

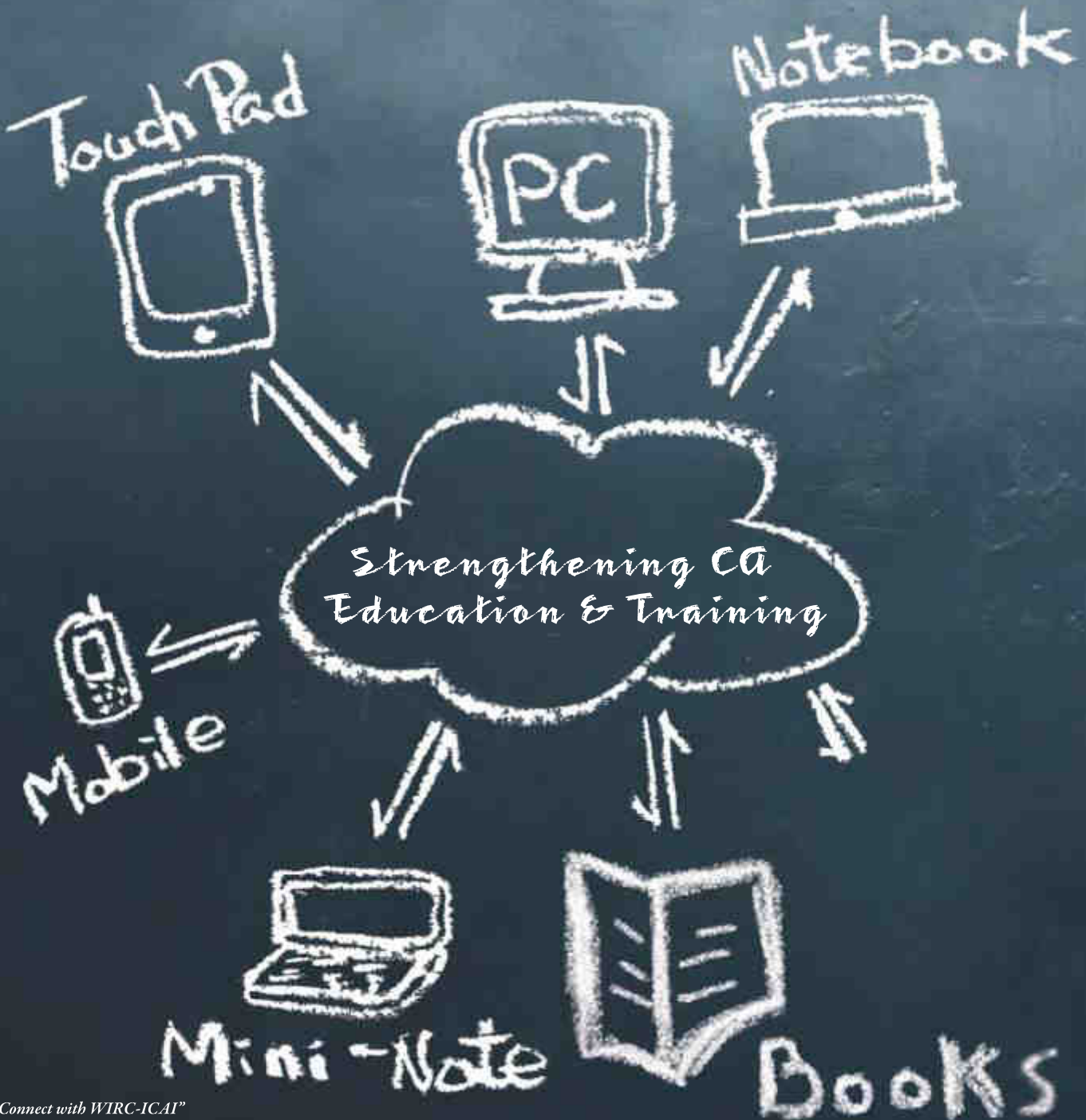


The Institute of  
Chartered Accountants of India  
*(Set up by an Act of Parliament)*



# WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER

MARCH 2015 | Vol. 41 | No. 03



“Connect with WIRC-ICAI”





## Our New Torch Bearers



### CA. Manoj Fadnis President, ICAI, 2015-16

CA. Manoj Fadnis has taken over as the supreme torch-bearer of Indian accountancy profession. He has been elected as the President of the Institute of Chartered Accountants of India (ICAI) for the year 2015-16. He was the Vice President of the ICAI for the year 2014-15.

CA. Fadnis is a Central Council member for five consecutive terms since 2001. He graduated in Commerce from Indore University and qualified as a Chartered Accountant in January 1987 and has been in practice ever since. He also holds Diploma in Information Systems Audit (DISA).

CA. Manoj Fadnis represents the ICAI on the Board of IRDA, besides being the Chairman of XBRL India, and Accounting Research Foundation. He is the Chairman of all Standing Committees of the ICAI and the Presiding Officer of the Board of Discipline and Chairman of Disciplinary Committee.

In the past, CA. Manoj Fadnis has served as Chairman of various important Committees/Boards of the ICAI. He was also the ICAI nominee in the meetings of the National Standard Setters and the World Standard Setters, Asia Oceania Standard Setters Group and Emerging Economies Group.

As Chairman of the ASB, he has been widely credited with the formulation of the Indian Accounting Standards converged with the International Financial Reporting Standards, which were originally notified in February 2011.

He was elected to the Managing Committee of Indore Branch for the term 1992-95 and later elected as Chairman of the Branch in 1994-95. He was also elected to the Central India Regional Council for the term 1995-98 and was elected as its Chairman in 1997-98.

He is also on the Board of listed companies as independent director. He has written articles in various magazines including 'The Chartered Accountant'. He has also been the visiting faculty in management colleges for the subjects related to the profession.



### CA. M. Devaraja Reddy Vice President, ICAI, 2015-16

CA. M. Devaraja Reddy has been elected as the Vice President of The Institute of Chartered Accountants of India for the year 2015-16.

A resident of Hyderabad, he is a Central Council Member for two consecutive terms of 2010-13 and 2013-16. As the Vice President of the ICAI, he is now the Vice-Chairman of all the Standing Committees of the ICAI, Member ex-officio in all Non-Standing Committees of the ICAI and Joint Editor of The Chartered Accountant Journal.

He graduated in Commerce from Pragati Maha Vidyalaya Abids, affiliated to Osmania University, Hyderabad. CA. Reddy qualified as a Chartered Accountant in November 1987 and thereafter started independent professional practice. He was an elected member of the Managing Committee of Hyderabad Branch and its Chairman in 1997-98. He was also elected to Southern India Regional Council and was its Chairman in the year 2009-10.

He has worked as Chairman, Vice-Chairman and member of various Standing & Non-Standing Committees of ICAI. He is widely commended and credited for his key role in conceptualisation and devising of a new futuristic CA Curriculum as Chairman of Board of Studies in 2014-15.

An ardent devotee of Lord Sri Venkateswara Balaji, CA. M. Devaraja Reddy is involved in a number of social service activities. He is also an active member in Indo-Pakistan Cultural Society and Federation of Andhra Pradesh Chamber of Commerce & Industry.

CA. M. Devaraja Reddy has attended and contributed to numerous national and international seminars and conferences on the issues of professional interest.



**Team WIRC 2015-16**

**Sitting from L-R:** CA. Hardik Shah, Chairman, WICASA, CA. Sushrut Chitale, Secretary, WIRC, CA. Sunil Patodia, Chairman, WIRC, CA. Dilip Apte, Vice Chairman, WIRC, CA. Subodh Kedia, Treasurer, WIRC **Standing from L-R:** CA. Neel Majithia, CA. Satyanarayan Mundada, CA. Shruti Shah, CA. Julfesh Shah, CA. Anil Bhandari, Imm. Past Chairman, CA. Mangesh Kinare, Past Chairman, CA. Abhishek Nagori, CA. Dhiraj Khandelwal, CA. Priti Savla, CA. Parag Raval, **Standing 2nd Line from L-R:** CA. Mahesh Madkholkar, CA. Sandeep Jain, CA. Vishnu Agarwal, CA. Priyam Shah, CA. Shardul Shah, CA. Sarvesh Joshi



## New OFFICE BEARERS of WIRC for the year 2015-16

**CA. Sunil Patodia, Chairman**

**CA. Dilip Apte, Vice Chairman**

**CA. Sushrut Chitale, Secretary**

**CA. Subodh Kedia, Treasurer**

**CA. Hardik Shah, Chairman, WICASA**



# CHAIRMAN'S COMMUNICATION



Dear Colleagues,

It is a privilege and an honour to lead the illustrious **Western India Regional Council of the Institute of The Chartered Accountants of India**. I thank all my colleagues at the Regional Council for reposing confidence and trust in me to lead the WIRC for 2015-16. At the same time, I humbly request you to guide me during my tenure to enable us, together, to take this Region to greater heights. Your continuing support will help the Region to bring in more laurels, thus inspiring the next generation to carry this torch forward and take ICAI towards higher professional excellence.

The Western Region has once again bagged '**Best Region Award**' and WICASA has been pronounced as '**Best Students' Association**' for 2014-15 by the ICAI. My heartiest congratulations to Past Chairman CA. Anil Bhandari, Past Chairman WICASA CA. Satyanarayan Mundada and the entire team of the preceding year for their inspiring leadership.

On behalf of Team WIRC, I congratulate our new **ICAI President, CA. Manoj Fadnis, our Vice President, CA. M Devaraja Reddy** and pledge our complete support to the President's vision of **Spearheading Professional Excellence** during 2015-16.

I congratulate the newly elected office bearers of our various branches across the Region. I am confident that under their capable thought leadership the Region will flourish.

The President's vision to spearhead growth and champion excellence in the profession by focusing on strengthening CA education and training is a far sighted outlook. This will surely pay rich dividends in the near future and will assist in empowering ICAI's research and technology activities.

Realising that the need of the hour is to focus on our core proficiency, the WIRC motto for 2015-16 is aptly called '**Empowering Excellence**'. Reflecting on these two words, you realise that this maxim is actually the foundation of all successful ventures professionally and socially. 'Empowering Excellence' will inspire us to concentrate on all aspects that help us and our students groomed to be better professionals. Our thought behind this motto and our President's vision is visible on the cover page of this Newsletter which reflects the different elements that combine to implement his action plan of '**Strengthening CA Education and Training**'.

The **Committee for Review Education & Training (CRET)** of ICAI has formulated a new scheme for education & training. We request all members and students to give their feedback as well as inputs regarding the current education system. At the same time, we would also appreciate constructive contributions to improve and prepare the system for integration on a local and global scale.

On the **Union Budget 2015**, we were privileged to listen to the legendary CA. Bansi S. Mehta expound the Budget in his matchless style. His genius lies in transforming a complex and complicated piece of legislation into the language of the common man. The hype surrounding this year's Budget now having settled down, we can view it more dispassionately.

This Budget is seen as a growth oriented Budget as **Hon'ble Finance Minister Shri Arun Jaitley** has introduced measures which make it easy

for foreign investors to invest in India. To start with the Finance Minister has postponed GAAR implementation by two years. The Budget also rationalised the capital gains for Real Estate Investment Trusts (REITs) and Infrastructure Investments Trusts (InvITs) sponsors exiting at the time of listing of their units. The FM has also allowed foreign investments in Alternative Investment Funds (AIFs) and a tax pass-through on both Category-I and Category-AIFs. This will assist Private Equity investors to assemble stronger war chests. The Budget also looks to rebalance the current taxation structure where PE investors have a built-in incentive for fund managers to operate from offshore locations. He has also proposed to bring only those indirect transfer transactions under the capital gains tax net where 50% of the value of all assets owned and controlled are located in India. This will provide clarity to foreign investors on the taxability of merger and acquisition (M&A) transactions in India.

In this Budget, the Finance Minister has also put in lots of efforts on a number of issues having long term impact for the country's sustainable growth. This includes health, agriculture, higher education, pension, insurance, employment, manufacturing, infrastructure and clean power among others. These measures will bring in social harmony and equity besides laying a strong foundation for the much required growth in our economy under the new Government.

Beginning this year, we at WIRC, are setting up expert panels to strengthen the process of capacity building among Members as well as to unlock hidden opportunities. In a dynamic and fluid world, CAs need to integrate, become stronger by offering better, faster and more customised services or risk being side-lined. These expert panels have been formed in order to identify and unlock new opportunities that can be accessed through resolving issues, building interpersonal trust and ultimately by combining synergies. By overcoming the friction of combining entities and expertise through working together, we can connect to sectors previously not accessible at a smaller or individual level. We hope that this initiative will be accepted with an open mind and eventually provide our Members the strength and expertise to stand shoulder to shoulder on the global stage. By working together, we can achieve much more with a lot less stress, something that is sorely lacking in our lives.

**While stress is part and parcel of our profession my motto to remain stress free is relatively simple – "Swasth Raho, Vyast Raho aur Khush Raho"**. It is important to remember that, "**Happiness is always a choice. You can choose to be happy. There's going to be stress in life, but it's your choice whether you let it affect you or not**".

My best wishes to you and your families on **Gudi Padwa** and **Chaitri Navratri**. May God shower all His blessings on us!

My heartfelt thanks again to you and I commit to all Members and Students for the success of our Region.

