

# WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER



**THE INSTITUTE OF  
CHARTERED ACCOUNTANTS  
OF INDIA**

(Set up by an Act of Parliament)

**SCALE UP  
RISE**

## OFFICE BEARERS

**CA. Vishnu Agarwal**  
Chairman

**CA. Sarvesh Joshi**  
Vice Chairman

**CA. Aniket Talati**  
Secretary

**CA. Pradeep Agrawal**  
Treasurer

## EDITORIAL BOARD

**CA. Vishnu Agarwal**  
Editor

## MEMBERS

CA. Sarvesh Joshi  
CA. Aniket Talati  
CA. Balkishan Agarwal  
CA. Sandeep Jain  
CA. Shilpa Shinagare  
CA. Shruti Shah  
CA. Dhinal Shah, *Ex-officio*



## CHAIRMAN'S COMMUNICATION

Respected Members,

A New Year always comes with the promise and hope of better times to come. Let us welcome 2018 by gearing up for the tremendous professional opportunities that will beckon us in this New Year.

A very eventful December saw us meet top Government Officials, Regulators and academicians from various sectors who shared their views and expectations from us towards good governance.

We met and made representations to Dr. Hasmukh Adhia, IAS, Hon'ble Finance Secretary, GoI; Shri Sushil Chandraj, Hon'ble Chairman, CBDT, and members from CBEC.

We interacted with Smt. Sangeeta Godbole, DG, Services Export Promotion Council (SEPC) wherein we discussed the importance of our professional inputs towards promoting India's Financial Services.

The First Vice President of Lions Clubs International, Ms. Gudrun Bjort Yngvadottir, addressed women members at our Women Empowerment Conference.

We organised a training programme on GST for the CGST Department in the presence of Shri Ganesh Havanur, Commissioner, CGST & CEX, Audit, Thane.

We also held seminars on Forensic Audit; Auditing and Assurance Standards; CSR; Code of Conduct and Ethics; International Taxation; Arbitration & Conciliation; Ind AS, filing of appeals before Hon'ble CIT(A) & ITAT, Insolvency, Infrastructure Industry and TDS which were well received by attending members.

Our International Conference was hosted in Mumbai at Hotel Sahara Star and saw the presence of a galaxy of international dignitaries.

We organised study meetings and courses on RERA, BFSI, IFRS, ISA & FAFP and lecture meetings on 'Change The Bank (CTB)' by CA. Ajay Agarwal from the UK Chapter of ICAI and on 'Stinging Implications of Benami Law' by CA. Ashwani Taneja, Hon'ble Ex-ITAT Member.

Our 'Mega Event on Direct & Indirect Taxes' was addressed by Dr. Sibichen K. Mathew, IRS, CIT (Appeals), Chennai.

Shri Satish Mahana, Hon'ble Minister for Infrastructure & Industrial Development, Government of Uttar Pradesh and CA. P. K. Bansal, Hon'ble Vice President, ITAT, Mumbai; Shri R. K. Gupta, IRS, DG, IT, Pune; Shri Pramod Kumar, Pr. CIT-1, Thane; Shri Krishna, Pr. CIT-2, Thane, gave their valuable insights at our 'Mega Conclave on Direct Tax & GST'.

WIRC hosted the National Conference for CA Students organised by WICASA, on the theme 'Nurturing Values & Integrity- Attaining Excellence in Professional Pursuits' which was attended by 1,100 students. CA. G. S. Pannu, Hon'ble ITAT Member, Mumbai, addressed the future CAs and Shri Rajendra, Hon'ble ITAT Member, Mumbai, spoke on 'Post-Qualification Opportunities' for CA students.

I congratulate CA. Balkishan Agarwal, Chairman, WICASA, for his untiring efforts along with the committee members of WICASA for this well organised Conference.

The S. Vaidyanathan Iyer Memorial Lecture on 'Stress Management & Communications Skills' showed the way to achieve success by improving communication skills while the Girish Kulkarni Memorial Lecture on 'Facing Challenges – The Bhagavad Gita Way' saw Shri Indradyumana Das; Shri Amitasana Das and CA. Sreeshva Govinda Das give practical insights for facing and overcoming challenges.

