

# WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER



**THE INSTITUTE OF  
CHARTERED ACCOUNTANTS  
OF INDIA**

(Set up by an Act of Parliament)

**SCALE UP  
RISE UP**

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## CHAIRMAN'S COMMUNICATION

Respected Members,

"The most important thing is to enjoy your life and be happy – it's all that matters" – *Audrey Hepburn*.

This simple, yet deep thought very well sums up the special times of being with our beloved families. Diwali, the festival of lights and togetherness, was a very welcome rejuvenation for all of us.

The month of October saw a series of well curated and conceptualised programmes for members and students. As always, our team of hardworking Regional Council Members, Branch and Study Circle Leaders and Co-ordinators were in the forefront to support this vision while also providing invaluable inputs at every level.

Our regulators have, as usual, reposed their confidence in us. An in-depth IT training programme for the GST officials coupled with an interactive meet with Shri Suresh Kishnani, Commissioner of CGST and Shri Shyam Raj Prasad, Commissioner of GST, was hosted by us. This was attended by a galaxy of many senior GST Officers for better understanding the IT-centric system of Auditing. An interactive session was hosted on "Taxation of Derivatives" for officers of the Income Tax Department, and similarly we also hosted the officials from C&AG for their training session at our premises.

A workshop on mock ITAT session was organised and hosted by us. This workshop saw Hon'ble ITAT Members CA B. R. Bhaskaran, AM, and Shri Saktijit Dey, JM, preside as Judges who observed and lent their gracious judgment on the proceedings. This educational session was well appreciated by all in attendance.

Some interesting seminars on Capital Markets and Mergers & Acquisitions were very well attended and received positive reviews of members. The common agenda was how to explore professional opportunities.

The seminar on the very promising and challenging field of Fraud & Forensic Accounting gave insights into this unique form of accounting along with novel methods of investigation with case studies. Members, especially the young members, found this Seminar interesting as it opens new opportunities in this field.

I am proud to state that our robust network of WIRC Committees and Study Groups are continuously making a lot of efforts in conceptualising new ideas and converting them into actions for the benefit of Members, in Practice and Industry.

We organised meetings of these committees in October to review the progress of our projects and mutually discuss various new avenues that can be explored. Representations of members from across the Western Region and members in all sectors graciously invested their time and attended these meetings. I have already materialised many ideas and suggestions by Committee members.

Our Branch Co-ordination meeting had the hardworking leaders of branches of the region in attendance and it was heartening to see them sharing ideas for the common good. Our students are our future, we have and will always provide every possible infrastructure for their grooming and development. We are proud to state that we have organised the IPCC and Final Crash Courses for CA Students at a very nominal fee of Rs. 100/- per subject. A large number of our students have enrolled for the same and I am sure that they will reap the benefits of this initiative in times to come. I wish to express my compliments to CA Balkishan Agarwal, Chairman, WICASA, for his untiring efforts in this endeavour.

In these challenging times, we should remember that by fulfilling our duties to society and supporting the Government in nation building, our professional contribution will have a positive impact in the near future.

With Warm Regards,

**CA. Vishnu Agarwal**  
Chairman

**Forthcoming Events**  
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**Law Updates**  
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Branch Co-ordination Meeting



