

WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER



**THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF INDIA**

(Set up by an Act of Parliament)

**SCALE UP
RISE**

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CHAIRMAN'S COMMUNICATION

Respected Members,

In my inaugural communication, I had stated that we expect 2017 as the year of change. The clearance of Finance Bill 2017, has paved the way towards reforms for ease of doing business and for development.

With my focus on regular interaction with policy-makers, we met with Shri Arjun Ram Meghwal, Union Minister of State for Finance and Corporate Affairs, and Shri A. K. Chaturvedi, Regional Director, ROC, Western Region and submitted members' suggestions towards methods to improve compliances.

The Co-operatives Committee of WIRC met Shri Subhash Deshmukh, Minister of Co-operatives, Maharashtra and Shri Sai S. Sandhu, Principal Secretary, Co-operation Maharashtra reiterating importance of involvement of WIRC in Committee

formed for separate Housing Chapter under MCS Act, 1960 and I am happy to share that WIRC is now part of the sub-committee.

We met Shri Sudhir Mungantiwar, Minister of Finance, Maharashtra, and submitted our Pre-Budget Memorandum as our inputs and pledged our support in all initiatives for good governance.

The Branch Co-ordination Committee Meeting saw the creation of a road map to enable smooth flow of branch activities for 2017-18 and focus on areas of professional development and opportunities.

Members had the privilege to meet with Hon'ble President, ICAI, CA Nilesh Vikamsey at the Presidential felicitation event, where our President released the Bank Branch Statutory Audit Compilation.

We hosted a meeting with the Past Chairpersons of WIRC, for their insights towards better functioning of our Council and Region.

To celebrate women's position in the forefront of the nation's development we celebrated International Women's Day, by organising "Be Bold O Womana" which was appreciated by Women members.

In March, members attended seminars on Project Finance, Internal Audit, Fraud & Forensic Accounting, Ind-AS, Annual Capital Market Summit, etc. With the Bank Audits in focus, we organised interactive seminars across the region to keep Members updated.

With the exams approaching, we have Crash Courses and free lectures on weekends for article students to train and equip them with soft skills.

Office Bearers of WIRC visited various branches of WIRC and interacted with members, students and regulators to get better insight into various professional issues and provide effective solutions.

The International Study Tour, 2017 to England & Scotland is scheduled in May. Members will interact with Regulators and Professionals to understand systems practised there and also visit historic places.

With this, I park my words with a line which I personally admire – "When you lift up others, you rise up together".

The auspicious festival of Gudi Padwa was celebrated recently, I wish all a very Happy New Year and a happy festive month of April.

With Warm Regards

CA. Vishnu Agarwal
Chairman

Forthcoming Events
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Past Chairmen Meet