We visited the Baroda and Bhavnagar branches and were pleased by the enthusiasm of the Branch members. I once again wish all members and students a Happy 2018 and all the success and prosperity in times to come.

With Warm Regards,

**CA. Vishnu Agarwal**  
Chairman

**Forthcoming Events**  
Page 3

**Law Updates**  
Page 6



**ICAI International Conference 2017 – Hotel Sahara Star, Mumbai**



CA. Vishnu Agarwal, Chairman, WIRC, Ms. Joy Thomas, President, CPA, Canada, CA. Nilesh Shivji Vikamsey, President, ICAI, Ms. Rachel Grimes, President, IFAC, CA. Naveen N. D. Gupta, Vice-President, ICAI, Mr. Nasser Al Rawahy, Vice Chairman, State Audit Oman, Mr. Nick Parker, President, ICAEW, Shri V. Sagar, Secretary, ICAI

**National Conference For CA Students – Mumbai**



CA. Balkishan Agarwal, Chairman, WICASA, CA. Vishnu Agarwal, Chairman, WIRC, CA. G. S. Pannu, Hon'ble ITAT Member, CA. Atul Gupta, Chairman, BOS, CA. Mangesh Kinare, Vice-Chairman, BOS, CA. Sarvesh Joshi, Vice-Chairman, WIRC



CA. Vishnu Agarwal, Chairman, WIRC, Ms. Sangeeta Godbole, Director General, SEPC



CA. Ajay Kumar Agarwal, Chairman, UK-London Chapter of ICAI, CA. Vishnu Agarwal, Chairman, WIRC, CA. Ajay Kumar, Vice-Chairman, UK-London Chapter of ICAI



CA. Vishnu Agarwal, Chairman, WIRC, Ms. Gudrun Bjort Yngvadottir

**Seminar on Code of Ethics**



CA. Aniket Talati, Secretary, WIRC, CA. Pritee Panchal, CA. C. N. Vaze, CA. Vishnu Agarwal, Chairman, WIRC, CA. Bipeen Mundade