With best regards,

CA. Sunil Patodia

## OFFICE BEARERS

CA. Sunil Patodia, Chairman • CA. Dilip Apte, Vice Chairman  
CA. Sushrut Chitale, Secretary • CA. Subodh Kedia, Treasurer

## EDITORIAL BOARD

Editor: CA. Sunil Patodia • Joint Editor: CA. Sushrut Chitale

## MEMBERS

CA. Vishnu Agarwal, CA. Mahesh Madkholkar, CA. Sandeep Jain,  
CA. Nihar Jambusaria, CA. Narayan Pasari, CA. Haridas Bhat,  
CA. Ketan Mehta, CA. Ashwini Shah

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Forthcoming Events

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Forthcoming Branch Meetings

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Forthcoming Study Circle Meetings

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Bulletin Board

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Law Updates

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Recent Judgments



## Forthcoming Events

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CPE HRS

### Two day Seminar on Ind-AS

DAYS & DATES	FRIDAY, 27TH & SATURDAY, 28TH MARCH, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 2,400/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Sushrut Chitale	9821112904
	CA. Sarvesh Joshi	9822022292
	CA. Dhiraj Khandelwal	9867642684
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Milind Joshi	9930033939
	CA. Neha Patel	9833678901
	CA. Kunal Parikh	9892429993

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

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CPE HRS

### Workshop on Practice Skills (For Young Practising Members)

DAY & DATE	SATURDAY, 28TH MARCH, 2015	
<b>Venue</b>	ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Sushrut Chitale	9821112904
	CA. Priti Savla	9321426883
	CA. Hardik Shah	9825510422
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Aniket Kulkarni	9821690559
	CA. Reema Jethwa	9619602083
	CA. Amogh Pandit	8108132425

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

### Forex and Derivatives for CA Final

DAYS & DATES	SUNDAY, 22ND & MONDAY, 23RD MARCH, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	9.30 a.m. to 3.30 p.m.	
<b>Fees</b>	₹ 350/-	
<b>Chief Co-ordinators</b>	CA. Hardik Shah	9825510422
	Chairman WICASA	
	CA. Mahesh Madkholkar, RCM	9820075966
<b>Co-ordinators</b>	Mr. Shrenik Pramod Bothra	9096801895
	Mr. Pranjal Sureka	7303137035

TOPIC	SPEAKER
Forex and Derivatives for CA Final	Prof. Archana Khetan

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CPE HRS

### Seminar on Bank Branch Audit

DAY & DATE	SATURDAY, 28TH MARCH, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Shardul Shah	9820287625
	CA. Subodh Kedia	9879267750
	CA. Mahesh Madkholkar	9820075966
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Nikhil Damle	9820170436
	CA. Nidhi Mewada	9619602084
	CA. Vivek Shah	9819633348

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

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CPE HRS

### Annual Capital Markets Summit-2015

DAY & DATE	SATURDAY, 28TH MARCH, 2015	
<b>Venue</b>	ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m.	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Shruti Shah	9892407988
	CA. Dilip Apte	9930314856
	CA. Abhishek Nagori	9426075397
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Namrata Shah	9224876552
	CA. Mayur Parkeria	9823178406
	CA. Kinner Mehta	9819824641

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

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CPE HRS

### Seminar on Audit & Compliance Applicable to Stock Brokers

DAY & DATE	SATURDAY, 4TH APRIL, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Neel Majithia	9820327660
	CA. Satyanarayan Mundada	9422080814
	CA. Vishnu Agarwal	9833310916
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Bipeen Mundade	9223290561
	CA. Premal Gandhi	9324383636
	CA. Gaurav Parwani	9323674628

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)



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CPE HRS

### Seminar on Prevention of Money Laundering Act (PMLA)

DAY & DATE	SATURDAY, 4TH APRIL, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Shardul Shah	9820287625
	CA. Hardik Shah	9825510422
	CA. Subodh Kedia	9879267750
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Gaurav Save	9969001607
	CA. Praveen Shenoy	8655070738
	CA. Arun Prithwani	9820917280

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

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CPE HRS

### Workshop on Project Finance

DAY & DATE	SATURDAY, 11TH APRIL, 2015	
<b>Venue</b>	ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Julfesh Shah	9823096540
	CA. Dilip Apte	9930314856
	CA. Dhiraj Khandelwal	9867642684
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Abhijit Todade	9819659151
	CA. Ankit Sanghvi	9820689003
	CA. Lalit Bajaj	9867692321

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

## 6

CPE HRS

### Seminar on Labour Laws

DAY & DATE	SATURDAY, 11TH APRIL, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Shruti Shah	9892407988
	CA. Parag Raval	9824339200
	CA. Satyanarayan Mundada	9422080814
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Himanshu Chheda	9820676826
	CA. Sachin Holmukhe	9820561266
	CA. Mousam Buch	9819012868

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

## 6

CPE HRS

### Seminar on Redevelopment of Co-operative Societies

DAY & DATE	SATURDAY, 11TH APRIL, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Priti Savla	9321426883
	CA. Priyam Shah	9824096112
	CA. Mahesh Madkholkar	9820075966
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Kedar Limaye	9820287646
	CA. Shilpa Shinagare	9820053395
	CA. Jayesh Vora	9819321123

For more details visit [www.wirc-icai.org](http://www.wirc-icai.org)

## 6

CPE HRS

### Seminar on VAT-CST

DAY & DATE	SATURDAY, 18TH APRIL, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Sandeep Jain	9819788099
	CA. Julfesh Shah	9823096540
	CA. Sarvesh Joshi	9822022292
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Abhijit Paranjape	9820049297
	CA. Rakhi Bhutada	7875339229
	CA. Suneet Mahale	9819966674

TOPICS	SPEAKERS
Sales u/ss. 5(1) & 5(3)	CA. Madhukar Khandekar
High Sea Sales and Sales in Transit	Eminent Faculty
Works Contract under VAT Act	CA. Govind Goyal
VAT Computation and Assessment of Developer/Builder	Eminent Faculty



## Forthcoming Events

# 6

CPE HRS

### Seminar on Post Assessment Issue under Income-tax Act

DAY & DATE	SATURDAY, 18TH APRIL, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Priti Savla	9321426883
	CA. Priyam Shah	9824096112
	CA. Neel Majithia	9820327660
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Manisha Bhonsle	8097443088
	CA. Vishnu Saraf	9820353544
	CA. Y. R. Desai	9820448365

TOPICS	SPEAKERS	
Rectification of Mistakes and Powers relating to amendment of orders	CA. Mahendra Sanghvi	
Issues relating to Recovery and Stay proceedings	Eminent Faculty	
Appeals before CIT (Appeals) – Appealable orders, Procedure in appeal, Additional evidence, Powers of CIT (Appeals)	CA. Sanjeev Lalan	
Concealment Penalties – Proceedings and Issues relating to representation in Penalty Proceedings	Eminent Faculty	

# 6

CPE HRS

### Seminar on e-filing of Returns under Tax Laws

DAY & DATE	SATURDAY, 25TH APRIL, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Shardul Shah	9820287625
	CA. Abhishek Nagori	9426075397
	CA. Sandeep Jain	9819788099
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Vikas Vishwasrao	9892915272
	CA. Heeralal Agarwal	9702333648
	CA. Deepesh Chheda	9820599639

TOPICS	SPEAKERS	
E-filing under MVAT Act	}	Eminent Faculty
E-filing of TDS Return		
E-filing of Income tax		
E-filing under Service tax Act		

# 6

CPE HRS

### Seminar on Valuation of Shares using DCF Method

DAY & DATE	SATURDAY, 25TH APRIL, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Dilip Apte	9930314856
	CA. Hardik Shah	9825510422
	CA. Dhiraj Khandelwal	9867642684
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Amol Kamat	9823018763
	CA. Rajesh Jain	9930331272
	CA. Sumit Bajaj	9172829665

TOPICS	SPEAKERS	
Valuation of Equity shares – Requirements under FEMA, Income tax Act & other laws	Eminent Faculty	
Overview of the Discounted Cash Flow method; Review of Financial projections & issues therein	CA. Pratik Singhi	
Cost of capital & computation of DCF value	CA. Shrirang Tambe	
Drafting the Valuation report	CA. Anagha Thatte	

# 6

CPE HRS

### Seminar on TDS-Law & Practice

DAY & DATE	SATURDAY, 2ND MAY, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)	
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
<b>Chief Co-ordinators</b>	CA. Sandeep Jain	9819788099
	CA. Satyanarayan Mundada	9422080814
	CA. Shruti Shah	9892407988
	<i>(Regional Council Members)</i>	
<b>Co-ordinators</b>	CA. Ritesh Hibare	9773418343
	CA. Aalok Mehta	9892001645
	CA. Swapnil Jain	9029933801

TOPICS	SPEAKERS	
TDS – Salary	Eminent Faculty	
TDS in respect of residents	Eminent Faculty	
TDS on non-residents – Section 195	CA. Vishal Palwe	
Consequences of Default (including prosecution & compounding)	CA. Atul Suraiya	
Procedure under TRACES	Eminent Faculty	



# 12

CPE HRS

## Two Day Seminar on Ind-AS

If accounting is the language of communicating financial results, Accounting standards are its grammar. With the advent of Indian Accounting Standards, it is imperative to understand these new accounting standards. This 2 day programme intends to be an introduction to the key standards in Ind AS which will affect most of the applicable companies. This programme is not addressed to participants who are already experts in Ind AS.

DAYS & DATES		FRIDAY, 1ST & SATURDAY, 2ND MAY, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai		
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)		
<b>Fees</b>	₹ 2,400/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
<b>Chief Co-ordinators</b>	CA. Sushrut Chitale	9821112904	
	CA. Parag Raval	9824339200	
	CA. Julfesh Shah	9823096540	<i>(Regional Council Members)</i>
<b>Co-ordinators</b>	CA. Shantesh Warty	9819947969	
	CA. Hemal Selarkha	9323492258	
	CA. Suhas Gharat	9820420675	
TOPICS		SPEAKERS	
<b>Day 1 – Friday, 1st May, 2015</b>			
Revenue Recognition	CA. Vijay Mathur		
Income Tax	Eminent Faculty		
Employee Benefits	CA. Mayur Ankolekar		
Property, Plant and Equipment and Intangible assets	Eminent Faculty		
<b>Day 2 – Saturday, 2nd May, 2015</b>			
Financial Instruments	CA. Shrenik Baid		
Consolidation	CA. Vaishali Koparkar		
Presentation of Financial statements; first time adoption of Ind AS (key carve outs and major differences)	Eminent Faculty		

### Study Group Meeting on BFSI & Capital Market

**Date** : Saturday, 25th April, 2015      **Time** : 9.30 a.m. – 1.30 p.m.

**Venue** : ICAI Tower, BKC      **CPE** : 4 hours

**Annual Fees** : ₹ 1,000/- per annum

**Guest Member Fees** : ₹ 300/- for this session

**Chief Co-ordinator** : CA. Shruti Shah 9892407988  
RCM, WIRC

### ROUNDTABLE DISCUSSION (MODERATOR – CA. MANOJ ALIMCHANDANI)

1. Valuations with Case Studies - **CA. Rachana Kothari Doshi**
2. BASEL Series - Architecture and Framework – Market Risk, Credit Risk and Operational Risk.

Capital Adequacy, Computation, Challenges and Opportunities  
– **CA. Bharat Shah, CA. Jatin Lodaya**

# 6

CPE HRS

## Seminar on Audit & Taxation of Charitable Organisations

DAY & DATE		SATURDAY, 9TH MAY, 2015	
<b>Venue</b>	Khimji Kunverji Vikamsey Auditorium, ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai		
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)		
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
<b>Chief Co-ordinators</b>	CA. Neel Majithia	9820327660	
	CA. Sarvesh Joshi	9822022292	
	CA. Mahesh Madkholkar	9820075966	<i>(Regional Council Members)</i>
<b>Co-ordinators</b>	CA. Vinita Danait	9821029406	
	CA. Mehul Sheth	9820297310	
	CA. Sneha Jalan	9022978099	
TOPICS		SPEAKERS	
Registration with IT department, Exemption u/s. 80G		Eminent Faculty	
Formation of Trusts, Drafting of Deed, Important provisions under MPT Act		Adv. Sharad Abhyankar	
Receipt of donation / grants by charitable trust – FCRA		Eminent Faculty	
Accounting & Auditing Aspects		Eminent Faculty	

# 6

CPE HRS

## Seminar on Important Provisions of Companies Act 2013

DAY & DATE		SATURDAY, 9TH MAY, 2015	
<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade		
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)		
<b>Fees</b>	₹ 1,200/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)		
<b>Chief Co-ordinators</b>	CA. Sushrut Chitale	9821112904	
	CA. Subodh Kedia	9879267750	
	CA. Vishnu Agarwal	9833310916	<i>(Regional Council Members)</i>
<b>Co-ordinators</b>	CA. Sonia Dawar	9920283330	
	CA. Dhiraj Lalpuria	9820719873	
	CA. Vivek Shah	9819633348	
TOPICS		SPEAKERS	
Compliances & e-filing requirements under Companies Act – Special focus on compliances before 31st March, 2015		CA. Avinash Rawani	
Guidance note on reporting on fraud under section 143(12)		CA. Khushroo Panthaky	



# List of Committees of Western India Regional Council for 2015-16

## Standing Committees

	Executive	Professional Development	Public Relations	Student	Career Counselling
<b>Chairman</b>	CA Sunil Patodia	CA Mangesh Kinare	CA Vishnu Agarwal	CA Hardik Shah	CA S. G. Mundada
<b>Convenor</b>	CA Sushrut Chitale	CA Vishnu Agarwal	CA Sandeep Jain	CA S. G. Mundada	CA Hardik Shah
<b>Office Bearers</b>	CA Dilip Apte	CA Sunil Patodia	CA Sunil Patodia	CA Sunil Patodia	CA Sunil Patodia
	CA Subodh Kedia	CA Sushrut Chitale	CA Dilip Apte	CA Sushrut Chitale	CA Subodh Kedia
<b>Regional Council Members</b>	CA Anil Bhandari	CA Abhishek Nagori	CA Anil Bhandari	CA Mangesh Kinare	CA Neel Majithia
	CA Mangesh Kinare	CA Hardik Shah	CA Julfesh Shah	CA Priyam Shah	CA Parag Raval
	CA Neel Majithia	CA Mahesh Madkholkar	CA Shruti Shah	CA Shardul Shah	CA Sarvesh Joshi
	CA Vishnu Agarwal				
<b>Central Council Members (Ex-Officio)</b>	CA Shrinivas Joshi	CA Shrinivas Joshi	CA Prafulla Chhajed	CA Nilesh Vikamsey	CA Rajkumar Adukia

## Non-Standing Committees

	Accounting Standards for Local Bodies	Banking, Insurance & Pension	Branch Co-ordination	Capacity Building	Co-op. Society (Maharashtra)
<b>Chairman</b>	CA Sarvesh Joshi	CA Mahesh Madkholkar	CA Dilip Apte	CA Julfesh Shah	CA Sushrut Chitale
<b>Convenor</b>	CA Shardul Shah	CA Dilip Apte	CA Subodh Kedia	CA Subodh Kedia	CA Mangesh Kinare
<b>Office Bearers</b>	CA Sunil Patodia	CA Subodh Kedia	CA Sunil Patodia	CA Sunil Patodia	CA Sunil Patodia
	CA Dilip Apte	CA Sushrut Chitale	CA Sushrut Chitale	CA Dilip Apte	CA Dilip Apte
<b>Regional Council Members</b>	CA Julfesh Shah	CA Abhishek Nagori	CA Julfesh Shah	CA Abhishek Nagori	CA Mahesh Madkholkar
	CA Priyam Shah	CA Neel Majithia	CA Hardik Shah	CA Mangesh Kinare	CA Sarvesh Joshi
	CA S. G. Mundada	CA Sarvesh Joshi	CA Parag Raval	CA Priyam Shah	CA Neel Majithia
<b>Central Council Members (Ex-Officio)</b>	CA Nilesh Vikamsey	CA Nilesh Vikamsey	CA Pankaj Jain	CA Jay Chhaira	CA Rajkumar Adukia

	Co-op. Society (Gujarat)	Corporate & Allied Laws	CPE	Taxation	Editorial
<b>Chairman</b>	CA Subodh Kedia	CA Parag Raval	CA Mahesh Madkholkar	CA Priti Savla	CA Sunil Patodia
<b>Convenor</b>	CA Priyam Shah	CA Shruti Shah	CA Julfesh Shah	CA Neel Majithia	CA Sushrut Chitale
<b>Office Bearers</b>	CA Dilip Apte	CA Sunil Patodia	CA Sunil Patodia	CA Dilip Apte	
	CA Sushrut Chitale	CA Dilip Apte	CA Dilip Apte	CA Sushrut Chitale	
<b>Regional Council Members</b>	CA Abhishek Nagori	CA Abhishek Nagori	CA Anil Bhandari	CA Shardul Shah	CA Priti Savla
	CA Parag Raval	CA Vishnu Agarwal	CA Dhiraj Khandelwal	CA Vishnu Agarwal	CA Mahesh Madkholkar
	CA Hardik Shah	CA S. G. Mundada	CA Priti Savla	CA S. G. Mundada	CA Sandeep Jain
<b>Central Council Members (Ex-Officio)</b>	CA Rajkumar Adukia	CA Tarun Ghia	CA Dhinal Shah	CA Tarun Ghia	CA Nihar Jambusaria