CA. Dilip Shah



CA. K. C. Jain



CA. Atul Bheda



CA. Sanjeev Maheshwari



CA. B. C. Jain



CA. Durgesh Kabra



CA. Mangesh Kinare

Interactive Meet



Seminar on Internal Audit



Branch Co-ordination Meet



Seminar on Audit of General Insurance





J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile Nos.	Co-ordinators / Mobile Nos.
03/06/2017 10/06/2017 17/06/2017 24/06/2017 01/07/2017 (All Saturdays) 15 CPE Hrs	10.00 a.m. to 1.00 p.m. ₹ 2,000/-	<p>Intensive Study Course on Companies Act, 2013 3rd June, 2017</p> <ul style="list-style-type: none"> • Structuring a Company – Incorporation of Companies – Reason and Rationale, Exemptions – Private Limited Cos., One Person Company, Private Companies – Do's, Don'ts; and Role of Independent Directors <p>10th June, 2017</p> <ul style="list-style-type: none"> • Key provisions of Accounts and Audit – Appointment & Rotation of Auditors, CARO 2016, Fraud Reporting, Depreciation, Consolidated financial <p>17th June, 2017</p> <ul style="list-style-type: none"> • Loans, Borrowings, Deposits and Related Party Transactions (Practical issues and reporting requirements, Special focus for Impact on Private Limited Companies) <p>24th June, 2017</p> <ul style="list-style-type: none"> • Internal Financial Controls (Assessment and Reporting requirements, Case Studies, etc.) <p>1st July, 2017</p> <ul style="list-style-type: none"> • Corporate Social Responsibilities & Various Compliances/E-filing under Companies Act, 2013 	<p>CS. Ajay Ranade</p> <p>CA. Shabbir Readymadewala</p> <p>CA. Mohammed Bengali</p> <p>CA. Murtuza Kachwala</p> <p>CS. Manish Baldeva</p>	<p>CA. Rakesh Alshi 9819427242</p> <p>CA. Pradeep Agrawal 9898560967</p> <p>CA. Sandeep Jain 9819788099</p>	<p>CA. Shardul Shah 9820287625</p> <p>CA. Shraddha Bankar 9869629212</p> <p>CA. Y. R. Desai 9820448365</p> <p>CA. Aditi Chaturvedi 9768350383</p> <p>CA. Nikhil Damle 9820170436</p>
12/05/2017 13/05/2017 19/05/2017 20/05/2017 26/05/2017 27/05/2017 Fridays & Saturdays 18 CPE Hrs	5.00 p.m. to 8.00 p.m. Friday 10.00 a.m. to 1.00 p.m. Saturday ₹ 3,500/-	<p>Intensive Study Course on GST Friday, 12th May, 2017</p> <ul style="list-style-type: none"> • Basic Concepts of GST: Dual Model of GST [CGST, SGST & IGST], Concept of Destination based value added consumption tax, Taxes to be subsumed and those not subsumed, Taxable event in GST Regime vs Existing Regime • Applicability of GST (Section 1) • Important definitions and concepts: Goods, Service, Business, Taxable Person including definition, Other relevant and incidental definitions • Charging Provisions of CGST/SGST/ IGST • Schedules I, II, III and IV to GST • Levy, meaning & scope of supply including • Composition Levy, Related transitional Provisions – CA. Naresh Sheth <p>Saturday, 13th May, 2017</p> <ul style="list-style-type: none"> • Time of Supply of Goods & Services including provisions related to Invoice • Value of Taxable Supply (section 15 of GST Act), GST Valuation Rules • Related transitional provisions – CA. Sunil Gabhawalla* <p>Friday, 19th May, 2017</p> <ul style="list-style-type: none"> • Definition of Inter and Intra State Supply • Principles of Determining Supply in the course of Inter-State Trade or Commerce • Place of Supply of Goods & Services – Domestic • Place of Supply of Goods & Services – Import & Export • Related Transitional Provisions – CA. A. R. Krishnan <p>Saturday, 20th May, 2017</p> <ul style="list-style-type: none"> • Input Tax Credit • Input Service Distributor • Transfer of Input Tax Credit • Related Transitional Provisions • Documentation • Refund – CA. Bharat Shemlani* <p>Friday, 26th May, 2017</p> <ul style="list-style-type: none"> • Provisions Related to Job Work including related Transitional Provisions • E-commerce including provisions related to TCS • Registration including Schedule V • Payment of Taxes • Related Transition provisions • Documentation – CA. Rajat Talati <p>Saturday, 27th May, 2017</p> <ul style="list-style-type: none"> • Returns • Matching Concept • Concept of Star Rating • Challenges in implementation of GST • Opportunity for Chartered Accountants – CA. Archit Agarwal <p><i>* Subject to Confirmation</i></p>	<p>CA. Kamlesh Saboo 9819195333</p> <p>CA. Priyam Shah 9824096112</p> <p>CA. Manish Gadia 9820537986</p> <p>CA. Lalit Bajaj 9867692321</p>	<p>CA. Parth Gupta 9820420531</p> <p>CA. Anand Tibrewala 9769484289</p> <p>CA. Rahul Daga 9930700809</p> <p>CA. Anish Singhania 9820185990</p> <p>CA. Sheetal Mehta 9969403883</p> <p>CA. Adesh Gupta 9819806769</p> <p>CA. Ankit Rathi 9029059911</p>	