Seminar on Fraud & Forensic Accounting



Investment in Dubai



Interactive Meeting with Shri Robby Wells, USA



Seminar on Waste Management



Programme with C & AG





## 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.
18/11/2017 Saturday 	10.00 a.m. to 6.00 p.m. ` 1,416/-	<b>Seminar on Information Technology with GST</b> <b>Technical Session – 1   IT &amp; GST – Leveraging Technology for Successful Implementation</b> <ul style="list-style-type: none"> <li>Information Technology infrastructure for the Goods and Services Tax</li> <li>GST Software for Business</li> </ul> <b>Technical Session – 2   Big Data &amp; Data Analytics</b> <ul style="list-style-type: none"> <li>Impact of Big Data and Data Analytics in Business Development</li> <li>To Improve Operating Efficiency, Analytics is a way out</li> </ul> <b>Technical Session – 3   Data Security and Data Science</b> <ul style="list-style-type: none"> <li>“Protect-Detect-Investigate” in Data Security</li> </ul> <b>Technical Session – 4   Crypto Currencies &amp; Market Capitalisation &amp; Crypto Currency Security</b> <ul style="list-style-type: none"> <li>Security Regulation within the Crypto Currency Business</li> </ul> <ul style="list-style-type: none"> <li>Crypto currency &amp; Blockchain Technology</li> </ul> <b>Panel Discussion</b> <ul style="list-style-type: none"> <li>The role of accountancy and finance professionals to bridge the gap between the IT department and the stakeholders – <b>Moderator CA. Ninad Karpe</b>, Chairman, Western Region at Confederation of Indian Industry in Mumbai</li> </ul>	Eminent Faculty  Eminent Faculty  Shri Sumit Puri* <i>CIO, Max Healthcare</i> Shri Vijay Kumar* <i>Former Head of Analytics, SBI</i>  Shri Kanwal Mookhey* <i>CISA, CISSP, CISM - IOIS</i>  Prof. M. K. Bhandari* <i>Director at Law, SVKM's NMIMS</i> Shri Hemant Kumar* <i>CIO, Unocoin</i> Shri Sunita Sindwani* <i>GM, Export-Import Bank of India</i> Shri Raghunath Reddy* <i>Senior Vice-President-IT, UTI AMC Ltd.</i> Shri Mukesh K. Jain* <i>Group CIO Reliance Capital</i>	CA. Aniket Talati 9825551448 CA. Sarvesh Joshi 9822022292 CA. Purushottam Khandelwal 9825020844	CA. Gaurav Save 9969001607 CA. Amol Kamat 9823018763 CA. Parul Saraf 9821162477
18/11/2017 Saturday 	10.00 a.m. to 6.00 p.m. ` 1,416/-	<b>Seminar on Valuation</b> <ul style="list-style-type: none"> <li>Overview of Valuation</li> <li>Methods of Valuation (Asset Approach, Income Approach &amp; Market Approach)</li> <li>Case Studies – Valuation</li> </ul> <ul style="list-style-type: none"> <li>Ind AS Valuations</li> <li>Documentation (Valuation Reports, Engagement Letter, Management Representation)</li> </ul>	CA. Sujal Shah CA. Bhakti Shah  Eminent Faculty  CA. Mihir Kenia* CA. Darshana Kadakia	CA. Kamlesh Saboo 9819195333 CA. Satyanarayan Mundada 9422080814 CA. Sandeep Jain 9819788099	CA. Mukund Mall 9322224142 CA. Nikita Mall 9969873294 CA. Aditi Chaturvedi 9768350383
16/12/2017 Saturday 	5.00 p.m. to 8.00 p.m. Free	<b>Seminar on Arbitration &amp; Competition Act</b> <ul style="list-style-type: none"> <li><b>Arbitration</b> – An Emerging Era for Profession</li> <li><b>Competition Act</b> – Recent Developments and Case Studies</li> </ul>	CA. Bhupendra Shah  Eminent Faculty	CA. Sushrut Chitale 9821112904 CA. Rakesh Alshi 9819427242 CA. Lalit Bajaj 9867692321	CA. Vikram Joshi 9821733286 CA. Dhvani Karia 9819900489 CA. Nidhi Pandya 7506358911
16/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. ` 1,416/-	<b>Seminar on International Taxation</b> <ul style="list-style-type: none"> <li>Basics of International taxation (Residency, DTAA, chargeability, POEM, etc.)</li> <li>Royalty and Fees for technical services</li> <li>TDS u/s. 195</li> <li>Transfer Pricing</li> </ul>	CA. Prakash Shah  CA. Hiten Sutar CA. Vishal Palwe CA. Rakesh Kotak	CA. Rakesh Alshi 9819427242 CA. S. G. Mundada 9422080814 CA. Umesh Sharma 9822079900	CA. Abhishek Shah 9773050495 CA. Ankit Singhvi 9869065471 CA. Virag Shah 7043154500
16/12/2017 Saturday 	10.00 a.m. to 1.00 p.m. ` 300/-	<b>Half Day Seminar on Code of Ethics</b> <ul style="list-style-type: none"> <li>Code of Ethics for members NOT holding COP</li> <li>Code of Ethics for members holding COP</li> </ul>	CA Bipeen G. Mundade  CA C. N. Vaze	CA. Priti Savla 9321426883 CA. Abhijit Kelkar 9422126890 CA. Drushti Desai 9820335923	CA. Rakesh Tulsian 9869765155 CA. Prajakta Patil 9819041003 CA. Jayesh Vora 9820274272
23/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. ` 1,416/-	<b>Seminar on System Audit of Banks</b> <ul style="list-style-type: none"> <li>Introduction to System Audit of Banks Evolution</li> <li>Banking Application Audit &amp; System Audit of Advanced Banking Applications</li> <li>Environmental Audit Branches</li> <li>Introduction to IT set-up of Banks</li> </ul>	Eminent Faculties	CA. Aniket Talati 9825551448 CA. Balkishan Agarwal 9377110634 CA. Umesh Sharma 9822079900	CA. Bipeen Mundade 9323290561 CA. Abhijit Totade 9819659151 CA. Mayur Moyaya 9867952010