	Exposure Draft	FMIP	GMCS Co-ordination	Grievances	Hostel
<b>Chairman</b>	CA Shardul Shah	CA Abhishek Nagori	CA Sandeep Jain	CA S. G. Mundada	CA Vishnu Agarwal
<b>Convenor</b>	CA Sarvesh Joshi	CA Dilip Apte	CA Dhiraj Khandelwal	CA Hardik Shah	CA Sandeep Jain
<b>Office Bearers</b>	CA Sunil Patodia	CA Sunil Patodia	CA Dilip Apte	CA Sunil Patodia	CA Subodh Kedia
	CA Subodh Kedia	CA Sushrut Chitale	CA Subodh Kedia	CA Dilip Apte	CA Sushrut Chitale
<b>Regional Council Members</b>	CA Julfesh Shah	CA Sandeep Jain	CA Anil Bhandari	CA Anil Bhandari	CA Anil Bhandari
	CA Priti Savla	CA Dhiraj Khandelwal	CA Mangesh Kinare	CA Mangesh Kinare	CA Dhiraj Khandelwal
	CA S. G. Mundada	CA S. G. Mundada	CA Priti Savla	CA Shardul Shah	CA S. G. Mundada
<b>Central Council Members (Ex-Officio)</b>	CA Sanjeev Maheshwari	CA Pankaj Jain	CA S. B. Zaware	CA Nihar Jambusaria	CA Prafulla Chhajed



# List of Committees of Western India Regional Council for 2015-16



	IND AS (IFRS) Implementation	Information Technology	Internal Audit	Library	Management Accounting	Members in Industry
<b>Chairman</b>	CA Priyam Shah	CA Shruti Shah	CA Anil Bhandari	CA Julfesh Shah	CA Subodh Kedia	CA Anil Bhandari
<b>Convenor</b>	CA Parag Raval	CA Neel Majithia	CA Mahesh Madkholkar	CA Shruti Shah	CA Anil Bhandari	CA Dhiraj Khandelwal
<b>Office Bearers</b>	CA Dilip Apte	CA Sunil Patodia	CA Sunil Patodia	CA Dilip Apte	CA Sunil Patodia	CA Subodh Kedia
	CA Sushrut Chitale	CA Subodh Kedia	CA Sushrut Chitale	CA Subodh Kedia	CA Dilip Apte	CA Sushrut Chitale
<b>Regional Council Members</b>	CA Mahesh Madkholkar	CA Anil Bhandari	CA Vishnu Agarwal	CA Shardul Shah	CA Dhiraj Khandelwal	CA Julfesh Shah
	CA Priti Savla	CA Priyam Shah	CA Parag Raval	CA Mangesh Kinare	CA Sarvesh Joshi	CA Neel Majithia
	CA Shardul Shah	CA Shardul Shah	CA Priti Savla	CA Sandeep Jain	CA Shruti Shah	CA Shruti Shah
<b>Central Council Members (Ex-Officio)</b>	CA S. B. Zaware	CA Rajkumar Adukia	CA Tarun Ghia	CA Shrinivas Joshi	CA Jay Chhaira	CA Prafulla Chhajer

	Public Finance & Govt. Accounting	Research	Study Circle Co-ordination	WICASA	Women Empowerment	Young Member Empowerment
<b>Chairman</b>	CA Dhiraj Khandelwal	CA Parag Raval	CA Neel Majithia	CA Hardik Shah	CA Shruti Shah	CA Sushrut Chitale
<b>Convenor</b>	CA Abhishek Nagori	CA Priti Savla	CA Mangesh Kinare		CA Priti Savla	CA Vishnu Agarwal
<b>Office Bearers</b>	CA Dilip Apte	CA Sunil Patodia	CA Sunil Patodia		CA Sunil Patodia	CA Subodh Kedia
	CA Sushrut Chitale	CA Subodh Kedia	CA Sushrut Chitale		CA Dilip Apte	CA Sushrut Chitale
<b>Regional Council Members</b>	CA Julfesh Shah	CA Dhiraj Khandelwal	CA Sandeep Jain	CA Mahesh Madkholkar	CA Dhiraj Khandelwal	CA Neel Majithia
	CA Parag Raval	CA Neel Majithia	CA Shruti Shah	CA Priti Savla	CA Mahesh Madkholkar	CA Hardik Shah
	CA Priyam Shah	CA Sarvesh Joshi			CA Parag Raval	CA Sandeep Jain
<b>Central Council Members (Ex-Officio)</b>	CA Dhinal Shah	CA Nihar Jambusaria	CA Shrinivas Joshi		CA Prafulla Chhajer	CA Jay Chhaira

	International Taxation	Indirect Taxation	CSR Committee	Administration & Co-ordination Committee
<b>Chairman</b>	CA Abhishek Nagori	CA Sandeep Jain	CA Dhiraj Khandelwal	CA Shardul Shah
<b>Convenor</b>	CA Shardul Shah	CA Mahesh Madkholkar	CA Sarvesh Joshi	CA Mangesh Kinare
<b>Office Bearers</b>	CA Dilip Apte	CA Sunil Patodia	CA Sunil Patodia	CA Dilip Apte
	CA Sushrut Chitale	CA Subodh Kedia	CA Sushrut Chitale	CA Subodh Kedia
<b>Regional Council Members</b>	CA Mahesh Madkholkar	CA Mangesh Kinare	CA Abhishek Nagori	CA Sandeep Jain
	CA Sandeep Jain	CA Hardik Shah	CA Hardik Shah	CA Shruti Shah
	CA Shruti Shah	CA Priyam Shah	CA Vishnu Agarwal	CA Sarvesh Joshi
<b>Central Council Members (Ex-Officio)</b>	CA Nilesh Vikamsey	CA Pankaj Jain	CA S. B. Zaware	CA Nilesh Vikamsey

## Forthcoming Branch Meetings



Date	Time	Subject(s)	Speaker(s)	Venue
<b>AURANGABAD</b>				
19/03/2015		WIRC felicitation and Bank Branch audit seminar		
<b>JALGAON</b>				
28/03/2015		Bank Audit Seminar		
<b>PUNE</b>				
19/03/2015	6.00 p.m.	Late CA. S. B. Gajare Memorial Meritorious Students Felicitation Function		ICAI Bhawan, Bibwewadi
<b>RAJKOT</b>				
21/03/2015		Full Day Seminar on Bank Branch Audit Audit in CBS Environment Audit of Advances and Income Recognition and Provisions Audit Planning & Documentation	CA. Atul Gupta CA. I. B. Sonawalla CA. Atul Bheda	



## Forthcoming Study Circle Meetings

Date & Day	Time	Subject(s)	Speaker(s)	Venue	Organised by / Convenor / Tel. No.
21/03/2015 Saturday	10.00 a.m.	Full Day Student Crash Course – Group I – Accounting Standard for IPCC	CA. Shakuntala Chagnani	Rajasthan Vidyarthi Griha, 57, Lallubhai Samaldas Road, Andheri (W)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
22/03/2015 Sunday	8.45 a.m.	Reopening of Assessment Under Income Tax Act– Recent Perspective Impact of Budget on International Tax	CA. Pradip Kedia CA. Jhankhana Thakkar	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
22/03/2015 Sunday	9.15 a.m.	1] Union Budget 2015 – Direct Tax Proposals 2] Union Budget 2015 – Indirect Tax Proposals	CA. Nandkishore Hegde CA. Naresh Seth	Seminar Room [Mayor Hall], All India Institute of Local Self Government, Sthanikraj Bhavan, C. D. Barfiwala Marg, Andheri (W)	Andheri (West) CPE Study Circle CA. Shantesh Warty M: 9819947969
22/03/2015 Sunday	10.00 a.m.	Bank Branch Audit (Full Day Seminar)	Eminent Speaker	Garjata Marathi Hall, Near Rail Nagar Society, Before Jairaj & Ashoknagar Traffic Signal, Chandavarkar Extn. Road, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
26/03/2015 Thursday		Refund & Rectification in the current Scenario (CPC Regime) – is it a refund or referendum	CA. Divya Jokhakar	Assembly Hall, 1st Floor, St. Xavier's Institute of Research & Management, 5, Mahapalika Marg, Dhobi Talao, Chhatrapati Shivaji Terminus Area, Fort	Churchgate CPE Study Circle CA. Urvi Patel M: 9892564858
28/03/2015 Saturday	3.00 p.m.	Women's Wing Programme Registration under Service Tax and e-Filing of returns under Service Tax Registration under MVAT and CST Acts and e-Filing of the MVAT and CST returns	CA. Leena Talathi CA. Seema Mehta	Shree Shakambhari Corporate Park, Plot No. 156-58, Chakravarti Ashok Complex, Nr Bombay Cambridge School, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
28/03/2015 Saturday	4.30 p.m.	Principles determining Sale under CST Act (sections 3, 4 & 5) Sale under section 6(2) of the CST Act	Eminent Speaker Eminent Speaker	6th Floor, Durgadevi Saraf Institute of Management Studies, S. V. Road, (Opp. Bajaj Hall), Malad (W)	Goregaon CPE Study Circle CA. Vipul Somaiya M: 9223418790
28/03/2015 Saturday	5.30 p.m.	SEBI- PMS and investment advisors regulations SEBI- Prevention of insider trading regulations	CA. Bhavesh Vora CA. Jayant Thakur	Bhatia Wadi Vasant Rao Chogale Road, Babhai, Opp. Veer Savarkar Udyan, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
28/03/2015 Saturday	5.30 p.m.	Seminar on Bank Branch Audit	CA. Hemant Mehta	4th Floor, New SNDT, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Rajesh Dholu M: 9833828892
29/03/2015 Sunday	9.30 a.m.	Bank Audits	CA. Vipul Choksi	A. V. Room, K. J. Somaiya College, Vidyavihar	Chembur CPE Study Circle CA. Vrushali Thakkar M: 9867934666
29/03/2015 Sunday	9.45 a.m.	Section 43CA & Section 50C of Income-tax Act	CA. Chintan Shah	Vrundas Veg, Gulmohar Road, Behind Ajanta Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
05/04/2015 Sunday	8.45 a.m.	AGM Appeals under Income tax	CA. Haridas Bhat	–	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
11/04/2015 Saturday	5.30 p.m.	Appellate Procedures and Guidance under Service Tax Appellate Procedures and Guidance under Income tax	CA. Rajiv Luthia CA. Sanjay Parikh	Bhatia Wadi Vasant Rao Chogale Road, Babhai, Opp. Veer Savarkar Udyan, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
12/04/2015 Sunday	8.45 a.m.	Consolidation of Accounts under Companies Act, 2013 Practical Illustration of Consolidation of accounts	CA. Sanjeev Maheshwari CA. Anand Banka	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
14/04/2015 Tuesday	10.00 a.m.	Full Day Student Crash Course – Group I – Company Law for IPCC	CA. Abhishek Bansal	Rajasthan Vidyarthi Griha, 57, Lallubhai Samaldas Road, Andheri (W)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
15/04/2015 Wednesday	10.00 a.m.	Full Day Student Crash Course – Group II – Company Audit for IPCC	CA. Abhishek Bansal	Rajasthan Vidyarthi Griha, 57, Lallubhai Samaldas Road, Andheri (W)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
18/04/2015 Saturday	5.30 p.m.	Charitable Trusts– Various compliances and requirements FCRA Provisions	Eminent Speaker CA Jagat Mehta	Garjata Marathi Hall, Near Rail Nagar Society, Before Jairaj & Ashoknagar Traffic Signal, Chandavarkar Extn. Road, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
18/04/2015 Saturday	5.30 p.m.	Do's and don'ts while reading property and legal documents	Adv. CS. Upendra Pathak	4th Floor, New SNDT, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Rajesh Dholu M: 9833828892
19/04/2015 Sunday	9.30 a.m.	Financial and Legal Due diligence Various valuation methodologies	Eminent Speaker Eminent Speaker	Bhatia Wadi Vasant Rao Chogale Road, Babhai, Opp. Veer Savarkar Udyan, Borivali (W)	Borivali (Central) CPE Study Circle CA. Vijay Kumar Jeyam M: 9821356515
25/04/2015 Saturday	3.00 p.m.	Women's Wing Programme Online activities under TDS- correction, certificate download, default generation Secrets of life	CA. Julie Shah CA. Malkika Mitra	Shree Shakambhari Corporate Park, Plot No. 156-58, Chakravarti Ashok Complex, Nr Bombay Cambridge School, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Anil Sharma M: 9870708060
25/04/2015 Saturday	5.30 p.m.	Fund raising for Real Estate Developers and Cash Flow Analysis	CA. Dinesh Samat CA. Pravin Navandar	4th Floor, New SNDT, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Rajesh Dholu M: 9833828892



## 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](http://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, members and students can send their grievances related to administrative matters, to the dedicated e-mail ID [wircgrievance@icai.in](mailto:wircgrievance@icai.in). The Grievance Cell will further ensure that all such e-mails received are directed/forwarded to the designated/appropriate officials on daily basis on all working days and also will strive to ensure that solutions are provided for such grievances, 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 Nos. 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.

## HELP US TO SERVE YOU BETTER

The Students / Members can download and print copies of letters in respect of different activities viz. Registration of CPT / IPCC / Final, Registration & Re-registration / Termination / Completion of Articles, New Enrolment letters of Membership, Member Card and/or constitution / Re-constitution Certificate of Firm, Firm Card alike from the following portal of ICAI website [www.icai.org](http://www.icai.org).

## WEB PORTAL

[www.icai.org/e-Services/Reprint letter - Members/Students](http://www.icai.org/e-Services/Reprint letter - Members/Students)

## MEMBERSHIP FEES

Those Members who have not paid their annual membership/COP fees for the year 2014-15 till 30th September, 2014 are now requested to apply for restoration of membership by submitting Form No. 9 (available on ICAI website [www.icai.org](http://www.icai.org) under the link-Forms Download along with the restoration fees and membership fees (and Certificate of Practice fee if applicable) at the earliest, which will enable us to restore their names with retrospective effect i.e. from 1st October, 2014. The schedule of fees payable and Form 9 is available on website [www.icai.org](http://www.icai.org).