ICAI Tower, Bandra Kurla Complex, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile Nos.	Co-ordinators / Mobile Nos.
06/05/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on GST for Women CA Members <ul style="list-style-type: none"> Basic Concept of GST, Concept of CGST, SGST & IGST, Concept of Destination Base Tax, Levy & Composition, Meaning and Scope of Supply, Time of Supply Value of Supply and Place of Supply Input Tax Credit and related Transitional Provision Registration, Payment, Invoice and Return including related Transitional Provision 	CA. Bhavna Doshi CA. Puloma Dalal CA. Payal Shah CA. Shraddha Mehta	CA. Shilpa Shinagare 9820053395 CA. Drushti Desai 9820335923 CA. Priti Savla 9321426883	CA. Parinita Adukia 9833740571 CA. Sangeeta Gandhi 9833070270 CA. Preeti Singhania 9757195829 CA. Suchi Agarwal 9920368499 CA. Parul Saraf 9821162477
12/05/2016 Friday	3.30 p.m.	New Members Meet and Felicitations of Rank Holders <ul style="list-style-type: none"> Students who have secured rank in November 2016 examination of IPCC & Final CA from the Western Region shall be felicitated 		CA. Balkishan Agarwal 9377110634 CA. Vikrant Kulkarni 9881880073	
13/05/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Insolvency Professionals <ul style="list-style-type: none"> Overview of the insolvency and bankruptcy code, 2016 Corporate Insolvency Resolution Process Opportunities as insolvency professionals Syllabus for limited insolvency examination & how to prepare for the examination 	Adv. Sharad Abhyankar Eminent Faculty Eminent Faculty CA. Tejas Parikh	CA. Sushrut Chitale 9821112904 CA. Hardik Shah 9825510422 CA. Priyam Shah 9824096112	CA. Hrishikesh Wandrekar 9892919239 CA. Siddharth Gupta 8080443380 CA. Mukund Mall 9322224142
15/05/2017 17/05/2017 19/05/2017 22/05/2017 24/05/2017 26/05/2017 18 CPE Hrs	5.00 p.m. to 8.30 p.m. ₹ 3,000/-	Intensive Study Course on Ind AS 15th May, 2017 <ul style="list-style-type: none"> Approach to Ind AS, First time adoption and presentation of financial statements 17th May, 2017 <ul style="list-style-type: none"> Employee Benefits, Share based payments and Related Party Disclosure 19th May, 2017 <ul style="list-style-type: none"> Financial Instruments and Fair Value 22nd May, 2017 <ul style="list-style-type: none"> Consolidated Financials with regard to interest in associates, JV and business combinations 24th May, 2017 <ul style="list-style-type: none"> Accounting aspects of Assets, Investment Properties and Leases 26th May, 2017 <ul style="list-style-type: none"> Revenue recognition and Income Taxes 	CA. Himanshu Kishnadwala CA. Shabbir Motorwala CA. Gautam Shah CA. Manisha Borkar CA. Hemal Shah CA. Samir Shah	CA. Priti Savla 9321426883 CA. Aniket Talati 9825551448 CA. Purushottam Khandelwal 9825020844	CA. Harsh Dedhia 9892444121 CA. Premal Gandhi 9324383636 CA. Shweta Jain 9920737198
20/05/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Data Analytics, Fraud, Risk and Security <ul style="list-style-type: none"> Data Analytics – What is Big Data? How to use analytics in Risk Assessment & Audit? What are the common techniques? Success factors Robotic Process Automation (RPA) – What is RPA? What value it brings to business? Most common use cases. Success factors Enterprise Risk Management (Risk Identification, Measurement, Appetite, Acceptance & Treatment) Fraud Prevention & Detection (Profile of Fraudsters, Fraud Risk Indicators and Fraud Prevention & Detection) 	Eminent Faculty Shri Sarit Bose CA. Delzad Jivaasha Shri Suprabhat N M	CA. Aniket Talati 9825551448 CA. Priti Savla 9821426883 CA. Balkishan Agarwal 9377110634	CA. Gaurav Save 9969001607 CA. Abhijit Totade 9819659151 CA. Bankim Jain 9987606617
27/05/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on LLP <ul style="list-style-type: none"> Salient features of LLP Act & drafting of LLP Agreement Taxation of LLP Formation & Conversion of LLP Structuring & mergers using LLPs 	CS. Anant Amdekar Eminent Faculty Eminent Faculty Eminent Faculty	CA. Sushrut Chitale 9821112904 CA. Sarvesh Joshi 9822022292 CA. Purushottam Khandelwal 9825020844	CA. Aniket Kulkarni 9821690559 CA. Amit Mundra 9820108015 CA. Milind Joshi 9930033939



ICAI Tower, Bandra Kurla Complex, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile Nos.	Co-ordinators / Mobile Nos.
03/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Value Driven – Risk based Internal Audit <ul style="list-style-type: none"> Standards on Internal Audit (Importance of Standards and Compliance) Value Delivered & Key Outcome (Internal Audit as Value Driver, Value Delivered by IA, Key Result Areas of IA and Observation & Key Outcomes) Stakeholder Management & Soft Skills (ACM & Statutory Auditors) Communication & Report Writing (Presentation of findings, root cause, Impact, recommendations, Management actions & observations & report rating) 	CA. Murtuza Kachwala CA. V. Swaminathan (Godrej Industries) CA. Milan Mody CA. Sunil Gaitonde	CA. Vikrant Kulkarni 9881880073 CA. Umesh Sharma 9822079900 CA. Lalit Bajaj 9867692321	CA. Shweta Kide 9860662600 CA. Yogesh Choudhary 9821198112 CA. Bipeen Mundade 9223290561

18
CPE HRS

International Study Tour 2017

ENGLAND & SCOTLAND

LONDON - OXFORD - MANCHESTER - LAKE DISTRICT - EDINBURGH - INVERNESS - SCOTTISH HIGHLANDS - GLASGOW

Let's visit the historic locales of Enchanting England and Scenic Scotland for the International Study Tour, 2017.