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.
16/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 708/-	<b>Seminar on Corporate Social Responsibility</b> <ul style="list-style-type: none"> <li>Inauguration Cum Key Note Address:— Professional Opportunities in IFRS</li> <li>International scenario, The Meaning and Importance of Corporate Social Responsibility, legal provisions, CSR Policy, CSR Committee etc. Indian scenario, work done so far Ethics &amp; CSR, various projects in Indian context</li> <li>Indian scenario, work done so far Ethics &amp; CSR, various projects in Indian context International scenario, The Meaning and Importance of Corporate Social Responsibility, legal provisions, CSR Policy, CSR committee etc. Indian scenario, work done so far Ethics &amp; CSR, various projects in Indian context</li> <li>The Role of Business in Society — Different stakeholders, different perspectives</li> <li>The Strategic importance of CSR implementation</li> <li>CSR accounting, audit, Reporting framework Integrated reporting, GRI, MCA guidelines</li> </ul>	Eminent Faculties	CA. Balkishan Agarwal 9377110634 CA. Pradeep Agrawal 9898560967 CA. Shilpa Shinagare 9820053395	CA. Nikhil Damle 9820170436 CA. Nehal Turakhia 9833991898 CA. Riya Agarwal 9820101808
23/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 1,416/-	<b>Seminar on Practice Aspects for filing for appeal before CIT(A) &amp; ITAT</b>		CA. Sarvesh Joshi 9822022292 CA. Manish Gadia 9820537986 CA. Vikrant Kulkarni 9881880073	CA. Y. R. Desai 9820448365 CA. Ritesh Hibare 9773418343 CA. Aadesh Gupta 9819806769
30/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 1,416/-	<b>Seminar on Infrastructure Industry</b> <ul style="list-style-type: none"> <li>Industry perspective on Energy Sector— Renewable, Thermal, Hydro and Transmission • Industry perspective on Telecom — Service and Infrastructure</li> <li>Industry Outlook — Road Sector</li> <li>Bankers Perspective on Infrastructure Sector</li> <li>Issues under Ind AS</li> <li>Indirect Tax — GST Implications</li> </ul>	Eminent Faculties	CA. Lalit Bajaj 9867692321 CA. Rakesh Alshi 9819427242 CA. Sushrut Chitale 9821112904	CA. Milind Joshi 9930033939 CA. Kalpesh Kothari 9029371777 CA. Vijay Jain 9892431727
30/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 1,416/-	<b>Mega Conclave for New Horizons for Profession</b> For More details visit <a href="http://www.wirc-icai.org">www.wirc-icai.org</a>		CA. Shilpa Shinagare 9820053395 CA. Pradeep Agrawal 9898560967 CA. Priyam Shah 9824096112 CA. Purushottam Khandelwal 9825020844	CA. Aniket Kulkarni 9821690559 CA. Sachin Holmukhe 9820561266 CA. Yogesh Choudhari 9321193112

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

**1<sup>st</sup> Edition**  
**WIRC GST**  
**REFERENCE MANUAL**  
**2017-18**

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# ICAI

## INTERNATIONAL CONFERENCE

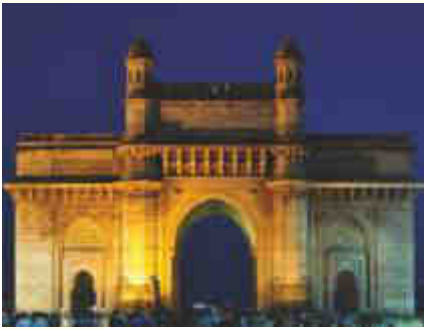
Accountancy Profession: Convergence and Sustainability in Digital Era

12 CPE  
Hours

ज्ञानं परमं बलम् - Knowledge is Supreme Power

8th – 9th December, 2017 | Hotel Sahara Star, Mumbai

CATEGORY	FEES	TIME LINE FOR REGISTRANTS
ACA/FCA/Non-Member/Foreign Participants	₹ 4,000/- + 18% GST = 4,720/-	Till 20th November, 2017
ACA/FCA/Non-Member/Foreign Participants	₹ 4,500/- + 18% GST = 5,310/-	Post 20th November, 2017



First Day : Friday, 8th December, 2017

### Inaugural Session

#### Session – I : Accountancy in the Disruptive Era

- Accounting of Revenue and Leases under Ind AS: Paradigm Shift
- Readiness of Banking and Insurance Sector – Ind AS (IFRS) Convergence

#### Session – II : Future of Audit – Critical Issues

- New 'Audit Report' Requirements (SA-700, 705 and 706 )
- Reporting of Key Audit Matters (SA 701) in 'Audit Report'

