



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

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Western India Chartered Accountants Newsletter

AUGUST 2014 | Vol. 40 | No. 08

Long years ago, we made a
tryst with destiny and now
the time comes when we
shall redeem our pledge...

At the stroke of the
midnight hour, when the
world sleeps, India
will awake to life and
freedom.

- Jawaharlal Nehru

Happy Independence Day

Partners in Nation Building

“ For several years now Chartered Accountants have demonstrated core values such as honesty, trust and integrity helping them to attain public trust. Our Prime Minister Shri Narendra Modi recently said “Chartered Accountants have a crucial role to play in India’s progress.” Truly as Chartered Accountants we are partners in nation building.





Lecture Meeting on The Finance Bill, 2014 held on 15th July, 2014



Sitting: CA. Shruti Shah, Secretary, WIRC, CA. Anil Bhandari, Chairman, WIRC, CA. Bansu S. Mehta, Past President, ICAI, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Girish Kulkarni, Treasurer, WIRC. Standing: CA. Mangesh Kinare, Imm. Past Chairman, WIRC, CA. Priyam Shah, RCM, CA. Hariram Gilda, CA. Anand Vyas, CA. Mahesh Madkholkar, RCM, CA. Paras Savla, CA. Priti Savla, RCM, CA. Sushrut Chitale, RCM, CA. Vishnu Agarwal, RCM, CA. Sunil Patodia, RCM, CA. Sanjeev Lalan, Past Chairman, WIRC, CA. Sandeep Jain, RCM, CA. S. G. Mundada, RCM, CA. Shardul Shah, RCM, CA. Chirag Shah, CA. Neel Majithia, RCM

Interactive Meet with Smt. Anandiben Patel, Chief Minister, Gujarat State on 22nd July, 2014



CA. Kaupil Doshi, Jamnagar Branch Chairman presenting memento to Hon'ble Smt. Anandiben Patel, Chief Minister of Gujarat. Smt. Vasuben Trivedi, Independent Charge of Women and Child Welfare along with Higher and Technical Education of Gujarat State, CA. Parag Raval, RCM, CA. Sagar Shah, CA. Parag Sumaria, CA. Bharat Bhatt and others branch members

Senior Citizen (Above 60 Years) Members get together for free health check-up on 6th July, 2014



CA. Shruti Shah, Secretary, WIRC, CA. Anil Bhandari, Chairman, WIRC, Dr. Zamrud Patel, Dr. Mita Shah and Dr. Bharat Shah from Narmada Kidney Foundation



Group Photograph taken during the Public Meeting on Union Budget 2014 held on 13th July, 2014 at J. B. Nagar, Mumbai



Photograph taken during the visit to Rajkot Branch Building Premises. Seen in Picture: CA. Anil Bhandari, Chairman, WIRC, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Girish Kulkarni, Treasurer, WIRC, CA. Shruti Shah, Secretary, WIRC & Branch Committee Members

Celebrating 1st July, Chartered Accountants Day and Various Events



Literacy Kits Distribution



Health Check Up Camp



Tree Plantation



Blood Donation



Dear Colleagues,

The Union Budget 2014-15 was released amidst great expectations and while it did not meet the high expectations, it does make overtures towards a larger plan. I am optimistic about various commitments made by the

government such as a stable tax regime, Goods and Services Tax (GST), infrastructure and related funding, simplified transfer pricing rules to name a few. Further initiatives on improving sanitation, infrastructure for tourism, developing smart cities and FDI in defence would help the government to set the stage for some major developments in the coming years.

The Finance Minister has proposed that the new Indian Accounting Standards (Ind AS) converged with IFRS shall be adopted by Indian Companies voluntarily from the financial year 2015-16 and mandatorily from the financial year 2016-17. This would require us, as professionals, to enhance our skills while also providing us an opportunity in the coming months. At WIRC we have been at the forefront in offering intensive workshops on IFRS convergence and I am sure members would continue to take advantage of such programmes.

I must reaffirm that WIRC plays a very active role in ICAI contributions towards the Union Budget through our submissions of Pre-Budget as well as Post-Budget Memoranda to the Government. I am happy that some of our suggestions have been accepted and others are under active consideration of the Government.

The Live Screening of the Union Budget and panel discussion by eminent experts from the profession was organized by WIRC jointly with All India Association of Industries and Young Entrepreneurs Association. The Screening saw an appreciative audience of more than 200 Members and Students.

This was followed a few days later by the annual Lecture Meeting on The Finance Bill, 2014 (Direct Tax Provisions) by the renowned

CA Bansi S. Mehta, Past President of ICAI. This veteran's insightful lecture into the Finance Bill was attended by more than 2,000 Members, a testimony to his exceptional intellect.

WIRC, besides organising Budget and profession relevant seminars in the last month, has also embarked on holding seminars relevant to young Member CAs under the age of 30. To that end, we held seminars on International Taxation and Accounting Standards specifically for this group of CA's. I am sure that this knowledge base will stand them in good stead in the future.

Office Bearers from WIRC visited Branches across the Region comprising Jamnagar, Bhavnagar and Rajkot in Gujarat and Nagpur in Maharashtra. The enthusiasm of the Members and Students in these Branches is truly inspiring.

At WIRC there are several interesting initiatives which are expected to be completed towards the end of September, we would urge you to stay connected. I must however once again emphasise the following efforts:

WIRC Coaching Classes which were started two years ago with the objective of providing quality coaching to CA students at most affordable fees now has more than 250 students.

Joint efforts with the Vedanta Foundation to provide financial assistance to under privileged students to enable them to pursue Chartered Accountancy course is gaining momentum.

I would strongly encourage all members to reach out to deserving students and help them take the benefit of such initiatives.

The August month traditionally sees a lot of festivals. Ramadan Eid was celebrated recently and other festivals include Raksha Bandhan, Janmashtami, Parsi New Year and Ganesh Chaturthi. I take this opportunity to wish all Members and Students in advance for these festivals. At the same time, we should remember that the only reason we can celebrate all these festivals is due to the secular country that we live in. On 15th August we celebrate Independence Day. On this day, let us vow to become better and do better, thus uplifting our society and country through our deeds. We can remember Tagore's immortal, inspiring words from the Gitanjali:

"Where the mind is without fear and the head is held high

Where knowledge is free

Where the world has not been broken up into fragments by narrow domestic walls

Where words come out from the depth of truth

Where tireless striving stretches its arms towards perfection

Where the clear stream of reason has not lost its way into the dreary desert sand of dead habit

Where the mind is led forward by thee into ever-widening thought and action

Into that heaven of freedom, my father, let my country awake."

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

- 04** Forthcoming Events
- 08** Forthcoming Branch Meetings
- 08** Forthcoming Study Circle Meetings
- 09** Bulletin Board
- 10** Law Updates
- 18** Recent Judgments



Forthcoming Events

06
CPE HRS

Seminar on FEMA

Corporate Laws

DAY & DATE	SATURDAY, 23RD AUGUST, 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. Sunil Patodia CA. Dilip Apte CA. Parag Raval (Regional Council Members)	9820344085 9930314856 9824339200
Co-ordinators	CA. Shantesh Warty CA. Vinita Danait CA. Jignesh Vora	9819947969 9821029406 9819321123

For more details visit: www.wirc-icai.org

06
CPE HRS

Workshop on System Audit of Banks

IT

DAY & DATE	SATURDAY, 23RD AUGUST, 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 CA. Girish Kulkarni CA. Abhishek Nagori (Regional Council Members)	9820287625 9225306814 9426075397
Co-ordinators	CA. Y. R. Desai CA. Nikhil Garg CA. Ritesh Hibare	9820448365 9757423586 9773418343

For more details visit: www.wirc-icai.org

Study Group Meeting on BFSI & Capital Market

Date	: Saturday, 23rd August, 2014	Time	: 9.30 a.m. - 1.30 p.m.
Venue	: ICAI Towers, BKC	CPE	: 4 hours
Annual Fees	: ₹ 1,000/- per annum		
Chief Co-ordinator	: CA. Shruti Shah Secretary, WIRC	9892407988	

ROUNDTABLE DISCUSSION (MODERATOR – CA. MANOJ ALIMCHANDANI)

Hedge Funds - Structure, Operations, Regulatory issues and Opportunities for CA's – **CA. Hemant Hirani**

Startups & Entrepreneurship-Angel Funds and Crowdfunding and Opportunities for CA's – **CA. Vidur Mehta**

03
CPE HRS

Seminar on HUF & Family Arrangements

Taxation

DAY & DATE	SATURDAY, 23RD AUGUST, 2014	
Venue	Conference Hall, 6th Floor, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
Time	10.00 a.m. to 1.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 500/- (inclusive of course material, & breakfast) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Julfesh Shah CA. Neel Majithia (Regional Council Members)	9823096540 9820327660
Co-ordinators	CA. Suhas Gharat CA. Adesh Gupta	9820420675 9819806769

For more details visit: www.wirc-icai.org

06
CPE HRS

Seminar on Construction Industry

Industry

DAY & DATE	SATURDAY, 6TH SEPTEMBER, 2014	
Venue	Hotel J. W. Marriott, Juhu Tara Road, Juhu	
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 2,500/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Dhiraj Khandelwal CA. Vishnu Agarwal CA. Hardik Shah (Regional Council Members)	9867642684 9833310916 9825510422
Co-ordinators	CA. Ashish Bakliwal CA. Lokesh Jain CA. Navneet Choudhary	9004315053 9833945184 9323113203

For more details visit: www.wirc-icai.org

06
CPE HRS

Seminar on Business Restructuring

Financial Management

DAY & DATE	SATURDAY, 6TH SEPTEMBER, 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. Sunil Patodia CA. Subodh Kedia CA. Mahesh Madkholkar (Regional Council Members)	9820344085 9879267750 9820075966
Co-ordinators	CA. Kedar Mehendale CA. Viral Chheda CA. Tejas Ganger	9820819459 9833594045 9819222034

For more details visit: www.wirc-icai.org



06
CPE HRS

Seminar on Internal Audit

Internal Audit

DAY & DATE		SATURDAY, 6TH SEPTEMBER, 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. Priti Savla	9321426883	
	CA. Dilip Apte	9930314856	
	CA. Satyanarayan Mundada	9422080814	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Vikas Vishwasrao	9892915272	
	CA. Gaurav Parwani	9323674628	
	CA. Ankit Kapadia	9867876376	

For more details visit: www.wirc-icai.org

06
CPE HRS

Seminar on Pharma Industry

Industry

DAY & DATE		SATURDAY, 13TH SEPTEMBER, 2014	
Venue	Hotel J. W. Marriott, Juhu Tara Road, Juhu		
Time	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)		
Fees	₹ 2,500/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
Chief Co-ordinators	CA. Dhiraj Khandelwal	9867642684	
	CA. Shardul Shah	9820287625	
	CA. Priyam Shah	9824096112	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Suresh Mandhna	9820220524	
	CA. Amolak Khandelwal	9819157899	
	CA. Mahendra Sharma	9867931900	

For more details visit: www.wirc-icai.org

06
CPE HRS

Seminar on International Taxation

International Taxation

DAY & DATE		SATURDAY, 13TH SEPTEMBER, 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. Abhishek Nagori	9426075397	
	CA. Shruti Shah	9892407988	
	CA. Sunil Patodia	9820344085	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Milind Joshi	9930033939	
	CA. Nehal Turakhia	9833991898	
	CA. Deepika Agarwal	9920178906	

For more details visit: www.wirc-icai.org

06
CPE HRS

Workshop on MF Industry, PMS, Capital Markets & Investment Advisors

Corporate Laws

DAY & DATE		SATURDAY, 13TH SEPTEMBER, 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. Sarvesh Joshi	9822022292	
	CA. Subodh Kedia	9879267750	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Hrishikesh Wandrekar	9892919239	
	CA. Mehul Sheth	9820297310	
	CA. Sonia Dawar	9920283330	

For more details visit: www.wirc-icai.org

06
CPE HRS

National Women Conference

Other

DAY & DATE		SATURDAY, 13TH SEPTEMBER, 2014	
Venue	Imperial Hall, Hotel Palladium, Near Big Bazar, Lower Parel (West)		
Time	10.00 a.m. to 6.00 p.m. (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)		
Conference Chairman	CA. C. S. Nanda Chairperson, Women Empowerment Committee, ICAI		
Conference Advisor	CA. Bhavna Doshi Past, CCM		
Conference Director	CA. Anil Bhandari Chairman, WIRC		
Chief Co-ordinators	CA. Priti Savla	9321426883	
	CA. Shruti Shah	9892407988	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Shweta Jain	9920737198	
	CA. Kruti Gosar	9920217195	
	CA. Malvika Mitra	9819980848	

TOPICS

- Session I**
Inauguration
Theme Address by Chief Guest
Address by Guest of Honour
- Session II**
Women Independent Directors:
Challenges & Opportunities
- Session III**
CA Women in HR/Markets Function
- Session IV Panel Discussion**
Sexual harassment at Workplace
Panelists from: Legal fraternity
Public Sector or Govt., Large Pvt. Sector
- Session V Panel Discussion**
Flexi Working Hours / Working

SPEAKERS

Eminent Faculties



Forthcoming Events

06
CPE HRS

Seminar on Companies Act and Investor Protection

Corporate Laws

DAY & DATE	SATURDAY, 20TH SEPTEMBER, 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. Sarvesh Joshi 9822022292 CA. Parag Raval 9824339200 (Regional Council Members)	
Co-ordinators	CA. Amogh Pandit 8108132425 CA. Ankit Sanghvi 9820689003 CA. Alpesh Doshi 9892504512	
TOPICS	SPEAKERS	
Capital Market : Care to be taken while investing	Shri Ashish Maheshwari*	
Corporate Governance and CSR	CA. Durgesh Kabra	
Roles and responsibility of Board of Directors, Increased Reporting requirements & Independent Directors	CA. Avinash Rawani	
Investor Education & Fund • Class Action Suit • Registered Valuer • NFRA	CA. Abhay Arolkar*	
<i>Subject to Confirmation*</i>		