22nd MAY To 2nd JUNE 2017
9 Days
(Excl Travel Days)

FOR DETAILS CONTACT
 CA Sarvesh Joshi : 9822022292
 CA Shruti Shah : 9892407988
 CA Sandeep Jain : 9819788099

Adult : Rs.1,82,000
 Child with extra bed : Rs.1,60,000
 Child without extra bed : Rs.1,33,000

As per Terms and Conditions* hosted on www.wirc-icai.org

Direct Tax Refresher Course (DTRC) at Birla Matushree Sabhagruh, New Marine Lines, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile Nos.
03/06/2017 to 01/07/2017 (All Saturdays)	2.00 p.m. to 6.00 p.m. ₹ 2,200/- (Till 15/05/2017) ₹ 2,400/- (After 15/05/2017)	3rd June, 2017 <ul style="list-style-type: none"> Current Issues in International Taxation in India Controversies & Issues in Business Deductions 10th June, 2017 <ul style="list-style-type: none"> TDS – Recent Developments and Controversies Taxation of Business Reorganisations 17th June, 2017 <ul style="list-style-type: none"> Appeals and Stay proceedings under Income Tax – An Analysis Revision, Rectification and Reassessment provisions of Income Tax 24th June, 2017 <ul style="list-style-type: none"> Analysis of recent Landmark Judgements – An Overview Issues u/s. 269ST & 271DA of Income Tax Act, 1961 1st July, 2017 <ul style="list-style-type: none"> Important issues in Capital Gains Taxation Brains' Trust 	CA. T. P. Ostwal CA. Kapil Goel CA. Atul Suraiya CA. Gautam Doshi Dr. CA. Girish Ahuja Shri Rajendra, Member, ITAT Adv. Saurabh Soparkar CA. Naveen Khariwal CA. Kishor Karia CA. Sunil Talati, Past President, ICAI CA. Pradip Kapasi CA. Pinakin Desai*	CA. Sandeep Jain 9819788099 CA. Shilpa Shinagare 9820053395 CA. Shruti Shah 9892407988 CA. Kamlesh Saboo 9819195333 CA. Sushrut Chitale 9821112904 CA. Priti Savla 9321426883 CA. Drushti Desai 9820335923 CA. Manish Gadia 9820537986 CA. Lalit Bajaj 9867692321 CA. Rakesh Alshi 9819427242

Members are requested to send their queries for Brains' Trust by 15th May, 2017 on wircevents@icai.in



ICAI Tower, Bandra Kurla Complex, Mumbai (Classroom)