#### Key Note Address – 1

#### GST – Enhancing Competitiveness, Transparency and Growth

#### Session III : Technology Impact on Accounting

- Artificial Intelligence: Challenging the Profession: Myth or Reality
- Block Chain: What it means to Accounting and Audit
- Forensic Audit : Substitute or Supplement to Audit

#### Key Note Address – 2

#### Strengthening Public Finance with Accrual Information

#### Key Note Address – 3

#### Integrated Reporting – Future of Reporting

#### Panel Discussion – 1 : Accountancy Profession in the Global Realm – Opportunities in the Emerging and Developed Markets

#### Panel Discussion – 2 : Indian Accountancy Profession: Global Opportunities

#### Keynote Address – 4

#### Indian Capital Markets – Anchoring Economic Growth

#### Session – IV : Developments in raising Finance through Capital and Financial Markets

- SME Financing including Listing & Crowd Funding
- Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) – Spurring Growth of Real Estate

#### Keynote Address – 5

#### Financing India's Growth–Challenges and Way Forward

#### Panel Discussion – 3

#### Empowering SMPs for healthy growth of Accountancy Profession

#### Keynote Address – 6

#### Financial Sector Reforms – Empowering Economic Growth

#### Session – V : Taxation in the Disruptive Era – Challenges and Opportunities

- Cross-Border and Domestic Taxation – Post GAAR and BEPS
- Transfer Pricing – Recent experience with Advanced Pricing Agreement (APA)

#### Panel Discussion – 4

#### GST: Leading Towards One Nation One Market

#### Valedictory Session

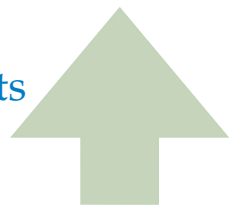
#### Conference Concludes

Second Day : Saturday, 9th December, 2017

For further details about the ICAI International Conference, including registration, hotel options, sponsorship options, etc., please log on to <http://ic.icaai.org/>.

International Conference Secretariat: Ms. Srabani Kapoor, Dy. Director, The Institute of Chartered Accountants of India, Plot NO C-40,G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel: +9122 3367 1578, Email: [kapoor@icaai.in](mailto:kapoor@icaai.in); [ic2017@icaai.in](mailto:ic2017@icaai.in)



## 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.
16/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 1,416/-	<b>Seminar on Auditing and Assurance Standards</b> <ul style="list-style-type: none"> <li>Companies (Auditor's Report) Order, 2016 – Practical understanding and solving of various intricacies involved therein</li> <li>Auditing &amp; Assurance Standards – Importance of Standards and Compliance</li> <li>Internal Financial Controls – Practical Approach</li> <li>Section 143(12) – Fraud Reporting, Fraud reporting under CARO and related aspects</li> </ul>	Eminent Faculties	CA. Drushti Desai 9820335923 CA. Manish Gadia 9820537986 CA. Abhijit Kelkar 9422126890	CA. Vinit Vyas 9930766805 CA. Aalok Mehta 9892001645 CA. Ashish Bakliwal 9004315053
23/12/2017 Saturday 	10.00 a.m. to 6.00 p.m. 1,416/-	<b>Seminar on Important Aspects on Companies Act, 2013</b> <ul style="list-style-type: none"> <li>Incorporation of Companies, Drafting of MOA/AOA, Applicable sections and recent changes in incorporation</li> <li>Management &amp; Administration: Annual Return • AGM/EGM – Notice/quorum/ Proxies • Postal ballot /e-voting • Ordinary &amp; Special resolutions • The Companies (Management &amp; Administration) Rules, 2014 &amp; Companies Amendment Act, 2015</li> <li>Acceptance of Deposits • Restrictions on Acceptance of deposits - private/public/ eligible companies</li> <li>The Companies (Acceptance of Deposits) Rules, 2014 • Related party transactions</li> <li>Loans to directors</li> <li>Loans /investments by companies</li> <li>Various Compliances under e-filing under Companies Act, 2013</li> </ul>	Eminent Faculties	CA. Sandeep Jain 9819788099 CA. Hardik Shah 9825510422 CA. Priyam Shah 9824096112	CA. Meera Joisher 9819354164 CA. Swati Bhatkar 9967537989 CA. Navneet Lahoti 9022544488

## 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.

#CyberSecurity #WiFi #WPA2 #IoT Researchers at a Belgian University earlier this week revealed the discovery of a break in the security protocol used to protect the vast majority of Wi-Fi connections (WPA2 based). Depending on the network configuration, it is also possible to inject and manipulate data. The weaknesses are in the Wi-Fi standard itself, and not in individual products or implementations. Read more at: <https://goo.gl/W1K9vw>



