society Ltd. vs. CCE, (2014) 33 STR 266 (Tri.-Del.)]

Rent-a-Cab Service

The appellant entered into contracts with PRTC (a Punjab State Government Undertaking) under which they put their buses at the disposal of PRTC and also bore the cost of diesel, maintenance and driver for which they received an amount on a per day basis. The conductors of the bus were that of PRTC which operated the buses as a stage coach and the proceeds on sale of tickets also belonged to PRTC. On these facts, it was held that the appellants were liable to service tax under the category of Rent-a-Cab Service. [Harjinder Singh vs. CCE. (2014) 33 STR 437 (Tri.-Del.)]

Services for Distribution of Electricity

Where the appellant, a distribution licensee under the Electricity Act, 2003, installed and erected transmission towers, connectors and meters and recovered the charges periodically, it was held that the activity of the appellant being 'in relation to' (i.e. having a direct and proximal nexus with) distribution of electrical energy, was exempt vide Notification No. 32/2010 dated 22/6/2010 and 45/2010-S.T. dated 20/7/2010 [Noida Power Co. Ltd. vs. CCE, (2014) 33 STR 383 (Tri.-Del.)]

Technical Inspection and certification services

The services of certifying the security and reliability of software used by Automated Teller Machines is liable for service tax under Technical Inspection and Certification services for the period 1/7/2003 to 30/4/2006 [Financial Software Systems Pvt. Ltd. vs. CST (2014) 33 STR 393 (Tri.-Chennai)]

Technical Testing and Analysis Services

Technical testing and analysis of Information technology software, being specifically included in the ambit of Technical testing and analysis services with effect from 16/5/2008, is not liable for service tax prior to 16/5/2008 under the category of "Technical Testing and Analysis services." [CCE vs. Aztecsoft Ltd, (2014) 33 STR 257 (Tri.-Mum.)]

Works Contract Service

In respect of Works Contract services where service tax is paid under Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007, service tax would be payable at the rate which was in force at the time of rendition of service and not at the rate which was in force at the time of receipt of payment. [CST vs. Ratan Singh Builders Pvt. Ltd. (2014) 33 STR 242 (Del.)]

Valuation

Notification No. 12/2003 dated 20/6/2003 exempts the value of goods and materials supplied to the client to the extent the same are supplied in rendering services on the condition of production of documentary proof indicating the value of goods and materials supplied. The High Court held that this condition does not in any manner mean that the goods have to necessarily be supplied by way of or under invoices and even if the

appellant is able to show from the documents i.e. contract read with other documents including its R.A. Bills (Running Account Bills) and returns filed with the Sales Tax Authorities, the value of goods sold and supplied to the satisfaction of the authorities, it would be complying with the condition provided in Notification No. 12/2003 dated 20th June, 2003. [Space Age Associates vs. Union of India (2014) 33 STR 372 (Bom.)]

Demand

Where the show cause notice had been issued seeking to levy service tax on the appellant's activity of laying of cables under the category of Repairs and Maintenance services without mentioning therein the description, scope and details of work undertaken by the assessee, the Tribunal held that confirmation of demands, under such show cause notice was incorrect. [CCE vs. Sanjeev Kumar Jain (2014) 33 STR 312 (Tri.-Del.)]

Limitation

Where the department had invoked the extended period of limitation for denying CENVAT credit on the grounds that the appellant had not shown availment and use of credit in respect of different input services, the Tribunal held that the extended period of limitation is not invocable since –

- The assessee was not required to disclose the amount of credit availed in respect of different services in its return; and
- The total CENVAT credit availed by it had been reflected by it in its returns.

Hence in absence of any *mala fide* on part of the assessee extended period of limitation cannot be invoked [Bajaj Hindusthan Ltd. vs. CCE (2014) 33 STR 305 (Tri.-Del.)]

Penalty

Where the assessee had misinterpreted the provisions and had not paid service tax on the repair services provided by it under a rate contract on the belief that only maintenance contract were liable for service tax under the category of Maintenance and Repair Services and where there had been Tribunal decisions upholding such view, the Tribunal held that there was a reasonable cause as envisaged u/s. 80 and hence no penalty u/s. 76 or 78 was imposable. [CCE vs. Anand Transformers (P) Ltd., (2014) 33 STR 314 (Tri.-Del.)]

Where the assessee had not obtained service tax registration or made payment of service tax since it *bona fide* believed, based on its own interpretation, that it was covered under a particular exemption notification, the Tribunal held that the said conduct of assessee cannot be treated as deliberate violation of the provisions of the Act and hence no penalty u/s. 78 was imposable. Further, in view of the above fact there being a reasonable cause u/s. 80, imposition of penalty u/s. 77 was also not warranted [CCE vs. JAS Enterprises (2014) 33 STR 340 (Tri.-Del.)]