## WIRC – AWARDS 2014

### WIRC AWARDS TO BRANCHES OF WIRC

#### 1) Best Branch of WIRC

Mega Branch Category	Ahmedabad Branch
Very Large Branch Category	Nagpur Branch
Large Branch Category	Rajkot Branch
Medium Branch Category	Aurangabad Branch
Small Branch Category	Ahmednagar & Jalgaon Branches Jointly
Micro Branch Category	Bhavnagar Branch

#### 2) Highly Commendable Performance

Mega Branch Category	Pune & Thane Branches Jointly
Very Large Branch Category	Baroda & Vasai Branches Jointly
Large Branch Category	Nashik Branch
Medium Branch Category	Pimpri Chinchwad Branch
Small Branch Category	Jamnagar Branch
Micro Branch Category	Amravati & Nanded Branches Jointly

#### 3) Certificate of Appreciation

Very Large Branch Category	Surat & Navi Mumbai Branches Jointly
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Medium Branch Category

Small Branch Category

Micro Branch Category

#### 4) Best Concept Paper on Smart Cities

### WIRC AWARDS TO WICASA OF WIRC

#### 1) Best Branch of WIRC

Mega Branch Category	Ahmedabad Branch
Large Branch Category	Nagpur Branch
Medium Branch Category	Baroda & Nashik Branches Jointly
Small Branch Category	Aurangabad Branch
Micro Branch Category	Jalgaon Branch

#### 2) Highly Commendable Performance

Mega Branch Category	Surat & Thane Branches Jointly
Large Branch Category	Vasai Branch
Medium Branch Category	Rajkot Branch
Small Branch Category	Jamnagar & Pimpri Chinchwad Branches Jointly
Micro Branch Category	Bhavnagar Branch

#### 3) Certificate of Appreciation

Mega Branch Category	Pune Branch
Micro Branch Category	Goa Branch

### WIRC AWARDS TO CPE STUDY CIRCLE OF WIRC

#### Within Mumbai

#### 1) Best CPE Study Circle of WIRC

Large CPE Study Circle Category	Borivali (Central) & J. B. Nagar CPE Study Circle Jointly
Medium CPE Study Circle Category	Ghatkopar & Mulund CPE Study Circle Jointly
Small CPE Study Circle Category	Andheri (West) CPE Study Circle

#### 2) Highly Commendable Performance

Medium CPE Study Circle Category	Borivali Kandivali (East) CPE Study Circle
Small CPE Study Circle Category	Kalbadevi CPE Study Circle

#### 3) Certificate of Appreciation

Medium CPE Study Circle Category	Shivaji Park CPE Study Circle
Small CPE Study Circle Category	Chembur & Matunga CPE Study Circle Jointly

#### 4) Special Recognition for Concept Paper

J. B. Nagar CPE Study Circle
Borivali (Central) CPE Study Circle
Mulund CPE Study Circle
BFSI & Capital Market Study Group

#### 5) Certificate of Appreciation

Outside Mumbai	
1) Best CPE Study Circle of WIRC	
Large CPE Study Circle Category	Ellisbridge CPE Study Circle
Small CPE Study Circle Category	Vasai Virar CPE Study Circle

#### 2) Highly Commendable Performance

Large CPE Study Circle Category	Navjivan CPE Study Circle
Small CPE Study Circle Category	Pune City & Dombivali CPE Study Circle Jointly

#### 3) Special Appreciation Award for Unique Activities

Thane CPE Study Circle

#### 4) Certificate of Appreciation

Bhiwandi CPE Study Circle

#### 5) Special Appreciation

Palghar CPE Chapter



## DIRECT TAX

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

### INCOME-TAX (FIRST AMENDMENT) RULES, 2015 – INSERTION OF RULE 12CA AND FORM NOS. 64A AND 64B

**NOTIFICATION NO. 3/2015 [F. NO. 142/10/2014-TPL]/SO 180(E), DATED 19/1/2015**

In exercise of the powers conferred by section 295 read with sub-section (4) of section 115 UA of the Income-tax Act, 1961, CBDT has inserted Rule 12CA as "Statement under sub-section (4) of section 115UA". The Rule provides that the statement of income distributed by a business trust to its unit holder shall be furnished to the Principal Commissioner or the Commissioner of Income-tax within whose jurisdiction the principal office of the business trust is situated, by the 30th November of the financial year following the previous year during which such income is distributed, provided that the statement of income distributed shall also be furnished to the unit holder by the 30th June of the financial year following the previous year during which the income is distributed. The statement of income distributed shall be furnished under sub-section (4) of section 115UA by the business trust to:

- (i) The Principal Commissioner or the Commissioner of Income-tax referred to in sub-rule (1), in Form No. 64A, duly verified by an accountant in the manner indicated therein and shall be furnished electronically under digital signature.
- (ii) The unit holder in Form No. 64B, duly verified by the person distributing the income on behalf of the business trust in the manner indicated therein.

The Director General of Income-tax (Systems) shall specify the procedure for filing of Form No. 64A and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to the statements so furnished

Form No. 64A has been inserted as statement of income distributed by a business trust to be furnished under section 115UA and Form No. 64B has been inserted as statement of income distributed by a business trust to be provided to the unit holder under section 115UA.

### SECTION 92C OF THE INCOME-TAX ACT, 1961 - TRANSFER PRICING - COMPUTATION OF ARM'S LENGTH PRICE - ACCEPTANCE OF ORDER OF HIGH COURT OF BOMBAY IN CASE OF VODAFONE INDIA SERVICES PVT. LTD. [2014] 50 TAXMANN.COM 300 (MUMBAI)

**INSTRUCTION NO. 2/2015 [F. NO. 500/15/2014-APA-I], DATED 29/1/2015**

In reference to the above cited subject, the Honourable High Court of Mumbai in the case of Vodafone India Services Pvt. Ltd. for A.Y. 2009-10 (WP No. 871/2014), has held, *inter alia*, that the premium on share issue was on account of a capital account transaction and does not give rise to income and, hence, not liable to transfer pricing adjustment. It is hereby informed that the Board has accepted the decision of the High Court of Mumbai in the above mentioned Writ Petition. In view of the acceptance of the above judgment, it is directed that the *ratio decidendi* of the judgment must be adhered to by the field officers in all cases where this issue is involved. This may also be brought to the notice of the ITAT, DRPs and CsIT (Appeals).

### SECTION 90 OF THE INCOME-TAX ACT, 1961 – DOUBLE TAXATION AGREEMENT – AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION WITH FOREIGN COUNTRIES – SOUTH AFRICA – AMENDMENT IN NOTIFICATION NO. GSR 198(E), DATED 21/4/1998

**NOTIFICATION NO. 10/2015-FT&TR-II [F. NO. 500/144/2005-FTD-II], DATED 2/2/2015**

The protocol amending the agreement between the Government of the Republic of India and the Government of the Republic of South Africa for

the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed in Pretoria on the 26th day of July, 2013. The date of entry into force of the said protocol is the 26th day of November 2014, being thirty days after the date of receipt of later of notifications of completion of the procedures required by the respective laws for bringing the protocol into force, in accordance with Article II of the said protocol. Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax, Act 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of the said protocol shall be given effect to in the Union of India with effect from the 26th day of November 2014.

### INCOME-TAX (SECOND AMENDMENT) RULES, 2015 - AMENDMENT IN RULES 10D, 10TA AND INSERTION OF RULES 10TH, 10THA, 10THB, 10THC, 10THD AND FORM 3CEF B

**NOTIFICATION NO. 11/2015 [F.NO.142/7/2014-TPL]/SO 350(E), DATED 4/2/2015**

The CBDT has by aforesaid amendments inserted the Safe Harbour Rules for Specified Domestic Transactions. Form No 3CEFB has been inserted as prescribed form for making "Application for Opting for Safe Harbour in respect of Specified Domestic Transactions".

### SECTION 234A OF THE INCOME-TAX ACT, 1961 – INTEREST, CHARGEABLE AS – CHARGEABILITY OF INTEREST UNDER SECTION 264A ON SELF-ASSESSMENT TAX PAID BEFORE DUE DATE OF FILING OF RETURN OF INCOME

**CIRCULAR NO. 2/2015 [F. NO. 385/03/2015-IT(B)], DATED 10/2/2015**

It has been held by the Hon'ble Supreme Court in the case of *CIT vs. Prannoy Roy, 309 ITR 231 (2009)* that the interest under section 234A of the Act on default in furnishing return of income shall be payable only on the amount of tax that has not been deposited before the due date of filing of the income-tax return for the relevant assessment year. Accordingly, the present practice of charging interest under section 234A of the Act on self-assessment tax paid before the due date of filing return was reviewed by CBDT. The Board has decided that no interest under section 234A of the Act is chargeable on the amount of self-assessment tax paid by the assessee before the due date of filing of return of income.

### SECTION 40(a)(i) OF THE INCOME-TAX ACT, 1961 – BUSINESS DISALLOWANCE – INTEREST, ETC., PAID TO A NON-RESIDENT WITHOUT DEDUCTION OF TAX AT SOURCE – CLARIFICATION ON AMOUNTS NOT DEDUCTIBLE UNDER SECTION 40(a)(i)

**CIRCULAR NO. 3/2015 [F. NO. 225/201/2014-ITA.II], DATED 12/2/2015**

The CBDT has clarified that for the purpose of making disallowance of 'other sum chargeable' under section 40(a)(i) of the Act, the appropriate portion of the sum which is chargeable to tax under the Act shall form the basis of such disallowance and shall be the same as determined by the Assessing Officer having jurisdiction for the purpose of sub-section (1) of section 195 of the Act as per Instruction No. 2/2014, dated 26/2/2014 of CBDT. Further, where determination of 'other sum chargeable' has been made under sub-sections (2), (3) or (7) of section 195 of the Act, such a determination will form the basis for disallowance, if any, under section 40(a)(i) of the Act.

### UNION BUDGET 2015

Honourable Finance Minister, Shri Arun Jaitley, presented the Union Budget 2015 on 28th February, 2015. The complete details are available at the website: [indiabudget.nic.in/budget.asp](http://indiabudget.nic.in/budget.asp)

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

### Circulars

The Commissioner of Sales Tax has issued Circular bearing No. 3T of 2015 dated 20/2/2015 by which the procedure of submission of returns under



Profession Tax, Luxury Tax & Sugarcane Purchase Tax Act after making payment through GRAS is explained.

### CORPORATE LAWS (Contributed by CA. Rahul Joglekar)

MCA ([www.mca.gov.in](http://www.mca.gov.in))

#### MCA Notification No. GSR(E) dated 24th February 2015 – Amendment to the Companies (Registration Offices and Fees) Amendment Rules 2014

MCA has amended the Companies (Registration Offices and Fees) Rules 2014 with the aforesaid notification. New sub-rule (7) in Rule 10 has been inserted to provide for Form No. GNL-4 as an addendum, in respect of application or e-form filed electronically. For a complete text of this notification, please refer the link: [http://www.mca.gov.in/Ministry/pdf/Amendment\\_Rules\\_2015\\_24022015.pdf](http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_2015_24022015.pdf).

#### MCA General Circular No. 02/2015 dated 11th February, 2015

MCA has provided extension of time for filing of notice of appointment of the Cost Auditor in Form CRA-2. Date is extended up to 31st March, 2015. For the complete text of the notification please refer to the link : [http://www.mca.gov.in/Ministry/pdf/General\\_Circular\\_02\\_2015.pdf](http://www.mca.gov.in/Ministry/pdf/General_Circular_02_2015.pdf).

#### MCA Notification No. GSR(E) dated 16th February 2015 – The Companies (Indian Accounting Standards) Rules, 2015

MCA has notified the Ind AS to come into force in a phased manner over the next 2-3 years. As per the Notification,

- 1] i) Companies whose equity or debt securities are listed or in the process of being listed and having net worth of ₹ 500 crores or more or others having net worth of ₹ 500 crores or more and ii) holding, subsidiary, associate company of companies covered by i) & ii) shall comply with Ind AS for the accounting period beginning on or after 1st April, 2016.
- 2] Companies whose equity or debt securities are listed or in the process of being listed and having net worth of ₹ 250 crores or more but less than ₹ 500 crores shall comply with Ind AS for the accounting period beginning on or after 1st April, 2017. Once a company starts following the Indian AS either voluntarily or mandatorily, it shall be required to follow the Indian AS for all the subsequent financial statements even if any of the specified criteria does not subsequently apply. Insurance, banking, non-banking finance companies shall not be required to apply the Indian AS either voluntarily or mandatorily.

SEBI ([www.sebi.gov.in](http://www.sebi.gov.in))

#### SEBI Notification No. CIR/IMD/FIIC/1/2015 dated 3rd February, 2015 – Change in FPI Investment limits

SEBI has notified the regulations related to change/restrictions for FPI investment in Corporate Debt Securities. FPIs shall not be permitted to invest in liquid or money market mutual fund schemes. FPIs shall be free to sell the securities to domestic investor. All future investments within the USD 51 billion Corporate Debt Limit category, shall be required to be made in corporate bonds with a minimum residual maturity of 3 years. For a complete text of this notification please refer to the link:

[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1422974226381.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1422974226381.pdf).

#### SEBI Notification No. CIR/IMD/FIIC/2/2015 dated 5th February, 2015

SEBI has notified the regulations related to change for FPI investment in Government Debt Securities. Investment of coupons in Government Securities will be enabled even when the existing limits for FPIs are fully utilised. The FPIs shall have an investment period of 5 working days from the date of receipt of coupon. Re-investment facility of 5 working days shall be provided. Coupons invested in purchasing Government Securities shall be classified into a separate investment category which is over and above the USD 30 billion Government Debt limit. For a complete text of this

notification please refer to the link: [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1423136829975.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1423136829975.pdf).

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

Finance Bill

#### Recovery of duties

Section 11A of Central Excise Act, 1994 (CEA) empowers Central Excise officer to issue show cause notice for recovery of duty which is not levied or not paid or short paid or erroneously refunded, within a time period specified.

Presently, if duty has not been paid due to various reasons involving fraud/collusion/wilful misstatement etc. and identified by the CE Officer then show cause notice can be issued for recovery of duty, interest u/s. 11A and penalty u/s.11AC shall be leviable. However, if details regarding such transactions are available then penalty would reduce by fifty per cent *vide* section 11A(5). Also, if duty liability along with applicable interest has been paid, before issuance of show-cause notice then penalty of maximum 25% of duty Amount can be leviable *vide* section 11A(6).

These sub-sections (5) and (6) are proposed to be omitted by Finance Bill, 2015. Hence, availability of transaction in records will have no bearing on reduction of penalty.

The demand for duty not-levied or short-levied or not-paid or short paid or erroneous refunded can be made within one year from the relevant date. Such a period of one year may get extended if such non-levy or short-levy or non-payment or short payment is done with fraud or collusion or any wilful misstatement in order to evade duty.

Presently, relevant date for return filed on due date is the date of filing return. However, the cases where return filed belatedly aren't covered. Now, it has been proposed that date of filing of return would be the relevant date irrespective whether the return was filed on time or belatedly. Moreover, in respect of interest not paid on duties, the relevant date will be the date of payment of duty.

Self-assessed duty liability as per return which has not been discharged by the assessee can be recovered without issuance of show cause notice as per the proposed introduction of a new sub-section (16).

#### Penalties

Presently, penalty is leviable only if non-payment or short payment of duties is due to the reasons of fraud, collusion, misstatement or suppression of fact, or contravention with an intent to evade duty, i.e. *mens rea* (presence of *mala fide* state of mind) is present.

Now, section 11AC has been amended so as to penalise even those assesseees who have failed to comply with the provisions of the Central Excise Act, 1944 without any intention to evade duty. However, the quantum of penalty has been bifurcated between cases involving *mens rea* and cases where the *mens rea* is not involved.