#HealthCare #CISO #InformationSecurity #Ransomware #DataInject Cybercriminals often target health care organisations because they are notoriously vulnerable to identity theft. These threats can pose life-or-death situations if hospital devices are disabled or altered, inject fraudulent data or otherwise falsify patients' health records. Ransomware is one of the most dangerous threats to health care security because it can disable workstations, medical devices and critical record-keeping systems. CISO and his role in healthcare organisation is important review point for both business risk and evaluation of enterprise-wide controls. Read more at: <https://goo.gl/XLthJ5>



#SwiftCodes #CyberAttack #NepalBanks International media have reported that few Nepali banks have become latest to fall victim to hackers siphoning off millions of dollars by targeting the backbone of the world financial system, SWIFT. It has not been clear, how, where and how much money have been transferred from Nepali banks. The CNN said the North Korea based hackers might have been involved in latest hacking. It had suspected that the similar SWIFT code used by the group in South Korean banks hacking in 2013 have been used again. The hackers normally exploit vulnerabilities in the systems of member banks, allowing them to gain control of the banks' legitimate SWIFT credentials. Read more at: <https://goo.gl/vrgrzf>



#Macroeconomics #Gambling #CryptoCurrency The threat – or the opportunity – comes from two trends, one cultural and one technological. On the cultural side, we have the explosive growth of eSports, which now spans a range of online venues, genres and demographics. From technology, we have blockchain. While gambling with cryptocurrencies has been around since the early days of bitcoin, an interesting twist appears to be emerging from platform tokens. Combine these trends with national legislation and economic strategy, and you begin to see a fundamental shift that has the potential to transform a massive segment of the leisure economy. A small EU member nation Malta has done it. Who said that big change needs to come from big players? Read more at: <https://goo.gl/2se4m7>



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**DIRECT TAX**

(Contributed by

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



**Section 194A of the Income-tax Act, 1961, read with Rules 31A and 37BA, of the Income Tax Rules, 1962 – Deduction of Tax at Source – Interest other than Interest on Securities – TDS on Interest on Deposits made under Capital Gains Accounts Scheme, 1988 where depositor has deceased**

**Notification No. 8/2017, dated 13-9-2017**

It has been brought to the notice of CBDT that in cases of deceased depositor who has made deposits under the Capital Gains Accounts Scheme, 1988; the banks are deducting TDS on the interest earned on such deposits in the hands of the deceased depositor and issuing TDS certificates in the name of the deceased depositor, which is not in accordance with the law. Ideally in such type of situations, the TDS certificate on the interest income for and up to the period of death of the depositor is required to be issued on the PAN of the deceased depositor and for the period after death of the depositor is required to be issued on the PAN of the legal heir. Under sub-rule (5) of Rule 31A of the Income Tax Rules, 1962, the Director General of Income-Tax (Systems) is authorised to specify the procedures, formats and standards for the purposes of furnishing and verification of the statements or claim for refund in Form 26B and shall be responsible for the day-to-day administration in relation to furnishing and verification of the statements or claim for refund in Form 26B in the manner so specified. In exercise of the powers delegated by the Central Board of Direct Taxes (Board) under sub-rule (5) of Rule 31A of the Income Tax Rules, 1962, the Principal Director General of Income Tax (Systems) hereby specifies that in case of deposits under the Capital Gains Accounts Scheme, 1988 where the depositor has deceased:

(i) TDS on the interest income accrued for and up to the period of death of the depositor is required to be deducted and reported against PAN of the depositor, and

(ii) TDS on the interest income accrued for the period after death of the depositor is required to be deducted and reported against PAN of the legal heir, unless a declaration is filed under sub-rule (2) of Rule 37BA of the Income Tax Rules, 1962 to that effect.

**Section 90, read with Sections 90A and 139, of the Income-tax Act, 1961 and Rules 12 and 128 of the Income Tax Rules, 1962 — Double Taxation Relief — Foreign Tax Credit — Procedure For Filing Statement of Income from a Country or Specified Territory outside India and Foreign Tax Credit**

**Notification No. 9 [DGIT(S)-ADG(S)-3/E-Filing Notification/ Form 67/2017, dated 19-9-2017**

Foreign Tax Credit. — An assessee, being a resident shall be allowed a credit for the amount of any foreign tax paid by him in a country or specified territory outside India, by way of deduction or otherwise, in the year in which the income corresponding to such tax has been offered to tax or assessed to tax in India, in the manner and to the extent as specified in rule 128 of the Income Tax (18th Amendment) Rules, 2016. As per sub-rule (9) of rule 128 the statement in Form No. 67 referred to in clause (i) of sub-rule (8) and the certificate or the statement referred to in clause (ii) of sub-rule (8) shall be furnished on or before the due date specified for furnishing the return of income under sub-section (1) of section 139, in the manner specified for furnishing such return of income. In exercise of the powers delegated by Central Board of Direct Taxes ('Board') under rule 12(4) of the Income Tax Rules, 1962, the Principal Director General of Income Tax (Systems) hereby lays down the following procedures:

**Online filing of Form 67**

1. All assesseees who are required to file return of income electronically under section 139(1) as per rule 12(3) of the Income Tax Rules, 1962, are required to prepare and submit Form 67 online along with the return of income if credit for the amount of any foreign tax paid by the assessee in a country or specified territory outside India, by way of deduction or otherwise, in the year in which the income corresponding to such tax has been offered to tax or assessed to tax in India.