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile Nos.	Co-ordinators / Mobile Nos.
15/04/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Audit of Co-op. Societies <ul style="list-style-type: none"> Audit Reporting & Audit Classification under MCS Act, 1960 Special Report, Specific Report, Fraud Detection & Re-Audit / Test Audit Accounting & Auditing Standards applicable to Co-op. Societies Online compliances, Rectification Report & Generating e-Audit Order 	CA. Ramesh Prabhu Shri T. N. Kawade <i>Joint Registrar Audit, Kokan Bhavan</i> CA. Chandrasekhar Iyer CA. Amit Mohare	CA. Shilpa Shinagare 9820053395 CA. Vikrant Kulkarni 9881880073 CA. S. G. Mundada 9422080814	CA. Swati Bhatkar 9967537989 CA. Kalpesh Kothari 9029371777 CA. Nitin Jaisinghani 9967539598
22/04/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Real Estate <ul style="list-style-type: none"> Contemporary Sources of Funding REIT (New Paradise in RE sector) Provisions of RERA & its Impact Implications of GST Traditional Sources of Funding 	Shri Puneet Bhatia Adv. Jay Gandhi Adv. Sadhav Mishra Adv. Samreen CA. Naresh Sheth CA. B. L. Maheshwari	CA. Manish Gadia 9820537986 CA. Hardik Shah 9825510422 CA. Umesh Sharma 9822079900	CA. Ketan Sarage 9920761105 CA. Rakesh Kogta 9619889024 CA. Dhavni Karia 9819900489
13/05/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on ICDS <ul style="list-style-type: none"> Key Note address General changes, Tax Audit implication, ICDS I Accounting policies, ICDS II Valuation of Inventories ICDS III Construction Contracts, ICDS IV Revenue Recognition, ICDS V Tangible Fixed Assets ICDS VI Effects of changes in foreign exchange rates, ICDS VII Government Grants, ICDS VIII Securities ICDS IX Borrowing Costs, ICDS X Provisions, Contingent liabilities and contingent assets 	CA. Kishor Karia CA. Mehul Shah CA. Jayesh Karia CA. Sunil Kothare CA. Yogesh Thar	CA. Priti Savla 9321426883 CA. Abhijit Kelkar 9422126890 CA. Lalit Bajaj 9867692321	CA. Harshvarshan Shah 9820247299 CA. Vishesh Sangoi 9819281830 CA. Chintan Shah 9867504363 CA. Pratik Sah 7320866433
03/06/2017 Saturday 3 CPE Hrs	10.00 a.m. to 1.00 p.m. ₹ 700/-	Seminar on Internal Financial Controls over Financial Reporting <ul style="list-style-type: none"> Reporting requirements under IFC – covering complex and less complex companies Responsibilities of auditors while undertaking IFC reporting – role of documentation 	CA. Paresh Clerk	CA. Sushrut Chitale 9821112904 CA. Kamlesh Saboo 9819195333 CA. Satyanarayan Mundada 9422080814	CA. Vijay Jain 9821057430 CA. Shipra Mittal 8080000809 CA. Nehal Turakhia 9833991898
10/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Discussion on Select Issues in International Taxation <ul style="list-style-type: none"> Discussion on residence rules for company, Analysis of POEM guidelines, Practical issues and case studies Discussion on secondary adjustment, Practical issues and case studies Interest deduction under the proposed, section 94B, Case studies Discussion on general anti-avoidance rules (GAAR), Case studies 	CA. Vishal Palwe CA. Utpal Doshi CA. Rutvik Sanghvi CA. Bhaumik Goda	CA. Rakesh Alshi 9819427242 CA. Sarvesh Joshi 9822022292 CA. Abhijit Kelkar 9422126890	CA. Navneet Lahoti 9324236755 CA. Meera Joisher 9819354164 CA. Pritee Panchal 9819844965
10/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Audit of Co-operative Housing Societies – A Practical Approach <ul style="list-style-type: none"> Model Bye-laws – 2014 Management of Co-op. Hsg. Society, Election Rules & Annual Legal Compliance Reporting Requirements and Format of Financial Statements Step by Step Approach to Co-op. Hsg. Society Audit with Sample Format 	CA. Chandrashekhar Iyer Shri Subhash Patil <i>(Jt. Registrar CIDCO)</i> CA. Ramesh Prabhu CA. Vijay Joshi	CA. Shilpa Shinagare 9820053395 CA. Vikrant Kulkarni 9881880073 CA. Balkishan Agarwal 9377110634	CA. Ashish Bakliwal 9004315053 CA. Mamta Parsekhar 9820613536 CA. Kamal Naulakha 9869431440



DIRECT TAX
(Contributed by

CA. Haresh P. Kenia & CA. Deepak Lala)



Deemed Income Accrue or Arise in India – Section 9 – Clarifications on indirect transfer provisions under the said Act – Operation of Circular No. 41/2016, dated 21/12/2016 kept in abeyance for time being in force [244 Taxman (st.) 337]

The Central Board of Direct Taxes (CBDT) had issued Circular No. 41/2016 on 21/12/2016 regarding Indirect Transfer Provisions under the Income-tax Act, 1961.

The CBDT *vide* Circular No. 4 of 2017 dated 20/1/2017 clarified that after the issue of the aforementioned Circular, representations have been received from various FPIs, FIIs, VCFs, and other stakeholders. The stakeholders have presented their Concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination. Pending a decision in the matter, the operation of the above-mentioned circular is kept in abeyance for the time being.

Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016 – Clarifications on said scheme [244 Taxman (st.) 339]

The CBDT *vide* Circular No. 2 of 2017 dated 18/1/2017 issued certain clarifications on the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016 which has commenced on 17/12/2016 and will remain open for declarations/deposit up to 31/3/2017. Queries have been received from the stakeholders seeking further clarity on certain provisions of the scheme. The Central Government has considered the queries and decided to clarify the same in the form of questions and answers. One may refer to above citation for further details.

Section 45, read with section 28 (i), of the Income-tax Act, 1961 – Capital gains, chargeable as – Transfer of unlisted shares by SEBI registered categories I & II Alternative Investment Funds [245 Taxman (st.) 10]

Vide order dated 2/5/2016 in F. No. 225/12/2016/ITA.II, the Central Board of Direct Taxes ('the Board') had clarified the position regarding tax treatment of income arising from transfer of unlisted shares. It was communicated that income from such a transfer would be taxable as 'Capital Gains' irrespective of the period of holding of the unlisted shares. However, certain situations were provided in para 3 of the said order where the Assessing Officers were required to take appropriate view in the matter.