06
CPE HRS

Seminar on Critical Issues in Service Tax

Indirect Taxes

DAY & DATE	SATURDAY, 4TH OCTOBER, 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. Girish Kulkarni 9225306814 CA. Shardul Shah 9820287625 (Regional Council Members)	
Co-ordinators	CA. Gaurav Save 9969001607 CA. Meera Joiser 9819354164 CA. Sandesh Bhandare 9930398330	
TOPICS	SPEAKERS	
CENVAT Credit – Definition of Input Service, CENVAT on capital goods, Reversal of Credit, New Amendments on Availment etc.	CA. S.S. Gupta	
Place of Provision of Service Rules and Issues in Cross Border Transactions, Refunds/Rebates	CA. A.R. Krishnan	
Issues faced in Service Tax Audit, Investigation and Adjudication	CA. Rajiv Luthia	
Valuation, Abatements, Reverse Charge and Joint Charge	Eminent Faculty	

06
CPE HRS

Seminar on Concurrent Audit of Bank

Accounts & Audit

DAY & DATE	SATURDAY, 11TH OCTOBER, 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. Julfesh Shah 9823096540 CA. Priti Savla 9321426883 CA. Sandeep Jain 9819788099 (Regional Council Members)	
Co-ordinators	CA. Nikhil Damle 9820170436 CA. Viral Mehta 9819030563 CA. Amol Kamat 9823018763	
TOPICS	SPEAKERS	
Internal Control for Preventive Vigilance	CA. Atul Deshmukh	
Essentials of Stock Audit	CA. Prasad Dharap	
Risk Base Internal Audit	CA. Nitin Alshi	
Audit of Forex Transaction	Eminent Faculty	

06
CPE HRS

Seminar on Limited Liability Partnership (LLP)

Corporate Laws

DAY & DATE	SATURDAY, 11TH OCTOBER, 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. Sarvesh Joshi 9822022292 CA. Subodh Kedia 9879267750 (Regional Council Members)	
Co-ordinators	CA. Aniket Kulkarni 9821690559 CA. Nidhi Mewada 9619602084 CA. Hinal Chhatbar 9322507820	
TOPICS	SPEAKERS	
Formation and Conversion of LLP	CS. Makarand Joshi	
Taxation of LLP	CA. Satish Shanbaug	
Drafting of LLP Agreement	Adv. Satyan Israni	
Structuring & Mergers using LLPs	CA. Divyesh Mehta	

Mark your Calendar for

29th REGIONAL CONFERENCE OF WIRC

12
CPE HRS

5th & 6th December, 2014 at Hotel The Lalit Intercontinental, Andheri (E)

Time 9.00 a.m. to 6.00 p.m.

Register before 30th October, 2014 & avail early bird discount.

Fees for Registration upto 30th October, 2014 ₹ 4,000/-

06

AUGUST 2014

Western India Chartered Accountants Newsletter



12
CPE HRS

Workshop on International Taxation

International Taxation

DAYS & DATES FRIDAY, 17TH & SATURDAY 18TH OCTOBER, 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	₹ 2,400/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Abhishek Nagori 9426075397 CA. Vishnu Agarwal 9833310916 CA. Hardik Shah 9825510422 (Regional Council Members)	
Co-ordinators	CA. Bipeen Mundade 9223290561 CA. Kunal Parikh 9892429993 CA. Vivek Garg 9833581285 CA. Mansi Nisal 9920775764	

TOPICS

DAY 1
Basic of International Taxation (Residence, DTAA, Chargeability) • Royalty And Fees For Technical Services, Most Favoured Nation, Force of Attraction, AAR, Treaty Shopping • Law and Procedure (15CA & 15 CB) u/s. 195 • International Tax Structuring Opportunities for Outbound Indian Investment

DAY 2
Permanent Establishment And Business Profit • International and Domestic Transfer Pricing • How to Read and Interpret Tax Treaties • Independent and Dependent Persons

Jointly with International Taxation Committee of ICAI

06
CPE HRS

Seminar on VAT & Works Contract Act

Indirect Taxes

DAY & DATE SATURDAY, 18TH OCTOBER, 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. Priyam Shah 9824096112 CA. Sandeep Jain 9819788099 CA. Mahesh Madkholkar 9820075966 (Regional Council Members)	
Co-ordinators	CA. Sachin Holmukhe 9820561266 CA. Reema Jethwa 9619602083 CA. Aalok Mehta 9892001645	

TOPICS

Assessment proceedings before VAT authorities including Business Audit Issues & Issue Base Audit

Recent case laws in Works Contract Act issues in E-filing of VAT Returns

Issues in VAT Audit report

SPEAKERS

Adv. Retharekar

CA. Manish Goel

CA. Dharmen Shah

CA. Rajat Talati

Students' Programmes

Date	Time	Subject(s)	Venue	Fees ₹
24-08-14	10.00 am to 6.00 pm	One Day Students Seminar on Improve your Skills through Social Media	ICAI Tower, BKC, Bandra (W)	350/-
31-08-14	10.00 am to 6.00 pm	One Day Students Seminar on System Audit	ICAI Tower, BKC, Bandra (W)	350/-
07-09-14	10.00 am to 6.00 pm	One Day Students Seminar on Tax Audit & TDS	ICAI Tower, BKC, Bandra (W)	350/-
03-10-14	10.00 am to 12 noon	How to Face CA Exam	ICAI Tower, BKC, Bandra (W)	Free
03-10-14	3.00 pm to 5.00 pm	How to Face CA Exam	RVG Hostel, Andheri (W)	Free
05-10-14	10.00 am to 6.00 pm	One Day Students Seminar on Forensic Audit and SAP	ICAI Tower, BKC, Bandra (W)	350/-
05-10-14	9.30 am onwards	Regional Level Quiz & Elocution Contest 2014-15 (Winners of Branch Level Quiz & Elocution Competition)	ICAI Tower, BKC, Bandra (W)	-
12-10-14	10.00 am to 6.00 pm	One Day Students Seminar on Domestic Transfer Pricing International Taxation	ICAI Tower, BKC, Bandra (W)	350/-
19-10-14	10.00 am to 6.00 pm	One Day Students Seminar on Internal Audit	ICAI Tower, BKC, Bandra (W)	350/-
26-10-14	10.00 am to 6.00 pm	One Day Students Seminar on Bank Branch Audit, Concurrent Audit, Revenue Audit, Stock Audit	ICAI Tower, BKC, Bandra (W)	350/-

Chief Co-ordinators: CA. S. G. Mundada, Chairman, WICASA – 9422080814 CA. Mahesh Madkholkar, RCM – 9820075966 CA. Priti Savla, RCM – 9321426883 (Regional Council Members)

Price ₹ 300/-

- Chartered Accountants Act & Regulations
- Accounting and Auditing
- Income Tax and Wealth Tax
- Indirect Tax
- Company Law
- Other Laws
- Miscellanea

WIRC REFERENCE MANUAL 2014-15



Eleventh Thoroughly Revised And Updated Edition

The WIRC Reference Manual is an easy reference compilation of assorted Laws, Rules, Regulations, Procedures, Pronouncements, Notifications, etc. It covers topics suitable for all accounting, tax and legal professionals. A comprehensive yet handy guide, the Manual is a distillation of the expertise of some of the best minds in our profession.

The Eleventh edition of WIRC Reference Manual covers a wide range of subjects including Chartered Accountants Acts & Regulations, Accounting and Auditing, Income Tax and Wealth Tax, Indirect Taxes, Company Law, Other Laws and additional information deemed important.

The WIRC Reference Manual can also be carried in your pocket thanks to a user friendly CD version that is part of the package.

Discount of 10% for Bulk purchase of 50 or more copies
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Forthcoming Branch Meetings

Date	Time	Subject(s)	Speaker(s)	Venue
BARODA				
16/08/2014 31/08/2014	10.00 a.m.	Certificate Course on Concurrent Audit of Banks	Eminent Faculty	Hotel Surya Palace, Sayajigunj, Vadodara
23/08/2014	5.00 p.m.	Lecture Meeting CARO	CA. Jayesh Mehta	ICAI Bhawan, Kalali-Tandalja Road, Atladara, Baroda
30/08/2014	10.00 a.m.	2 Full days practical Workshop on Financial Modelling	CA. Ashutosh Prajapati	ICAI Bhawan, Kalali-Tandalja Road, Atladara, Baroda.
30/8/2014 31/08/2014 01/09/2014		1st Senior Members's RRC		Ramada Udaipur Resort & Spa, Udaipur, Rajasthan
NAGPUR				
26/08/2014	8.00 a.m.	Convocation Ceremony		Progressive Education Society, Near Modern College of Engineering, Shivajinagar, Pune-411005
30-31/08/2014	9.00 a.m.	National Conference on Direct Tax		Le Meridien, Pune RBM Road, Pune-411001
VASAI				
24/08/2014	9.30 a.m.	Felicitation of WIRC Office Bearers & Awareness Programme on Financial Reporting Practices	CA. Nihar Jambusaria CA. Nilesh Vikamsey	Amruta Building, Indralok Phase-II, New Golden Nest Road, Bhayandar (East)
11/10/2014 to 23/11/2014	9.30 a.m.	Certificate Course on Indirect Taxes	Eminent Faculty	Amruta Building, Indralok Phase-II, New Golden Nest Road, Bhayandar (East)
27/12/2014 to 11/01/2015	9.30 a.m.	Certificate Course on Concurrent Audit of Banks	Eminent Faculty	Amruta Building, Indralok Phase-II, New Golden Nest Road, Bhayandar (East)



Forthcoming Study Circle Meetings

Date & Day	Time	Subject(s)	Speaker(s)	Venue	Organised by / Convener / Tel. No.
20/08/2014 Wednesday	6.00 p.m.	Tax implications on Conversion of Private Ltd. Companies into Limited Liability Partnerships	CA. Umesh Gala	Mysore Association Hall, Bhaudaji Road, Matunga (East).	Dadar (East) CPE Study Circle CA. Deepesh Chheda M: 9820599369
21/08/2014 Thursday	5.30 p.m.	Abatements under Service Tax	CA. Arjun S. Akruwala	Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad-380 006.	Ellisbridge CPE Study Circle CA. Rohit Choksi M: 9879796807
22/08/2014 Friday	6.30 p.m.	Inauguration & framework of Study Group on Code of Ethics Communication with Previous Auditor	CA. C.N.Vaze CA. Rakesh Vora	Mulund Gymkhana Hall, Navghar Road, Mulund (East)	Mulund CPE Study Circle CA. Bhavesh Palan M: 9320166001
23/08/2014 Saturday	5.30 p.m.	Study Group Meet on Discussion on Negative List, Mega Exemption and Declared Services under Service Tax	CA. Prakash Jhalaria	Vrundas Veg., Near Ajanta Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Giriraj Khandelwal M: 9820344999
23/08/2014 Saturday	3.30 p.m.	Study Group Meeting Preparation & Documentation for Scrutiny Assessment & Appeals DCF Valuation	CA. Satish Trivedi CA. Pratik Singhi	Direct-I-plex, Old Nagardas Road, Opp. Wilson Pens, Near Andheri (E) Subway, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
24/08/2014 Sunday	9.00 a.m.	Public Charitable trusts - provisions relating to Bombay Public Trusts Act & Procedure	Shri Hemant Gandhi	Mysore Association, 2nd floor, Bhaudaji Road, Matunga Central	Matunga CPE Study Circle CA. Premal Gandhi M: 9324382636
24/08/2014 Sunday	8.45 a.m.	E-Way Bill & Updates on MVAT Loans, Investment and Related Party Transactions in Companies Act 2013	CA. C. B. Thakar CA. Durgesh Kabra	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
24/08/2014 Sunday	9.30 a.m.	Recent Amendments in Tax Audit report	CA. Sanjeev Lalan	Kirti College, Near Catering College, Veer Savarkar Marg, Dadar (W),	Prabhadevi Dadar CPE Study Circle CA. Sanjay Lunkad M: 9833920331
26/08/2014 Tuesday	5.30 p.m.	Critical Issues under Companies Act, Documentation by CAs and Due Diligence Checklist	CA. Nipun Singhvi	Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad-380 006.	Ellisbridge CPE Study Circle CA. Rohit Choksi M: 9879796807
06/09/2014 Saturday	5:30 p.m.	Recent developments – Tax Audit Report	CA. Atul Suraiya	Mayor Hall, All India Institute, C.D. Barfiwala Marg, Andheri (West),	Andheri (West) CPE Study Circle CA. Shantesh Warty M: 9819947969



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.icai.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@icai.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 a reasonable time.

INTER-ACTIVE VOICE RESPONSE SYSTEM (IVRS) AT BKC, MUMBAI

Members and students are hereby informed the Inter-active Voice Response System (IVRS) at the Institute’s office at BKC, Mumbai is functional 24*7 for automated response on telephone calls. To avail of this facility, it is requested to call on landline telephone No. 022-3367 1400/1500 during regular office hours on all working days between 10.00 a.m. and 5.30 p.m., if the telephone operator is busy, then the call will be directed to the automated response (IVRS) and also after office hours and on holidays.

APPLICATION FROM CAs FOR TAKING LECTURES

Chartered Accountants with Academic background who are interested for taking lectures for Coaching Classes/Revisionary Classes/Crash Courses which are being organised by WIRC & WICASA are requested to write to wirc@icai.in along with their details.

CONTRIBUTION TO THE CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF)

Members are requested to contribute to the Chartered Accountants Benevolent Fund (CABF) which is set to provide financial assistance to the dependents of the deceased members and to support the members who are suffering from critical illness. Contributions to CABF are exempted under Section 80(G) of the Income-tax Act, 1961.

EXECUTIVE HEALTH CHECK UP FACILITY AT GLOBAL HOSPITAL, PAREL, MUMBAI-400 012

WIRC of ICAI has tied up with Global Hospital, 35-Dr. E. Borges Road, Hospital Avenue, Opp. Shirodkar High School, Parel, Mumbai-400 012 for Executive Health Check up facility for members and students and their dependents and the detailed announcement in this regard is hosted on the WIRC website www.wirc-icai.org. Members and students are requested to avail this facility.

HEALTH CHECK AND DIAGNOSTIC TESTING AT N. M. MEDICAL CENTRE

WIRC also tied up with N. M. Medical Centre, for Health check up and diagnostic testing at any of their specified branches. The details of this scheme and list of specified branches alongwith contact persons at each branch is hosted on the WIRC website www.wirc-icai.org. Members and students are requested to take advantage of this scheme and avail the facility.

EXTENSION OF TIME TO COMPLETE GMCS-I COURSE BY THE STUDENTS REGISTERED FOR ARTICLESHIP TRAINING ON OR AFTER 1ST MAY, 2012

The Board of Studies of ICAI has decided to grant extension to students, who were registered for practical training (articleship) on or after 1st May, 2012 and completed one year of their practical training (articleship) but not completed the GMCS-I course are required to complete GMCS-I Course latest by 30th September, 2014. The above students are advised to contact WIRC office for registration in GMCS-I Course and complete the same at the earliest but not later than 30th September, 2014.

