

WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER



**THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF INDIA**

(Set up by an Act of Parliament)



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CHAIRMAN'S COMMUNICATION

Respected Members,

"The best preparation for tomorrow is doing your best today." – H. Jackson Brown, Jr.

Keeping these words in mind, we are preparing for the upcoming legislations which have promised a wide platform of professional opportunities for all.

Knowing that businesses across India, from multi-national corporations (MNCs) to micro, small & medium enterprises (MSMEs) are gearing up for GST, we are committed to spreading this knowledge and education to members as well as students, who shall be responsible for smooth functioning and compliance going forward. I am also sure that the young and vibrant brigade of fresh Chartered Accountants will support the law makers.

We are updating awareness about GST through intensive courses, seminars and by publishing a highly insightful book on GST. All the Branches and

Study Circles across the entire Region have taken commendable efforts to organise quality programs to bring members up to date on the upcoming legislations.

In the month of May, we conducted numerous seminars and group discussions on a diverse but critical range of subjects. Our sector specific interactive seminars on real estate with its focus on ReITs, RERA and impact of GST on the sector was very well received by attending members. We were proud to have Hon'ble Commissioner Service Tax Shri Shyam Raj Prasad share his insights on the issues on GST implementation and solutions to the initial bottlenecks. We assured him of complete support from ICAI and our members for GST.

Keeping our focus on GST intact, I am happy to say that we have hosted multiple programmes to ensure that all members benefit from our knowledge pool. We have organised a special GST session only for Women CAs along with a series of intensive workshops and seminars on GST. We had called upon the Regional Director of ROC, Mumbai, Shri A. K. Chaturvedi, who showed keen interest on having an internal GST seminar for officials of ROC, Mumbai. I am proud to state that not only was it organised at very short notice, we also received accolades for the same.

We hosted a Lecture Meeting on the new provisions on filing of Statement of Financial Transactions u/s 285 BA of the Income Tax Act, 1961, where Shri Jai Raj Kajla, Hon'ble Director Intelligence (I & IC) addressed members in a houseful gathering at our BKC Auditorium. Shri Kajla was all praises for our facility and arrangements in a very short time frame. We once again pledged the support of ICAI and its members to the Regulators.

As an ongoing process for continuous education we also inaugurated back ground material for GST in the form of a book which will give brief yet deep insights, useful for finance professionals across sectors. This ready reckoner will serve as an indispensable guide for GST at our finger tips, ensuring better service for our clients. I appreciate the contributions by CA. Avinash Poddar, his team and our members towards this useful publication.

Keeping our future professionals in mind, we also organised a five day GST series for students to bring awareness to them and help them get a better understanding of this revolutionary change in Indirect Taxation.

The 'New Members Meet and Felicitations of Rank Holders' programme was a proud day for all – the students, parents and members. We felicitated the Rank Holders and welcomed the new members into our strong family. I am sure they will be great future brand ambassadors of ICAI and always keep our flag flying high.

The International Study Tour to England and Scotland received tremendous response and is currently going very well. I am sure the attending members will benefit immensely from understanding global best practices.

The visit to our branches of Bhuj, Gandhidham, Rajkot, Nashik, Pune, Kalyan-Dombivli and Vasai as well as Study Circles was well appreciated. These regular interactions with members across the Region is ensuring that our vision to 'Scale Up Rise Up' is propelled in the right direction with support from Branches, Study Circles and Study Groups. As I park my pen, our activities in the past month remind me of the famous lines by Richard Branson, "If somebody offers you an amazing opportunity but you are not sure you can do it, say yes – then learn how to do it".

With Warm Regards

CA. Vishnu Agarwal
Chairman

Forthcoming Events
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Law Updates
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Team WIRC Branch Visit