CA. Vishnu Agarwal, Chairman, WIRC, Shri Yogesh Sagar, MLA, Borivali, Mumbai



## 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.
19/01/2018 Friday <b>3</b> CPE Hrs	4.30 p.m. to 7.30 p.m. ₹ 300/-	<b>Lecture Meeting on Overview of New US Tax Legislation</b> <ul style="list-style-type: none"> <li>Overview of New US Tax Legislation and its impact on US/India Cross Border Taxation</li> </ul>	CPA. Vinay S. Navani	CA. Rakesh Alshi 9819427242 CA. Sarvesh Joshi 9822022292 CA. Umesh Sharma 9822079900	CA. Mukund Mall 9322224142 CA. Nikita Mall 9969873294
20/01/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Merger &amp; Acquisition and Corporate Restructuring</b> <ul style="list-style-type: none"> <li>Valuation – Is it fair?</li> <li>Amalgam of Tax &amp; Regulatory insights</li> <li>Due Diligence – Hits &amp; misses</li> <li>Key success factors for M&amp;A</li> </ul>	CA. Nandita Pai CA. Deepa Dalal CA. Rajesh Shetty Shri Vijay Paradkar Shri Dinesh Singh	CA. Rakesh Alshi 9819427242 CA. Aniket Talati 9825551448 CA. Hardik Shah 9825510422	CA. Meera Joiser 9819354164 CA. Siddharth Gupta 8080443380 CA. Vinit Vyas 9930766805
20/01/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Concurrent Audit of Banks</b> <ul style="list-style-type: none"> <li>Introduction to Concurrent Audit &amp; KYC / AML compliances with practical examples</li> <li>Advances, Portfolio Management &amp; IRAC Norms</li> <li>Usage of CBS system for Concurrent Audit</li> <li>Forex related areas including Advances / Deposits</li> </ul>	CA. Nayan Kothari  CA. Shriniwas Joshi, <i>Past CCM</i> CA. Ketan Saiya Eminent Faculty	CA. Priti Savla 9321426883 CA. Priyam Shah 9824096112 CA. Vikrant Kulkarni 9881880073	CA. Bhushan Ramani 9819666708 CA. Kunal Parikh 9892429993 CA. Kalpesh Kothari 9029371777
25/01/2018 Thursday <b>3</b> CPE Hrs	5.30 p.m. to 8.30 p.m. ₹ 300/-	<b>Seminar on Impact of US Tax Reforms on doing business in the US</b> <ul style="list-style-type: none"> <li>Doing business in the US – a premier for a new entrant</li> <li>Doing business in the US – The changing face of State tax laws in the US</li> <li>The impact of US Tax reform on Indian multinationals doing business in the US</li> </ul>	Shri Vaibhav Manek  Shri Shishir Lagu  CA. Atul Deshmukh	CA. Aniket Talati 9825551448 CA. Pradeep Agrawal 9898560967 CA. Satyanarayan Mundada 9422080814	CA. Aniket Kulkarni 9821690559 CA. Pritee Panchal 9819844965
03/02/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Ind AS</b> <ul style="list-style-type: none"> <li>Roadmap for implementation of Ind-AS (First time adoption, approach to Ind-AS, Impact on India Inc. &amp; Presentation of Financial Statements)</li> <li>Revenue Recognition and Consolidated Financial Statements</li> <li>Property, Plant &amp; Equipment (including Component Accounting) Impairment and Intangible Assets</li> <li>Financial Instruments</li> </ul>	Eminent Faculties	CA. Lalit Bajaj 9867692321 CA. Abhijit Kelkar 9422126890 CA. Manish Gadia 9820537986	CA. Amol Kamat 9823018763 CA. Ashish Bakliwal 9004315053 CA. Aditi Chaturvedi 9768350383
10/02/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Drafting</b> <ul style="list-style-type: none"> <li>An overview of Law affecting Real Estate Transactions (Transfer of Property Act, Maharashtra Ownership Flats Act, Maharashtra Apartment Ownership Act, Indian Contract Act, Registration Act, etc.)</li> <li>Conveyancing – An Overview</li> <li>Drafting of Agreement for Development, Agreement for Sale, M.O.U. etc.</li> <li>Important Provisions of Indian Partnership Act, 1932 and Drafting of Deed of Partnership, Deed of Admission, Deed of Retirement, Deed of Dissolution</li> <li>Important Provisions of Bombay Public Trust Act, Drafting of Trust Deed, Registration of Trust</li> <li>Drafting of Documents relating to Transfer of Premises in Co-operative Societies (i.e. Flats, Shops, Offices, etc.) (Agreement for Transfer, P.O.A., Deed of Indemnity, Declaration, Deed of Transfer, etc.)</li> </ul>		CA. Kamlesh Saboo 9819195333 CA. Drushti Desai 9820335923 CA. Pradeep Agrawal 9898560967	CA. Gaurav Save 9969001607 CA. Ritesh Hibare 9773418343 CA. Riya Agarwal 9820101808
17/02/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Due Diligence</b> <ul style="list-style-type: none"> <li>What is due diligence – Importance of due diligence and financial due diligence</li> <li>Due diligence – Direct taxes</li> <li>Due diligence – Indirect taxes</li> <li>Legal due diligence</li> <li>Due diligence report</li> </ul>	CA. Jignesh Nagda  CA. Hemal Mehta CA. Yash Arya CS. Rachna Hingrajia* CA. Poonam Basak	CA. Sushrut Chitale 9821112904 CA. Balkishan Agarwal 9377110634 CA. Satyanarayan Mundada 9422080814	CA. Swati Bhatkar 9967537989 CA. Parul Saraf 9821162477 CA. Abhishek Katre 9821968858

# UNION BUDGET

# 2018

The provisions relating to Direct Taxes & Indirect Taxes in the Finance Bill, 2018 will be analysed clause-wise.