Members are also requested to permit all such article assistants registered under them to complete the GMCS-I course at the earliest .

A JOINT INITIATIVE OF WIRC OF ICAI AND VEDANTA FOUNDATION

WIRC of ICAI is glad to announce its joint initiative with Vedanta Foundation to encourage those students who are desirous of pursuing the Chartered Accountancy course but are in need of financial assistance to pursue their dream. The financial assistance is available for CPT, CA-IPCC and CA Final modules and includes registration fees, coaching classes (organised by WIRC), examination fees and books for such students.

The students would be selected based on certain criteria. Forms for such financial assistance is available on the WIRC website www.wirc-icai.org.

PAYMENT OF ANNUAL MEMBERSHIP FEE FOR THE YEAR 2014-15

The annual membership fee, and in the case of members in practice, the annual Certificate of Practice fee, were due and payable on 1st April 2014. A circular

to this effect was sent to all the members by this office.

However, it is observed from our records, that necessary payment is still to be received from many of the Members. We would therefore appreciate that members who have not yet paid , may kindly arrange to remit the same at the earliest so as to avoid issuance of further reminder, however, the last date is 30/9/2014 to avoid removal of name from the Register of Members with effect from 1st October, 2014.

The schedule of fee payable is as under:

For Members below age of 60 years		For Members above age of 60 years (As on 1st April 2014)	
Associate Without Certificate of Practice	800/-	Associate Without Certificate of Practice	600/-
Associate With Certificate of Practice	2,800/-	Associate With Certificate of Practice	2,100/-
Fellow Without Certificate of Practice	2,200/-	Fellow Without Certificate of Practice	1,600/-
Fellow With Certificate of Practice	4,200/-	Fellow With Certificate of Practice	3,100/-

The remittance may please be sent to the Institute’s Mumbai Office. The cheque or demand draft should be drawn in favour of “The Secretary, The Institute of Chartered Accountants of India”.

Members whose Professional address is at Ahmedabad/Pune/Surat/Vadodara/ Nagpur/Thane, may remit their fees in the respective branches by means of Cheque/Demand Draft drawn in favour of

‘The Secretary, The Institute of Chartered Accountants of India’ payable at Ahmedabad/ Pune/ Surat/ Vadodara/

Nagpur/ Thane respectively

Payment of fee can also be made online. Members are required to fill in the Master / Visa Credit/ Debit card details along with the name of the cardholder on the payment gateway page for successful transaction online. For payment of membership fee online, please visit the Institute’s website www.icai.org or the link www.icai.org/memfee.html.

OPPORTUNITY TO WORK WITH THE LEADERS

A Public Limited Company, in the rubber industry, is looking for Chartered Accountants for the following Departments at Mumbai HO.

Tax Department

The candidate must have a minimum experience of 5 years or more post qualification in the Taxation Dept. of a manufacturing company. The candidate should have very sound knowledge of Corporate Income Tax and fair knowledge of Indirect Taxes. Candidate must also have at least 3 years of experience in working in SAP FI module.

Accounts Department

The candidate must be a CA Intern with minimum 5 years experience in Accounts department of a manufacturing organization (overall above his working experience in CA firm). The candidate must have thorough knowledge of accounting standards and must have prepared final accounts. The candidate must also have 5 years experience in SAP FI module.

For more details and applying for the position, kindly mail on acsfinjobs@gmail.com



DIRECT TAX

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

WEALTH-TAX (FIRST AMENDMENT) RULES, 2014 - SUBSTITUTION OF RULE 3 AND INSERTION OF FORM BB {224 TAXMANN (St.) 1}

NOTIFICATION 32/2014 [F.NO.143/1/2014-TPL]/SO 1576(E), DATED 23-6-2014

In exercise of the powers conferred by clause (ba) and clause (bb) of sub-section (2) of section 46 read with section 14A and section 14B of the Wealth-tax Act, 1957 (27 of 1957), the Central Board of Direct Taxes hereby makes the following rules further to amend the Wealth-tax Rules, 1957, namely:—

1. (1) These rules may be called the Wealth-tax (First Amendment) Rules, 2014.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Wealth-tax Rules, 1957 (hereinafter referred to as the "said rules"),—
 - (i) for rule 3, the following rule shall be substituted, namely:—
"3. Form of return of net wealth.—(1) The return of net wealth referred to in section 14 shall—
 - (a) in respect of assessment year 2013-14 and earlier assessment years in the case of individuals, Hindu Undivided Families and companies, be in Form BA and shall be verified in the manner specified therein.
 - (b) in respect of the assessment year 2014-15 and any other subsequent assessment year in the case of individuals, Hindu Undivided Families and companies be in Form BB and shall be verified in the manner specified therein".
 - (3) Subject to the provisions of sub-rule (3), for the assessment year 2014-15 and any other subsequent assessment year, the return of net wealth referred to in sub-rule (1) shall be furnished electronically under digital signature.
 - (4) In case of individual or Hindu Undivided Family to whom the provisions of section 44AB of the Income-tax Act, 1961 (43 of 1961) are not applicable, the return of net wealth referred to in sub-rule (1) may be furnished for assessment year 2014-15 in a paper form.
 - (5) The return of net wealth required to be furnished in Form BB shall not be accompanied by a statement showing the computation of the tax payable on the basis of the return, or proof of the tax and interest paid, or any document or copy of any account or form of report of valuation by registered valuer required to be attached with the return of net wealth under any provisions of the Act.
 - (6) The Director General of Income-tax (Systems) shall specify the procedures, formats and standards for ensuring secure capture and transmission of data and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to furnishing the returns in the manners specified in sub-rule (2).

Section 139 of the income-tax act, 1961 - return of income - updation and validation of taxpayer e-mail id and mobile number for their e-filing account

PRESS RELEASE, DATED 4-7-2014

A valid e-mail ID and mobile number has to be registered/updated on the e-filing website of the Income Tax Department so that direct communication with taxpayer can be possible. For details, taxpayers can log on to: https://incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF/Update_Contact_Details.pdf

Section 268a of the Income-tax Act, 1961 – appeals and revision – filing of appeal or application for reference by income-tax authority - revision

of monetary limits for filing of appeals by the department before income tax Appellate Tribunal, High Courts and Supreme Court – measures for reducing litigation

Instruction 5/2014 [F. No. 279/Misc142/2007-itj (pt.)], dated 10-7-2014

Reference is invited to Board's Instruction No. 3/2011 dated 09/02/2011, wherein monetary limits and other conditions for filing departmental appeals (in Income-tax matters) before Appellate Tribunal, High Courts and Supreme Court were specified. In supersession of the above instruction, it has been decided by the Board that departmental appeals may be filed on merits before Appellate Tribunal, High Courts and Supreme Court keeping in view the monetary limits and conditions specified below.

Henceforth appeals shall not be filed in cases where the tax effect does not exceed the monetary limits given hereunder:—

S. No.	Appeals in Income-tax matters	Monetary Limit (in ₹)
1.	Before Appellate Tribunal	4,00,000/-
2.	U/s. 260A before High Court	10,00,000/-
3.	Before Supreme Court	25,00,000/-

It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case.

This instruction will apply to appeals filed on or after 10th July, 2014. However, the cases where appeals have been filed before 10th July, 2014 will be governed by the instructions on this subject, operative at the time when such appeal was filed.

FINANCE (NO. 2) BILL, 2014 {224 TAXMANN (St.) 9}

Minister of Finance, Shri Arun Jaitley presented Budget on 10th July, 2014 together with Finance (No.2) Bill, 2014. The above citation may be referred for complete details.

MAHARASHTRA VAT (Contributed by CA. C. B. Thakar)

Amendment Act

Consequent to Budget proposals, various amendments are effected in the MVAT Act, 2002 & allied Laws *vide* Maharashtra Amendment Act No. XXVII of 2014 dated 26/6/2014. The important amendments under MVAT Act, 2002 are about increasing threshold turnover limit for registration, concession in interest u/s. 30(4), increase in audit turnover limits, amendment in schedule entries to nullify effect of judgment of Supreme Court in case of *Bansal Wire Industries Ltd vs. State of UP (42 VST 372) (SC)*, in relation to iron & steel.

Profession Tax Act

The threshold limit for attraction of profession tax in case of salaried person is increased from ₹ 5,000/- to ₹ 7,500/-.

Luxury Tax Act

The threshold limit for attracting luxury tax is increased from ₹ 750/- to ₹ 1,000/- and for next slab the limit increased from ₹ 1,200/- to ₹ 1,500/-.

Draft Rules

The Government has published draft rules dated 23/6/2014 for effectuating border check post provisions. The suggestion, if any, to be given as mentioned in the said draft rules.

Further, list of check posts is also published by one more notification dated 23/6/2014.

Amendment for late fees

The Government has issued notification dated 9/7/2014 u/s. 20(6) of the MVAT Act, 2002 by which the late fees in relation to certain belated returns has been waived in excess of ₹ 1,000/-.



CORPORATE LAWS (Contributed by CA. Rahul Joglekar)

MCA notifications – Amendment to various Rules issued under the Companies Act, 2013

MCA has issued numerous notifications providing for amendments in the existing Rules issued under the Companies Act, 2013. These amendments are primarily aimed at providing certain relaxations / extensions to companies for complying with the requirements to those Rules. The amendments and the relevant links at which these are available as follows:

Companies (Specifications of Definition details) Amendment Rules, 2014 - http://www.mca.gov.in/Ministry/pdf/NCARules_17072014.pdf *vide* which an independent director is excluded from the definition of a Related Party under Sec. 2(76) of the Companies Act, 2013.

Companies (Management and Administration) Second Amendment Rules, 2014 - http://www.mca.gov.in/Ministry/pdf/AmendmentRules_24072014.pdf.

Companies (Miscellaneous) Amendment Rules, 2014 - http://www.mca.gov.in/Ministry/pdf/NCARules_17072014_1.pdf.

MCA notification No S.O.(E) dated 25th July, 2014

MCA has issued a notification to be published in the Official Gazette of India specifying the “class or classes of companies” under section 203 of the Companies Act, 2013. This section provides for the class or classes of companies to have the mentioned whole-time key managerial personnel. For complete text of this notification, please refer to the link: http://www.mca.gov.in/Ministry/pdf/Notification_25072014_3.pdf.

MCA General Circular No. 30/2014 dated 17th July, 2014 – Clarification on matters relating to Related Party Transactions

Government has received representations from stakeholders seeking certain clarifications on related party transactions covered under section 188 of the Companies Act, 2013. MCA has clarified that the term ‘related party’ referred to in the Section 188 refers only to such related party as may be a related party in the context of the contract or arrangement for which the said special resolution is being passed. Further the circular also excludes transactions arising out of Compromises, Arrangements and Amalgamations from the purview of Section 188 of the Companies Act, 2013. The circular also clarifies on that fresh approvals under section 188 of the Companies Act, 2013 (new Act) are not required if the company has ensured the necessary compliance of section 297 of the Companies Act, 1956 (old Act). However, if any modification in such contract is made on or after 1st April, 2014, the requirements under section 188 will have to be complied with. For complete text of the circular please refer to the link: http://www.mca.gov.in/Ministry/pdf/Circular_No_30_17072014.pdf.

MCA General Circular No. 32/2014 dated 23rd July, 2014 – Clarification on transitional period for resolutions passed under the Companies Act, 1956

Companies have passed resolutions during financial year 2013-14 under the relevant provisions of the Companies Act, 1956 (old Act) which are/were at different stages of implementation after coming into force of corresponding provisions of the new Companies Act, 2013. In this regard, Government had received references seeking clarity about the validity of such resolutions. It is clarified that resolutions approved or passed by companies under relevant applicable provisions of the old Act during the period from 1st September, 2013 to 31st March, 2014, can be implemented subject to certain conditions. For complete text of the circular please refer to the link: http://www.mca.gov.in/Ministry/pdf/General_Circular_32-2014_23072014.pdf.

IRDA Circular No. IRDA/F&I/CIR/INV/162/07/2014 dated 10th July, 2014 Corporate Bond Market - Permission to Insurers for membership in SEBI approved Stock Exchanges for proprietary trading

IRDA has issued additional conditions pertaining to Membership for Corporate Bond segment in SEBI approved Stock Exchanges which the

Insurers are required to adhere to. The Concurrent auditor has to comment on non-compliance, if any, arising out of membership of stock exchange for proprietary trading in his quarterly audit report. For complete text of the circular please refer to the link: http://www.irda.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo2303&flag=1&mid=Insurers%20%3E%3E%20Life%20%3E%3E%20Circulars.

CENTRAL EXCISE (Contributed by CA. Jayesh Gogri)

Non-Tariff amendments

Waterfilters functioning without electricity and replaceable kits thereof classifiable under Tariff ID 84219900 to be valued based on Retail Sales Price (RSP)

As per section 4A of the Central Excise Act, 1944 if RSP needs to be declared on the package of the goods *vide* the Legal Metrology Act, 2009 Central Excise Duty needs to be paid on the basis of RSP less abatement. Till now, RSP based valuation was adopted for waterfilters functioning without electricity and replaceable kits thereof falling under Tariff ID 84212120 with 35% abatement.

Now, RSP based valuation is extended to waterfilters functioning without electricity and replaceable kits thereof falling under Tariff ID 84219900.

(Notification No. 17/2014-CE (N.T.) dated 11/07/2014)

A Resident Private Limited Company allowed to make application for Advance Ruling

Section 23A of the Central Excise Act, 1944, describes the category of persons who can make application for advance ruling under Central Excise Act, 1944. Hitherto, Non-residents and Resident Public Limited Company was allowed to apply for Advance Ruling.

Now, even a Resident Private Limited Company is eligible to make an application for Advance Ruling for the determination of a question of law or fact specified in the application regarding the liability to pay duty in relation to an activity proposed to be undertaken, by the applicant.

For the purpose of this notification private limited company means a private company as defined in Section 2(68) of the Companies Act, 2013. And resident means a resident as defined in Section 2(42) read with Section 6(3) of the income Tax Act, 1961.

(Notification No. 18/2014-CE (N.T.) dated 11/07/2014)

Amendment to Central Excise Rules, 2002

Central Excise Duty mandatorily to be paid electronically by every assessee

Presently, Central Excise duty is required to be paid electronically if the assessee has paid Central Excise Duty in cash along with utilisation of CENVAT credit of ₹ 1,00,000/- or more in preceding Financial Year.