**Preparation and Submission of Form 67**

2. Form 67 shall be available to all the assessee's login. The assessee is required to login into the e-filing portal using their valid credentials. A link for filing the Form has been provided under "e-File – Prepare and Submit Online Forms (Other than ITR)". Select Form 67 and assessment year from the drop down. Instructions to fill the form are enclosed along with the form. The completed Form 67 can be submitted by clicking on "Submit" button. Digital Signature Certificate or Electronic Verification Code is mandatory to submit Form 67.

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

**GUJARAT VAT & GST**  
(Contributed by CA. Kishor R. Gheewala)



**Gujarat GST Rules Amendments**

Vide Notification dated 18/07/2017, Third Amendment in Gujarat GST Rules has been carried out providing, *inter alia*, for

- Form GSTR-3B
- Refund of Integrated Tax paid on export under Bond or LUT
- Inspection, Search & Seizure
- Demands & Recovery
- Offences & Penalties

Vide Notification dated 27/07/2017, Fourth Amendment providing, *inter alia*, for

- Rate of Exchange of Currency for determination of value
- Submission of Form 3B in case of extension of due date for GSTR-1/2

Vide Notification dated 18/08/2017, Fifth Amendment providing, *inter alia*, for

- Qualification & Appointment of Members of Authority for Advance Ruling
- Form GST REG-13 being Application for Unique Identity No.

Vide Notification dated 20/08/2017, Sixth Amendment providing, *inter alia*, for

- E-Way Bills
- Constitution of Statutory Committee & Screening Committee

**GST**  
(Contributed by CA. Rajiv Luthia)



**SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS**

Central Government vide Notification No. 36/2017 — Central Tax dated 29th September, 2017 has made following amended



following Central Goods & Services Tax Rules, 2017. These rules may be called as Central Goods & Services Tax (Eighth Amendment) Rules, 2017. They shall come into force w.e.f. 29th September, 2017.

Sr. No.	Rule No.	Particular
1	24(4)	Last date for cancellation of registration is extended till 31st October, 2017 for assessee who is already registered under existing law but not liable to register under GST
2	118/119/120	The due date of submission of declaration in Form GST Trans 1 is extended up to 31st October, 2017

CBEC *vide* Notification No. 37/2017 — Central Tax dated 4th October, 2017 supersedes Notification No. 16/2017 — Central Tax and specifies following conditions and safeguards for the registered person who intends to supply goods or services for export without payment of integrated tax, for furnishing a Letter of Undertaking (LUT) in place of a Bond.

All registered persons who intend to supply goods or services for export without payment of integrated tax shall be eligible to furnish a Letter of Undertaking in place of a bond except those who have been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or the Integrated Goods and Services Tax Act, 2017 (13 of 2017) or any of the existing laws in force in a case where the amount of tax evaded exceeds ` 250 lakhs

The Letter of Undertaking shall be furnished on the letter head of the registered person, in duplicate, for a financial year in the Annexure to FORM GST RFD – 11 referred to in sub-rule (1) of rule 96A of the Central Goods and Services Tax Rules, 2017 and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor.

Where the registered person fails to pay the tax due along with interest, as specified under sub-rule (1) of rule 96A of Central Goods and Services Tax Rules, 2017, within the period mentioned in clause (a) or clause (b) of the said sub-rule, the facility of export without payment of integrated tax will be deemed to have been withdrawn and if the amount mentioned in the said sub-rule is paid, the facility of export without payment of integrated tax shall be restored.

The above provision shall *mutatis mutandis* apply in respect of zero-rated supply of goods or services or both made by a registered person (including a Special Economic Zone developer or Special Economic Zone unit) to a Special Economic Zone developer or Special Economic Zone unit without payment of integrated tax.