In this regard, a representation has been received in the Board that the exception in clause (iii) of para 3 regarding transfer of unlisted shares along with 'control and management of the underlying business' should not be made applicable in case of certain Alternative Investment Funds ('AIFs').

The matter has been considered by the Board. Primarily, SEBI registered Categories I & II AIFs invest in unlisted shares of ventures, many of which are new set-ups or start-ups, and thus, some form of 'control and management of the underlying business' may be required to be exercised by such AIFs to safeguard the interest of the investors. Therefore, it is further clarified that exception in clause (iii) of para 3 of order dated 2-5-2016 in file of even number, would not be applicable in cases of SEBI registered Categories I & II AIFs only.

For more details visit www.wirc-icai.org

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



MVAT ACT, 2002

Notification

The Government of Maharashtra has issued notification dated 28/2/2017 under Schedule Entries D-5 (a) and D-10 (a), by which area and period is modified.

Circulars

The Commissioner of Sales Tax has issued Circular bearing No. 5T of 2017 dated 27/2/2017 by which information related to last date for getting Disabling Provisional ID and Access Token of Non-compliant Phase I and Phase II dealers, Distribution of Provisional ID and Access Token for Phase 3 dealers and last date for submission of signed Enrollment Application under GST is given.

The Commissioner of Sales Tax has also issued Circular bearing No. 6T of 2017 dated 4/3/2017 which is Corrigendum to Trade Circular 5T of 2017 dated 27/2/2017.

The Commissioner of Sales Tax has issued Circular bearing No. 7T of 2017 dated 8/3/2017 by which extension of dates for Disabling Provisional ID and Access Token of Non-compliant Phase I and Phase II dealers is given.

The Commissioner of Sales Tax has issued Circular bearing No. 8T of 2017 dated 16/3/2017 in which below clarification is given;

- i) Facility for view draft returns before submitting the returns under MVAT Act and CST Act,
- ii) Facility for uploading application of refund for the period from 1/4/2016 onwards,
- iii) Facility to uploading application to obtain the e-CST declarations for the dealers registered after 25/5/2016.

GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)



IMPORTANT JUDGMENTS

In case of **M/s. Arya Jewellers**, First Appeal No. 8/2012, Hon'ble Tribunal, *vide* its Order Dated 23/1/2017, held that transaction by barter system is taxable under GVAT Act as sale and value is to be determined as per Section 2(35) of GVAT Act, if value of goods is otherwise not determinable.

In case of **Crompton Greaves LTD.**, SCA Nos. 17876 and 17884/2016, Hon'ble Gujarat High Court, *vide* Order dated 19/2/2017, held that dealer is entitled to interest on refund of amount paid by way of pre-deposit, while filing appeal.

In case of **Tractors and Farm Equipment Ltd.**, SCA Nos. 1560 and 3797/2016, Hon'ble Gujarat High Court, *vide* its decision dated 16/12/2016, held as under

- Tractor is not a "Motor Vehicle" for VAT and Entry Tax laws and hence, Entry Tax is not payable on the same
- Rate of Entry Tax cannot be higher than rate of tax under VAT Act.

In case of **Piyush Marketing**, Tax Appeal No. 780/2008, Hon'ble Gujarat High Court, *vide* its decision dated 9/11/2016, has held that when there are two Determination Orders on the same issues the first on would be operative till the date second determination order.



In case of **Shakti Container**, Tax Appeal No. 275/2009, Honourable Gujarat High Court, *vide* its decision dated 16/11/2016, held that if the claim of export sale u/s. 5(3) of the CST Act, for sale of goods to the local dealer/exporter, is disallowed, such sale is to be taxed as local sales.

CORPORATE LAWS

(Contributed by CA. Rahul Joglekar)



MCA (www.mca.gov.in)

MCA notification GSR 178(E) dated 28th February, 2017 – Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

MCA has notified the aforesaid rules w.e.f. 28th February 2017. These Rules deal with the manner of transferring the shares and other unclaimed effect of other corporate actions to the Investor Education and Protection Fund (IEPF). Inter alia, these Rules prescribe the procedure for transfer of shares in demat form, physical form, procedure for claims from the IEPF etc. For complete text of the notification, please refer the link: http://www.mca.gov.in/Ministry/pdf/IEPF_Refund_Amendment_Rules_03032017.pdf.

CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)



Circular

Classification of articles of Paper and Printing Industry and Sarees

A detailed circular has been issued in respect of classification of the following products:

- Railway/Bus/other tickets/passes
- Railway ticket rolls, bus ticket rolls and like goods 1
- Mark sheets/certificates 1
- OMR Sheets 1
- Answer books with or without AMR, answer booklets and passbooks
- Inland Letter cards 2
- Plain Letter cards 2
- Applications forms 2
- Railway Receipts (RRs) 2
- Practical Notebook
- Sarees

Consolidation of Circulars and Instructions on SCN and adjudication procedures

Board has issued master circular to rescind 89 circulars out of 92 to address the issues raised by the industry and provide clarity thereupon. The master circular is issued to compile the relevant legal and statutory provisions on SCN, adjudication proceeding and recovery.

The provisions of this circular shall have overriding effect on excise manual of supplementary instructions issued by CBEC to the extent they are in conflict.

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

SERVICE TAX

(Contributed by CA. Rajiv Luthia)



SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

In exercise of powers conferred by Section 11C of the Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994, **Central Government, vide Notification No. 8/2017-ST dated 20th February, 2017**, has granted retrospective exemption to the services of treatment of effluents rendered by operators of Common Effluent Treatment Plant during the period from 1st July, 2012 to 31st March, 2015.

In exercise of powers conferred by Section 11C of the Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994, **Central Government, vide Notification No. 9/2017-ST dated 28th February, 2017**, has granted retrospective exemption to the services by way of admission to a museum during the period from 1st July, 2012 to 31st March, 2015.

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

FEMA

(Contributed by CA. Manoj Shah,
CA. Sudha G. Bhushan & CA. Mitesh Majithia)



Amendment to Foreign Direct Investment (FDI) Policy on investment in Indian Stock Exchanges

Press Note No. 1 dated February 20, 2017 issued by the Department of Industrial Policy & Promotion.

The Government of India has reviewed the FDI Policy for foreign investment in stock exchanges. Accordingly, following conditions will have to be complied for FDI in stock exchanges in place of existing conditions at para 5.2.21.2:

- Foreign investments, including investments by FPIs, will be subject to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2012, and Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time-to-time, and other Guidelines/Regulations issued by the Central Government, SEBI and the Reserve Bank of India from time-to-time.
- Words and expressions used herein and not defined in these regulations but defined in the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1992 or the Depositories Act, 1996 or in the concerned Regulations issued by SEBI shall have the same meanings respectively assigned to them in those Acts/ Regulations.

Amendment to Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 (FDI Regulations)

Notification No. FEMA 385/2017-RB dated March 3, 2017 issued by RBI.

The RBI has issued the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2017 *vide* aforesaid amending FDI Regulations to give effect to the amendment to FDI Policy relating to LLP made by the Government of India *vide* Press Note No. 12 (2015 Series) dated November 24, 2015. The amendments are made to Regulation 5(9) and Schedule 9 of the FDI Regulations.

For detailed amendment please refer the aforesaid notification as available on RBI website at: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10876&Mode=0>.



Notification No. FEMA 387/2017-RB dated March 9, 2017 issued by RBI.

The RBI has issued the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourth Amendment) Regulations, 2017 *vide* aforesaid amending FDI Regulations to give effect to the amendment to FDI Policy relating to e-Commerce LLP made by the Government of India *vide* Press Note No. 3 (2016 Series) dated March 29, 2016. By this amendment clarity is provided on FDI in e-Commerce.

For detailed amendment please refer the aforesaid notification as available on RBI website at: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10884&Mode=0>.

CO-OPERATIVE SECTION
(Contributed by CA. Ramesh Prabhu)



Co-op. Housing Society allowed to be registered without Occupation Certificate: Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State, Pune *vide* Circular dated 3rd March, 2017 has given following directions at the time of registration of Co-operative Societies.

- (a) The buildings in which more than 51% flats are sold can be registered as against the earlier requirement of 60%.
- (b) Even, if Occupation Certificate is not available, the chief promoter may produce the approved plan and documents in support that the building is not illegal and has been done as per the prevailing Development Control Rules, the Deputy Registrar should proceed with registration of the Co-operative Societies without Occupation Certificate.

Hon'ble CM Shri Devendra Fadnavis has given the approval for the Maharashtra Real Estate Regulation and Development Rules which will be notified very shortly and the provision of RERA will be applicable through out Maharashtra from 1st May, 2017 for both ongoing projects where there are no Occupation Certificates and new projects.