However, with effect from 1st October 2014, every assessee is mandatorily required to pay Central Excise Duty electronically. If the assessee wants to pay Central Excise Duty Liability by any other mode other than internet banking, he may apply to the Assistant Commissioner or the Deputy Commissioner for the same. The Assistant Commissioner or Deputy Commissioner may for the reasons to be recorded in writing, allow the assessee to do so.

Penalty to be paid in case of non-payment within 1 month from due date as against Central Excise Duty payable on each removal in Cash

As per Rule 8 of Central Excise Rules, 2002, Central Excise Duty should be paid by 5th/6th of the following month/quarter, as the case may. If duty is not paid within 30 days from the due date, the assessee is required to pay Central Excise Duty on each consignment in Cash without utilising CENVAT credit until the assessee pays the outstanding amount along with interest. However, henceforth, the assessee may remove the goods in normal course of action but he shall be penalised with penalty. Accordingly, if



the assessee fails to pay the Central Excise Duty payable as per Central Excise Return within 1 month from the due date, the assessee would be required to pay penalty @ 1% per month or part thereof from the due date on outstanding Duty Amount for the period in default.

(Notification No. 19/2014-CE (N.T.) dated 11/07/2014)

Valuation of goods in case the price is not the sole consideration of sale and the buyer of the goods is not related to the assessee

Section 4 of the Central Excise Act, 1944 provides for payment of Central Excise Duty on transaction value provided specified conditions are fulfilled. In case, either of the conditions is not fulfilled, Central Excise Duty needs to be paid having regard to Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000.

Accordingly, at present, in cases where the goods are sold by seller for delivery at the time and place of removal and the buyer and seller are not related person but the price is not the sole consideration for sale, the value for levy of Central Excise duty is, aggregate of such transaction value and additional consideration flowing directly or indirectly from the buyer to the seller.

In case of sale of goods below cost by Fiat India Pvt. Ltd., Hon'ble Supreme Court in *Commissioner of Central Excise, Mumbai vs. Fiat India Pvt. Ltd. 2012 (283) ELT 161 (SC)*, had held that the price was not the sole consideration for sale and therefore, valuation was ordered to be done based on Valuation Rules as against the actual transaction value.

To overcome the adverse effect of the said ruling, the Valuation Rules are amended and henceforth, even if the price is not the sole consideration for sale of excisable goods and the assessee has sold the same at the price less than manufacturing cost and profit, the value of such goods shall be the transaction value provided no other additional consideration is flowing directly or indirectly from the buyer to the seller.

(Notification No. 20/2014-CE (N.T.) dated 11/07/2014)

Amendment to CENVAT Credit Rules, 2004

The Definition of "Place of removal"

Place of Removal is defined under Section 4 of the Central Excise Act, 1944. However, with respect to interpretation of definition of input services, place of removal has been bone of contention. Therefore, now, place of removal is defined specifically under CENVAT Credit Rules, 2004 which reads as under:

"Place of removal" means

- A factory or any other place or premises of production or manufacture of the excisable goods;
- A warehouse or any other place or premises wherein the excisable goods have been permitted to be deposited without payment of duty;
- A depot, premises of a consignment agent or any other place or premises form where the excisable goods are to be sold after their clearance from the factory

from where such goods are removed.

Fixation of time limit for availment of CENVAT credit on inputs and input services

There was no time limit for availment of CENVAT credit under CENVAT Credit Rules, 2004. Bangalore Tribunal in case of *Coromandal Fertilizers Ltd. vs. CCE (A), Visakhapatnam – IV 2009 (239) ELT 99 (Tri.-Bang.)* held that CENVAT Credit was allowed to be taken anytime after receipt of inputs in factory.

However, with effect from 1st September 2014, CENVAT credit on inputs and input services is **restricted to be availed within 6 months from the date of invoice.**

Restriction on transfer of Credits by LTUs (Large Taxpayer Units)

Large Tax Payer Units (LTUs) are provided various benefits under Central Excise Laws. One of the major benefits available to LTUs is that CENVAT Credit available at one registered premises could be transferred for use to

another registered premises. However, the said benefit is taken away with effect from 11th July, 2014.

(Notification No. 21/2014-CE (N.T.) dated 11/07/2014)

Amendment in Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rule, 2008

In respect of certain specified goods, the duty is levied on the basis of production capacity. Accordingly, (i) Pan Masala falling under tariff heading 21069020 of the First Schedule to the Central Excise Tariff Act, 1985 and (ii) pan masala containing tobacco, commonly known as gutkha, falling under tariff heading 24039990 manufactured with the aid of packing machine, are leviable to duty based on no. of packing machines. Accordingly, Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rule, 2008 are prescribed for determination of Central Excise Duty liability.

The rates of duty given in said Rules are inclusive of specified duties and cesses leviable under Central Excise Act, 1944 and the proportion of such duties and taxes is also given in the said Notification. Now, the proportion of such duties and taxes has also undergone a change as below:

Sr. No.	Duty	Duty ratio for pan masala	Duty ratio for pan masala containing tobacco
1	The duty leviable under the Central Excise Act, 1944	0.3453	0.7903
2	The additional duty of excise leviable under section 85 of the Finance Act, 2005	0.1294	0.0677
3	National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001	0.4962	0.1129
4	Education Cess leviable under section 91 of the Finance Act, 2004	0.0194	0.0194
5	Secondary and Higher Education Cess leviable under section 136 of the Finance Act, 2007	0.0097	0.0097

(Notification No. 22/2014-CE (N.T.) dated 11/07/2014)

Amendments proposed under Finance Bill, 2014

Information return to be submitted by specified persons to Central Excise Department

Till now, under Central Excise Laws, except the assessee, registered under Central Excise Laws, are not required to furnish any return to Central Excise Department.

Now, new Section 15A is proposed to be inserted which requires either of the following persons to furnish periodic information returns:

- an assessee
- a local authority or other public body or association
- any authority of the State Government responsible for the collection of VAT/sales tax
- an income tax authority
- a banking company
- a State Electricity Board; or an electricity distribution or transmission licensee
- the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908
- a Registrar within the meaning of the Companies Act, 2013
- the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988



- the Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 • the recognised stock exchange
- a depository • an officer of the Reserve Bank of India.

In case, the information is found to be defective, the specified persons may rectify the defect within 30 days from the date of intimation to that effect by Central Excise Department or within extended period as may be allowed by Central Excise Department. In case, the specified person is unable to rectify the defect within specified time limit, the information return would be treated to be not filed and the provisions of the Finance Act would apply accordingly.

In case, the periodical information return is not furnished within specified time limit, Central Excise Department would serve a notice and within 90 days of serving the notice, the specified persons would be required to furnish the information return. In the event of default in furnishing such information return even after service of notice, penalty of ₹ 100/- per day for the period of default may be levied vide proposed Section 15B of the Central Excise Act, 1944.

The procedural aspects such as periodicity of such information returns, due dates etc. are yet to be prescribed under Central Excise Laws.

Procedural amendments with respect to Settlement Commission

Relaxation of condition of submission of returns before making application to Settlement Commission

Presently, it is compulsory to submit returns showing production, clearance and Central Excise Duty paid in the prescribed manner before one moves an application to the Settlement Commission.

Now, it is proposed that Settlement Commission may accept application even if the applicant has not submitted the returns provided Settlement Commission is satisfied that there exist circumstances for such non-filing of the returns and the reasons therefore are recorded by Settlement Commission.

Seizure of goods, books of account and other documents

Till now, in case of seizure of excisable goods, books of accounts and other documents, the assessee were not entitled to apply to Settlement Commission till expiry of 180 days from the date of seizure.

Now, it is proposed that the assessee may apply to Settlement Commission even if excisable goods, books of accounts and other documents are seized under Central Excise Laws.

Bar on subsequent application for settlement in case of concealment of tax liability from Central Excise Officer

The Settlement Commission is granted power to prohibit subsequent application for settlement if penalty is imposed on applicant by Settlement Commission earlier on the ground of concealment of particulars of duty liability (Section 320(1)(i) of the Central Excise Act, 1944).

Now, it is proposed to add an explanation to the said Section to clarify that the concealment envisaged under the said Section is concealment from Central Excise Officer.

Refusal to admit small cases limit increased with respect to Appellate Tribunal Appeals

Appellate Tribunal has power to refuse the admission of appeal against order passed by Commissioner (Appeals) if the disputed case is related to issues other than rate of Duty or Valuation issue or if the amount of fine or penalty determined by such order does not exceed ₹ 50,000/-.

Now, the limit has been increased to ₹ 2,00,000/- for refusal to admit such appeals by Appellant Tribunal.

Formation of Committee for appeal to Appellate Tribunal by issuance of order

For appeal to Appellate Tribunal, CBEC may constitute committee by issuance of notification in official gazette as provided under Section 35B (1B)(i). It is proposed to constitute such committee by way of an order as against issuance of notification in official gazette.

Inclusion of Principal Chief Commissioner and Principal Commissioner of Central Excise in the class of Central Excise Officers

Central Excise Act, 1944 are proposed to be amended to include reference to Principal Chief Commissioner and Principal Commissioner of Central Excise along with Chief Commissioner of Central Excise and Commissioner of Central Excise. Consequential changes are made to Section 2(d) of the Central Excise Act, 1944.

Pre-deposit becomes mandatory before making an appeal to Appellate Tribunal and Commissioner (Appeals)

Presently, in case Commissioner (Appeals) and Appellate Tribunal are of the opinion that the pre-deposit of duty demanded or penalty levied would cause "undue hardship" to the appellant, Commissioner (Appeals) and Appellate Tribunal issues a stay order on such pre-deposit subject to conditions, if required, to safeguard the interests of revenue.

Now, existing Section 35F of the Central Excise Act, 1944 is proposed to be substituted with new provisions which provides for mandatory deposit of 7.5% of duty demanded or penalty imposed or both in case of the First Appeal and a deposit of 10% of total duty demanded or penalty imposed or both in case of the Second Appeal. The maximum cap of pre-deposit is proposed to be kept at ₹ 10 Crores. Further, duty demanded is proposed to include excess amount collected as Central Excise Duty under Section 11D, erroneous CENVAT Credit taken and also CENVAT Credit reversal as required under Rule 6 of CENVAT Credit Rules, 2004.

The proposed amendment would not be applicable to stay applications and appeals pending before Appellate Authority prior to commencement of Finance Act, 2014.

Since Stay concept is proposed to be removed, consequentially, the time limit for disposal of appeals where stay is granted is also proposed to be omitted.

Extended time period of additional 30 days may be provided by Board for passing an order to file departmental appeals

The Committee of Chief Commissioner has power to examine legality or propriety of any order passed by Commissioner of Central Excise *vide* Section 35E (1) of the Central Excise Act, 1944 and also has power to direct the Commissioner, by order, to apply to Appellate Tribunal for determination of specified points arising out of the order.

In case of difference in opinion of Committee of Chief Commissioner, Board is required to direct the Commissioner for determination of specified points arising out of the order.

Similarly, Commissioner of Central Excise has power to examine legality and propriety of any order passed by any of his subordinates and to direct the subordinate authority, by order, to apply to Commissioner (Appeals) for determination of specified points arising out of the order.

Such order by Committee of Chief Commissioner, Board or Commissioner of Central Excise should be made within 3 months from the date of communication of order of the adjudication authority.

Now, Section 35E(3) of the Central Excise Act, 1944 is proposed to be amended so that the time period of 3 months may be extended by Board on showing sufficient reason by another 30 days.

Appeal directly to Supreme Court against the order of Appellate Tribunal in case of determination of taxability or excisability of goods for the purpose of assessment

Presently, an appeal before Supreme Court lies against either any judgment of High Court or from any order passed by Tribunal relating to the Excise Duty Rate or to the value of goods for purposes of assessment.

Now, Central Excise Act, 1944 is proposed to be amended to clarify that the determination of any question having a relation to the **rate of duty** shall include the determination of **taxability or excisability of goods** for the purpose of assessment. Therefore, an appeal against Order of Tribunal on issues of taxability or excisability is proposed to be decided directly by Supreme Court.



Commissioner (Appeals) to decide a case after taking into consideration the circumstances (Amount lower than monetary limits specified by CBEC) for not filing an appeal against a precedent decision

CBEC has power to issue instructions for fixing monetary limits for regulating filing of appeals, application, revision or reference by Central Excise Officer. Till now, Appellate Tribunal or Court hearing appeals, application, revision or reference were required to take into consideration the fact that a particular precedent decision cited was not appealed against in view of low amounts i.e. to abide the instructions issued by CBEC.

Now, it is proposed that even Commissioner (Appeals) needs to take into consideration the fact that a particular precedent decision cited was not appealed against in view of low amounts i.e. to abide the instructions issued by CBEC.

Amendment to Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008

Rule 8 of the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008 is proposed to be amended with retrospective effect from 13th April, 2010 to provide that where a manufacturer manufactures pouches of different RSPs on an operating machine during a month, duty liability for that month needs to be calculated and discharged considering highest of all such RSPs for the whole month. Certain other provisions are proposed to be enacted to give appropriate effect to such retrospective amendment.

Aligning Third Schedule of the Central Excise Act, 1944 with MRP based valuation

Manufacture as defined under Section 2(f) of Central Excise Act, 1944 is an inclusive definition. Certain processes involving packing or repacking of goods in a unit container or labelling or re-labelling of containers including the declaration or alteration of RSP (Retail Sale Price) on it or adoption of any other treatment on the goods to render the product marketable to the consumer are considered to be manufacturing process with respect to goods specified under Third Schedule to the Central Excise Act, 1944. Further, under Central Excise Laws, certain products are covered by MRP based valuation. Accordingly, Central Excise Duty needs to be discharged based on MRP less specified abatement. MRP based valuation is generally provided with respect to goods specified under Third Schedule to the Central Excise Act, 1944.

SERVICE TAX (Contributed by CA. Rajiv Luthia)

SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

Following Notifications are effective from 11th July, 2014

Central Government vide Notification No. 6/2014-ST dated 11th July, 2014 has made following amendments to Mega Exemption Notification No. 25/2012-ST dated 20th June, 2012.