Bhuj



Solapur

Gandhidham



Nanded



Pune



Jamnagar



Kalyan Dombivali



Latur



Rajkot



Nashik



Vasai



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.
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. Chandrashekher Iyer Shri Subhash Patil (Jt. Registrar CIDCO) 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
10/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Real Estate (Regulation and Development) Act [RERA] <ul style="list-style-type: none"> Inauguration – Dynamics of Act Definition & Scope, Registration formalities, Rights & Duties of Promoters, Allottees & Agents Accountability & Transparency, Permissions & Reporting Compliances. Liabilities, Prosecution, Penalties, Appeals Transition policy and Role of a Chartered Accountant Current Practice in Industry vs. Proposed new Practice 	CA. Tarun Ghia, CCM CA. Jagdish Punjabi CA. Jayesh Kariya CA. Rajendra Shah CA. Ashwin Shah Moderator	CA. Sushrut Chitale 9821112904 CA. Priti Savla 9321426883 CA. Lalit Bajaj 9867692321 CA. Shilpa Shinagare 9820053395	CA. Sharad Bhutra 9594950056 CA. Anand Chandak 9850154466 CA. Kapil Laddha 7738386661 CA. Charmi Shah 9833917620
24/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	NBFC – Regulatory & Technological Paradigm and Contours of Growth <ul style="list-style-type: none"> Inauguration – NBFC – An overview (fastest growing sector) NPA & Stress Loan in Banking and NBFCs – Recent impediments in Banking Regulation Act., Insolvency Code Risk Management (change in risk management practices due to fast change in environment) Opportunities for CA in NBFC space. (Entrepreneurial, employment, compliance, risk management, consultancy) Fintech – A key enabler for next phase of growth 	Eminent Faculty Eminent Faculty CA. Sanjay Agarwal Moderator	CA. Sandeep Jain 9819788099 CA. Lalit Bajaj 9867692321 CA. Drushti Desai 9820335923	CA. Arvind Pande 9699030260 CA. Nandan Khambate 9969955696 CA. Vikas Vishwasrao 9892915272

Western India Regional Council of The Institute of Chartered Accountants of India

WIRC REFERENCE MANUAL 2017-18

FOURTEENTH EDITION

PRICE ₹ 300
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Available From 3rd June
ICAI BKC, CUFFE PARADE, BRANCHES AND STUDY CIRCLES

WIRC Website : <http://www.wirc-icai.org>

Topics: CA ACT & REGULATIONS, ACCOUNTING & AUDITING, INDIRECT TAX, COMPANY LAW, OTHER LAWS, INCOME TAX, MISCELLANEA

Foundation Day Celebrations
~ 12th year ~
Mile Sur Mera Tanhara
1st July, 2017

Day & Date : Saturday, 1st July, 2017
6.00 p.m. to 10.00 p.m.

at
Wharfas Hall,
Near Mithibai College,
Vile Parle (West),
Mumbai - 400056



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.
24/06/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Initial Public Offer (IPO) Conclave 2017 <ul style="list-style-type: none"> Keynote Address: Indian Capital Markets and importance of Primary Market Technical Session 1: Roadmap for IPO, Preparing for an IPO, Financial reporting requirements in an IPO process, Role of Chartered Accountants in an IPO process Technical Session 2: Eligibility requirements for IPO, Process of an IPO, Key requirements of SEBI (ICDR) Regulations, Key contents of DRHP Panel Discussion: Initial Public Offer: End of the Beginning? – Mr. V. T. Bharadwaj*, Mr. Utpal Sheth*, CA. Gautam Arora*, CA. Kavita Shah*, CA. Akshay Bhandari* Technical Session 3: Recent trend in primary markets, Lead Managers perspective into the IPO process, What do investors expect in a IPO prospect 	Mr. R. S. Loona CA. Anand Bathiya CA. Dhaval Vussonji Ms. Sujaya Moghepadhye	CA. Sandeep Jain 9819788099 CA. Hardik Shah 9825510422 CA. Satyanarayan Mundada 9422080814	CA. Mukund Mall 9322224142 CA. Abhishek Shah 9773050495 CA. Vidhyut Jain 9892414386
01/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Audit & Taxation of Charitable Organisation <ul style="list-style-type: none"> Registration & Regulatory Aspects of Charitable Organisations Accounts & Audit Provisions of Charitable Organisation under Maharashtra Public Trust Tax Act Taxation of Charitable Organisation 	CA. Rajkumar Adukia, Past CCM CA. Vipin Batavia CA. Vimal Punmiya	CA. Kamlesh Saboo 9819195333 CA. Umesh Sharma 9822079900 CA. Abhijit Kelkar 9422126890	CA. Amol Kamat 9823018763 CA. Mayur Momaya 9867952010 CA. Swati Bhatkar 9967537989
01/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Ind AS <ul style="list-style-type: none"> Inauguration Session Key issues in Audit report and Reporting under CARO (Section 143(11), Auditor's Appointment and Rotation u/ss. 139(1) & (2) and Reporting as per Section Implication of Companies Accounting Standards Amendments Rules, 2016 on Financial Accounts with focus of Property, Plants and Equipment (AS-10) Format of and Notes to the Financial Statements as per Ind AS (Schedule III) Ind AS Financials and Notes on 1st Time adoption IFC & Risk Governance : Changing Landscape [IFC Risk Management, changing Role of Auditors, Audit Committee & Independent Directors, Shareholder's Activism Class Action Suits etc.] 	Eminent Personality CA. Khushroo Panthaky CA. Anand Banka CA. Parag Kulkarni CA. Sanjiv Shah	CA. Purushottam Khandelwal 9825020844 CA. Sushrut Chitale 9821112904 CA. Aniket Talati 9825551448	CA. Gaurav Save 9969001607 CA. Vikram Joshi 9821733286 CA. Ankit Sanghavi 9820689003
08/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Impact Analysis of Ind AS and ICDs on Tax <ul style="list-style-type: none"> Revenue recognition, construction contracts, leases and Government Grants Tangible assets, Intangible assets, provisions, contingent assets and liabilities, and borrowing cost Accounting policies, Changes in accounting Estimates and Errors, Events after the Reporting Period, inventories, Financial Instruments, effect of changes in foreign exchange rates Ind AS on Business combination and tax provisions Impact of Ind AS on MAT 	Eminent Faculty Eminent Faculty Eminent Faculty CA. Paresh Clerk CA. Yogesh Thar	CA. Drushti Desai 9820335923 CA. Sushrut Chitale 9821112904 CA. Priyam Shah 9824096112	CA. Hrishikesh Wandrekar 9892919239 CA. Ayushy Seksharia 9699760925 CA. Nikita Mall 9969873294
15/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Anti-avoidance Provisions <ul style="list-style-type: none"> Analysis of the provisions of General Anti Avoidance Rule – Chapter X-A of the Income-tax Act Anti Avoidance Provisions under tax treaties and domestic laws Analysis of the Base Erosion Profit Shift provisions Concept of Place of Effective Management under the Income-tax Act and case studies 	CA. Gautam Doshi CA. Yogesh Thar CA. T. P. Ostwal CA. Pinakin Desai	CA. Drushti Desai 9820335923 CA. Manish Gadia 9820537986 CA. Lalit Bajaj 9867692321	CA. Vijayta Jaiswal 9322874586 CA. Ushma Shah 9987633084 CA. Bhavin Parekh 9820943638