Particulars	Proposed Penalty under Section 11AC ( <i>bona fide</i> cases)	Proposed Penalty under Section 11AC ( <i>mala fide</i> cases)
Cases covered	Cases other than <ul style="list-style-type: none"> <li>• Fraud</li> <li>• Collusion</li> <li>• Wilful misstatement</li> </ul>	Cases of <ul style="list-style-type: none"> <li>• Fraud</li> <li>• Collusion</li> <li>• Wilful misstatement</li> </ul>



	<ul style="list-style-type: none"> <li>• Suppression of facts</li> <li>• Contravention of provisions of the Act with intent to evade Excise Duty</li> </ul>	<ul style="list-style-type: none"> <li>• Suppression of facts</li> <li>• Contravention of provisions of the Act with intent to evade Excise Duty</li> </ul>
Non-levy/ Non-payment/ Short-levy/ Short-payment/ Erroneous refund of Excise Duty	Penalty not exceeding 10% of amount of duty or ₹ 5,000/- whichever is higher	<ul style="list-style-type: none"> <li>• Penalty equal to 100% of Excise Duty</li> <li>• 50% reduction in penalty where details relating to transactions are available in specified records only for the period from 8th April, 2011 to the date of enactment of Finance Bill.</li> </ul>
Excise Duty with interest paid within 30 days from the date of service of SCN	No penalty	Reduced penalty of 15% of Excise Duty provided such reduced penalty is also paid within 30 days from the date of service of SCN
Excise Duty with interest and reduced penalty as per these Sections is paid within 30 days from the date of receipt of Adjudication Order	25% of the penalty imposed	25% of Excise Duty
If Commissioner (Appeals), Appellate Tribunal or Court modifies Excise Duty liability, penalty to be modified accordingly. Benefit of reduced penalties is proposed to be made available provided Excise Duty, interest and reduced penalty is paid within 30 days from the date of receipt of the Order modifying Excise Duty liability.		

### Transitional Provisions

It has been provided that all cases where no show cause notice is issued before the enactment of Finance Act, 2015 shall be governed by the provisions of section 11AC as amended.

Pending proceedings where show-cause notice has been issued but an order is not passed enactment of Finance Act shall be eligible for closure of proceedings if payment is made within 30 days from the date of enactment of Finance Bill, 2015. An opportunity to avail benefit of waiver or reduction in penalty has been extended to existing on-going cases wherein SCN has been issued but order is not passed.

All orders passed after enactment of Finance Act, 2015 shall also be eligible to get reduced penalty of 25%.

### Notifications:

- **Tariff**
- **Duty Enhanced– Basic Rate/Ad valorem**

Standard ad valorem rate of duty of excise is being increased from 12% to 12.5% for specified items. Similarly, duty of excise is increased from 12% to 12.5% for goods covered by the Medicinal and Toilet Preparations Act, 1955. Specific rates of excise duty changed in certain items are as below:

Sr. No.	Particulars	Existing Rate	New Rate
1	Mineral waters, aerated waters containing sugar or other sweetening matter or flavoured : BED (Basic Duty) AED (Additional Duty)	12% 5%	18% Nil
2	Cigarettes and other products of tariff heading 2402	Various	% Increase by 17-30
3	Cut Tobacco	₹ 60 per kg.	₹ 70 per kg.
4	Goods falling under tariff item 252329	₹ 900 per tonne	₹ 1,000 per tonne
5	High Speed diesel under tariff item 2710 19 30	14% + ₹ 5 per litre	14% + ₹ 15 per litre
6	Sacks and bags falling under tariff 39232100 & 392329 which are used for : Industrial use : Other than industrial use	12% 12%	18% 15%

**(Notification No. 9/2015-CE, Notification No. 16/2015-CE dated 1st March, 2015 w.e.f 1st March, 2015)**

### Reduction in Basic Excise Duty

Sr. No.	Particulars	Existing Rate	New Rate
1	Specified Leather footwear falling under tariff 6403 and 6405 having RSP not exceeding ₹ 1,000 per pair	12%	6%
2	Wafers falling under Heading 3818 used in manufacture of Integrated circuit modules for smart cards, subject to actual user condition	12%	6%
3	All inputs for use in the manufacture of LED (Light Emitting Diode) driver or MCPCB (Metal Core Printed Circuit Board) for LED lights and fixtures or LED Lamps; subject to actual user condition.	12%	6%
4	Chassis for ambulance	24%	12.5%

### Concessional Rate available

Sr. No.	Particulars	CENVAT availed		CENVAT not availed	
		Existing Rate	New Rate	Existing Rate	New Rate
1	Condensed milk put up in unit containers	NIL	6%	NIL	2%
2	Peanut Butter	NIL	6%	NIL	2%
3	Solar water heater system	12%	12.5%	12%	NIL
4	Tablet Computer	12%	12.5%	12%	2%
5	Mobile Handset	6%	12.5%	1%	1%



**(Notification No. 7/2015-CE, Notification No. 8/2015-CE and Notification No. 8/2015-CE dated 1st March, 2015 w.e.f 1st March, 2015)**

**Goods fully exempted from Duty**

Sr. No.	Particulars
1	Agarbatti produced and its intermediate consumption within the factory of manufacture
2	Pig iron SG grade and ferro-silicon-magnesium used for manufacture of cast components of wind operated electricity generators falling under tariff 39232100
3	Round copper wire and tin alloys for use in the manufacture of Photovoltaic (PV) ribbon for manufacture of solar PV cells or modules, subject to certification by prescribed authority
4	Parts for use in the manufacture of solar water heater and system falling under 8419 or any other
5	Parts, components and accessories for use in the manufacture of tablet computer and their sub-parts
6	Specified raw materials used in pacemakers of chapter 90, subject to actual user condition

**(Notification No. 12/2015-CE and Notification No. 13/2015-CE dated 1st March, 2015 w.e.f 1st March, 2015)**

**Other Tariff Amendments**

Sr. No.	Particulars
1	Education cess levied @ 2% and Secondary and Higher Education cess levied @ 1% on all excisable goods
2	ED cess and HED cess levied on clean energy, cess leviable on coal has been exempt. Said exemption notification is rescinded since, ED and HED cess are being exempted for all goods in general
3	No change in Education cess and Secondary Higher Education cess which is levied on imported goods
4	Specified goods used in the manufacture of electrically operated vehicles were subject to concessional excise duty of 6%. The validity period of concession is being extended up to 31st March, 2016
5	Specified items required in the manufacture of ultra-mega power project specified under list 10
6	All goods supplied against International Competitive Bidding.
7	Specified items required in the manufacture of ultra-mega power project specified under list 11

**Change in RSP based valuation**

Sr. No.	Particulars	Notified Abatement %	Remarks
1	Condensed milk put up in unit container	30	Newly notified under RSP levy
2	Goods falling under sub heading 2101 20, including iced tea	30	Newly notified under RSP levy
3	All goods falling under tariff item 2202 except waters and aerated waters	35	RSP levy have been extended to all goods

4	All footwear products	25	Reduction in abatement amount from 35% to 25%
5	LED Lights or fixtures including LED lamps	35	Newly notified under RSP levy

**(Notification No. 3/2015- CE(NT) dated 1st March, 2015)**

Additional Duty (commonly known as Road cess) on High Speed Diesel and Motor Spirit increased along with exemption being provided.

Additional Duty on High Speed Diesel and Motor Spirit has been levied under second Schedule to Finance Act, 1999 and Finance Act, 1998 at ₹ 2/ litre. Now, they are being increased to ₹ 8/litre and subsequently exemption has been provided making effective rate of additional duty at ₹ 6/litre. Such details have been provided as under:

	Motor Spirit	High Speed Diesel
Chapter Heading	2710	2710
Levy of Additional Duty	Section 111 of Finance Act, 1998	Section 133 of Finance Act, 1999
Additional Duty up to 28/2/2015	₹ 2/litre	₹ 2/litre
Additional Duty w.e.f 1/3/2015	₹ 8/litre	₹ 8/litre
Effective Rate	₹ 6/litre	₹ 6/litre
Notification No.	10/2015	11/2015

**(Notification 10/2015-CE and Notification 11/2015-CE dated 1st March, 2015 w.e.f 1st March, 2015)**

**Exemption from levy of Primary, Secondary and Higher Secondary Education cess**

Education cess and Secondary and Higher Education cess has been levied vide Finance Act, 2004 on the aggregate of all duties of excise at the rate of 2% and 1% respectively is now made exempt with effect from 1st March, 2015.

**(Notification 14/2015 and 15/2015 – CE both dated 1st March, 2015 w.e.f 1st March, 2015)**

**SERVICE TAX**  
(Contributed by CA. Rajiv Luthia)

**SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS**

CBEC vide Notification No. 2/2015-ST dated 10th February, 2015, in exercise of the powers conferred by Rule 3 of the Service Tax Rules, 1994 read with Notification No. 6/2009-ST dated the 30th January, 2009, & Notification No. 22/2014-ST dated the 16th September, 2014, has specified that the Principal Director General of Central Excise Intelligence shall have jurisdiction over the Principal Commissioners of Service Tax or the Principal Commissioners of Central Excise or the Commissioners of Service Tax or the Commissioners of Central Excise, as the case may be, for the purpose of assigning show cause notices issued by the Directorate General of Central Excise Intelligence, for adjudication, by such Principal Commissioners of Service Tax or the Principal Commissioners of Central Excise or the Commissioners of Service Tax or the Commissioners of Central Excise, as the case may be.

CBEC vide Circular No. 994/01/2015-CX dated 10th February, 2015 has issued instructions regarding adjudication of Central Excise and Service Tax cases booked by DGCEI. To assign cases for adjudication amongst the Additional Director General (Adjudication) and the Field Commissioners following general guidelines shall be followed:



- (i) All cases where the duty involved is more than ₹ 5 crores shall be adjudicated by the ADG (Adjudication).
- (ii) Cases to be adjudicated by the Executive Commissioner, when pertaining to jurisdiction of one Executive Commissioner of Central Excise, shall be adjudicated by the said Executive Commissioner of the Central Excise.
- (iii) Cases to be adjudicated by the Executive Commissioner, when pertaining to jurisdiction of multiple Commissionerates, shall be adjudicated by the Commissioner in whose jurisdiction the noticee from whom the highest demand of duty has been made falls. In these cases, an order shall be issued by the Director General, exercising the powers of the Board, assigning appropriate jurisdiction to the Executive Commissioner for the purposes of adjudication of the identified case.
- (iv) Where DGCEI proposes appointment of an adjudicating authority not in conformity with the above guidelines, DGCEI shall forward such proposal to the Board.
- (v) Past cases pending adjudication shall be examined in the light of above guidelines and DGCEI shall take appropriate action such as assigning the cases to the appropriate adjudicating authority, issuing corrigendum to the show cause notices, appointing common adjudicating authority or forwarding proposal for appointment of the adjudicating authority by the Board as may be necessary.
- (vi) Cases to be adjudicated by the officers below the rank of Commissioner shall be adjudicated only by the field officers in the executive Commissionerates and the above guidelines shall apply *mutatis mutandis*.

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

### STATE BUDGET F.Y. 2015-16

The State Budget for F.Y. 2015-16 has been presented by the Hon'ble Finance Minister, Mr. Saurabh Patel. The budget shows overall surplus of ₹ 124.95 crores. Salient Tax proposals, to be effective from 01/04/2015, are as under.

#### Reduction in Tax

Item	Existing Rate (%)	Proposed Rate (%)
Imitation Jewellery	5	1
Oral Contraceptive Pills	5	Exempt
Aviation Turbine Fuel for flights for cities other than Ahmedabad, Vadodara		
• Duty paid A.T.F.	30	5
• Bonded A.T.F.	38	5
Isabgul & Isabgul Bhusi	5	Exempt

#### Refund

Input Tax Credit on Purchase of Cotton Ravings, used in manufacture of Khadi Cloth, being exempt from tax, is not available presently. It is proposed to grant refund of 5% Tax paid on such purchases of Cotton Ravings.

#### Technical Textiles Taxable

Presently all types of Textiles Fabrics enjoy exemption from tax. It is proposed to levy tax on Technical Textiles @ 5% (including additional tax).

## FEMA

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

### Foreign Direct Investment – Pharmaceuticals Sector

**Notification No. FEMA334/2015-RB dated January 9, 2015 and A.P. (DIR Series) Circular No. 70 dated February 2, 2015**

The extant FDI Policy for Pharmaceutical sector has been reviewed and it has now been decided with immediate effect that there would be a special carve out for medical devices which was earlier given the same treatment as pharmaceutical sector. Reserve Bank has amended the regulations *vide* Notification No. FEMA.334/2015-RB dated January 9, 2015.

### Foreign Investment in India by Foreign Portfolio Investors

**A.P. (DIR Series) Circular No. 71 dated February 3, 2015**

As per A.P. (DIR Series) Circular No. 13 dated July 23, 2014 all future investment in Government Securities by registered Foreign Portfolio Investors (FPIs) was required to be made in Government bonds with a minimum residual maturity of three years. Further Reserve Bank in its Sixth Bi-Monthly Monetary Policy Statement 2014-15, issued on February 3, 2015 had announced that henceforth all future investments by FPIs in debt market in India will be required to be made with minimum residual maturity of three years.

Accordingly, all future investments by an FPI within the limit for investment in corporate bonds shall be required to be made in corporate bonds with a minimum residual maturity of three years. Further, all future investments against the limits vacated when the current investment runs off either through sale or redemption, shall be required to be made in corporate bonds with a minimum residual maturity of three years.

FPIs shall not be allowed to make any further investment in liquid and money market mutual fund schemes. There will, however, be no lock-in period and FPIs shall be set free to sell the securities (including those that are presently held with less than three years residual maturity) to domestic investors.

### Foreign Investment in India by Foreign Portfolio Investors

**A.P. (DIR Series) Circular No. 72 dated February 5, 2015**

Registered Foreign Portfolio Investors (FPIs) were allowed to purchase on repatriation basis Government Securities and Non-Convertible Debentures (NCDs)/bonds issued by an Indian company subject to terms and conditions as mentioned therein and limits prescribed by Reserve Bank. Further Reserve Bank in its Sixth Bi-Monthly Monetary Policy Statement 2014-15, issued on February 3, 2015 announced that reinvestment of coupons in Government Securities will be enabled even when the existing limits are fully utilised.

Accordingly, FPIs shall be permitted to invest in Government Securities, the coupons received on their existing investments in Government Securities. These investments shall be kept outside the applicable limit (currently USD 30 billion) for investments by FPIs in Government Securities.

### Foreign Investment in India by Foreign Portfolio Investors

**A.P. (DIR Series) Circular No. 73 dated February 6, 2015**

In context to announcement made by Reserve Bank in its Sixth Bi-Monthly Monetary Policy Statement 2014-15 issued in February 3, 2015 for all future investments by registered Foreign Portfolio Investors (FPIs) in debt market in India will be required to be made with a minimum residual maturity of three years. In this context Reserve Bank has been receiving queries about the applicability of the aforesaid provisions. The queries and clarifications given by Reserve Bank are as under:

- a. Query: The applicability of the directions to investment by FPIs in Commercial Papers (CPs).