- Entry 2B is inserted to grant exemption to services provided by operators of the Common Bio-Medical Waste treatment facility to a clinic establishment by way of treatment or disposal of bio-medical waste or the process incidental thereto.
- Entry 7 granting exemption to services by way of technical testing or analysis of newly developed drugs, including vaccines & herbal remedies, on human participants by a clinical research organisation (CRO) approved to conduct clinical trials by the Drug Controller General of India is omitted.
- Entry 9 granting exemption to services rendered to an educational institution is amended to read as "Services provided, –
 - (a) By an educational institution to its students, faculty or staff;
 - (b) To an educational institution, by way of, –
 - (i) Transportation of students, faculty and staff;
 - (ii) Catering, including any mid-day meals scheme sponsored by the Government;

(iii) Security or cleaning or house-keeping services performed in such educational institution

(iv) Services relating to admission to, or conduct of examination by, such institution"

- Entry 18 granting exemption to services of Short Term Accommodation is amended to read as "services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent."
- Entries 20 & 21 are amended so as to extend the exemption granted to services of transportation by rail or vessel or road from one place in India to another of following goods :
 - i) Organic manure
 - ii) Ginned or baled cotton
- Entry 23(b) granting exemption to "transport of passengers, with or without accompanied belongings, by a contract carriage for transportation of passengers, excluding tourism, conducted tour, charter or hire" is amended to restrict the exemption to non-airconditioned contract carriage other than radio taxi.
- Entry 25 granting exemption to services rendered to Government, local authority etc. is amended to read as "services provided to Government, a local authority or a Governmental authority by way of water supply, public health, sanitation conservancy, solid waste management or slum improvement and upgradation".
- Entry 26A grants exemption to services of life insurance business provided under schemes namely Janashree Bima Yojana (JBY) or Aam Aadmi Bima Yojana (AABY) is amended to extend exemption to "life micro-insurance product as approved by the IRDA, having maximum amount of cover of ₹ 50,000/-".
- Entry 40 granting exemption to services by way of loading, unloading, packing, storage or warehousing of rice is amended to extend exemption to such specified services rendered for ginned or baled cotton.
- Entry 41 is inserted to grant exemption to "services received by the RBI from outside India in relation to management of foreign exchange reserves".
- Entry 42 is inserted to grant exemption to "services provided by a tour operator to a foreign tourist in relation to tour conducted wholly outside India".

Central Government vide Notification No. 7/2014-ST dated 11th July, 2014 has made following amendments to Notification No.12/2013-ST dated 1st July, 2013 granting exemption to services rendered to a developer or unit located under SEZ.

- For issuance of form A-2 by jurisdictional AC/DC, a time limit of 15 working days from the date of submission of form A-1 is prescribed.
- In case the A-1 is submitted by the developer/unit of SEZ to jurisdictional AC/DC within 15 days of its verification by Specified Officer of SEZ, the authorisation in form A-2 shall be valid from such date of verification by Specified Officer of SEZ. In other cases, it would be valid from date of submission of verified form A-1 to jurisdictional AC/DC.
- Pending issuance of authorisation in A-2 by AC/DC, the service provider may provide specified services to developer/unit of SEZ without payment of Service Tax on the basis of form A-1 subject to condition that developer/unit of SEZ to furnish A-2 to the service provider immediately on the receipt of same from AC/DC.
- In case, A-2 is not provided by developer/unit of SEZ to service provider within 3 months of date of rendering services (as specified in Point of Taxation Rules, 2011), the service provider to pay service tax on specified services so provided.
- For the purpose of said Notification, a service shall be treated as



used exclusively for the authorised operations if the service is received by the developer/SEZ Unit under an invoice in the name of such developer/Unit and the service is used only for furtherance of authorised operations in the SEZ.

- In case the specified service is covered under full reverse charge, the requirement of mentioning service tax registration no. of the service provider in form Nos. A-1, A-2 & A-3 is done away with.

Central Government vide Notification No. 8/2014-ST dated 11th July, 2014 has made following amendments to Notification No.26/2012-ST dated 20th June, 2012

- Under Entry 7 granting abatement to for GTA Services, the condition for non availment of CENVAT has been qualified by the words “by the service provider”.
- Entry 9A is inserted to provide for abatement of 60% for services of “transport of passengers, with or without accompanie belongings, by a contract carriage other than motor cab & radio taxi”.
- The said abatement is subject to non availment of CENVAT Credit on inputs, capital goods & input services.

Central Government vide Notification No. 8/2014-ST dated 11th July, 2014 has made following amendments to Service Tax Rules, 1994

- Sub-rule (AA) is inserted to Rule 2(1)(d)(i) whereby the recipient of service is defined as “the person liable to pay service tax” in relation to service provided or agreed to be provided by a recovery agent to a banking company or a financial institution or a non-banking financial company.
- Sub-rule (EE) of Rule 2(1)(d)(i) is amended whereby besides Company, a body corporate is also treated as “person liable to pay service tax” in relation to service provided or agreed to be provided by a director of a body corporate to such body corporate.

Consequently, Notification No. 30/2012-ST dated 20th June, 2012 is amended by Notification No. 10/2014-ST dated 11th July, 2014 to provide for discharge of whole of the service tax liability by recipient of service in respect of

- Services provided or agreed to be provided by a recovery agent to a banking company or financial institution or a NBFC.
- Services provided or agreed to be provided by a director of a body corporate to such body corporate.

Central Government vide Notification No. 15/2014-ST dated 11th July, 2014 has notified “resident private limited company” as a person who can seek Advance Ruling.

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

State Budget for F.Y. 2014-15

The Honourable Finance Minister, Mr. Saurabhbai Patel, has presented his maiden State Budget for F.Y. 2014-15. The budget shows net surplus ₹ 575.85 crores. VAT related announcements are three only and they are as under.

ITC reduction in inter-State sale

Incase of inter-State, reduction in input tax credit @ 2% is applicable w.e.f. 01-07-2010. It is proposed to decrease this rate of reduction to 1% only w.e.f. 01-10-2014, excluding on inputs of petroleum products and natural gas, for which rate of reduction @ 2% will still continue.

Amnesty Scheme for Builders/Developers

It is announced to declare an Amnesty Scheme for Builders/Developers, granting the benefit of composite rate of 0.60% to all registered/unregistered/ Builders and developers and granting immunity from interest and penalty on payment by them of such lump sum tax. Full details of Scheme are still awaited.

LPG Exemption Withdrawn

Local sale of LPG is granted exemption by Notification u/s. 5(2) of the GVAT Act. This was being interpreted as exemption for inter-State sale also which was unintended. To overcome this, exemption for local sale of LPG is proposed to be withdrawn by simultaneously evolving a system, to neutralise tax effect on local sale.

FEMA

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

Financial Commitment (FC) by Indian Party under Overseas Direct Investments (ODI) – Restoration of Limit

A.P. (DIR Series) Circular No.1 dated July 3, 2014

RBI has decided to restore the limit of ODI/ FC to be undertaken by an Indian Party under the automatic route to the limit prevailing, as per the extant FEMA provisions, prior to August 14, 2013. It has, however, been decided that any FC exceeding USD 1 billion (or its equivalent) in a financial year would require prior approval of RBI even when the total FC of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet).

All the other provisions under the Notification *ibid* shall remain unchanged.

Foreign Exchange Management Act, 1999 – Import of Rough, Cut and Polished Diamonds

A.P. (DIR Series) Circular No.2 dated July 7, 2014

As per the extant regulations, AD Category-I banks are permitted to approve Suppliers' and Buyers' Credit (Trade Credit), including the usance period of Letters of Credit for import of rough, cut and polished diamonds for a period not exceeding 90 days from the date of shipment.

Taking into consideration the representations received from the diamond importers and the GJEPC, RBI has decided, in consultation with the Government of India (GOI), that the Clean Credit i.e. credit given by a foreign supplier to its Indian customer/ buyer, without any Letter of Credit (Suppliers' Credit) / Letter of Undertaking (Buyers' Credit) / Fixed Deposits from any Indian financial institution for import of Rough, Cut and Polished Diamonds, may be permitted for a period not exceeding 180 days from the date of shipment.

The revised directions shall come into force with immediate effect.

Foreign Direct Investment (FDI)

1. Issue of Partly Paid Shares and Warrants by Indian Company to Foreign Investors

Notification No. FEMA. 308/2014-RB dated June 30, 2014 and A.P. (DIR Series) Circular No. 3 dated July 14, 2014

As per the extant regulations, only equity shares and compulsorily and mandatorily convertible preference shares/debentures including those containing an optionality clause but without any option/right to exit at an assured price are recognised as FDI compliant instruments.

RBI has reviewed the policy and has decided as under:

i. Eligible Instruments and investors

Partly paid equity shares and warrants issued by an Indian Company in accordance with provisions of Companies Act, 2013 and SEBI guidelines, shall be eligible instruments for purpose of FDI and Foreign Portfolio Investment (FPI) subject to compliance.

ii. Pricing and receipt of balance consideration

For partly paid equity shares: The pricing of the partly paid shares shall be determined upfront and 25% of total consideration (including share premium) shall also be received upfront. Balance consideration shall be received within 12 months.

Time period for receipt of balance consideration within 12 months shall not be insisted upon where the issue size exceeds ₹ 500 crore and the issuer complies with Regulation 17 of SEBI Regulations regarding monitoring agency.



In case of unlisted Indian company, balance consideration can be received after 12 months if issue size exceeds ₹ 500 crores.

For warrants The pricing of the warrants and price/conversion formula shall be determined upfront and 25% of the consideration amount shall also be received upfront. The balance consideration towards fully paid up equity shares shall be received within a period of 18 months;

The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such warrants, in accordance with the extant FEMA Regulations and pricing guidelines stipulated by RBI from time to time. Thus, Investee company shall be free to receive consideration more than the pre-agreed price.

For reporting guidelines, compliances and other conditions relating to issue of partly paid shares/warrants, please refer the said circular available on RBI website at –

<http://rbidocs.rbi.org.in/rdocs/notification/PDFs/03NPR30714FS.pdf>

Necessary changes have been made to the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 (Notification No. FEMA. 20/2000-RB dated 3rd May 2000) *vide* Notification No. FEMA. 308/2014-RB dated June 30, 2014 to give effect to the above mentioned amendments.

2. Issue / Transfer of Shares or Convertible Debentures – Revised pricing guidelines

Notification No. 306/2014-RB dated 23rd May, 2014 (published in Gazette of India on 8th July 2014) and A. P. (DIR Series) Circular No. 4 dated July 15, 2014

Valuation norms for unlisted companies have been simplified and DCF valuation has been substituted by any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker. RBI has included the same in Notification No. FEMA 306/2014-RB dated 23rd May 2014 and made necessary amendments to Regulations and Schedules of the Notification No. FEMA 20/2000-RB dated May 3, 2000.

In regulation 9 (already amended by Notification No. FEMA 294/2013-RB dated November 12, 2013), sub regulation (1) -

- a. In clause (i) the words "market price determined on the floor of the recognised stock exchanges" shall be substituted by the words "market price prevailing on the floor of the recognised stock exchanges"
- b. The existing clauses (ii) and (iii), shall be substituted by the following namely –
“(ii) in case of equity shares, preference shares or debentures of unlisted company, at a price not exceeding that arrived at as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker. The guiding principle would be that the non-resident investor is not guaranteed by any assured exit price at the time of making such investments/agreements and shall exit at the price prevailing at the time of exit, subject to lock in period requirement.”

Amendment to Schedules

- (i) In Schedule 1,
 - a. In paragraph 5, the existing clause (b) shall be substituted by the following, namely –
“b. the valuation of shares done as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by chartered accountant or a SEBI Registered Merchant Banker where the shares of the Company are not listed on any recognised stock exchange in India”; and
 - b. In paragraph 5, clause (c) shall be omitted.
- (ii) In Schedule 2, in paragraph (1) sub paragraph (5), in proviso the existing clause (b) shall be substituted by the following' namely –
“(b) in case of issue by private placement, the price is not less than the price arrived in terms of SEBI guidelines or not less

than the fair price worked out as per the internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a SEBI registered Merchant Banker or Chartered Accountant, as applicable.”

3. Reporting under FDI Scheme

A.P. (DIR Series) Circular No. 6 dated July 18, 2014

Consequent to the issue of Press Note 4 (2014 Series) dated June 26, 2014 by The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India (GOI) relating to the switchover from the National Industrial Classification 1987 (NIC-1987) to NIC 2008 version for the purpose of classification of activities under the industrial classification system, RBI has decided that Indian companies shall henceforth, be required to report the NIC Codes in the FCGPR and FCTRS forms as per the NIC-2008 version.

RBI has also decided to introduce a uniform State and District code list for reporting of details of FDI by Indian companies in Form FCGPR. The list can be accessed on the RBI website (www.rbi.org.in → FEMA → State and District Code List).

4. Foreign investment in India by SEBI registered Long term investors in Government dated Securities

A. P. (DIR Series) Circular No. 13 dated July 23, 2014

The present limit for investments by SEBI registered Foreign Institutional Investors (FIIs), SEBI registered Qualified Foreign Investors (QFIs) and long term investors registered with SEBI in Government securities stands at USD 30 billion, out of which a sub-limit of USD 10 billion is available for investment by long term investors in Government dated securities.

On a review, RBI has decided to enhance the investment limit in Government securities available to FIIs/QFIs/FPIs by USD 5 billion by correspondingly reducing the amount available to long term investor from USD 10 billion to USD 5 billion within the overall limit of USD 30 billion. The incremental investment limit of USD 5 billion shall be required to be invested in Government bonds with a minimum residual maturity of 3 years. Further, all future investment against the limit vacated when the current investment by an FI/QFI/FPI runs off either through sale or redemption shall also be required to be made in Government bonds with a minimum residual maturity of 3 years.

RBI has however clarified that there will be no lock-in period and FIIs/QFIs/FPIs shall be free to sell the securities (including that are presently held with less than 3 years of residual maturity) to the domestic investors.

Liberalised Remittance Scheme (LRS) for resident individuals-Increase in the limit from USD 75,000 to USD 125,000.

Notification No. FEMA. 311/2014-RB dated June 24, 2014 and A.P. (DIR Series) Circular No.5 dated July 17, 2014.

RBI had *vide* A.P.(DIR Series) Circular No. 138 dated June 3, 2014, increased the LRS limit for resident individuals to USD 125,000 per financial year (April-March) from USD 75,000. Accordingly, AD Category-I banks are allowed to remit up to USD 125,000 per financial year, under the Scheme, for any permitted current or capital account transaction or a combination of both. RBI has further clarified that the Scheme can now be used for acquisition of immovable property outside India.