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.
22/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Tax planning for NRIs <ul style="list-style-type: none"> Tax Planning for NRIs FEMA Regulation relating to a) Investments in India b) Investments outside India with rupee funds Do's & Don'ts under FEMA for NRIs TDS provisions for payment to non-residents 	CA. Namrata Dedhia CA. Rajesh P. Shah CA. Gaurang Gandhi CA. Rutvik Sanghvi	CA. Shilpa Shinagare 9820053395 CA. Aniket Talati 9825551448 CA. Sarvesh Joshi 9822022292	CA. Ritesh Hibare 9773418343 CA. Bipeen Mundade 9223290561 CA. Hiral Mehta 9892592283
22/07/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on ICDS <ul style="list-style-type: none"> 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. Sanjeev Pandit CA. Bijal Desai CA. Chandresh Bimani CA. Ameet Patel	CA. Pradeep Agrawal 9898560967 CA. Priti Savla 9321426883 CA. Satyanarayan Mundada 9422080814	CA. Abhishek Katre 9821968858 CA. Sunil Sharma 9769949829 CA. Sheetal Mehta 9969403883
05/08/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on FEMA <ul style="list-style-type: none"> FDI & Indirect foreign investments Outbound investments External commercial borrowings Compounding of contraventions 	CA. Isha Sekhri CA Hinesh Doshi CA. Shabbir Motorwalla CA. Naresh Ajwani	CA. Rakesh Alshi 9819427242 CA. Kamlesh Saboo 9819195333 CA. Abhijit Kelkar 9422126890	CA. Yash Bansal 9819977988 CA. Nayna Barwe 9820082480 CA. Vivek Shah 9819633348
12/08/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on HUF & Family Arrangements <ul style="list-style-type: none"> Preparation of Will and Documents in relation to HUF & Family Arrangements Taxation of HUF, Family Arrangements, Trust & WILL Tax Planning through HUF & Family Arrangements 	Adv. Priyahas Jani CA. Vimal Punmiya CA. Nina Kapasi	CA. Sandeep Jain 9819788099 CA. Balkishan Agarwal 9377110634 CA. Vikrant Kulkarni 9881880073	CA. Y. R. Desai 9820448365 CA. Milind Joshi 9930033939 CA. Ajeet Taparia 9920710121
18/08/2017 19/08/2017 Friday & Saturday 12 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 2,400/-	Seminar on Internal Audit Friday, 18th August, 2017 <ul style="list-style-type: none"> Internal Audit (IA) Methodology – (IA Infrastructure – Charter / Manual, Risk based IA Plan, IA Process, Reporting, Follow up, ACM, etc.) Risk based IA Plan – (Developing a Risk based IA Plan and updating the Audit Universe) Process Audit – (Audit Process, Sampling, Data Analytics, Audit Evidence & Documentation & Red Flag Indicators) Report Writing – (Presentation of findings, root cause, Impact, recommendations, Management actions & observations & report rating) Saturday, 19th August, 2017 <ul style="list-style-type: none"> Standards on Internal Audit – (Importance of Standards and Compliance) Data Analytics & Tools and Audit Management Software – (Importance of data analytics in IA, application of various tools for data analytics and Audit Management Software) Stakeholder Management & Soft Skills Quality Assurance of IA – (Framework, review of internal and external quality) 	CA. Murtuza Kachwala Eminent Faculty Eminent Faculty CA. Swaminathan CA. Huzeifa Unwala Eminent Faculty Eminent Faculty Eminent Faculty	CA. Pradeep Agrawal 9898560967 CA. Vikrant Kulkarni 9881880073 CA. Hardik Shah 9825510422	CA. Abhijit Totade 9819659151 CA. Nehal Turakhia 9833991898 CA. Sandesh Bhandare 9930398330
12/08/2017 Saturday 6 CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Domestic Transfer Pricing <ul style="list-style-type: none"> Indian TP landscape version 2020 India's response to BEPS in TP PE a reality, how to go about attribution of Profits to PE Applicability of TP in other areas - Companies Act, GST, Customs, etc. 	CA. Rachesh Kotak CA. Amit Amlani CA. Bipin Pawar CA. Arun Saripalli	CA. Aniket Talati 9825551448 CA. Sarvesh Joshi 9822022292 CA. Manish Gadia 9820537986	CA. Aniket Kulkarni 9821690559 CA. Shipra Mittal 8080000809 CA. Siddharth Gupta 8080443080