Clarification: In terms of the aforesaid directions, any fresh investments shall be permitted in any type of debt instrument in India with a





minimum residual maturity of three years. Accordingly, FPIs shall not be allowed to make any further investment in CPs.

- b. Query: The applicability of these guidelines on debt instruments having maturity of three years and over but with optionality clause of less than three years.

Clarification: FPIs shall not be allowed to make any further investments in debt instruments having minimum initial/residual maturity of three years with optionality clause exercisable within three years.

- c. Query: The applicability of these guidelines on amortised debt instruments having average maturity of three years and above.

Clarification: FPIs shall be permitted to invest in amortised debt instruments provided the duration of the instrument is three years and above.

Any arrangement that negates any of the above shall not be in conformity with the provisions of the A.P. (DIR Series) Circular No. 71 dated February 3, 2015.

#### Export of Goods and Services – Delay in utilisation of advance received for Exports

##### A.P. (DIR Series) Circular No. 74 dated February 9, 2015

In terms of Notification No. FEMA.23/RB-2000 dated May 3, 2000 as amended from time-to-time and other circulars, an exporter receiving an advance payment for exports from a buyer outside India shall be under an obligation to ensure that the shipment of goods is made within stipulated period from the date of receipt of advance payment.

As it is observed that there is substantial increase in number and amount of advances received against exports remaining outstanding beyond stipulated period on account of non-performance of such exports, AD Banks are advised to efficiently follow up with the concerned exporters to ensure that export performance (shipments in case of export of goods) are completed within stipulated period of time.

Further AD Category-I banks should exercise proper due diligence and ensure compliance with KYC and AML guidelines so that only *bona fide* export advances flow into India. Doubtful cases as also instances of chronic defaulters may be referred to Directorate of Enforcement (DoE) for further investigation. A quarterly statement indicating details of such cases (as per Annex) may be forwarded to the concerned Regional Offices of RBI within 21 days from the end of each quarter.

#### Liberalised Remittance Scheme (LRS) – Enhancement of limits

##### Sixth Bi-Monthly Monetary Policy Statement 2014-15 dated February 3, 2015

The limit of LRS was enhanced to USD 125,000 in June 2014 by Reserve Bank without end use restrictions, except for prohibited foreign exchange transactions such as margin trading, lotteries etc.

On a review of the external sector outlook and as a further exercise in macro-prudential management, it has been decided to enhance the said limit under the LRS to USD 250,000 per person per year. Furthermore, in order to ensure ease of transactions, it has also been decided in consultation with the Government that all the facilities for release of exchange/remittances for current account transactions available to resident individuals under Schedule III to Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time-to-time, shall also be subsumed under this limit.

However, A.P. (DIR Series) Circular and Notification amending the limit is awaited.

#### Import of Goods in India

##### A.P. (DIR Series) Circular No. 76 dated February 12, 2015

In terms of A.P. (DIR Series) Circular No. 82 dated February 2012,

application by persons, firms and companies for making payments, exceeding USD 5,000 or its equivalent towards imports in India is required to be made in Form A-1.

With a view to liberalise and simplify the procedure, it has been decided to dispense with the requirement of submitting request in Form A-1 to AD Banks for making payments towards imports into India. However, AD Banks may need to obtain all the requisite details from the importers and satisfy itself about the *bona fides* of the transaction before effecting the remittance.

#### Foreign Direct Investment – Reporting under FDI Scheme on the e-biz platform

##### A.P. (DIR Series) Circular No. 77 dated February 12, 2015

With a view to promote the ease of reporting of transactions under foreign direct investment (FDI), the Reserve Bank of India, under the aegis of the e-Biz project of Government of India has enabled the filing of following returns with the Reserve Bank of India, viz.

- Advance Remittance Form (ARF) – used by companies to report the inflow of FDI to RBI; and
- Form FC-GPR – which a company submits to RBI for reporting the issue of eligible instruments to the overseas investor against the above mentioned FDI inflow.

The design of the reporting platform enables the customer to login into the e-Biz portal, download the reporting forms (ARF and FCGPR), complete and then upload the same onto the portal using their digitally signed certificates. The Authorised Dealer Banks (ADs) will be required to download the completed forms, verify the contents from the available documents, if necessary by calling for additional information from the customer and then upload the same for RBI to process and allot the Unique Identification Number (UIN). It has been decided that the ARF and FCGPR services of RBI will be operational on the e-Biz platform from February 19, 2015. The user manual for the two services is given in the Circular.

It may be noted for the present, the online reporting is an additional facility to the Indian companies to undertake their ARF and FC-GPR reporting and the manual system as prescribed in terms of A.P. (DIR Series) Circular No. 102 dated February 11, 2014 would continue till further notice.

For detailed instructions please refer the said circular available on RBI website at –

<http://rbidocs.rbi.org.in/rdocs/Notification/PDFs/APDIRFDI0215.pdf>.

#### Guidelines on Import of Gold by Nominated Banks/Agencies

##### A.P. (DIR Series) Circular No. 79 dated February 18, 2015

20:80 scheme for import of gold was withdrawn in consultation with Government *vide* A.P. (DIR Series) Circular No. 42 dated November 28, 2014. The Reserve Bank was receiving request for clarification on some of the operational aspects of the guidelines on import of gold consequent upon removal of 20:80 scheme. Accordingly following clarifications are issued:

- The obligation to export under 20:80 scheme will continue to apply in respect of unutilised gold imported before November 28, 2014.
- Nominated banks are now permitted to import gold on consignment basis. All sale of gold domestically will, however, be against upfront payments. Banks are free to grant gold metal loans.
- Star and Premier Trading Houses can import gold on DP basis as per entitlement without any end use restrictions.
- While import of gold coins and medallions will no longer be prohibited, pending further review, the restrictions on banks selling gold coins and medallions are not being removed.

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## DIRECT TAX

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

### High Court & Supreme Court Decisions

#### Ss. 2 (24)(vd) & 28(iv) – Shares allotted at concessional price not income

Assessee having secured allotment of shares at a concessional price much below the market price, subject to lock-in period of three years, no benefit in the form of differential price has arisen to the assessee and, therefore, the differential price of shares allotted to the assessee is not taxable under s. 28(iv). *CIT vs. KNB Investments (P) Ltd. High Court of Andhra Pradesh (2014) 272 CTR (AP) 201.*

#### S. 5 – Accrued Interest taxable under Mercantile System of Accounting

Assessee, a Government owned corporation, selling its properties under deferred payment plan and following mercantile system of accounting, interest as agreed under the sale agreement accrued to the assessee in the relevant assessment year, hence liable to tax. *U.P. Chalchitra Nigam Ltd. vs. CIT (2015) 274 CTR (All) 130.*

#### Ss. 9(1)(vi) , 40(a)(ia) & 194J – Payment for live telecast not Royalty

Payment made for live telecast of horse races is not covered under s. 9(i)(vi), as such not being royalty, TDS was not required to be deducted. *CIT vs. Delhi Race Club (1940) Ltd. (2015) 273 CTR (Del.) 503.*

#### S. 10(38)– Period of holding as investment and long-term asset

Assessee converted its stock-in-trade of shareholding into investment on 1st April, 2004, showed the same as investment in its balance sheet as on 31st March, 2005 and 31st March, 2006 and sold them nearly two years after conversion, was rightly allowed relief under S. 10(38) on the sale proceeds. *CIT vs. Express Securities (P) Ltd. (2014) 272 CTR (Del.) 294.*

#### S. 11(1)(a) – Incurring Capital Expenditure means application of money

When the surplus is utilised for educational purpose, i.e., for infrastructure development it cannot be said that the institution was having object to make profit; capital expenditure incurred by a trust for acquiring/constructing capital asset would be application of money and the assessee would be entitled to exemption under S.11(1). *CIT vs. Silicon Institute of Technology. (2014) 272 CTR (Ori.) 319*

#### S. 14A – No Dividend income no disallowance

In view of findings by the CIT(A) as well as the Tribunal that the assessee has not earned any dividend income from shares, deduction of interest liability out of other income cannot be disallowed under S. 14A. *CIT vs. Lakhani Marketing Incl. (2014) 272 CTR (P&H) 265.*

#### Ss. 27(iiiib), 269UA(d), 269UA (f) – Rent income in the hands of a tenant

Tribunal and the High Court having held that the assessee being a tenant of the property for a long period was deemed owner covered by s. 27(iiiib) and the income derived by it letting out the said premises was income from house property, without recording any definite finding of the fact about prerequisites of s. 269UA (f)(i) r/w Explanation thereto, the appeal is restored to the Tribunal for fresh hearing and disposal in accordance with law. *Nahalchand Laloochand (P) Ltd. vs. ACIT (2015) 274 CTR (SC) 246.*

#### S. 37(1) – Renovation expenditure revenue in nature

Expenditure on replacing the flooring, false roofing, furniture, carpets, and the refurbishing of hotel rooms in tune with the international standards was incurred without addition of extra floor space or extra room capacity, hence the same was allowable as revenue expenditure. *CIT & Anr. vs. MAC Charles (India) Ltd. (2015) 273 CTR (Kar.) 596.*

#### Ss. 40(a)(ia) & 194H – Cash back on using credit card is not commission

Amount deducted by bank while remitting the money to the assessee on payments received from customers who had made purchases through

credit cards could not be said to be commission but it was charges for providing banking services and there was no relationship of agent and principal; S.194H was not attracted and there was no question of disallowance under S. 40(a)(ia) for non-deduction of tax at source. *CIT vs. Jds Apparels (P) Ltd. (2015) 273 CTR (Del.) 1.*

#### S. 41(1) – Profits not chargeable to Tax

As per Government scheme, the assessee could pay the NPV against premature payment of the amount of the deferred sales tax under an incentive scheme and settle the amount and no benefit was conferred on the assessee; s. 41(1) was not attracted. *CIT & Anr. vs. McDowell & Co. Ltd. (2015) 273 CTR (Kar.) 394.*

#### Ss. 45, 48 & 55(2)(a) – Additional FSI/TDR generated not liable for Capital Gain

Tribunal was justified in concluding that the additional FSI/ TDR which was generated by the plot/ property/ land and came to be transferred under a document in favour of the purchaser would not result in the gains being assessed to capital gains. *CIT vs. Sambhaji Nagar Co-operative Housing Society Ltd. (2015) 273 CTR (Mum.) 430.*

#### S. 50C–Responsibility of AO

In view of submission of assessee that the buyer of plot offered him the highest price (₹ 10 lakhs) prevailing in the market, AO should have made reference to DVO under s. 50C(2) instead of straightaway adopting the valuation (₹ 35 lakhs) fixed by the stamp valuation authority. *Sunil Kumar Agarwal vs. CIT. (2014) 272 CTR (Cal.) 332.*

#### Ss. 56(2)(vi), 56(2)(vii) & 64(2) – Gift to HUF taxable in hands of HUF

Gift received by individual deposited in HUF account was held as assessable in the hands of HUF under s. 56(2)(vi)/(vii); ignoring the assessee's contention that s. 64(2) was attracted; matter is remanded to consider the applicability of s. 56(2)(vii) as well as s. 64(2). *M. Veluswamy vs. ITO (2015) 273 CTR (Mad.) 543.*

#### Ss. 70, 10(35), 251 & 254(1) – Power of Tribunal to allow claim not made in the return

Claims not made in the return could not be rejected by CIT(A) on the ground that the assessee had not filed a revised return within the time allowed under s.139(5) but had only filed a revised computation; Tribunal also has power to allow a claim which is not made in the return. *CIT vs. Sam Global Securities Ltd. (2014) 272 CTR (Del.) 290.*

#### Ss. 80AB, 80B(5), 80HH & 80-I – Deduction can be claimed separately for each unit

Tribunal was correct in law in confirming the order of CIT(A) in holding that the assessee is entitled to claim deduction under ss. 80HH and 80-I, independent of the set off and carry forward provisions and that the deduction under ss. 80HH and 80-I can be claimed with respect to each unit, separately. *CIT vs. Premier Explosive Ltd. (2015) 273 CTR (AP) 441.*

#### Ss. 80AC & 80-IB(10) – Filing return in prescribed time is necessary to claim benefit

Requirement of S. 80AC is mandatory and, therefore, benefit of s. 80-IB(10) can be availed by the assessee only if it has filed the return on or before the prescribed date and not otherwise. *CIT vs. Shelcon Properties (P) Ltd. (2015) 273 CTR (Cal.) 106.*

#### S. 80-IB(10) – Built-up area does not include common areas

Since super built-up area which includes common area of staircase and balcony area cannot be equated with built-up area it cannot be stated that the area of the flat is more than 1500 sq. ft.; there is no doubt that the area of entire project is more than one acre; Tribunal was therefore justified in allowing deduction under s. 80-IB. *CIT vs. Hermes Developers (2015) 274 CTR (Mum.) 113.*

#### S. 80-IC– Splitting up or reconstruction of already existing business

New firm started by partners of existing firm had made substantial investment in plant, machinery, building, etc. by establishing new unit at

different location with separate registration could not be denied deduction under S.80-IC merely because of shifting of employees from the existing firm. *CIT vs. Yash International Inc. (2015) 273 CTR (HP) 38.*

#### **Ss. 194C, 201(1), proviso & 201(1A) – Liability to TDS where payee has paid tax**

Petitioner having produced information/documents about the filing of return by payee to claim benefit of proviso to s. 201(1), which were not considered by AO nor he provided an opportunity of hearing to the petitioner, orders under ss. 201(1) and 201(1A) were liable to be quashed. *Remco (BHEL) House Building Co-operative Society Ltd vs. ITO. (2015) 273 CTR (Kar.) 57.*

#### **S. 234E – Constitutional validity of levy of late filing fee**

The late filing of TDS returns by the deductor causes inconvenience to everyone and s. 234E levies a fee to regularise the said late filing. The fee is not in the guise of a tax nor is it onerous. The levy is constitutionally valid. *Rashmikant Kundalia vs. UOI (Bombay High Court).*

#### **ITAT Decisions**

##### **S. 43(5) – Speculation loss**

Transaction of call/put options in foreign currency are “derivatives” and loss suffered therein is not a “speculation” loss. *IVF Advisors Private Limited vs. ACIT (ITAT-Mumbai).*

##### **S. 54EC – Investment in name of Partner allowable as exemption**

Property introduced by a partner into firm becomes the asset of the firm even if there is no registered deed. Though the asset is held by the firm as a depreciable asset and though the investment in s. 54EC bonds is made in the names of the partners, the firm is eligible for s. 54EC exemption. *M/s. Chakrabarty Medical Centre vs. TRO (ITAT-Pune).*

##### **S. 271(1)(c) – Revised Return & Penalty**

Revised return of income filed after issue of s. 143(2) notice amounts to voluntary disclosure if AO has not sought specific particulars in the notice. *Prema Gopal Rao vs. DCIT (ITAT-Mumbai).*

### **INTERNATIONAL TAXATION**

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

**Swiss Re-insurance Company Limited vs. DDIT [TS-55-ITAT-2015 (MUMBAI)] dated February 13, 2015**

#### **Facts of the case**

- The assessee Swiss Re-insurance Company Limited, incorporated in Switzerland receives income from providing reinsurance to various Cedents in India. It claimed that its income from re-insurance premium was not taxable in India as it was business income and it had no Permanent Establishment (PE) in India.
- However, the AO observed that Swiss Re-Services India Pvt. Ltd. (SRSIPL), an Indian company and wholly owned subsidiary of the assessee constitutes Permanent Establishment of the assessee. AO further noted that the assessee through its Singapore Branch has entered into service agreement with SRSIPL and owing to the mode of remuneration paid (i.e. cost + margin) it was evident that personnel and staff of SRSIPL provides technical and core reinsurance services to assessee and thus it was a Dependent Agency Permanent Establishment.
- In appeal, DRP rejected assessee's contention and AO's order was upheld.
- Aggrieved, assessee preferred an appeal before Mumbai ITAT.