RBI has amended Principal Regulations through the Foreign Exchange Management (Permissible Capital Account Transaction) (Amendment) Regulations, 2014 notified *vide* Notification No. FEMA 311/2014-RB dated June 24, 2014 c.f. G.S.R. No. 488 (E) dated July 11, 2014.

Export of Goods and Services – Project Exports

Notification No. FEMA 310/2014-RB dated June 12, 2014 and A.P. (DIR Series) Circular No.11 dated July 22, 2014

In order to liberalise and simplify the procedure relating to export of goods or services on deferred payment terms or in execution of a turnkey project or a civil construction contract, RBI has decided as under-

The structure of Working Group (consisting of representatives from Exim bank, ECGC & RBI), which had earlier been permitted to consider project

exports and deferred service exports proposals for contracts exceeding USD 100 million in value has now been dispensed with.

The AD Banks / Exim Bank can now consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations.

The stipulation of time limit of 30 days for the exporter undertaking Project Exports and Service contracts abroad to submit form DPX1/ PEX-1 /TCS-1 to the Approving Authority (AA) for seeking post award approval shall not apply henceforth.

The revised Memorandum of Instructions on Project and Service Exports (PEM) can be referred through the said circular available on RBI website at – <http://rbidocs.rbi.org.in/rdocs/notification/PDFs/C141ED210714F.pdf>

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Congratulation !!!



CA. Kamlesh Vikamsey, Past President-ICAI has been appointed as Chairperson of the Audit Advisory Committee (AAC) of United Nations Development Programme (UNDP), New York, with effect from 1st July, 2014. UNDP is a program of United Nations (UN) and on the ground in 166 countries. UNDP is UN's global development network, focusing on the challenges of democratic governance, poverty reduction, crisis prevention and recovery, energy and environment and HIV/AIDS. He has been serving as the Member of the Audit Advisory Committee (AAC) since 1st July, 2010.

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Recent Judgments

DIRECT TAX

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

Supreme Court

S. 2(47), S. 54 Transfer for the purpose of S. 54

Assessee entered into the agreement to sell house property and within the period of 12 months purchased another house property. However due to dispute sale agreement was executed nearly after 20 months from the date of agreement to sale. It was also observed that a right in *personam* had been created in favour of the vendee, in whose favour the agreement to sell had been executed and who had also paid earnest money. No doubt, such contractual right can be surrendered or neutralized by the parties through subsequent contract or conduct leading to no transfer of the property to the proposed vendee. Court observed that the provisions of Section 54 read with Section 2(47) of the Act, i.e. definition of "transfer", should be interpreted in the way which would enable the appellants to get the benefit under Section 54. It was held that limitation period for the purpose of section 54 should be reckoned from the date of agreement to sale and not from the date of sale agreement. – *Sanjeev Lal vs. CIT [2014] 46 taxmann.com 300 (SC)*.

S. 40(a)(ia) – Disallowance of expenses on TDS default

Revenue's SLP against the order of Allahabad High Court in case of *Vector Shipping Services (P) Ltd.* has been dismissed. High Court has approved the decision in case of *Merilyn Shipping 136 ITD 23*, where it was held that disallowance u/s 40(a)(ia) applies only to amounts "payable" as of 31st March and not to amounts already "paid" during the year - *CIT vs. Vector Shipping Services (P) Ltd. (SC) CC No(s). 8068/2014, order dated 02/07/2014*

High Court

S. 2(42C) r.w.s. 50B Slump Sale/Exchange

Under the Scheme of Arrangement, assessee transferred its undertaking wherein transfer took place in exchange for issue of preference shares and bonds. It was held that if the transfer is by way of sale, only then it could be termed as a slump sale and Section 50B would be attracted – *CIT vs. Bharat Bijlee Ltd. [2014] 46 taxmann.com 257 (Mumbai)*.

S. 14A Disallowance in case of higher interest free funds

The assessee's capital, profit, reserves, surplus and current account deposits were higher than the investment in the tax-free securities. It was held that it would have to be presumed that the investment made by the Assessee would be out of the interest-free funds available with the Assessee and accordingly, provisions of S. 14A are not attracted – *CIT vs. HDFC Bank Ltd. (Bom) ITA No. 330 OF 2012 order dated 23-7-2014*.

S. 45(4) Retirement of partner

Post revaluation of the assets, partners retired. On retirement partners were paid actual amount as per their capital account. It was held that, the retiring partners did not acquire any right in the property as no property was transferred in their favour and provisions of S. 45(4) are not attracted – *CIT vs. Karnataka Agro Chemicals ITA No.594 of 2013 Order dated 23-6-2014 (Kar. HC)*.

S. 69, S. 271(1)(c) – Unexplained investments

An MoU as well as the receipt, both unsigned with respect to unmaterialised transaction cannot point conclusively to unexplained investment in cash. Accordingly addition / penalty could not be sustained – *CIT vs. Gian Gupta [2014] 46 taxmann.com 372 (Delhi)*

Tribunal

S. 2(15) – Charitable purpose

The sports activities accompanied by facilities like liquor bar, playing cards, restaurant, marriage hall, catering services etc. limited to a certain group of persons i.e. members of the club cannot be said to be a charitable activity from which any benefit is derived by the public or section of the public rather the benefits are limited to high and rich distinguishable group of persons i.e. members of the club only. There is no element of charity

involved in such an activity rather the activities of the club are meant for leisure and pleasure of the members of the club and the membership has been restricted to certain individuals not to any section of the society – *ADIT(E) vs. Navi Mumbai Merchants Gymkhana [2014] 47 taxmann.com 53 (Mumbai-Trib.)*

S. 14A r.w.r. 8D – Recording of satisfaction

Assessing Officer is required to record his objective satisfaction with regard to the incorrectness of the claim of the assessee in respect of expenditure in relation to the exempt income and also having regard to the accounts of the assessee, before invoking of rule 8D to compute the disallowance u/s. 14A – *ACIT vs. Magarpatta Township Development & Construction Co. Ltd. [2014] 46 taxmann.com 284 (Pune-Trib.)*

S. 37(1) Expl. – Expenditure incurred without procedural compliance

For the purpose of the explanation, the offence or prohibition under law should be judged with the 'purpose' of the expenditure on a standalone basis divorced from the fulfilment or otherwise of the procedural formalities attached with and necessary for the incurring of such expenditure. If the expenditure is otherwise lawful and neither amounts to offence nor is prohibited by law, but the procedural provisions attached for incurring it are not complied with, no doubt irregularity will creep in, but such irregularity would not make the expenditure itself as unlawful so as to be brought within the scope of the Explanation *Jai Surgicals Ltd. vs. ACIT [2014] 46 taxmann.com 246 (Delhi-Trib.)*

S. Reference to DVO

Once the assessee claims that the actual market value of the land or building is less than stamp duty valuation adopted by the authorities, it is incumbent upon the Assessing Officer to refer the valuation of said land or building to the departmental valuation officer - *Raj Kumari Agarwal vs. DCIT [2014] 47 taxmann.com 88 (Agra-Trib.)*

S. 54F – Meaning of house

The residential house mentioned proviso (a)(i) to section 54F has a different connotation because 'house' means building in its normal residential conditions which is found fit for living by human-beings and not a house under construction' and this house should be completely owned by the assessee at the relevant time. Assessee owning the right to acquire under construction house would not mean that assessee is owning another house. However, any payment made towards acquisition of a new residential house by way of making payment in advance even by booking or by paying installments within the prescribed is to be treated as investment towards purchase / construction of a new house. Accordingly, the assessee is entitled for exemption under section 54F – *Ram Prakash Miyan Bazaz vs. DCIT [2014] 45 taxmann.com 550 (Jaipur-Trib.)*

INTERNATIONAL TAXATION

(Contributed by CA. Hinesh Doshi & CA. Ronak Soni)

M/s. GFA Anlagenbau GmbH, New Delhi vs. Dy./Asstt. Director of Income-tax [TS-383-ITAT- 2014 (HYD)] dated June 27th, 2014

Facts of the case

- The assessee is a foreign company incorporated in Germany. It is engaged in the activity of supervision, erection, commissioning of plant and machinery for steel and allied plants in India. Assessee engaged experienced foreign technicians at the worksites and other places in India and the receipts were categorised as in the nature of 'fees for technical services' explaining the same were chargeable to tax under India-German DTAA.
- AO held that some of the contracts undertaken by the assessee continued for a period of six months and thus assessee had a PE in India as per Article 5(2)(i) of DTAA between India-German DTAA. The AO held that the activities of the assessee in India are in the nature of technical supervision for the execution of the project, assessee was earning its income by providing technical services from its PE located in India which is in the nature of fee for technical services (FTS) under



Article 12 of the DTAA. Further, as per Article 12(5), the earnings of FTS by the assessee are effectively connected with the PE of the assessee in India and accordingly, he held that provisions of Article 7(3) will be applicable.

- The assessee raised objections before the Disputes Resolution Panel, submitting that the assessee was not having any permanent establishment in India as it has no fixed place of business. DRP held that the provisions of relevant contract agreement as well as the provisions of Article 5 of DTAA between India and Germany clearly establish that the assessee was having PE in India during the relevant period. Aggrieved, assessee filed an appeal before Hyderabad ITAT.

Held

- ITAT proceeded to decide whether the supervisory services are in the nature of Fees for Technical Services (FTS) taxable under S.9(1)(vii) / Article 12 of India-German DTAA or whether the services constitute a PE in India taxable under S.9(1)(i) / Article 7 read with Article 5 of the India-German DTAA.
- ITAT on the basis of the provisions of Sec. 92F (iia) of the Act PE "...includes a fixed place of business through which the business of the enterprise is wholly or partly carried on" and the present Article 5(1) of India-German DTAA defines "permanent establishment" "to mean a fixed place of business through which the business of an enterprise is wholly or partly carried on", explained that supervisory activities by themselves cannot constitute a PE; they are to be in connection with a building, construction or assembly activity of the non-resident which is not the case here as the assessee provides only supervisory activities. Thus it was concluded that Article 5(2)(i), though it talks about supervisory activities, does not cover activities of the assessee. Such decision was also pronounced in the ruling by Special Bench in *Motorola Inc. vs. DCIT [95 ITD 269 (Del.) (SB)]*.
- The ITAT also held that A.O. only undertook the issue of stay of technicians in India, which cannot be considered for examining the 'permanent establishment' of assessee in its supervising work. ITAT further noted that "it is incorrect to aggregate all contracts of the foreign company in India and consider it as one. Unless otherwise linked with each other, contracts should be individually assessed with respect to the duration test".
- Thus the ITAT concluded that the assessee's supervisory activities do not constitute a PE in India under the provisions of the Indian Income Tax Act as well as Article 5 of the India-German Treaty and assessee should be assessed for its supervisory activities under Article 12 of the India-Germany DTAA. Thus, ITAT allowed assessee's appeal.

The Director of Income Tax (International Taxation)-1 vs. M/s. Safmarine Container Lines NV [TS-434-HC-2014(BOM)] dated July 19th, 2014

Facts of the case

- The assessee, Safmarine Container Lines NV, is a tax resident of Belgium and engaged in the business of operation of ships in international traffic. During the course of its business, assessee collected inland haulage charges from its customers in respect of transportation of goods from Inland Container Depots (ICD's) to the port where the goods were loaded in the ships for international traffic.
- During the assessment proceedings for A.Y. 2006-07, AO held that such Inland Haulage Charges are not within the purview of section 44B of the Income-Tax Act and therefore were chargeable to tax as business profits.
- However, CIT(A) held that the inland haulage charges earned by assessee were part of the income derived from operation of ships only and were therefore covered under Article 8 of the India-Belgium DTAA. Consequently, CIT(A) held that assessee's income was not taxable as business profits in India. CIT(A) also relied on earlier orders in assessee's own case for previous years wherein the issue was decided in assessee's favour. Further, ITAT dismissed Revenue's appeal.
- Aggrieved, Revenue filed an appeal before Bombay HC.

Held

- Before HC, the assessee placed reliance on the Co-ordinate Bench ruling in the assessee's own case wherein the issue was decided in assessee's favour relying on Balaji Shipping UK Ltd. [TS-635-HC-2012(Mum)] ruling. However, Revenue contended that the concession made based on Balaji Shipping ruling was incorrect and that it did not support the assessee's case.
- On examining the case of Balaji Shipping in detail, HC held that "On going through the said judgment, we find that the concession made earlier by Mr. Tejveer Singh was in fact correct and the case of the Assessee in the present case also stands covered by the judgment in the case of Balaji Shipping UK Ltd. (supra)."
- Noting that the ruling in case of Balaji Shipping fully and squarely covers the issue raised in the present appeal, HC upheld ITAT's order and dismissed Revenue's appeal.

The Director of Income Tax (International Taxation) vs. M/s. Sun Microsystems India Pvt. Ltd. [TS-420-HC-2014 (KAR)] dated June 2nd, 2014

Facts of the case

- The assessee, Sun Microsystems India Pvt. Ltd., is engaged in marketing and support system of hardware and software products. During A.Y. 2005-06, assessee entered into an agreement with Sun Microsystems Singapore Pvt. Ltd. ('Sun Singapore') for availing logistic services for which service fee was paid.
- In terms of the agreement, Sun Singapore was required to provide distribution, management and logistic services to assessee and such services included providing spare management services, defective repair services, managing local repair centres, etc. Sun Singapore is not having any place of business or permanent establishment ('PE') in India. Entire services were rendered by Sun Singapore from outside India. Sun Singapore was not engaged in the business of providing logistic services in India.
- Assessee did not deduct tax while making payment of service fee to Sun Singapore. According to AO payment was liable for TDS as 'fees for technical services'. However, ITAT held that, as Sun Singapore was not having any PE and that Sun Singapore had not made available the technical knowledge, experience or skill, the payments made by assessee to Sun Singapore was not required to be taxed under the head "business" and was not taxable in view of Article 7 of DTAA between India and Singapore.
- Aggrieved, the Revenue preferred an appeal before Karnataka HC.