Where the appellants paid service tax before the issuance of show cause notice, the Tribunal relied upon the judgment of *Auto World [2010 (18) STR 5(All)]* deleted the penalty u/ss. 76 and 78 [BAS Engineering Pvt. Ltd. vs. CST, (2014) 33 STR 452 (Tri.-Del.)]

Refund

In absence of any statutory provision in the CENVAT Credit Rules, 2004, requiring mandatory registration for claiming refund of unutilised CENVAT credit under Rule 5 of the said rules, denial of refund on account of non-registration is incorrect. [CST vs. Aviva Global Services (Bang.) P. Ltd (2014) 33 STR 270 (Tri.-Bang.)]

Where the appellant had paid tax during the period September, 2007 to May, 2008 under the category of courier agency services which was subsequently clarified by the CBEC as not liable, a refund claim filed in July, 2011 in respect of the tax paid was held to be barred by limitation [C.S.T. vs. Gujarat State Road Transportation Corporation (2014) 33 STR 283 (Tri.-Ahmd.)]

Where the appellant had exported goods after 7/7/2009 but prior to issuance of Notification No. 17/2009 dated 7/7/2009 but had claimed refund of service tax paid on input services used in manufacture of exported



goods within a period of 1 year from the date of export under the above notification, the Tribunal held that the refund claim was admissible although prior to 7/7/2009 the time limit was 6 months [Soccer International Pvt. Ltd. vs. CCE (2014) 33 STR 334 (Tri-Del.)]

Appeal

Appeal cannot be filed in the High Court by the Revenue if the amount involved is less than 10 lakhs in view of the C.B.E. & C. Circular No. F. No. 390/Misc./163/2010-JC dated 17/8/2011. [CCE vs. Fine Care Bio Systems, (2014) 33 STR 237 (Guj.)]

There is no provision for appeal to Tribunal against a revision order passed after 19/8/2009 by the Commissioner of Service Tax under Section 84 of the Finance Act, 1994 [Arjun Tours & Travels Pvt. Ltd. vs. CST (2014) 33 STR 413(Tri.)]

CENVAT Credit

CENVAT credit of service tax paid on professional and liaison fees incurred for claiming export incentive under the EXIM policy is admissible since the export incentives are taken into account for determining the cost of goods manufactured for export and hence the same can be considered as activity relating to manufacture [CCE vs. Ahmedabad Strips Pvt. Ltd. (2014) 33 STR 291 (Tri.-Ahmd.)]

Credit of service tax paid on commission agent services availed for procuring orders is eligible as input service [Seksaria Biswan Sugar Factory Ltd. vs. CCE (2014) 33 STR 292 (Tri.-Del.)]

Where GTA services (for transportation of inputs) were used in manufacturing as well for resale (trading), the Tribunal relying on the decision in Orion Appliances Ltd. vs. CST (2010) 19 STR 205 (Tri.-Ahmd.) held that a portion of CENVAT credit availed on the GTA services attributable to trading activity was not admissible [Gulf Oil Corpn. Ltd. vs. CCE, (2014) 33 STR 298 (Tri.-Ahmd.)]

Where, the assessee manufactured, erected and installed machines for their clients providing a 6-8 month warranty, it was held that repair services availed by the assessee for repairing the machines of its customers during the warranty period is an input service and credit of service tax paid on such services is admissible [Zinser Textile Systems Pvt. Ltd. vs. CCE (2014) 33 STR 301(Tri.-Ahmd.)]

Where the appellant was under a statutory obligation under Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953 to provide

shelter and other facilities to its workers, CENVAT credit on various services used in relation to civil construction work of labour hutments, Kisan Shed or dismantling of old structures, etc. was held to be admissible [Bajaj Hindusthan Ltd. vs. CCE (Meerut-I) (2014) 33 STR 305 (Tri.-Del.)]

The appellant in the present case had availed CENVAT credit on works contract services and consultancy services of civil engineer used for setting up of its Unit No. 2 and utilised the same for discharging the liability of its Unit No. 1. On facts, the Tribunal held that though credit in respect of setting up of factory could have been available to Unit No. 1, since the appellant had obtained separate registration in respect of Unit No. 2 CENVAT credit on above services ought to have been taken only in Unit No. 2. Further, since even after reversal of credit, sufficient balance was available in CENVAT credit account and in view of the fact that the assessee was not required to intimate the details of such utilisation to the department, the Tribunal held that there being no suppression of facts the extended period of limitation was not invocable. [Chintamani Lamination vs. CCE (2014) 33 STR 327 (Tri.-Ahmd.)]