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.
02/09/2017 09/09/2017 16/09/2017 23/09/2017 Saturdays	10.00 a.m. to 1.00 p.m. ₹ 2,400/-	Refresher Course in Transfer Pricing 2nd September, 2017 <ul style="list-style-type: none"> Recent Transfer Pricing Developments in India (including secondary adjustment) Key Transfer Pricing Rulings 9th September, 2017 <ul style="list-style-type: none"> BEPS Action Plans 13 – Country By Country Reporting BEPS – Action Plan 8 to 10 (Intangibles) 16th September, 2017 <ul style="list-style-type: none"> APA & MAP – Status update Industry specific transfer pricing issues – Manufacturing & Service industry 23rd September, 2017 <ul style="list-style-type: none"> Brainstorming – Question & Answers [Panel Discussion] 	CA. Vispi Patel CA. Sunil M. Lala CA. Rohan Phatarphekar Shri Anis Chakravarty CA. Tehmina Sharma CA. Mukesh Bhutani CA. T. P. Ostwal CA. Samir Gandhi CA. Dilip Bhatia CA. Vishweshwar Mudigonda CA. Samir Shah	CA. Rakesh Alshi 9819427242 CA. Umesh Sharma 9822079900 CA. Vikrant Kulkarni 9881880073	CA. Vinit Vyas 9930766805 CA. Dhavni Karia 9819900489 CA. Adesh Gupta 9819806769

12 CPE Hrs

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.
10/06/2017 Saturday	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Seminar on Public Finance & Government Accounting <ul style="list-style-type: none"> Overview of Public Finance Public Finance and Role of Auditors <ul style="list-style-type: none"> All about Accrual Based Double Entry System of Accounting Approach and Methodology in Govt. Accounting 	CA. Sunil Mone CA. Yogesh Fatehpuria Eminent Faculty CA. Vinod Agrawal	CA. Shilpa Shinagare 9820053395 CA. Kamlesh Saboo 9819195333	CA. Supriya Sanghvi 8976333379 CA. Saurabh Singh 9773679465
17/06/2017 Saturday	10.00 a.m. to 6.00 p.m. ₹ 1,200/-	Conference on Ind AS: Practical perspective of implementation of Ind AS in India <ul style="list-style-type: none"> Convergence to Ind AS and Fair Value Measurement Key considerations for implementing Financial Instruments Standards for Non-Financial Institutions Consolidation of Accounts as per Ind AS: How it impacts Ind AS Financial Statements Business Combination and Revenue Recognition Panel Discussion and Q&A Session: Industry related implementation challenges 	CA. Dhinal Shah CCM CA. Amarjit Chopra <i>Past President, ICAI</i> CA. P. R. Ramesh CA. Sudhir Soni CA. Sumit Seth	CA. Purushottam Khandelwal 9825020844 CA. Sushrut Chitale 9821112904 CA. Aniket Talati 9825551448	CA. Sachin Holmukhe 9820561266 CA. Jayesh Vora 9820274272 CA. Vikram Joshi 9821733286