Budget Analysis on The Finance Bill, 2018  
– Direct Tax & Indirect Tax Provisions

Saturday, 3rd February, 2018 | 5.30 p.m. onwards

at C.C.I. East Lawns, Churchgate, Mumbai 400 020.  
(Entrance next to Asiatic Stores & Kaysons)

**3**  
**CPE Hrs**

Direct Tax  
By

**Dr. CA. Girish Ahuja**  
*Delhi*

Indirect Tax & GST  
By

**Advocate Lakshmi Kumaran**  
*Chennai*

Kindly occupy your seat by 5.00 p.m.  
**ALL ARE CORDIALLY INVITED**

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.
22/02/2018 Thursday <b>3</b> CPE Hrs	5.30 p.m. to 8.30 p.m. ₹ 300/-	<b>Lecture Meeting on International Taxation INDO-USA Business Migrations</b> • US laws affecting setting up business by Indian Nationals/Corporate in USA (Including the latest updated on US Immigration Laws) Mr. David H. Nachman, USA Mr. Snehal Batra, USA	CA. Aniket Talati 9825551448 CA. Sarvesh Joshi 9822022292 CA. Hardik Shah 9825510422	CA. Virag Shah 7043154500 CA. Shipra Mittal 8080000809
24/02/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on LLP</b> • Introduction, Salient Features of the LLP Act • Taxation of LLP • Drafting & Structures including mergers used in LLP Agreement • Conversion of Company & Partnership Firm into LLP CA. Mayur Makadia CA. Vishal Palwe CA. Vivek Shah CA. Sanjeev Shah	CA. Shilpa Shinagare 9820053395 CA. Abhijit Kelkar 9422126890 CA. Priti Savla 9321426883	CA. Y. R. Desai 9820448365 CA. Abhijit Totade 9819659151 CA. Jayesh Vora 9820274272
03/03/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on Project Finance</b> • Infrastructure Finance • PE Funding • Stress Asset Funding (Restructuring & alternative fund raising options) • ECB Loans Eminent Faculties	CA. Kamlesh Saboo 9819195333 CA. Priyam Shah 9824096112 CA. Purushottam Khandelwal 9825020844	CA. Milind Joshi 9930033939 CA. Rakesh Tulsian 9869765455 CA. Aadesh Gupta 9819806769
24/03/2018 Saturday <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m. ₹ 1,416/-	<b>Seminar on PMLA</b> • Introduction & Updating on the current changes in India's PMLA regulatory framework including the event posts demonetisation. • Recent Judicial Pronouncements & Case Studies under PMLA • Jurisprudence of PMLA under CrPC, IPC, Indian Evidence Act & other Acts • Strengthening Compliance Oversight with a Risk-based Approach & Dealing with Cyber crime • Forensic Investigations under PMLA, Approach & Methodology & Case Studies CA. Dilip M. Shah Adv. Hiten S. Venegavkar Adv. Poornima Kanthatia CA. K. N. Bhat CA. Chetan Dalal	CA. Shilpa Shinagare 9820053395 CA. Vikrant Kulkarni 9881880073 CA. Sandeep Jain 9819788099	CA. Jayesh Kala 9920010113 CA. Navneet lahoti 9022544488 CA. Vikram Joshi 9821733286




## INTER FIRM CA CRICKET TOURNAMENT

The Annual Inter Firm limited overs Cricket Tournament for Members, present article students and also students who have completed their articles and have appeared for November, 2017 CA exams.

**Days & Dates :** Friday, 2nd & 9th February, 2018

**Venue :** Oval Maidan, Churchgate, Mumbai

**Fees :** ₹ 12,000/- per team

Firms (2 or 3 firms can also form a team, minimum 5 CA Members) interested in participating in the tournament are requested to send in their entries by way of letter giving the names and membership/ WRO Nos. of the participants. Enrolment will be restricted to twenty four teams strictly on first-come-first-serve basis.