CBEC *vide* Notification No. 38/2017 — Central Tax dated 13th October, 2017 has substituted and inserted following items on which casual taxable persons making taxable supplies are exempted from obtaining registration subject to condition that the aggregate value of such supplies on all India basis, does not exceed 20 lakh (10 lakh in Special Category State except J&K) in a financial year

- Textile (handloom products), Handmade shawls, stoles and scarves including Chapters 50, 58, 61, 62, 63.
- Chain stitch

- Crewel, namda, gabba
- Wicker willow products
- Toran
- Articles made of shola

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



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

**MCA notification GSR 1176(E) dated 20th September 2017 – Companies (Restriction on Number of Layers) Rules, 2017**

The Central Govt. has issued the aforesaid rules to restrict the number of maximum layers of subsidiaries company can have to two. However, acquisition of companies outside India where the laws of that country with subsidiaries beyond two layers are permitted is kept out of the ambit of these Rules. Further, Banks, systemically important NBFCs insurance companies and Government companies have also been kept out of the ambit of these Rules. For complete text of the notification, please refer the link: [http://www.mca.gov.in/Ministry/pdf/CompaniesRestrictionOnNumberofLayersRule\\_22092017.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesRestrictionOnNumberofLayersRule_22092017.pdf)

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



**Review of Investment by Foreign Portfolio Investors (FPIs) in Corporate Debt Securities**

**A. P. (DIR Series) Circular No. 05 dated September 22, 2017**

The Masala Bonds are presently reckoned both under Combined Corporate Debt Limit (CCDL) for FPI and External Commercial Borrowings (ECBs). On a review, and to further harmonise norms for Masala Bonds issuance with the ECB guidelines, the RBI has decided that with effect from October 3, 2017, Masala Bonds will no longer form a part of the limit for FPI investments in corporate bonds. They will form a part of the ECBs and will be monitored accordingly. Eligible Indian entities proposing to issue Masala Bonds may approach Foreign Exchange Department, Reserve Bank of India, Central Office, Mumbai as required in terms of A. P. (DIR Series) Circular No. 47 dated June 7, 2017. The amount arising from shifting of Masala Bonds will be released for FPI investment in corporate bonds over the next two quarters.

The aforesaid circular available on RBI website at <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11127&Mode=0> may be referred for further detail.

**Issuance of Rupee Denominated Bonds (RDBs) Overseas**

**A. P. (DIR Series) Circular No. 06 dated September 22, 2017**

The RBI has decided, in consultation with the Government of India, to exclude issuances of RDBs from the limit for investments by FPIs in corporate bonds with effect from October 3, 2017 *vide* A. P. (DIR Series) Circular No. 05 dated September 22, 2017.

Consequently, reporting requirement in terms of paragraph 8 (additional e-mail reporting of RDB transactions for onward reporting to depositories) of A.P. (DIR Series) Circular No. 60 dated April 13, 2016 has been dispensed with. However, it should be noted that the reporting of RDBs will continue as per the extant ECB norms.



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



Government of Maharashtra, Urban Development Department on 7th Oct., 2017 vide No. TPS-1814/CR-82/14/Rules/UD-13. Notified Maharashtra Town Planning (Compounded Structures) Rules, 2017 to regularise all permissible irregular structures. Each local and planning Authorities under their respective Development Control Rules will be bringing out a separate scheme for regularisation within 6 months of its notification. The buildings which do not have Occupation Certificates should be able to obtain OC under this scheme.

Bombay High Court in a landmark decision dated 20th Sept., 2017 in WRIT PETITION NO. 4368 OF 2017 (*Dewan Niketan Premises Co-operative Society Ltd. ...Petitioner vs State of Maharashtra And Ors. ...Respondents* directed the society to admit two senior citizen sister as members of the society and directed society to pay the compensation also.

MINISTRY OF FINANCE (Department of Economic Affairs) NOTIFICATION New Delhi, the 21st April, 2017 vide S.O. 1267(E). specified the various modes of investments including in debt mutual funds under section 20 of the Indian Trusts Act, 1882. Thus now co-operative societies as per section 70 of the Maharashtra Co-operative Societies Act, 1960 will be able to invest in these specified instruments.

MahaRERA landmark ruling to refund the amount invested along with interest prior to enactment of RERA, 2016 on 13th Oct., 2017 in the case of *Avinash Saraf, Neha Duggar Saraf vs. Runwal Homes Pvt. Ltd.*

MahaRERA Ruling on 16th Oct., 2017 in the case of *Mahesh Pariani vs Monarch Solitatie LLP*, the dispute between the promoter and the investor (Who has booked the flat under assured returns) does not come under RERA, 2016.

**DIRECT TAX**

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



**SUPREME COURT DECISIONS**

**CIT vs. Madhur Housing and Development Co. (Supreme Court)**

Section 2(22)(e): Any payment by a closely-held company by way of advance or loan to a concern in which a substantial shareholder is a member holding a substantial interest is deemed to be "dividend" on the presumption that the loans or advances would ultimately be made available to the shareholders of the company giving the loan or advance. However, the legal fiction in s. 2(22)(e) does not extend to, or broaden the concept of, a "shareholder".

As the assessee was not a shareholder of the paying company, the "dividend" was not assessable in its hands.