Organised by Ind AS Implementation Committee of ICAI

Hosted by WIRCOF ICAI

SIXTY SIXTH ANNUAL GENERAL MEETING OF WIRC OF ICAI

NOTICE is hereby given that the Sixty Sixth Annual General Meeting of the Western India Regional Council of The Institute of Chartered Accountants of India, will be held on Friday, 30th June, 2017 at 9.30 a.m. at ICAI Tower, Near Standard Chartered Bank, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, to transact the following business:

- To receive the Sixty Sixth Annual Report of the Western India Regional Council of ICAI.
- To receive the Audited Financial Statements of WIRC of ICAI for the year ended 31st March, 2017 and
- To transact any other business with the permission of the Chair.

BY ORDER OF THE WESTERN INDIA REGIONAL COUNCIL OF ICAI

CA. Aniket Talati
Secretary
Date: 30th May, 2017

Notes:

The 66th Annual Report of WIRC of ICAI is hosted on <http://www.wirc-icai.org>. The hard copies of the same shall be supplied to members on request received in writing. Members requiring any further information / details etc., in respect of the above should send a written request addressed to the Secretary, Western India Regional Council of ICAI by 21st June, 2017.

DIRECT TAX

(Contributed by

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



Pradhan Mantri Garib Kalyan Yojana, 2016 [246 TAXMAN (st.) 123]

CBDT *vide* Circular No. 9 of 2017 dated 14/3/2017 clarified that where the undisclosed income is represented in the form of deposits in an account maintained with a specified entity, it is not necessary that the said deposits should exist on the date of making payments under the Scheme or furnishing a declaration under the Scheme. However, where the undisclosed income is represented in the form of cash, it is clarified that such cash should exist on the date of making payment of tax, surcharge and penalty under the Scheme or on the date of making the deposit under the Pradhan Mantri Garib Kalyan Deposit Scheme, 2016, whichever is earlier.

Option form for taxation of income from patent u/s. 115BBF [246 TAXMAN (st.) 159]

The CBDT *vide* Notification No. GSR 318(E) dated 31/3/2017 gives Income Tax (Fifth Amendment) Rules, 2017. It inserts rule 5G. It prescribes Form No. 3CFA which eligible assessee shall furnish for the purposes of exercising the option for taxation of income by way of royalty in respect of a patent developed and registered in India. This form is to be filed electronically under digital signature or through electronic verification code. This form is to be furnished on or before the due date specified in Explanation 2 below sub-section (1) of section 139 for furnishing the return of income for the relevant assessment year, in case the option is exercised for the assessment year.

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 22/4/2017 under section 9(1) of MVAT Act by which Entry 10 in Schedule D is amended to enhance the VAT rate on motor spirits from 22/4/2017.

The Government of Maharashtra has issued notification dated 19/4/2017 under section 8(3C) of MVAT Act by which textile processes are covered by said section for prior period.

The Government of Maharashtra has issued notification dated 19/4/2017 under section 8(3D) of MVAT Act to grant exemption for the processing of yarn like sizing and warping.

The Government of Maharashtra has issued notification dated 19/4/2017 under section 30(5) whereby subject to conditions remission of 75% of interest is granted to dealers who have failed to obtain registration within the prescribed period.

Profession Tax

By notification dated 19/4/2017, the Profession Tax Rules are amended. Amongst others, changes are made in interest rates and periodicity.

Notification dated 19/4/2017 is issued under section 6(3) of the Profession Tax Act whereby late fee is exempted subject to conditions.

Notification dated 19/4/2017 is also issued under section 4(B) of the Profession Tax Act whereby insurer registered under IRDA are made liable to deduct tax from payments to chief agents etc. as given in the notification.

For more details visit www.wirc-icai.org

GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)



Form 201-C (Return of Stock)

Vide Notification No: (GHN-15) VAR-2017(44)/Th, dated 12th May, 2017, Rule 19, Providing for Periodicity of Returns is amended. Earlier, dealer liable for Monthly Returns had to submit Form 201-C, being return of stock, on Quarterly basis and the dealer liable for quarterly Return had to submit Form 201-C on half yearly basis. With this amendment, dealers liable for Monthly Return shall have to submit Form 201-C also monthly only and the dealers liable for Quarterly return shall have to file Form 201-C also Quarterly Only.