**Chief Co-ordinators**

CA. Kamlesh Saboo 9819195333  
CA. Sandeep Jain 9819788099  
(Regional Council Member)

**Co-ordinators**

CA. Shardul Sonawane 9619269941  
CA. Hem Dave 9930771846  
CA. Ameya Dighe 9967098737  
CA. Sagar Palnitkar 9967325000  
CA. Kamlesh Khandalgaonkar 9773794114  
CA. Nilesh Dedania 9820087367



## Annual INDOOR SPORTS 2018

**DAY & DATE SATURDAY, 3RD FEBRUARY, 2018**

**Venue** Goregaon Sports Club, Link Road, Goregaon (W)

**Time** 11.00 a.m. to 6.00 p.m.  
(Registration 10.00 a.m. to 11.00 a.m.)

**Fees** ₹ 600/- for first game (including lunch)  
₹ 100/- for every additional game

**Co-ordinators** CA. Ashok Manghnani 9820395195  
CA. Mahesh Chhabria 9867565118  
CA. M. Kalahasthi 9029006759  
CA. Mandar Date 9819487770

Members are invited to participate in Annual Indoor Sports Meet of 2018 of WIRC. Badminton (Singles & Doubles), Table Tennis (Singles & Doubles). Carrom (Singles & Doubles), Chess, will be played. Please send in your entries at the earliest.

**SEPARATE FACILITIES FOR LADIES & GENTS MEMBERS**

## 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.

#ParadisePapers #CyberAttack #LawFirms #CAFirms Law and CA firms are privy to a myriad of confidential information that can be used to front run trades, evade prosecution or perhaps topple Governments (or at least select politicians). Last year's attack on Wall Street law firms demonstrated how stolen information such as FDA filings and press releases could be used to front run trades. Even tax law information can be monetised or weaponised by (self-proclaimed) ethical hackers. Law and accounting firms should raise the alarm when it comes to their firm's cybersecurity rigour. The Paradise Papers should serve as a warning for professional firms who have built a cyber practice based on a strategy of loss and recovery. Read more at: <https://goo.gl/nD2cTy>



#CyberHack #Bank #SWIFT The SWIFT banking system has been targeted by hackers yet once again, this time in Russia. SWIFT is an international payments system used for global monetary transfers; sources said that the unusually large size of the attempted fraudulent transactions is what tipped the bank off and allowed it to block most of the theft. In February 2016, hackers were able to make off with \$81 million from Bangladesh's central bank, using a software exploit and a malware that had been specifically designed to change code in SWIFT's Access Alliance software. Read more at: <https://goo.gl/iQP4Wg>



#SecurityAlert #Malware #Bank Payment security firm Sisa has issued an advisory to all banks and payment processors after it discovered that hackers had managed to insert malicious software into the payment switch server of an unnamed bank. The advisory is in the nature of a warning to other banks to reset passwords for employees with access to payment servers and to use two-factor authentication for providing access. While the malicious software has been identified, it is not yet clear whether customer accounts have been compromised. Read more at: <https://goo.gl/Uqx2wc>



#RegTech #RegulatoryTechnology #Compliance RegTech Start-Ups are saving firms billions in regulatory fines and displacing manual risk and compliance with cutting-edge technology. RegTech broadly includes any technology and/or software created to address regulatory challenges, help companies understand regulatory requirements and stay compliant. In light of regulators increasing the technical requirements on firms, manual *ad hoc* reporting is being overhauled. Firms are required to implement data analytics, quantitative risk modelling, real-time reporting, and more, they are turning to RegTech to comply. Read more at: <https://goo.gl/VZBepv>



(Disclaimer: Copyright – source links. These links are being provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by the WIRC of ICAI of any of the products, services or opinions of the corporation or organisation or individual. The WIRC of ICAI bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links.)



**DIRECT TAX**

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



**Section 40A(3) of the Income-tax Act, 1961, read with Rule 6DD of the Income-tax Rules, 1962 – Business Disallowance – Cash Payment Exceeding Prescribed Limits – Clarification on Cash Sale of Agricultural Produce by Cultivators/Agriculturists**

**Circular No. 27/2017 dated 3/11/2017**

The Central Board of Direct Taxes (CBDT) has received representations from the stakeholders regarding applicability of provisions of Income-tax Act, 1961 ('the Act') to cash sale of agricultural produce by the cultivators/agriculturists.