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

DIRECT TAX
(Contributed by CA. Paras K. Savla & CA. Hemant Shah)



S. 2(42A) Computation of period of holding of asset

The holding period of the asset should be computed from the date of issue of allotment letter and not from the date of registration of agreement – *Anita D. Kanjani vs. ACIT [2017] 79 taxmann.com 67 (Mumbai-Trib.)*

S. 37(1) Commercial expediency

An expenditure incurred voluntarily and without any necessity would be allowable so long as it has been incurred for promoting the business of the assessee. Assessee's payment to TV Channel was considered to be paid out of commercial expediency – *Shah Rukh Khan vs. ACIT [2017] 79 taxmann.com 227 (Mumbai-Trib.)*

S. 37(1) – Commercial expediency

The assessing officer being a statutory authority under the Act is bound to respect all the laws that may be made by the Parliament or may be made by the State Legislature. He has no jurisdiction to examine the Constitutional validity of any Act or the statute or a subordinate legislation which creates statutory liability upon the assessee to make the payment by way of an expenditure incurred. The Assessing Officer has no authority or competence to hold that the privilege fee is not having the character of statutory fee or that the State Legislature or the State Government in exercise of its power by way of a delegated

legislation, cannot decide the quantum of fee or the percentage of the revenue on the income earned from the business. If any businessman or a professional has incurred expenses by way of discharge of statutory obligation to get a licence to do business or to get a licence to undertake profession such expenditure in any case can be termed as an expenditure on account of necessity of the business or profession – *CIT vs. Karnataka State Beverages Corporation Ltd. [2017] 79 taxmann.com 125 (Karnataka)*.

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

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



Atos Information Technology HK Ltd. vs. DCIT-9(1)[TS-54-ITAT-2017(Mum)] dated 9th February, 2017

Facts

Atos Information Technology HK Ltd. is a non-resident company, engaged in the business of providing services/facilities for data processing through computer hardware and software to banking entities. It had entered into a contract, for the provision of data process support to Standard Chartered Bank India (SCB India), which is engaged in banking business in India.

AO pointed out that the contract for computing services was governed by a "Cocteau agreement" and the payment made by SCB was in the nature of royalty and FTS. CIT(A) affirmed AO's order.

Aggrieved by the order of CIT(A), the assessee preferred an appeal before ITAT.

Issue

Whether payments made by Standard Chartered Bank (SCB), India to the assessee are payments for "Royalty" or "Fees for Technical Services (FTS)"?

Held

Before ITAT Revenue contended that assessee did not merely provide data processing services, but also provided technology in the form of data centre, infrastructure, connectivity and application technology for its banking operations by creating / providing facility in the form of dedicated centres for exclusive use of SCB India with disaster recovery and storage facility. Revenue further added that since assessee provided technical, managerial and consultancy services to SCB, therefore, it also fell under the ambit of FTS.

ITAT observed that there was no transfer of any technology, information, knowhow or any of the terms used in Explanation 2 to section 9(1)(vi) or any provision of technology in the form of data centre, infrastructure, connectivity and application technology by the assessee to SCB India. It had only provided a standard facility for data processing without any human intervention.

Further ITAT relied on previous rulings and held that, if services are provided through fully automated standard facility, the same cannot be reckoned as rendering of technical services as contemplated u/s. 9(1)(vii) of the Act. Thus it ruled that the payment made by SCB to assessee-company does not fall within the realm of royalty or FTS and hence cannot be taxed in India.

ITAT thus ruled in assessee's favour.

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



SERVICE TAX

(Contributed by

CA. A. R. Krishnan & CA. Girish Raman)



Business Auxiliary Services

Cash discounts received by *Del credere* Agent on account of making early payments to principal even before receipt of payment from purchaser would not be considered as part of the commission received by such agents so as to be liable for Service tax under Business Auxiliary Services [*Khanna Plumbers vs. CCE (2017) 47 STR 82 Tri.-All.*].

Where the assessee was engaged in processing disposable waste water received from factory and releasing the same through common drainage into common effluent treatment plant the same will not amount to processing of goods on behalf of client and hence demand of service tax thereon under the category of business auxiliary services is not admissible [*Odyssey Organics P. Ltd. vs. CCE (2017) 47 STR 289 (Tri.-Mumbai)*].

Valuation

On an issue whether the value of materials e.g., nuts and bolts etc. sold by the Service provider to Service Receiver during the course of providing repairs and maintenance services would be includible in the value of taxable services where the assessee was issuing separate invoices to service receiver one indicating value of goods sold on which VAT was paid and other indicating value of services, the Tribunal held that since there was a documentary proof as required under Notification No. 12/2003 the benefit of said notification was available to the assessee and hence value of materials cannot be included in the value of services [*CST vs. Raj Engineering (2017) 47 STR 286 (Tri.-Del.)*].

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