Manual Challans

Amount Payable in excess of ₹ 50,000/- including tax, interest & penalty is to be paid mandatorily by way of e-Payment only. *Vide* Public Circular No. : GUJKA/VAT-68/17-18/otw. 198/172 dated 5/5/2017, relief is granted that manual challans for amounts exceeding ₹ 50,000/-, paid otherwise than by way of e-Payment, up to 31/3/2017, shall be accepted up to 31st May, 2017, after due verification and no penal action will be taken.

CORPORATE LAWS

(Contributed by CA. Rahul Joglekar)



MCA (www.mca.gov.in)

MCA Notification GSR (E) dated 11th May 2017 – Companies (Acceptance of Deposits) (Amendment) Rules, 2017

MCA has notified the aforesaid rules to amend the rules pertaining to acceptance of deposits by companies. The requirement of having mandatory deposit insurance has been relaxed till 31st March 2018 or till the availability of deposit insurance product, whichever is earlier. For complete text of the notification, please refer the link: http://www.mca.gov.in/Ministry/pdf/CompaniesAcceptanceofDeposits_12052017.pdf.

CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)



Notification

Exemption from levy of excise duty on manufacture of various machineries and components supplied to Mega Power Project subject to certain conditions:

The excise duty shall be exempted on manufacture of machineries, instruments, power cables or any other items which are *supplied* to a project certified to be a Mega Power Project. If such certification is provisional in nature, the Project CEO is required to furnish a security in the form of Fixed Deposit Receipt (FDR) from any Scheduled Bank for a term of One Hundred and Twenty Six months (i.e., 126 months) for an amount equal to excise duty payable on such clearances.

The project developer is required to submit Final Mega Project Certificate within a period of One Hundred and Twenty months (i.e., 120 months) from the date of clearance of such excusable goods. The failure on part of developer shall result into apportionment of such FDR towards excise duty payable on such clearances.

(Notification No. 08/2017 – C.E. (Tariff), dated 16th May, 2017)

General practice of non-levy of excise duty on Heena Powder and Paste:

From 1st January 2007 to 1st March 2013, a general practice has been followed regarding non-levy of Excise Duty on Heena Powder & Paste which falls under Chapter 33 of First Schedule



of Central Excise Tariff Act, 1985. The Central Government, on its satisfaction of existence of such general practice has specified that, during such period, excise duty shall not be required to be paid on Heena Powder & Paste.

(Notification No. 11/2017- C.E. (N.T.), dated 24th April, 2017)

SERVICE TAX

(Contributed by CA. Rajiv Luthia)



CBEC vide Order No.1/2017-ST dated 25th April, 2017 has extended the due date of filing half yearly Service Tax Return for the period from 1st October, 2016 to 31st March, 2017 from 25th April, 2017 to 30th April, 2017.

Central Government vide Notification No.17/2017-ST dated 4th May, 2017 has amended Mega Exemption Notification No. 25/2012-ST dated 20th June, 2012 by inserting Entry No. 26A (g) whereby exemption is granted to services of life insurance business provided under "Pradhan Mantri Vaya Vandana Yojana."

FEMA

(Contributed by CA. Manoj Shah,

CA. Sudha G. Bhushan & CA. Mitesh Majithia)



Draft Regulation under Foreign Exchange Management Act, 1999 for Cross Border Mergers

Press Release 2016-17/2909 dated April 26, 2017 issued by the Reserve Bank of India (RBI).

Section 234 of the Companies Act, 2013 (the Act) provides for mergers and amalgamations between Indian companies and foreign companies. Accordingly, Ministry of Corporate Affairs (MCA) has issued Companies (Compromises, Arrangements and Amalgamation) Amendment Rules, 2017 on April 13, 2017 to operationalize the aforesaid section of the Act.

Consequently, the RBI has proposed the regulation under the Foreign Exchange Management Act, 1999 in order to address the issues that may arise when an Indian company and a foreign company enter into Scheme of merger, demerger, amalgamation, or rearrangement. These Regulations stipulate conditions that should be adhered to by the companies involved in the Scheme. The Regulations shall be named Foreign Exchange Management (Cross Border Merger) Regulations.

The RBI had, on April 26, 2017, placed the draft of said proposed regulation on its website inviting views and comments on the proposed regulations public, including the stakeholders and experts in the area to be sent latest by May 9, 2017 on e-mail to cofidpolicy@rbi.org.in with the subject "Cross Border Mergers – Comments/Suggestions".

The draft regulations is available at RBI website at https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3343

CO-OPERATIVE SECTION

(Contributed by CA. Ramesh Prabhu)



MH Co-operative Empanelment

Vide Commissioner circular dated 24th April, 2017, Co-operative Empanelment has been opened from 27th April to 12th May and thereafter the same has been extended up to 22nd May 2017.