Where the appellant, a manufacturer of telecom and allied equipment, sold its shares invested in another telecom company and used Stock Broking services for the same, it was held that CENVAT credit of the service tax paid on stock broking services was not eligible since it did not relate to and form part of main business of company. [United Telecoms Ltd. vs. CCE (2014) 33 STR 357 (Kar.)]

Where the department had sought to deny credit of service tax paid by the appellant as recipient of services on warehousing services availed abroad the Tribunal held that no service tax can be levied and collected on such services rendered and received abroad and since tax was not payable, the appellants merely have taken credit of what was not payable by them and accordingly the denial cannot be justified. [Sundaram Clayton Ltd. vs. CCE (2014) 33 STR 414(Tri.-Chennai)]

Where the appellant manufacturer had paid service tax as a recipient of foreign commission agent services used for procuring export orders, the Tribunal held that CENVAT credit of service tax paid on commission paid to overseas commission agents is admissible [Century Rayon vs. CCE (2014) 33 STR 427 (Tri.-Mum.)]

CENVAT Credit of service tax paid on courier services used for sending samples to the customer or for correspondence between HO and factory is admissible [Parle International vs. CCE (2014) 33 STR 477(Tri.-Ahmd.)]



Ahmedabad: CA. Aniket S. Talati, Branch Chairman, along with the entire Managing Committee receiving Award for Best Branch in WIRC (Very Large Category) from CA. K. Raghu, President, ICAI



Ahmednagar: Inauguration of Seminar on Women CA on the occasion of International Women's Day on 8/3/2014. (L-R): Dr. Shyama Mantri, Dr. Deepak, Mrs. Rupali Barkund, Smt. Chhaya Firodiya, CA. Ajay Mutha, Branch Chairman, Mrs. Kale, Mrs. Fulsauder



Akola: Felicitation Programme of New Office Bearers for the year 2014-15 of Akola Branch in presence of CA. Julfesh Shah, Vice Chairman, WIRC



Amravati: Group photograph taken during the Felicitation of Committee Convenors 2013-14 on 22/3/2014



Aurangabad: Full day Seminar on Bank Branch Audit. (L-R): CA. D. Premnathji Faculty, CA. Girish Kulkarni, Treasurer, WIRC, CA. Uday Sathaye, Faculty, CA. Vijay Rathi, Branch Chairman, CA. Pankaj Kalantri, Shri B. M. Salimathji, Deputy General Manager, BOB



Bhavnagar: Seminar on Bank Branch Audit held on 14/3/2014. (Sitting, L-R): CA. Ashvin Patel, CA. Uday Sathaye, Faculty, CA. Parag Raval, RCM & Faculty, CA. Rafik Sheikh, Branch Chairman, CA. Kuntal Shah, Faculty, CA. Prem Goplani. (Standing, L-R): CA. Binal Salot, CA. Parag Jani, CA. Manish Mashrani, CA. Sanjay Jani



Jamnagar: CA. Parag Raval, RCM, lighting the lamp at the Seminar on Bank Branch Audit held on 15/3/2014. (L-R): CA. Kaupil Doshi, Branch Chairman, CA. Chetan Agarwal, CA. Uday Sathaye, Faculty, CA. Kuntal Shah, Faculty, CA. Parag Sumaria



Nashik: Shri Babulalji Bamb, Chief Guest, The Regional Manager of SBI, Nashik Region, lighting the lamp at the Seminar on Bank Branch Audit. (L-R): CA. Vikas Hase, CA. Ulhas Borse, CA. R. R. Jajoo, CA. S. N. Kulkarni, CA. Shrinivas Joshi, CCM & Faculty, CA. Vikrant Kulkarni, Branch Chairman, CA. Aditya Lohana



Satara: Group photograph taken during the Managing Committee Members



Baroda: Inauguration of One Day Seminar on Bank Branch Audit held on 30/3/2014. (L-R): CA. Amar Doshi, CA. Abhishek Nagori, RCM, CA. Mayur Swadia, Faculty, CA. Nayan Kothari, Branch Chairman, CA. Shrinivas Joshi, CCM, Vice Chairman of Auditing & Assurance Standards Board, CA. Viral Shah, CA. Ashish Parikh, CA. Arpan Dodia, CA. Kejal Pandya



Jalgaon: Certificate course on Concurrent Audit of Banks. (L-R): CA. Uday Sathaye, Faculty, CA. Jayesh Lalwani, Branch Chairman, CA. Shrinivas Joshi, CCM & Faculty, CA. Nitin Zawar, CA. Harshit Malpani