Held

- HC referred to Co-ordinate Bench ruling in *CIT vs. De Beers India Minerals (P) Ltd.* [TS-312 HC-2012 (Kar)], wherein Co-ordinate Bench had held that conducting geophysical surveys for providing commercial and technical data was not FTS under India-Netherlands DTAA. Co-ordinate Bench further held that term 'make available' should be interpreted as enabling recipient to use technology consisted therein. Further, it was held that the restricted scope of FTS under Singapore treaty was applicable to Netherlands treaty in view of Protocol to treaty.
- Referring to facts of the present case, HC noted that Sun Singapore had not made available to assessee the technology or the technological services which was required to provide the distribution, management and logistic services. Noting that ITAT had confirmed that technical services was not made available to assessee, HC held that Co-ordinate Bench ruling in *De Beers India Minerals (P) Ltd.* was applicable to present case. Thus, HC held that payment by assessee was not 'FTS' under Article 12(4) of India-Singapore DTAA.
- Ruling in favour of assessee, HC concluded that assessee was not liable to deduct tax while making payment of service fee to Sun Singapore. HC thus dismissed Revenue's appeal.



SERVICE TAX

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

Tax Liability

When the lease deed mentions that the lessor (service provider) is liable to pay all the "other outgoings in respect of the property" leased, the Hon'ble High Court held that the service tax liability, in the absence of any specific clause in the lease deed about service tax, must also be borne by the lessor. As between the parties, it is the contract and not the nature of levy that will determine which party, the service provider or the service recipient, that will bear the Service tax. [*Raghubir Saran Charitable Trust vs. Puma Sports India Pvt. Ltd.* (2014) 35 STR 225 (Del.)].

Cargo Handling Services

Handling of the goods in the factory or godown or removing of garbage not being an activity adjunct to transportation of 'goods' (cargo), the same would not be liable for service tax under Cargo Handling Services [*CCE vs. Prempal Singh* (2014) 35 STR 136 (Tri.-Del.)].

Clearing and Forwarding Agent Service

- Where the appellant had entered into an agreement with TATA Motors for transporting their vehicles by railway rakes in course of which they were required to stock the vehicles in their stockyard till availability of rakes with the railway, the Tribunal held that the appellants were engaged in transportation services and were not undertaking clearing and forwarding agent services. Accordingly no service tax would be payable by them under the category of clearing and forwarding agents services. [*Kishore Transport Services (P) Ltd vs. CCE* (2014) 34 STR 842 (Tri.-Mum.)].
- The assessee provided Clearing & Forwarding services to its customer *inter alia* by 'arranging for' loading / unloading and transport. On facts, it was held that the assessee has acted only as an agent of its customer for the said activities and the demurrage / wharfage charges and local transport expenses reimbursed to the assessee at actuals would not form part of the value of taxable services provided by them [*CCE vs. Surya Transport Co.* (2014) 35 STR 115 (Tri.-Del.)].

Construction of Residential Complex

The assessee, a developer of residential complex had paid service tax on the amounts received by it from the prospective flat purchasers during the period December 2005 to October 2006, in respect of which it had subsequently claimed refund. The refund claim was rejected by the Department. On appeal, the Tribunal held –

- Since the construction activities was carried out by the assessee themselves or by appointing contractor who had paid service tax on his services, the construction carried out by the assessee would not be liable for service tax in view of Board Circular No.332/35/2006-TRU dated 01/08/2006. Such services were brought within the ambit of service tax only w.e.f. 01/07/2010.
- As regards Department's contention of unjust enrichment in absence of any evidence regarding collection of service tax from customers, the claim of refund would not be hit by bar of unjust enrichment. [*Krishna Homes vs. CCE* (2014) 34 STR 881 (Tri.-Del.)].

Goods Transport Agency

The appellants in the present case (sugar manufacturers) had availed services of transportation of sugarcane from its collection centre to its factory. The transporters were individual truck owners who did not issue any consignment note (as prescribed u/r. 4B of Service Tax Rules), goods received note, *billties* etc. but only issued fortnightly bills to the appellants. The revenue demanded service tax from the appellant on the grounds that it had availed goods transport agency (GTA) services. On appeal, the Tribunal held that –

- In respect of GTA services provided in relation to transportation of goods the agency not only undertakes the service of transportation

of goods but also undertakes delivery of goods to the consignee and temporary storage of goods till its delivery to the consignee.

- Fortnightly bills are not consignment notes and in absence of issuance of consignment note by GTA in terms of Rule 4B of Service-Tax Rules, 1994, representing the liability to transport the consignment handed over to it as a GTA, the truck owners cannot be considered as goods transport agency. It has merely provided services of transportation of goods in a motor vehicle.

Accordingly, it held that no service tax is payable by the appellants as a recipient of goods transport agency services [*Nandganj Sihori Sugar Co. Ltd vs. CCE* (2014) 34 STR 850 (Tri.-Del.)].

Interior Decorator Service

Contract for landscaping which includes beautification by way of plantation of trees, shrubs in factory area and also maintenance of lawns is not liable for service tax under the category of interior decorator service since these are execution of works and cannot be considered as advisory or consultancy or technical assistance. [*Shobha P. Bhopatkar vs. CCE* (2014) 35 STR 78 (Tri.-Mum.)].

Mandap Keeper Services

Where the assessee provided mandap keeper services including catering and split the bill into two parts – one part for hall charges on which service tax was charged and the other part for supply of food on which no service tax was paid on the ground that it was sale of food, the Tribunal held, relying on *Sayaji Hotels Ltd. vs. Commissioner* (2011) 24 STR 177 (Tri.-Del.), that the entire amount of consideration was liable for service tax under the category of mandap keeper services and there was no sale of food since catering was only incidental [*Hotel Amarjit Pvt. Ltd. vs. CCE* (2014) 35 STR 140 (Tri.-Mum.)].

Manpower Recruitment and Supply Agency Service

Where on facts it was found that employees deputed from overseas group companies were also working under the appellant as their employees, following *Volkswagen India (Pvt.) Ltd. vs. CCE* 2014 (34) STR 135 (Tri.-Mum.), it was held that there is no supply of manpower service rendered to the appellant by the overseas company and accordingly the appellant was not liable to pay service tax on the payments made to the overseas companies for social security benefits of those employees in their home country. [*Computer Sciences Corporation India Pvt. Ltd. vs. CST* (2014) 35 STR 94 (Tri.-Del.)].

Restaurant Service

Where in a transaction involving supply of food and beverages the element of service has been brought under the service tax and the Service tax (Determination of Value) Rules, 2006 *vide* rule 2C has provided that 40% of bill amount is liable to service tax, no value added tax can be imposed on the said 40% of the value. [*Valley Hotel & Resorts vs. CCT* (2014) 35 STR 28 (Uttarakhand)].

Site Formation, Cleaning, Excavation, Earthmoving and Demolition Services

Where the appellant had entered into an agreement whereby it undertook activities like excavation and removal of overburden wastes and also undertook mining of ores, demand of service tax on excavation and removal of overburden wastes under the category of Site Formation, Cleaning, Excavation, Earthmoving and Demolition Services was held to be incorrect. [*Associated Soapstone Distributing Co. P. Ltd. vs. CCE* (2014) 34 STR 865 (Tri.-Del.)].

Tour Operator

The appellant, a tour operator, entered into contracts with various Principal Tour Operators ('PTO'). The PTOs provided package tour services (i.e. tours including transport services along with supplementary services like air and rail tickets, food and lodging, guide services etc.) to tourists. The appellant provided the PTOs transport and supplementary services (like guide, monument visit, etc.) The appellant paid service tax on



transport services but not on supplementary services. The Hon'ble High Court upheld the demand on Supplementary services and held as follows –

- The contention of the appellant that since PTOs were paying service tax on the entire amount collected on package tours and hence no tax is payable by them was rejected due to lack of evidence being adduced by the appellant to prove that tax was actually paid on the entire amount by the PTOs.
- The taxable service not only means mere providing of car, taxis, contract carriages on a temporary basis but it would also include other facilities supplied in relation to tour as a whole. Hence the amount paid to the appellant towards supplementary services, apart from the payments received towards transport services are liable to be included in the gross amount and are the value of taxable service which are liable to service tax.

On facts, the High Court also upheld the invocation of the extended period of limitation but remitted the matter to the Commissioner for fresh consideration with regard to the penalty. [*Touraids (I) Travel Services vs. CCE (2014) 35 STR 234 (All.)*].

Valuation

The appellant in the present case was engaged in providing maintenance and repair services of aircraft for Ministry of Defence. It had paid service tax on the service portion of its contract and had also separately disclosed the value of materials and ATF supplied by it in its invoice. It had also not availed CENVAT credit on the material supplied by it. Thus where the department sought to include the value of materials for the purpose of levy of service tax, the Tribunal held that it had complied with the conditions of Notification No.12/2003 and hence value of materials and ATF was not includible for levy of service tax. [*Hindustan Aeronautics Ltd vs. CST (2014) 34 STR 874 (Tri.-Bang.)*].

Abatement on construction services

The value of free supplies by service recipients need not be added to the amounts charged by the service provider for computing the abatement of 67% under Notification No.1/2006-ST. [*ATR Constructions Pvt. Ltd. vs. CCE (2014)35 STR 92 (Tri.-Del.)*].

Adjustment of Excess Payment

Where the appellant had paid excess service tax during the period 2001 to 2002 he was allowed to adjust the excess payment against the liability for subsequent period October 2002–March 2003 under Rule 6(3) of the Service Tax Rules since excess payments were not collected from the customers. [*B4U Television Network (I) P Ltd vs. CST (2014) 35 STR 88 (Tri.-Mum.)*].

Demand

Where the Department was aware (by correspondence) that the assessee had not paid service tax on certain services provided to its customer, it was held that the extended period of limitation u/s. 73(1) cannot be invoked since there was no 'suppression' of facts. The Tribunal's decision on this count was upheld. However, having come to the conclusion that the demand was time barred, the High Court held that, the Tribunal cannot enter upon the merits of the case, and the act of the Tribunal to decide the merits was held to be outside its jurisdiction. [*CCE & ST vs. Monsanto Manufacturer Pvt. Ltd. (2014)35 STR 177 (All.)*].

Interest

When the appellant paid service tax belatedly on maintenance and repair of roads for 2008-09 without interest which was subsequently exempted retrospectively, it was held that the demand for interest cannot be sustained since the tax itself was not due. [*Sree Infra Tech vs. CCE (2014) 35 STR 128 (Tri.-Chennai)*].

Penalty

- Where the assessee had paid service tax along with interest prior to issuance of show cause notice and which was recovered by it from the service recipient who had also claimed credit of such tax paid, the

Tribunal held that it was not a case of wilful suppression and hence the assessee was eligible for the benefit of non-imposition of penalty by virtue of section 73(3). [*Commissioner vs. Tejas Agency (2014) 34 STR 803 (Guj.)*].

- Confirmation of demand by invoking the extended period of limitation [where there is an 'intent to evade' payment of tax] and a waiver of penalty u/s 80 on 'reasonable cause' ground can co-exist. [*Daurala Organics vs. CCE 2014 (35) STR 214 (All.)*].
- Penalty u/s 76 cannot be reduced below the minimum prescribed limit by invoking section 80 [waiver of penalty on a 'reasonable cause' ground] since the latter only permits complete waiver of penalty and not reduction in penalty [*CCE&C vs. V.M. Engg. Works 2014 (35) STR 220 (Guj.)*].

Appeal

On a question whether an appeal against an order of CCE(A) directing pre-deposit is maintainable before the Tribunal, the Tribunal laid down the following principles –

- The CCE(A) must consider an application for waiver of pre-deposit on a careful, good faith and critical analysis of *prima facie* merits of the case, financial hardships, irreparable injury, etc. as enunciated in *ITC vs. CCE (2005) 184 ELT 347 (All.)* and *CCE vs. Chaitanya Educational Committee (2011) 22 STR 135 (AP)*.
 - The CCE(A) has the power to entertain an application for rectification and modification of pre-deposit ordered by him but only for rectification of an error on the face of the record.
 - An appeal to the Tribunal is maintainable against an order of CCE(A) – Directing pre-deposit ["interlocutory order"]; and – Dismissing an appeal for failure to pre-deposit ["Final order"]
 - While considering an appeal against the final order of CCE(A) referred to in (iii)(b) above, the Tribunal can consider the correctness of the interlocutory order passed by CCE(A) and set aside the order if found incorrect; pass an appropriate order as to pre-deposit; and remit the matter to CCE(A) for de novo consideration. It cannot adjudicate upon the merits of the appeal. [*Girnar Transformers Pvt. Ltd. vs. CCE (2014) 35 STR 97 (Tri.-Del.)*].
- Commissioner (Appeals) cannot condone a delay in filing of appeal beyond a period of 6 months from the date of service of the impugned order. [*Plaza vs. Jt. CCE, 2014 (35) STR 212 (Ker.)*].

Appeal against orders denying rebate

Even prior to 28/5/2012, appeal against an order passed by the Commissioner (Appeals) in respect of a rebate claim is not maintainable before the Tribunal. However, the Tribunal directed the registry to transfer the papers to the Joint Secretary, Government of India, Revisional Authority, New Delhi to consider the same [(2014) 35 STR 76 (Tri.-Mum.)].

Pre-deposit

Where there is a composite order demanding tax and penalty, the Tribunal cannot order pre-deposit of any portion of the penalty since penalty proceedings can be initiated only after assessment of tax is final. The pre deposit can be only of tax. The pre-deposit of penalty will arise only where penalty alone is under challenge. [*Spandana Spoorthy Financial Limited vs. CCE&ST 2014 (35) STR 183 (AP)*].

Refund

- Refund of service tax paid on Terminal Handling Charges received in relation to the export of goods under Notification No. 41/2007 is admissible even if the said services are not specifically mentioned in the said notification [*CCE vs. Pratap Re-Rolling Pvt. Ltd, (2014) 34 STR 868 (Tri.-Mum.)*].
- (i) Notification 11/2005 grants rebate of service tax paid on services exported out of India. Though the said Notification does not prescribe any specific time limit within which the assessee is required to file the rebate claim, the period of limitation prescribed u/s.11B of Central Excise Act would be applicable.



Recent Judgments

- (ii) The principles of unjust enrichment would not be applicable to export transactions in view of the specific provisions of section 11B. [*Vodafone Cellular Ltd. vs. CCE* (2014) 34 STR 890 (Tri.-Mum.)].
- The appellant claimed refund of service tax paid on acquisition of residential unit since no tax was payable. The revenue rejected the refund on the ground that it was barred by limitation. The Tribunal held that the amount of service tax paid was a deposit and not tax and hence the provisions of Section 11B would not apply. [*Jyotsana D. Patel vs. CCE 2014(35) STR 77* (Tri.-Mum). following *KVR Constructions* (2010) 17 STR 6 (Kar.)].