WIRC Chairperson CA Shilpa Shinagare conducted Webcast on empanelment process to connect with the members at large and thus was first ever webcast conducted by WIRC.

WIRC Chairperson CA Shilpa Shinagare has also conducted Video Conferencing with representatives to DDR Scrutiny Committee from out of Mumbai branches to appraise them their role and WIRC expectation from them.

Representations are made regularly by the WIRC to resolve various practical & technical issues regarding the uploading of the empanelment details on www.mahasahakar.maharashtra.gov.in website and also to grant the extension of date for submitting the details.

Dr Jagdish Patil, IAS, has taken over the charge as the new Co-operative commissioner in place of Shri Chandrakant Dalvi. CA. Shilpa Shinagare, Chairperson Co-operative Committee (Mah and Goa) of WIRC of ICAI has greeted the new Commissioner on the first day of his taking charge.

Update on RERA

Website: Maharashtra Real Estate Regulatory Authority website is completely operational www.maharera.mahaonline.gov.in. effective from 1st May 2017.

Maharashtra Real Estate Authority (General) Regulations, 2017 has been published on 24th Apr 2017. It has form 3 and form 5 to be issued by two different Practicing CAs for withdrawal of money and annual audit respectively.

On 11th May 2017 an official order has been issued defining the co-promoter and their liability which are similar to promoter. Thus they will also have to appoint Architect, Engineer and CA to withdraw from 70% separate RERA Account of the amount received from sale proceeds and also carry out the audit by a separate auditor.

Registered real estate projects and real estate agents are available for viewing for public with all the project details.

Visit WIRC Co-op. Section for all the Co-op. updates and representations.

DIRECT TAX

(Contributed by

CA. Paras K. Savla & CA. Hemant R. Shah)



Supreme Court & High Courts

S. 14A Disallowance of expenditure incurred to earn exempt income

S. 14A would operate to disallow deduction of all expenditure incurred in earning the dividend income under section 115-O which is not includible in the total income of the assessee. So far as the provisions of section 115-O of the Act are concerned, even if it is assumed that tax paid u/s. 115-O is additional income tax on the dividend and not on the distributed profits of the dividend paying company, no material difference as to the applicability of section 14A would arise. Sub-sections (4) and (5) of section 115-O of the Act makes it very clear that the further benefit of such payments cannot be claimed either by the dividend paying company or by the recipient assessee. The provisions of sections 194, 195, 196C and 199 of the Act, would further fortify the fact that the dividend income under section 115-O of the Act is a special category of income which has been treated differently by the Act making the same non-includible in the total income of the recipient assessee as tax thereon had already been paid by the dividend distributing company.

Sub-sections (2) and (3) of Section 14A of the Act read with Rule 8D of the Rules merely prescribe a formula for determination of expenditure incurred in relation to income which does not form part of the total income under the Act in a situation where the Assessing Officer is not satisfied with the claim of the assessee. Whether such determination is to be made on application of the formula prescribed under Rule 8D or in the best judgment of the Assessing Officer, what the law postulates is the requirement of a satisfaction in the Assessing Officer that having regard to the accounts of the assessee, as placed before him, it is not possible to generate the requisite satisfaction with regard to the



correctness of the claim of the assessee. It is only thereafter that the provisions of section 14A(2) and (3) read with Rule 8D of the Rules or a best judgment determination, as earlier prevailing, would become applicable – *Godrej & Boyce Manufacturing Company Ltd. vs. DCIT [2017] 81 taxmann.com 111 (SC)*.

For more details visit www.wirc-icai.org

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



Saira Asia Interiors Pvt. Ltd. v/s ITAT [TS-134-ITAT-2017(Ahd)] dated 28th March, 2017

Facts

The assessee Saira Asia Interiors Pvt. Ltd. was liable to make a payment on account of technical know how, to Saira Europe SPA, Italy. This liability was duly accounted for in the books of account in one financial year though the payment was made, a bit later, in the next financial year.

Assessee did not deduct TDS u/s. 195 on the ground that actual payment of royalty was made in subsequent year. However, AO held assessee in default u/s. 201(1)/(1A) during subject AY for TDS non-deduction.

CIT (A) confirmed the order. Aggrieved, assessee preferred an appeal before Ahmedabad ITAT.

Issue

Whether the appellant was liable to deduct tax at source at the time of crediting sum in the account of Saira Europe S.P.A. Italy or at the time of payment?