Kolhapur: Seminar on Bank Branch Audit on 16/3/2014. (L-R): CA. Satish Dakare, Branch Chairman, CA. Niranjn Joshi, Faculty, CA. Dhananjay Gokhale, Faculty, CA. I. B. Sonawalla, Faculty, CA. Mandar Dharmadhikari



Surat: Seminar on Bank Branch Audit held on 21/3/2014. (L-R): CA. Niranjn Joshi, Faculty, CA. Lokesh Gupta, CA. Hemant Jariwala, Branch Chairman, CA. Amarjit Chopra, Past President, ICAI & Faculty, CA. Balkishan Agarwal, CA. Hardik Patel



Vasai: Seminar on Bank Branch Audit. (L-R): CA. Dayaram Paliwal, CA. Preksha Jain, CA. Nilesh Vikamsey, CCM & Faculty, CA. Kishor Vaishnav, Branch Chairman, CA. Deepak Bansal



Nagpur: Seminar on Bank Branch Audit held on 20/3/2014. (L-R): CA. Swapnil Ghate, CA. Kirit Kalyani, CA. Swapnil Agrawal, CA. Kirti Agrawal, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Jaydeep Shah, Past President, ICAI, CA. Amarjit Chopra, Past President, ICAI, CA. Ashwini Agrawal, Branch Chairman, Chief Guest Shri Sunil Nerkar, DGM, Union Bank, CA. Sandeep Jotwani, CA. Umang Agrawal, CA. Suren Duragkar, CA. P. R. Risbud, CA. Giriraj Soni



Pune: Inauguration for the National Convention for CA Students-1-2/3/2014 at Pune. (L-R): CA. Jagdeesh Dhongde, Dr. Nitin Parab, CA. Anand Jakhotiya, CA. Mangesh Kinare, Imm. Past Chairman, WIRC, CA. Rajeshkumar Patil, Branch Chairman, CA. Anil Bhandari, Chairman, WIRC, Shri Babasaheb Purandare, Chief Guest, CA. Devaraja Reddy M., Chairman BOS, CA. S. B. Zaware, CCM, CA. Prafulla Chhajed, Vice Chairman BOS, CA. Mahesh Madkholkar, CA. Yashwant Kasar, CA. S. G. Mundada, RCM & Chairman WICASA, CA. Radhesham Agrawal & Students Co-ordinator

Seminar on Sectoral Performance & Market Survey held on 15th March, 2014



CA. Girish Kulkarni, Treasurer, WIRC, Shri Pritesh Chheda, Faculty, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Shruti Shah, Secretary, WIRC, CA. Naresh Dhoot, CA. Manoj Alimchandani, Faculty, Shri K. R. Choksey, Chief Guest, CA. Dilip Apte, RCM, CA. Nipun Mehta, Faculty, CA. Amit Tandon, Faculty, CA. Bharat Sampat, Faculty, CA. Sunil Patodia, RCM

Other Speakers



Shri M. B. Mahesh



Shri Anuj Choksey



Shri Girish Pai

Seminar on Statutory Audit of Bank Branches held on 15th March, 2014 at Dadar, Mumbai



CA. Bharat Vasani, CA. Ketan Saiya, Faculty, CA. Priti Savla, RCM, CA. I. B. Sonawalla, Faculty, CA. Himanshu Chheda, CA. Jasmine Sawla & Others

Other Speakers



CA. KVS Shyamsunder



CA. Vipul Choksi
Past Chairman, WIRC

Seminar on Important Provisions of Companies Act, 2013 held on 29th March, 2014



CA. Gaurav Parwani, CA. Durgesh Kabra, Past Chairman, WIRC, CA. Bharat Shetty, Faculty, CA. Parag Raval, RCM

Other Speakers



CA. Anand Bathiya



CA. Anand Banka



CA. Jatin Thakkar

Seminar on Statutory Audit of Bank Branches held on 22nd March, 2014 at Andheri, Mumbai



CA. Hemant Gandhi, CA. N. M. Jain, CA. Anil Sharma, CA. Sunil Patodia, RCM, CA. Ketan Saiya, Faculty, CA. Pinki Kedia, CA. Kamal Dhanuka

Other Speakers



CA. KVS Shyamsunder



CA. Vipul Choksi
Past Chairman, WIRC



CA. Abhay Kamat



Seminar on Audit & Compliance Applicable to Stock Broker & Depository Participants held on 15th March, 2014



CA. Gurav Parwani, CA. Sandeep Jain, RCM, CA. Ravi Ramaiya, Faculty, CA. Mukund Mall