Exemption in respect of receipts of foreign currency

Dividend paid by the assessee company to its overseas parent out of disposable profits is payment for shares held and cannot be held as "repatriation of" or "sending outside India" of monies received in convertible foreign exchange for taxable services rendered so as to deny the exemption for receipts in convertible foreign exchange under Notification No. 6/99 dated 6/4/99 [*Maersk India Pvt. Ltd. vs. CST 2014(34) STR 894* (Tri.-Mum.) following *Gillette India Ltd. vs. CCE* (2012) 26 STR 59 (Tri.-Mum.)].

Voluntary Compliance Encouragement Scheme ("VCES")

An order under the VCES passed by the Deputy Commissioner is appealable under Section 86 of the Act to the Tribunal [*Barnala Builders & Property Consultants vs. Dy. CCE & ST* (2014) 35 STR 65 (P&H)].

CENVAT Credit

- Credit of service tax paid on outward transportation of final product from the place of removal till it is delivered to the customer is admissible as being a service in relation to 'clearance of final product from the place of removal' prior to 1/4/2008. [*Commissioner vs. Ellora Time Ltd.* (2014) 34 STR 801 (Guj.)].

- Credit of service tax paid on transportation of goods from factory to depot (place of removal) is admissible. The Court concurred with Tribunal's observation that the submission of the Revenue that the CENVAT credit cannot be allowed for service if the value thereof does not form part of the value subjected to excise duty runs counter to the fundamental concept of Service tax laid down in *All India Federation of Tax Practitioners's case*. [*CST vs. Grey Gold Cements Ltd.* (2014) 34 STR 809(AP)].
- The appellant had taken on lease premises admeasuring 5,152 sq. ft. and rented out an area admeasuring 998 sq. ft. It had availed and utilised credit of service tax paid on Common Maintenance services in respect of the property rented out by it for discharging the service tax liability on its renting of immovable property services which was

Obituary



CA. Pravin Devji Khona

M. No. 007255 left for Heavenly Abode on 15/4/2014. May the departed soul rest in peace.



CA. Hitesh Prakash Parwani

M. No. 127542 left for Heavenly Abode on 2/3/2014. May the departed soul rest in peace.

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disallowed by the department. On appeal the Tribunal held that CENVAT Credit on common maintenance services attributable to the area of 998 sq. ft. let out by the appellant would only be admissible as being used for providing taxable output services. In respect of CENVAT credit on common maintenance services attributable to balance area the same would not be admissible as the assessee had not provided any output services from such area. [*Treat Convenience Foods vs. CE&ST*, (2014) 34 STR 854 (Tri.-Del.)].

- Where the appellant had discharged service tax liability on Goods Transport Agency Services by utilising CENVAT credit and on being

pointed out during audit paid the same in cash, the Tribunal allowed *suo motu* taking of credit utilised earlier without the need to follow provisions of refund Section 11B. [*Ratnamani Metals & Tubes Ltd vs. CCE&ST* (2014) 35 STR 111 (Tri.-Ahmd.)].

Personal Column

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Ahmedabad : CA Day Celebrations : "CA Cyclethon" - Cycle Rally by 500 CAs and CA Students on 01/07/2014



Akola: Seminar on Union Budget 2014 held on 19/7/2014. (L-R): CA. Mithun Tekade, CA. Vikram Golechha, Branch Chairman, CA. Prasad Deshpande, CA. Pankaj Agrawal, CA. Bhupendra Shah, Faculty



Bhavnagar: 2 Days CPE Seminar on Companies Act, 2013. (Sitting L-R): CA. Subodh Kedia, RCM, CA. Paresh Bhatt, CA. Parag Raval, RCM, CA. Julfesh Shah, Vice Chairman WIRC, CA. Anil Bhandari, Chairman, WIRC, CA. M. Rafik Sheikh, Branch Chairman, CA. Shruti Shah, Secretary, WIRC, CA. Ashwin Patel, CA. Prem Gopalani (Standing L-R): CA. Manishkumar Masarani, CA. Sanjay Jani, CA. Parag Jani, CA. Binal Salot



Jalgaon: Seminar on The Finance Bill-2014 & Recent Amendments in MVAT Act held on 18/07/2014 (L-R): CA. Jayesh Lalwani, Branch Chairman, CA. Siddhesh Bora, CA. Mukesh Hundiwala, Faculty, CA. Dhiraj Baldota, Faculty, CA. Umesh Sharma, Faculty



Ahmednagar: Flag Hoisting at Ahmednagar Branch on CA Foundation Day. on 01/07/2014 (R-L): CA. Shatanand Kaledhonkar, CA. Prasad Bhandari, CA. Ajay Mutha, CA. Sushil Jain, CA. Milind Jangda, CA. Dyanesh Kulkarni with All Members and Students



Aurangabad: Members Participated in Green Marathon on 1/7/2014



Goa: Sapling Plantation by Past Chairmen of Goa Branch at Kamat Towers held on CA Day on 1/7/2014



Jamnagar: Releasing of Members Directory-2014 on 20/7/2014. (L-R): CA. Sheela Dattani, CA. Bharat Bhatt, CA. Sagar Shah, CA. Subodh Kedia, RCM, CA. Shruti Shah, Secretary, WIRC, CA. Kaupil Doshi, Branch Chairman, CA. Anil Bhandari, Chairman, WIRC, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Girish Kulkarni, Treasurer, WIRC, CA. Parag Sumaria, CA. Priyam Shah, RCM, CA. Parag Raval, RCM



Kolhapur: Students Seminar on 19/7/2014 **L-R :** Ms. Sayali Madhalkar, CA. Subodh Shah, Faculty, CA. Satish Dakare, Branch Chairman, CA. Satish Joshi, Faculty, CA. Imran Mulla, Ms. Pranauti Melwanki



Nagpur: Seminar on Finance Bill 2014 **L-R:** CA. Sandeep Jotwani, CA. Kirit Kalyani, CA. Swapnil Agrawal, CA. Brijesh Verma, CA. Jaydeep Shah, Past President, ICAI, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Ashwini Agrawal, Branch Chairman, CA. Swapnil Ghate, CA. Kirti Agrawal, CA. Umang Agrawal, CA. Suren Duragkar



Nanded: Photograph of Flag Hoisting CA Day Ceremony on 1/7/2014. **Seen in Picture:** CA. Govind Mundada, Branch Chairman, CA. KRK Awadhani, CA. Ramnarayan Kabra, CA. S. P. Wattamwar and other members



Nashik: Group Photograph taken during the CA Day Flag Hoisting Ceremony on 01/07/2014



Pune: Indirect Tax Refresher Course held on 19/7/2014. **(L-R):** CA. Rajeshkumar Patil, Branch Chairman, Mrs. Chitra Kulkarni, Joint Commissioner (VAT), Pune, CA. Rajat Talati, Faculty, CA. Sarvesh Joshi, RCM



Rajkot: Photograph taken during the Branch visit of WIRC Office Bearers along with Branch Committee Members on 20/07/2014



Vasai: Regional Conference for CA Students on 2-3/08/2014 **(L-R):** - CA. Dayaram Paliwal, CA. Umesh Mestry, CA. Preksha Jain, CA. Julfesh Shah, Vice Chairman WIRC, CA. Prafulla Chhajed, Vice Chairman BOS, CA. Anil Bhandari, Chairman WIRC, CA. Kishor Vaishnav, Branch Chairman CA. Shruti Shah, Secretary WIRC, CA. Satyanarayan Mundada, Chairman WICASA and Ms. Pinky Mistry



Shri R. Sekar, Commissioner Service Tax - II addressing at The Finance Bill 2014 on 13th July, 2014 CA. Vishnu Agarwal, RCM, CA. S. P. Tulsian, Faculty, CA. Vimal Punmiya, Faculty, CA. Uttam Prakash Agarwal, Past President, ICAI, CA. B. C. Jain, Past Chairman, WIRC, CA. Sunil Agarwal, CA. Dhiraj Khandelwal, RCM,

Workshop on International Taxation held on 16th to 25th, July, 2014



CA. Shardul Shah, RCM, CA. Rashmin Sanghavi, Faculty, CA. Nihar Jambusaria, Chairman, CIT-ICAI & Faculty, CA. Gauri Shah, CA. Prafulla Chhajed, Chairman, YMEC-ICAI, CA. Kuntal Dave, Faculty, CA. Shradha Rane

Capsule on Accounting Standards held on 19th July, 2014



CA. Mahesh Madhkholkar, RCM, CA. Sanjeev Maheshwari, Chairman, ASB-ICAI, CA. Manish Iyer, Faculty, CA. Prafulla Chhajed, Chairman, YMEC-ICAI.



Live Screening of Union Budget 2014 held on 10th July, 2014



Mr. Prashanth Tapse, Faculty, CA. Dr. Varadraj Bapat, Faculty, CA. Anil Bhandari, Chairman, WIRC, CA. Bharat Shemlani, Faculty, CA. Anil Sathe, Faculty

Intensive Study Course on Companies Act, 2013 held on 5th July, 2014



CA. Y. R. Desai, CA. Shardul Shah, RCM, CA. Dhinal Shah, CCM & Faculty, CA. Reema Jethwa.

Inauguration of 7th Batch MBF Course on 29th June, 2014



CA. Mahesh Madkholkar, RCM, CA. Shruti Shah, Secretary, WIRC, CA. Anil Bhandari, Chairman, WIRC, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Amit Kalra, Faculty, CA. Priti Savla, RCM, CA. S. G. Mundada, RCM

Branch Level Quiz & Elocution Contest held on 13th July, 2014



CA. Mahesh Madkholkar, RCM, CA. Kishore Joshi, CA. Sonal Kapadia, CA. Shekhar Kulkarni & Winner

Speakers from Students' Programme on Tax Audit on 13th July, 2014



CA. Avinash Rawani



CA. Vandana Dodhia

Other Speaker



CA. Ravi Soni

Direct Tax Refresher Course held on 5th July, 2014



CA. Sushrut Chitale, RCM, Adv. Hiro Rai, Faculty, CA. Rajan Vora, Faculty, CA. Ved Jain, Past President ICAI & Faculty, CA. Dhinal Shah, CCM, CA. Girish Kulkarni, Treasurer, WIRC

Seminar on Forensic & Digital Investigations in an IT Environment held on 12th July, 2014



Shri Abhishek Tawde, Faculty, Dr. Rishabh Dudheria, Faculty, CA. Ritesh Hibare

Other Speakers



Shri Reshad Patuk



Shri Raviraj Doshi



Shri Abhishek Parikh

Students Programme on Companies Act, 2013 held on 29th June, 2014



CA. Mahesh Madkholkar, RCM, CA. Pramod Dhamankar, Faculty, CA. S. G. Mundada, Chairman WICASA and Mr. Vishal Singh

Seminar on E-filing Returns under Various Acts held on 12th July, 2014



CA. Priti Savla, RCM, CA. Avinash Rawani, Faculty, CA. Amar Shukla, Faculty, CA. Anand Kothekar



Intensive Study Course on Income Tax held from 30th June to 23rd July, 2014



CA. Parag Raval, RCM, CA. Kalpesh Katira, Faculty, CA. Priti Savla, RCM

Other Speakers



CA. Anish Thacker



CA. Anil Sathe



CA. Rajesh Kothari



CA. Umesh Gala



CA. Sanjay Parikh



CA. Devendra Jain



CA. Kiran Nisar



CA. Atul Suraiya



CA. H. N. Motiwalla



CA. Tushar Doctor

7 Days Intensive Workshop on IFRS held from 30th June to 6th July, 2014



CA. Pratiq Shah, Faculty, CA. Shruti Shah, Secretary, WIRC, CA. Anil Bhandari, Chairman, WIRC, CA. Sunil Patodia, RCM, CA. Parag Raval, RCM, CA. Swati Bhatkar & Participants

Other Speakers



CA. Anand Banka



CA. Chintan Patel



CA. Mayur Chokshi



CA. Sandesh Mundra



CA. Anand Sanghvi



CA. Vishal Doshi



CA. B. Sekkizhar



CA. Raghu Iyer



CA. Rakesh Agarwal



CA. Yagnesh Desai



CA. K. G. Pasupathi

Seminar on PE & Attribution of Profits to PE held on 5th & 6th July, 2014



CA. Gaurav Save, CA. Shruti Shah, Secretary, WIRC, CA. Bhaumik Goda, Faculty, CA. Priyam Shah, RCM

Other Speakers



CA. Rutvik Sanghvi



CA. Kartik Badiani



CA. Shreyas Shah



CA. Mehlul Shah

Seminar on Companies Act, 2013 held on 19th July, 2014



CA. Nikhil Damle, CA. Shardul Shah, RCM, CS. Sandhya Malhotra, Faculty, CA. Neha Patel.

Other Speakers



CA. Bharat Shetty



CA. Durgesh Kabra



CS. Sujata Chattopadhyay



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Lecture Meeting on The Finance Bill, 2014 held on 15th July, 2014



CA. Shruti Shah, Secretary WIRC CA. Anil Bhandari, Chairman WIRC, CA. Banshi S. Mehta, Past President ICAI, CA. Julfesh Shah, Vice Chairman, WIRC
CA. Girish Kulkarni, Treasurer WIRC

Releasing the Publication of The Union Budget 2014 on 15th July, 2014



CA. Neel Majithia, RCM, CA. Shruti Shah, Secretary WIRC, CA. Priyam Shah, RCM, CA. Anil Bhandari, Chairman WIRC, CA. Banshi S. Mehta, Past President ICAI, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Girish Kulkarni, Treasurer WIRC

National Convention for CA Students held on 24th & 25th July, 2014 at Nagpur



CA. Devraja Reddy, Chairman BOS Lighting the Lamp at the National Convention for CA. Students L-R. CA. Kirti Agrawal, CA. Julfesh Shah, Vice Chairman, WIRC, CA. Umang Agrawal, CA. Ashwini Agrawal, Branch Chairman, CA. Prafulla Chhajed, Member BOS & CCM Mr. Aayush Agrawal, CA. Anil Bhandari, Chairman, WIRC, CA. S.G. Mundada, Chairman, WICASA, CA. Jaydeep Shah, Past President, ICAI, CA. S.B. Zaware, CCM, CA. Atul Kumar Gupta, CA. Shruti Shah, Secretary, WIRC, CA. Sandeep Jotwani, CA. Suren Duragkar, CA. Swapnil Agrawal

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