**INTERNATIONAL TAXATION**

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



**Deputy Commissioner of Income Tax – 7(2), Mumbai vs. Reliance Natural Resources Ltd. [2017] 85 taxmann.com 128 (Mumbai – Trib) dated 19th September, 2017**

**Facts**

The assessee was engaged in the business of providing fuel and facilitation services in various forms to power plants and in joint

venture operations for exploration and production of coal based Methane blocks.

**Facts – 1:** The assessee claimed deduction of expenditure for issue of foreign currency convertible bonds (FCCBs).

AO disallowed the said expenses as capital expenditure following his orders passed in earlier years in assessee's case. However, Commissioner (Appeals) reversed the order of AO and allowed the identical claim of the assessee as made in the earlier years.

**Facts – 2:** The assessee made payments to (i) one 'T' towards reimbursement of travelling expenses, (ii) three UK companies towards agency fees, commission and fronting fees and trustee maintenance fees, and (iii) two USA companies towards professional charges, and claimed deduction of same.

AO disallowed the said expenses u/s. 40(a) (i) for non-deduction of TDS.

Commissioner (Appeals) deleted the addition towards reimbursement of expenses by relying on the decision of the Bombay High Court rendered in the case of *CIT vs. Siemens Aktiengesellschaft*. The payments made to UK companies was held as not taxable as per India-UK DTAA and thus no disallowance. Also, payments made to USA companies did not constitute income as per India-US DTAA and hence no requirement of TDS u/s. 195 and consequently no disallowance would attract.

**Facts – 3:** The assessee computed disallowance u/s. 14A ` 32.70 crores, however AO added the same for computing book profits u/s. 115JB.

Commissioner (Appeals) added 10% of the dividend income to be added for computing books profits u/s. 115JB relying on past years' trends.

Aggrieved, revenue filed appeal with the Tribunal for the above grounds.

**Issue**

**Issue – 1:** Whether expenditure incurred for issue of foreign currency convertible bonds (FCCB) is an allowable expenditure?

**Issue – 2:** Whether TDS was required to be deducted u/s. 195 on payments made by assessee to UK and US companies towards agency fees, commission and fronting fees, trustee maintenance fees and professional charges ?

**Issue – 3:** Whether disallowance u/s. 14A could be imported to Section 115JB for computing book profits?

**Held**

**Held – 1:** Relying on the case of *Prime Focus Ltd*, the Tribunal held that expenses incurred in connection with FCCB are revenue in nature and thus deductible as revenue expenditure. The Tribunal held that FCCB is akin to borrowings made by issuing debentures and both of them are different types of debt instruments only.

**Held – 2:** The order passed by the Commissioner (Appeals) was upheld relying on the Bombay HC decision of *Siemens Aktiengesellschaft* (supra).

The decision taken by Commissioner Appeals was upheld by the Tribunal relying on *Raymond Ltd.* that management commission, underwriting commission and selling commission paid to UK companies and professional fees paid to US companies would not amount to FTS as per respective DTAA. Thus, no requirement of TDS u/s. 195 and hence no disallowance u/s. 40(a) (i).

**Held – 3:** Relying on the case of *Asstt. CIT vs. Vireet Investment (P.) Ltd.*, the order passed by Commissioner (Appeals) was upheld as addition of 10% was reasonable considering the volume of dividend.

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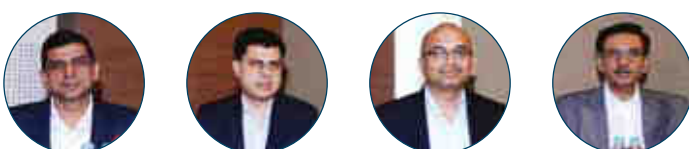
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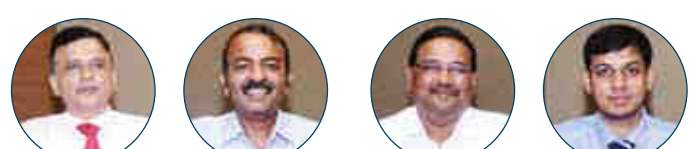
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Printed and published by Shri Abhay Nath Tiwari, Dy. Secretary on behalf of Western India Regional Council of The Institute of Chartered Accountants of India and printed at Finesse Graphics & Prints (Pvt) Ltd., 309, Parvati Industrial Estate, Sunmill Compound, Lower Parel, Mumbai – 400 013 and published at Western India Regional Council of the Institute of Chartered Accountants of India, ICAI Tower, Plot No. C-40, G Block, Opp. MCA Academy, Next to Standard Chartered Bank, Bandra Kuria Complex, Bandra East, Mumbai - 400051.

Editor: CA. Vishnu Agarwal

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