Held

Ahmedabad ITAT holds that as for the point of time of crediting the amount payable to non-resident, i.e. at the time of credit of such income to the account of payee, the royalty so paid by the assessee was not taxable in the hands of the resident, for the simple reason that, in terms of Article 13 of Indo-Italian DTAA- taxability of royalty is dependent on the payment by the resident of a contracting State and receipt of the same by the resident of the other contracting State.

Unless the actual payment takes place, the taxability under Article 13 of Indo-Italian DTAA does not arise. In other words, the mere fact that an Indian resident credits the amount of royalty payable to an Italian resident does not trigger taxability under Article 13 of the Indo-Italian DTAA.

Thus, so far as tax deduction at source liability under section 195 is concerned, all that is required to be seen is the taxability of income embedded in a payment, in the hands of the non-resident, as existing in law. If there is no tax liability in the hands of the recipient at the point of time when event triggering

tax deduction liability takes place- there is no question of tax deduction at source.

Thus it was held that the assessee (an Indian company) is not liable to deduct TDS u/s. 195 at the time of crediting royalty amount to the account of its Italy based group company. It also holds that liability to deduct TDS u/s. 195 shall apply only when actual royalty payment is made in the subsequent year.

With respect rate of tax, ITAT noted that Section 115A of the Act prescribe 10% tax rate whereas Article 13(2) of the DTAA prescribes 20% tax rate on royalties. Applying beneficial rate in view of Section 90 of the Act, ITAT held that tax should be withheld @ 10% as per Act, despite taxability being triggered on receipt basis as per DTAA.

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)



CENVAT Credit

CENVAT credit availed on Keyman Insurance policy taken for the Managing Director of the company is admissible since –

- The objective of taking such insurance policy is to protect the company from the loss that may occur to it in the event of the death of the keyman.
- On happening of the contingency, the sum assured is paid to assessee and not to the family of keyman.

In such circumstances, insurance services and auxiliary services availed for taking such keyman insurance policy cannot be said to fall within the exclusion part of definition of input service viz. service provided in relation to life insurance used primarily for personal use or consumption of employee. [*Anjani Portland Cements Ltd vs. CST (2017) 47 STR 326 (Tri.-Hyderabad)*].

Where the assessee has availed CENVAT credit of service tax paid by it under reverse charge mechanism in respect of goods transport agency services on the basis of TR-6 challan during the period prior to 16-6-2005, when the same was not a prescribed document under Rule 9 of CENVAT Credit Rules, 2004, Tribunal held that denial of credit on such grounds was incorrect. [*Indofil Chemicals Company vs. CCE (2017) 47 STR 394 (Tri.-Mumbai)*].

In the present case, the Tribunal held that denial of benefit of CENVAT credit to service recipient on the grounds that provider of service has not deposited tax with department is incorrect. [*Parker Markwell Indus Ltd. vs. CST (2017) 48 STR 59 (Tri.-Hyd.)*].

For more details visit www.wirc-icai.org



Information Technology Update Corner

CA. Ajay Dave

The IT Update Corner is intended to keep members abreast with news and views on the topic with short-url link to read the update in detail on the source webpage.

#CyberCrime #CyberSecurity Data Breach Digest: Perspective is Reality - the Verizon RISK (Research, Investigations, Knowledge, Solutions) Team investigates hundreds of cybercrimes. In the Data Breach Digest, are shared some of our most interesting cases, so you can learn from the lessons of others. 16 cybercrime case studies cover the most lethal and prevalent threats you face - from partner misuse to sophisticated malware along with the measures you can take to better defend your organisation and respond quickly if you are a victim of an attack. Download and read the report: <https://goo.gl/1hdvsq>.



#ArtificialIntelligence #AI For artificial general intelligence (AGI) it would be efficient if multiple users trained the same giant neural network, permitting parameter reuse, without catastrophic forgetting. PathNet is a first step in this direction. It is a neural network algorithm that uses agents embedded in the neural network whose task is to discover which parts of the network to re use for new tasks. The framework for AGI described above includes aspects of transfer learning, continual learning and multitask learning. Read more at: <https://goo.gl/nacv7z>.





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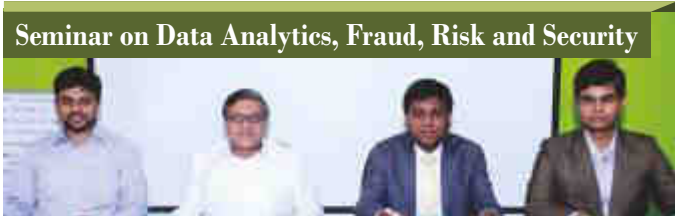
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