Other Speakers



CA. Shardul J. Shah



CA. Kaushik Jethwa



CA. Jayant Shah



CA. Dhiren Dalal

Half Day Seminar on Recent Pronouncement under Service Tax held on 26th March, 2014



CA. Shardul Shah, RCM, CA. Rajiv Luthia, Faculty, CA. Prashant Koyande

Half Day Seminar on Take Charge of Your Career for CAs held on 27th March, 2014



CA. Shantesh Warty, CA. Mayur Chokshi, Faculty, CA. Viral Chheda

Half Day Seminar on Labour Laws held on 28th March, 2014



CA. Nidhi Mewada, Adv. R. L. Soni, Faculty, CA. Shruti Shah, Secretary, WIRC, CA. Mayur Momaya

Seminar on Statutory Audit of Bank Branches held on 22nd March, 2014 at J. S. Lodha Auditorium, Mumbai



CA. Nikhil Damle, CA. Shardul Shah, RCM, CA. Abhay Kamat, Faculty, CA. Milind Joshi

Other Speakers



CA. Nilesh Joshi



CA. I. B. Sonawalla



CA. Vipul Choksi
Past Chairman, WIRC

Seminar on Post Assessment Issues under IT Act held on 22nd March, 2014



CA. Reema Jethwa, CA. Parag Raval, RCM, CA. Sanjeev Lalan, Past Chairman, WIRC & Faculty, CA. Girish Amin

Other Speakers



CA. Bhadresh Doshi



Adv. Ajay Singh



Adv. Mandar Vaidya

Seminar on Statutory Audit of Bank Branches held on 23rd March, 2014 at Borivali, Mumbai



CA. Yashesh Jakhelia, CA. Giriraj Khandelwal, CA. Durgesh Kabra, Past Chairman, WIRC, CA. Uday Sathaye, Faculty, CA. Sharad Sheth

Other Speakers



CA. Nitant Trilokekar



CA. Vipul Choksi
Past Chairman, WIRC



CA. Manish Sampat



Seminar on Tax Planning, Investment & Compliances by NRIs held on 1st March, 2014



CA. Gaurav Save, CA. Shardul Shah, RCM, CA. Sunil Patodia, RCM, CA. Naren Madlani, Faculty, CA. Nipun Dangaich

Other Speakers



CA. Rahul Manjrekar



CA. Mayur Nayak



CA. Shailendra Sharma

Seminar on Statutory Audit of Bank Branches held on 15th March, 2014 at BKC, Mumbai



CA. Shantesh Warty, CA. Dhiraj Khandelwal, RCM, CA. Niranjani Joshi, Faculty, CA. Bipeen Mundade

Other Speakers



CA. Dhananjay Gokhale



CA. Shrinivas Joshi
CCM



CA. Ketan Saiya

Seminar on Service Tax for Beginners held on 22nd March, 2014



CA. Sharad Sheth, CA. Hardik Mehta, Faculty, CA. Giriraj Khandelwal, CA. Vijay Jeyam

Other Speakers



CA. Jinit Shah



CA. Kruti Shah



CA. Jinal Shah

Seminar on New Companies Act held on 8th March, 2014



CA. Anand Sakle, CA. Parag Raval, RCM, DR. P. T. Giridharan, Faculty, CA. Preeti Agrawal, CA. Aniket Kulkarni

Other Speaker



CA. Raajnish Desai

Two Days Seminar on Accounting Standards held on 8th & 9th March, 2014



CA. Nehal Turakhia, CA. Shruti Shah, Secretary, WIRC, CA. Shabbir Readymadewala, Faculty, CA. Y. R. Desai

Other Speakers



CA. Bharat Shetty



CA. Sanjiv Pilgaonkar



CA. Pooja Gupta



CA. Rakesh
Agarwal



CA. Dr.
Varadraj Bapat



CA. Mayur
Ankolekar



CA. Mayur
Chokshi

Study Group Meeting on BFSI & Capital Market held on 28th March, 2014



CA. Namrata Shah, Faculty, CA. Sivram Krishnan, Faculty, CA. Shruti Shah, Secretary, WIRC, CA. Manoj Alimchandani, CA. Sunishi Gabhawala, Faculty

Members' Meet on 24th March, 2014 at Mumbai



CA. Shrutu Shah, Secretary, WIRC, CA. Anil Bhandari, Chairman, WIRC, CA. K. Raghu, President, ICAI, CA. Manoj Fadnis, Vice President, ICAI, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Girish Kulkarni, Treasurer, WIRC

Group photograph of Past Presidents with Hon'ble President, Vice President & Office Bearers WIRC of ICAI



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