#### **Issues**

- Whether a wholly owned subsidiary constitutes Permanent Establishment in India?
- Whether the assessee had business connection in India?

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## Recent Judgments

### Held

- ITAT based on the past rulings examined that merely establishing subsidiary in the other treaty country does not result in creating and establishing a PE of a foreign holding company. ITAT mentioned that Article 5(4) of Indo-Swiss DTAA specifically excludes insurance enterprise carrying out reinsurance work from PE definition.
- ITAT further held that there was nothing on record to show that employees had provided services to assessee or assessee was paying either salaries or perquisite to SRSIPL's employees. Assessee's Indian subsidiary or its service agreement (providing remuneration on cost plus mark-up) would not result in Service or Dependent Agent PE.
- In the issue of business connection in India, ITAT noted that since none of the conditions specified in Explanation 2 to section 9(1) are satisfied it cannot be said that the assessee has a business connection in India. Thus Ruling in favour of assessee.

**Le Passage to India Tours & Travel (P) Ltd. vs. Deputy Commissioner of Income Tax, Circle 4(1), [2015] 54 taxmann.com 138 (Delhi - Trib.) dated December 19, 2014**

### Facts of the case

- The assessee was engaged in the business of organising tours and travel arrangements for foreign tourists coming to India. The assessee had appointed agents in various countries in order to promote its services in foreign countries, to market its services and in lieu thereof, representation charges/ retainership fee, commission & tour expenses was paid to them.
- During assessment proceedings, the Assessing Officer held that the payment of representation charges and commission and tour expenses were in the nature of fee for technical services defined under section 9(1)(vii) and were liable to be taxed in India. Since assessee had not deducted tax thereon, the Assessing Officer made the additions for violation of the provisions of section 40(a)(i).
- On appeal, the Commissioner (Appeals) allowed relief for Tour expenses and upheld the remaining additions for representation charges/Retainership fees made by AO.
- Aggrieved, assessee and revenue both preferred an appeal before Delhi ITAT.

### Issues

- Whether the amount of retainership charges, commission and tour expenses paid by assessee to an overseas non-resident agent is in the nature of FTS under section 9(1)(vii)?
- Whether the assessee is liable to deduct tax at source?

### Held

- ITAT observed that for a particular item of income to be categorised as FTS, it is necessary that some sort of managerial, technical or consultancy services should have been rendered by payees.
- The agreements entered by assessee with various agents and from the nature of services performed by the overseas agents it is cleared that assessee was to pay commission and retention charges purely for advancement of business of the assessee and the same cannot be categorised as managerial/technical/consultancy services and thus cannot be classified as FTS.
- Further it relied various case laws where the courts have held sales and marketing services made by an overseas commission agent do not fall within the meaning of FTS and, therefore, the payment of commission made to such agent will not be deemed to accrue or arise in India and consequently, would not be liable to tax in India.
- As regards payment of tour expenses and other expenses paid without deduction of TDS, CIT(A) passed a very elaborate and speaking order

and ITAT was unable to controvert any of their findings.

- In view of above, the appeals filed by the Revenue are dismissed. Appeals filed by the assessee are allowed.

**Deputy Director of Income Tax (International Taxation – I) vs Bajaj Allianz General Insurance Company Ltd. [2015-TII-19-ITAT-PUNE-INTL] dated February 6, 2015**

### Facts of the case

- The assessee company a joint venture between Bajaj Auto Limited, India and Allianz AG, Germany, is engaged in the business of general insurance. To assessee the extent of damages to goods belonging to the insured and to settle overseas claims arising out of such policies, assessee appointed non-resident surveyors to assess the damages.
- Such surveys were claimed to be carried out entirely outside of India by the non-resident surveyors and the assessee paid fee for their services, by direct remittances into their overseas bank accounts.
- As per the Revenue, survey fee paid to non-resident surveyors as taxable under the respective DTAA. Term 'make available' contained in Article 12 or 13 of the respective DTTAs should be understood to mean that the technical services are 'offered' or made 'accessible' to the recipient assessee.
- In an appeal the CIT(A) held that the said payment did not constitute either FTS or FIS in terms of the respective DTAAs and therefore, the assessee was not required to deduct tax at source.
- Aggrieved Revenue preferred an appeal before Pune Tribunal.

### Issues

- Whether survey fees are liable to be taxed in India, in case the non-resident surveyor has not made any technical know-how available to the assessee?
- Whether deduction of tax at source u/s. 195 is warranted on such survey fees?

### Held

- In the appeal, the assessee submitted that in its own case the Tribunal has considered the aspect of taxability of survey fees paid to surveyors of DTAAs countries with 'make available' clause and also payments to persons of non-DTAAs countries.
- The Tribunal after considering both assessee and revenue stand and also referring the findings of the Dispute Resolution Panel (DRP) in assessee's own case concluded that the payments made to the non-resident surveyors of countries with DTAAs having 'make available' clause or having MFN clause were not taxable as the non-resident surveyor did not make any technical know-how, etc. available to the assessee company and deleted the disallowance u/s 40(a)(ia) of the Act.
- Thus it was held that survey fees are not liable to be taxed in India in case the non-resident has not made any technical know-how available to the assessee.

**Flag Telecom Group Limited vs. DCIT Cir – 2 (1) ([2015] 54 taxmann.com 154 [Mumbai-Trib.] dated February 6, 2015.**

### Facts of the case

- Flag Limited is a company incorporated in Bermuda, from where it is managed and controlled. The said company was set up to build high capacity submarine fibre optic telecommunication link cable system i.e., undersea cable for providing telecommunication link between United Kingdom and Japan. For this purpose the assessee company had entered into MOU for the purpose of planning and implementation of the said Cable System.
- In India, VSNL was one of the original landing parties to the MOU. For the purpose of selling the capacity in the cable system, Cable Sales Agreement (CSA) was entered into amongst the parties.

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I, Shri Y. S. Rawat, Joint Secretary hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-  
Signature of the Publisher  
(Shri Y. S. Rawat)  
Joint Secretary

- The assessee has sold the capacity to VSNL. The CSA provided for the ownership rights in the Flag Cable System i.e., VSNL can transfer, assign or sell the capacity in the cable system. It also lays down the concept of standby maintenance, payments, obligations, management decisions etc.
- In an appeal CIT(A) held that the payment received by the assessee from VSNL is towards sale of capacity is taxable as business income in India u/s. 9(1)(i) and not as 'royalty' or 'fee for technical services'.
- Under s. 9(1)(vi) or 9(i)(vii) and the income which can be said to be attributable in India is to be worked out on the basis of proportionate worldwide profit.
- Also the payment received on account of standby maintenance in terms of agreement is taxable in India as 'fee for technical services' u/s 9(1)(vii).

### Issues

- Whether the amount paid to Flag Limited was taxable as royalty u/s. 9(1)(vi) or u/s 9(1)(i) being income deemed to accrue or arise in India?
- Whether standby maintenance revenues earned from VSNL are taxable in India as fees for technical services under section 9(1)(vii) of the Act?

### Held

- ITAT held that, the VSNL is an independent entity. Flag is not earning income through any aid or assistance of VSNL as it is not carrying out any business for Flag in India and all the cost are proportionately shared by VSNL. Thus, VSNL cannot be held to be a person or concern having a business connection in India and no income accruing or arising from business connection in India.
- What is envisaged in section 9(1)(vi) read with Explanation thereto, is that there should be transfer of rights of any kind or imparting of any information in respect of various kinds of property; or use of rights to use of any equipments etc. Thus, characterisation of the transfer has to be seen, which here in this case is for sale and not for simple user. Thus, payment received by the assessee from sales of capacity made to VSNL is not taxable as 'royalty' u/s. 9(1)(vi).
- Regarding the receipts from standby maintenance charges from VSNL, it was held that it is an arrangement for standby cover, that is, having the cable ships on standby and there is a separate charge for actual repair and maintenance under the agreement. Thus this is being a fixed annual charge, cannot be taxed as FTS, within the definition of section 9(1)(vii). However, whenever payment is received on account of actual repair or maintenance carried out, then same would definitely fall within the ambit of FTS chargeable to tax u/s. 9(1)(vii).

**Bureau Veritas-Indian Division vs. ADIT (International Taxation) 3(2) Mumbai [2015] 54 taxmann.com 139 (Mumbai-Trib.) dated February 19, 2015**

### Facts of the case

- The assessee company was incorporated in France and was operating in India through its Indian division.
- The Indian branch was engaged in the business of providing services relating to shipping industries, Head offices had allocated an expenditure pertaining to Technical service to its Indian division. In India, assessee has credited the amount to the Head Office and no tax was deducted on the same.
- On assessment, Assessing Officer said that the amount allocated represented 'fee for technical services' and no tax was deducted on the same. Hence he added the said amount under section 40(a)(ia).
- The Assessing Officer also added the said amount in the hands of the assessee as the said amount was taxable separately at the rate of 20 per cent in the hands of permanent establishment as per the DTAA between India and France.

- On appeal, the Commissioner (Appeals) upheld the order of the Assessing Officer. However, he accepted the case of the assessee that since the said amount had already been added to the income of the PE, the same amount could not be added again in the hands of Head Office separately from its income assessable as PE.
- Aggrieved assessee filed an appeal with Mumbai ITAT.

### Issue

- Will allocation of the expenses by Head Office to the Indian division be treated as service provided and taxable in the hands of assessee?

### Held

- The fees for technical services under the Indo-French Tax Treaty were confined to payment for such services as 'make available' technical knowledge, skill, experience, etc., or consisted of development and transfer of technical plan or design.
- In the instant case, the payment for technical services was in the nature of reimbursement of technical expenses to the Head Office. Thus, this amount was not on account of any specific technical services having been 'made available', in the sense in which this expression was employed in the Tax Treaties. Therefore, the amount could not be brought to tax in the hands of the assessee under Article 13 of the Indo-French Tax Treaty.



## Recent Judgments

- This amount could not also be taxed in the hands of the assessee under Article 7 as it was not an income 'attributable to PE'. Hence, the taxability of the sum in the assessee's hand was indeed incorrect.

### SERVICE TAX

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

#### Banking and Other Financial Services

In a writ challenging the constitutionality of levy of service tax on hire purchase and leasing transactions, the High Court held that in such transactions the financier (petitioner) in addition to the interest and the principal amount of loan advanced by them also collects certain service charges towards services rendered from the hire purchaser. In such circumstances, relying on the Supreme Court decision in BSNL (2001) 2 STR 161 (SC), the High Court held that sales tax can be levied on sale of goods involved in transaction and service tax can be levied on the service charges. Hence, the levy of service tax on such transaction under the category of Banking and other financial services was not unconstitutional [*Kerala Non-Banking Finance Com. vs. UOI (2015) 37 STR 41 (Ker.)*].

#### Business Auxiliary Services

The appellant in the present case, had entered into an agreement with Maharashtra Knowledge Corporation Ltd. ("MKCL"), a company created by Government of Maharashtra for conducting certificate programme courses on Information Technology duly recognised by the State Technical Education Board. Scope of the appellant's activities involved creation of authorised training centres, supervising the same, collection of course fee and remitting the same to MKCL. The Revenue contended that the appellant's activities liable for service tax under Business Auxiliary Service since it undertook promotion of business of MKCL. On appeal, the Tribunal held that the appellant's activities were in the nature of incidental/auxiliary activities in relation to education and hence would be exempted from service tax under Notification No. 14/2004 – S.T. dated 10/9/2004 [*Sun beam Infocomm Pvt. Ltd. vs. CCE (2015) 37 STR 129 (Tri.-Mum.)*].

Where the appellants had paid charges towards "processing of textile materials for chemical wash" to service providers situated outside India, the Tribunal held that the services being in relation to textile processing were exempt from payment of service tax under Notification No. 14/2004-S.T. dated 10/9/2004. Accordingly, no service tax thereon was payable by the appellant under reverse charge basis [*K. G. Denim Ltd. vs. CCE, Salem, 2015(37) STR 140 (Tri.-Chennai)*].

On facts, where the agreement between M/s SKF, Sweden and the appellants provided for development, maintenance and installation of software systems by the foreign entity to the appellant which also included supply of information, data providing training etc. in the IT software field, the Tribunal held that:

- The services were liable under the category of IT software services which was liable only w.e.f. 16/5/2008; and IT software services was specifically excluded from the scope of business auxiliary service. Hence the Revenue's contention that the same was taxable under Business Auxiliary Services was incorrect.
- In any case, the services are not taxable under Business Auxiliary Services as "customer care services" as alleged by the Revenue since in respect of customer care service, there would be three persons involved, the principal service provider, the customer and the intermediary in between who undertakes the service on behalf of the principal, the service provider. In the present case, on perusal of the agreement, it is seen that there are only two parties involved, SKF Sweden and SKF India and there is no third party involved. Further, the service received by the SKF India, the appellant herein, is for its own use and not for providing any service to any other party. Therefore the argument of the Revenue that the services received would fall within the ambit of 'customer care' is totally bereft of any logic and devoid of any merit.

Further, on facts, the Tribunal also held that the various expenditure incurred by the appellant towards foreign currency purchase, professional management fees, group management programmes, engineering software services etc. does not fall under 'Business Auxiliary Service' or 'Customer Care Service' [*SKF India Ltd. vs. CCE (2015)37 STR 245 (Tri.-Mum.)*].

#### Business Support Services

Ocean freight even if charged by a shipping logistic company is not liable to service tax [*APL Logistics India Pvt. Ltd. vs. CCE(2014)36 STR 1310 (Tri.-Chennai)*].

#### Business Auxiliary Service/Business Support Service

Services provided by the appellants to ICICI and IDBI banks for verification of information furnished by the loan seekers is liable to service tax under the category of 'Business Auxiliary Service' defined u/s. 65(19)(iv) as 'any incidental or auxiliary support service'. However the appellants are not liable to pay service tax under Business Auxiliary Service for the period post 10/9/2004 since the services are not incidental or auxiliary to any activity mentioned in clauses (i) to (vi). The Tribunal also imposed penalty u/s. 78 but granted cum-tax benefit [*Credentials vs. CCE (2015) 37 STR 235 (Tri.-Mum.)*].

#### Clearing and Forwarding Agent

The sales representatives appointed by the assessee were only canvassing orders and pursuing the delivery of goods for a commission. The sales representative is neither receiving nor clearing and forwarding the goods manufactured by his principals. Hence the activity of sales representative cannot be called a clearing and forwarding agent service [*CCE vs. Hoganas India Ltd. (2015)37 STR 240 (Tri.-Mum.)*].

#### Consultancy Engineer Service

The assessee had obtained technical know-how and consultancy services from abroad and paid royalty on such services. Revenue had demanded service tax on such services received by the assessee by invoking Rule 6 of the Service Tax Rules, 1994 as it then stood (which stated that in respect of services provided by non-resident in India, the service tax thereon shall be paid by any person in India authorised by such non-resident). On appeal the Tribunal held that –

- Supply of technical know-how and payment of royalty thereon does not fall under the taxable category of 'Consultancy Engineer Service';
- The overseas service provider had not authorised the assessee to pay service tax on its behalf;
- The services were received from abroad which would be taxable only w.e.f. 18/4/2006 i.e. after enactment of section 66A which enables the Government to levy service tax on such services under reverse charge basis, and not prior to that date.

[*CCE & Cus vs. L&T Ltd. (2015) 37 STR 156 (Tri.-Mum.)*].

#### Management Maintenance and Repair Service

The appellant, a statutory corporation established by the Government under a statute viz. Maharashtra Industrial Development Act, 1961 [MID Act] for securing the rapid and orderly establishment and organisation of industries, was held not liable to pay service tax under the category of Management Maintenance and Repair Service on the service charges collected for provision of common amenities (like roads, street, streetlights, drains etc.) to plot holders to whom the appellant had leased out land for industrial development on the ground that :

- Period prior to 1/7/2012**
  - Appellant is discharging a statutory function as per the provisions of the MID Act and Rules framed thereunder and hence the benefit of Circular No. 89/7/2006 dated 18/12/2006 is available to them.
  - Notwithstanding the above, section 97 of the Finance Act, 1994 and Notification No. 24/2009 dated 27/7/2009 exempt the services of maintenance and repairs of roads.
- Period post 1/7/2012**
  - Since the demand for the period post 1/7/2012 was raised on the basis of the definition of 'Maintenance and Repair Service' as it

stood prior to 1/7/2012, the demand for the period post 1/7/2012 is not maintainable.

[*Maharashtra Industrial Development Corporation vs. CCE (2014) 36 STR 1291 (Tri.-Mumbai)*].

#### Management Consultancy Service

“Support services” provided by the assessee to run the business of their clients by providing marketing assistance, obtaining loans from financial institutions, liaisoning with the Government Agencies for getting various permissions, training of their personnel and so on are support services for the business and do not involve ‘consultancy and advice’. Hence assessee is not liable under “Management Consultancy Service” prior to 1/7/2003 [*Tata Autocomp Systems Ltd. vs. CCE, Pune, 2015(37) STR 252 (Tri.-Mum.)*].

#### Manpower Recruitment or Supply Agency Service

The assessee had hired certain expatriate employees from its group companies situated outside India had paid salaries and other statutory social security benefits such as provident fund to these employees. It had also remitted to its group companies certain amounts that were payable by the group companies to the account of the expatriate employees under the foreign laws. The Revenue had sought to demand service tax from the assessee on the grounds that it received Manpower Recruitment or Supply Agency Services from the overseas companies. On appeal, the High Court held that in absence of the essential requirement to levy service tax under the category of Manpower Recruitment or Supply Agency Services viz.,

- There has to be a service provided to any person;
- The service has to be provided by a manpower, recruitment or supply agency;
- The service must be in relation to recruitment or supply of manpower, temporary or otherwise,

no service tax can be demanded from the assessee under the category of Manpower Recruitment or Supply Agency Services [*CCE vs. Computer Sciences Corporation India P. Ltd. (2015) 37 STR 62 (All.)*].

#### Renting of Immovable Property

Returnable security deposit, collected at the time of renting of immovable property cannot be considered as a part of consideration for service and hence no service tax would be payable on such security deposits. Further where the rent agreement clearly stipulated that the service tax would be recovered separately in addition to rent, the contention of the appellant that the benefit of cum-tax value should be given in respect actual rent received by it not sustainable. However, on facts, since the assessee had paid tax on cum-tax value basis the Tribunal held that no penalty should be imposed on the assessee [*Samir Rajendra Shah vs. CCE (2015) 37 STR 154 (Tri.-Mum.)*].

#### Services in relation to promotion, marketing, organising of Lottery

In a writ petition, the petitioner had challenged the constitutional validity of s. 65(105)(zzzzn) which seeks to levy service tax on the activities of promotion, marketing, organising or in any other manner assisting in organising game of chance including lottery w.e.f. 1/7/2010 on the grounds that :

- The petitioner was carrying out the activities of purchase and sale of lottery tickets; and
- That only the State Government has the power to impose tax on betting and gambling activities.

The High Court while allowing the writ petition held as follows –

- The activities carried out by petitioners (lottery distributors) do not constitute a service since the petitioner was merely engaged in purchase and sale of lottery tickets. It did not render any service to Government in consideration of which it received any amount from the Government.
- ‘Lottery’ being an activity in the nature of ‘betting and gambling’ covered under the Entries 34 and 62 of List II of the Seventh Schedule of the Constitution (State List), taxes in respect of such activities

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### Obituary



**CA. Prakash Agashe**, Past Secretary, WIRC, M. No. 017410 left for Heavenly Abode on 22/2/2015. May the departed soul rest in peace.

could be levied only by the State Government. The residuary power of the Central Government under Entry No. 97 of List I of the said Schedule permitted levy of service tax only in those cases where the power to tax was not traceable to any entries in the Lists II and III of the said Schedule. Since the power to levy tax on betting and gambling was covered under the State List, the said clause (zzzzn) of s. 65(105) of the Act is *ultra vires* the Constitution and hence is liable to be struck down [*Future Gaming Solutions India Pvt. Ltd. vs. UOI (2015) 37 STR 65 (Sikkim)*].

#### Services provided by restaurants/hotels

The Division Bench of the Kerala High Court affirmed the Single Bench decision of the said Court in *Kerala Classified Hotels and Resorts Association vs. UOI (2013) 31 STR 257 (Ker.)* where it was held as follows:



## Recent Judgments

- As regards services provided by restaurants, the Court held that supply of food or beverages "by way of or as part of any service", is deemed to be a 'sale' under Article 366(29-A)(f) and hence the State Government alone has the legislative competence to enact the law for imposing a tax on the service element forming a part of sale of such goods under Entry 52 of the State List (i.e. tax on sale or purchase of goods) and the Central Government in exercise of the residuary power under Entry 97 of List I of the Constitution cannot impose service tax.
- As regards services provided by hotels or guest house, the Court held it to be within the exclusive legislative function of the State under entry 62 of List II (i.e. tax on luxuries).

[*Union of India vs. Kerala Bar Hotels Association (2014)36 STR 1205 (Ker.)*].

### Transmission of Electricity

Services in relation to construction of civil structures to facilitate erection of electricity transmission tower is exempt under Notification No. 45/2010-S.T dated 20/7/2010 which exempts all taxable services relating to transmission and distribution of electricity [*M. Chadsacharam vs. CCE (2015)37 STR 268 (Tri.-Chennai)*].

### Works Contract

The appellants were prior to 7/7/2009 awarded two types of contracts from Power Grid Corporation of India Ltd., one for supply of towers and the other for erection and installation. The appellant treated the supply of towers as sale and not liable for service tax and paid service tax under Works Contract Composition Scheme, 2007 on the contract for erection and installation. The Revenue took a stand that :

- Both the contracts were a single contract; and
- Contract for erection and installation is not a works contract but a labour contract since the materials get consumed.

On facts, the Tribunal observed that the nature of contract involves supply of material as well as labour and the appellants had paid sales tax/VAT on the material involved in the erection and installation contract. Hence it is a works contract. The Tribunal also held that the value of transmission towers cannot be included in the value of erection and commissioning contracts by virtue of the Explanation inserted w.e.f. 7/7/2009 since the contracts commenced prior to 7/7/2009 and by virtue of the proviso to the Explanation such an inclusion cannot be made [*Gammon India Ltd. vs. CCE&ST (2015) 37 STR 225 (Tri.-Mum.)*].

### Interest

The assessee paid service tax on 15/2/2007 by debit in the CENVAT Credit account whereas the due dates for payment of service tax were 5/9/2006 and 5/2/2007. The Tribunal held that there was a delay of 102 days and 10 days in payment of service tax and the assessee is liable to pay interest for these delays notwithstanding that it had sufficient CENVAT credit balance on 5/9/2006/5/2/2007 since the date of payment is the date of debit in the CENVAT Credit account [*CST vs. Toyo Engineering Corporation Ltd, (2015)37 STR 238 (Tri.-Mum.)*].

### Valuation

In this case, it was held that the deduction made under Notification No.12/2003 cannot be given based on purely overall estimation/ approximation but if documentary proof specifically indicating the value of goods and services are provided, the deduction is allowed [*Kalpik Interiors vs. CST (2014) 36 STR 1283 (Tri.-Delhi)*].

Where on facts, the assessee engaged in carrying out the activities of retreading of tyres had excluded the cost of rubber utilised towards retreading of tyres without indicating the value of such materials actually sold by it in its invoices, the Tribunal held that in absence of any documentary proof specifically indicating the value of material sold the assessee was not entitled to benefit of Notification No. 12/2003-S.T. However, on facts during the impugned period since a similar matter was pending before the

Third Member on account of difference of opinion the Tribunal held that no penalty would be imposable in view of the provision of section 80 [*CCE vs. New Hindustan Rubber Works (2015) 37 STR 120 (Tri.-Mum.)*].

The issue was whether transformer oil, HV/LV coil and spare parts which are goods used for repair of transformers belonging to the customer should be included for the purpose of quantifying the gross consideration received as constituting taxable value. The High Court held that since the agreement between the assessee and its customers incorporates separately the value of materials from the value of service rendered, the value of the materials or goods would have to be excluded since that component is not liable to service tax [*CCE vs. Goverdhan Transformer Udyog Pvt. Ltd. (2015) 37 STR 161 (All.)*] following *CCE vs. J. P. Transformers (2014) 36 STR 961 (All.)*.

### Demand

In the present case, the Revenue had *inter alia* sought to demand service tax on :

- Maintenance of computer software services rendered by the appellant under the category of management, maintenance or repair service; and
- On technical support charges received by it under the category of Scientific Technical Consultancy Services by invoking extended period of limitation.

On appeal, the Tribunal held as follows :

- As regards the demand of service tax on maintenance of computer software services, the reasoning of the appellant that it entertained a genuine belief that no service tax was payable on such services is acceptable since the very fact that the Government had w.e.f. 11/5/2007 inserted an Explanation for removal of doubts in the definition of 'Management, maintenance and repair' clearly establishes that even the Government acknowledged that there was genuine confusion/ambiguity with respect to the applicability of service tax on repair of computer software under the said category of service.
- As regards the technical support charges received by the appellant the Tribunal held that the *bona fide* belief entertained by the appellant that only the service provided by scientist or technocrat or science or technology institution or organisation would only be liable for service tax under the said category of service and the appellant being a body corporate and not a science/ technology institution/ organisation would not be covered under this category of service is also acceptable. Also the said activities became taxable under the category of Information Technology Services w.e.f. 15/5/2008 much later.
- Further, where the show cause notice nowhere brought out any factors as to how the appellant's *bona fides* was suspected or which indicated the existence of an intent to evade payment of tax, the Tribunal held that alleging suppression of facts merely on the basis of non-registration and non-filing of service tax returns is incorrect.

Accordingly, the extended period of limitation was not invocable [*Ruchi Infotech Ltd. vs. CCE (2015) 37 STR 131 (Tri.-Del.)*].

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**Ahmedabad:** Group photograph taken during receiving Best Branch Award at New Delhi





**Baroda:** Group photograph taken at the branch premises. (L-R): CA. Abhishek Nagori, RCM, CA. Yash Bhatt, CA. Viral Shah, CA. Arpan Dodia, Adv. Devang Nanavati, CA. Nayan Kothari, Branch Chairman, CA. Dhiren Parikh, CA. Kejal Pandya, CA. Amar Doshi, CA. Ashish Parikh



**Gandhidham:** Programme on Project Finance & GST on 20/2/2015. (L-R): CA. Jitendra Thacker, CA. Karan Thacker, Faculty, CA. Kuldeep Vora, Faculty, CA. Mehul Lodaria, Faculty



**Jalgaon:** Change handover ceremony held on 14/2/2015. (L-R): CA. Ajay Jain, CA. Pallavi Mayur, CA. Kaushal Mundada, Branch Chairman, CA. Jayesh Lalwani, CA. Nitin Zavar, CA. Nikita Daga



**Jamnagar:** CA. K. Raghu, President, ICAI inaugurating the Additional Reading Room at Jamnagar on 2/2/2015. (L-R): CA. Kaupil Doshi, Branch Chairman, CA. Mahesh Sardar, Past CCM, CA. Subodh Kedia, RCM & Branch Nominee, CA. Dhinal Shah, CCM, CA. Parag Raval, RCM



**Kolhapur:** Women's day on 9/3/2015. (L-R): CA. Shirang Kulkarni, Miss. Ieena Sane, Dr. Ranjeet Chikode, CA. Imran Mulla, Branch Chairman



**Nanded:** Meeting with Shri Sudhir Mungantiwar, Cabinet Minister of Finance and Planning & Forest Departments, Govt. of Maharashtra. (L-R): CA. Kunal Malpani, CA. Manohar Aylane, CA. Gaurav Bhartiya, Branch Chairman, CA. Atul Dhoot, CA. Govind Mundada, CA. Tousif Ahmed



**Nashik:** Public Meeting on Income Tax Grievances. (L-R): Mrs. Pooja Rastogi, CA. Ravi Rathi, Shri Mahesh Akhade, Shri G. D. Chandorkar, Chief Guest, CIT, Shri J. M. Sahay, Shri R. K. Jain, Shri Naki, CA. Anand Zavar



**Rajkot:** Inauguration of New Branch Premises by CA. K. Raghu, President, ICAI and other dignitaries



**Pune:** Group photograph taken during the National Convention for CA Students-2015



**Vasai:** Orientation Programme for Newly Chartered Accountants held on 8/2/2015. (L-R): CA. K. B. Kothari, CA. Ramanand Gupta, CA. Amit Jain, Faculty, CA. Kishor Vaishnav, Branch Chairman, CA. Tarun Ghia, CCM & Chairman - CMII, CA. Dayaram Paliwal, CA. Vimal Agarwal



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**Other Speakers**



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CA. Vidya Barje



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CA. Hardik Dhruva, CA. Manish Chokshi, CA. Manoj Alimchandani, CA. Ajay Parmar

**M. L. D'souza Rotating Trophy Cricket between Commissioner Income Tax XI vs. Chartered Accountants XI held on 14th February, 2015**



CA. Anil Bhandari, Chairman, WIRC receiving M. L. D'souza Rotating Trophy from Commissioner of Income Tax (CA. Sagar Palnitkar - Man of the Match)



Group photograph of WIRC Cricket Team

**7 Day Intensive Workshop on IFRS held from 16th to 22nd February, 2015**



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