CBDT has clarified that cash sale of the agricultural produce by its cultivator to the trader for an amount less than ₹ 2 lakh will not:

- Result in any disallowance of expenditure under section 40A(3) of the Act in the case of trader;
- Attract prohibition under section 269ST of the Act in the case of the cultivator; and
- Require the cultivator to quote his PAN/or furnish Form No. 60.

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

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



**The Maharashtra Goods and Services Tax Act, 2017**

**Circulars**

The Commissioner of Sales Tax, Maharashtra State, has issued following circulars:

- Circular bearing No. 48T of 2017 dated 23/11/2017 by which the method of e-payment under the SAP system is clarified.
- Circular bearing No. 20A of 2017 dated 22/11/2017 by which the guidelines regarding cross checking of Input Tax Credit is clarified.
- Circular bearing No. 49T of 2017 dated 28/11/2017 by which manual filing and processing of refund claims in respect of Zero rated supplies is given.
- Circular bearing No. 50T of 2017 dated 7/12/2017 by which submission of Bond/Letter of Undertaking by the Exporter in respect of Exports without payment of Integrated Tax under IGST Act is clarified.
- Circular bearing No. 51T of 2017 dated 8/12/2017 by which position of Filing the MVAT Audit Report in FORM 704 for the year 2016-17 by the dealer registered on or after 25/5/2017 on SAP system is clarified.
- Circular bearing No. 52T of 2017 dated 11/12/2017 by which few more issues about manual filing and processing of refund claims in respect of Zero rate supplies are clarified.

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



**Goods on Approval – Movement**

Vide Circular No. 10/10/2017-GST dated 18/10/2017, The Special Commissioner of State Tax has clarified that the goods,

which are taken for supply on approval basis, can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State, on a delivery Challan, along with the e-way bill, wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him, so that he can issue the invoice, once the supply is fructified.

**Gujarat High Court Important Judgments**

In case of *State of Gujarat vs. Panasonic India Ltd. (Tax Appeal No. 614 of 2017 dated 1/9/2017)*, Hon'ble Gujarat High Court has confirmed the decision of the Hon'ble GVAT Tribunal to the effect that if the Assessing Officer has accepted the Interstate Stock Transfers as Interstate Sale and levied tax on such transactions due to non-submission of Form F, the Appellate Authority, on submission of Form F by the dealer at the appellate stage, was not justified in rejecting the claim of Stock Transfer on the ground that the assessee could not produce evidences for Movement of Goods to other State at appeal stage.

In case of *Minaxi Textile Ltd vs. Deputy Commissioner of Commercial Tax (SCA No. 14329 of 2017 dated 22/9/2017)*, Hon'ble Gujarat High Court has held as under:

- Refund of tax is not available to incentive dealer for the purchases made from another incentive dealer,
- Provisional refund once granted under sub-section (4) of section 37 can be disturbed and recovery can be demanded only on final assessment and not otherwise (Gujarat Value Added Tax Act, 2003)

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



**Central Government, vide Notification No. 40/2017-Central Tax (Rate) dated 23rd October, 2017**, has granted exemption to intra-state supply of taxable goods by a registered supplier to a registered recipient ("Exporter") for export from so much of Central Tax leviable thereon as in excess of the amount calculated @0.05% subject to following conditions:

- The goods to be supplied for supplier to the exporter under a Tax Invoice;
- The exporter shall export the said goods within 90 days from date of issue of Tax Invoice;
- The exporter shall indicate GSTIN & Tax Invoice No. of supplier in the Shipping Bill/Bill of Export;
- The exporter shall be registered with Export Promotion Council or a Commodity Board recognised by the Department of Commerce;
- The exporter shall place an order on supplier for procuring goods at concessional rate and the copy of the same to be submitted to jurisdictional Tax Officer of supplier;
- The exporter shall move the goods directly from place of supplier to
  - Port/ICD/Airport/LCS from where goods are to be exported; or
  - Registered warehouse from where the said goods shall be moved to Port/ICD/Airport/LCS from where goods are to be exported

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



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



**Co-operative Update**

(a) Co-operative E helpdesk has been made Live on WIRC website. Please find below the link for User Interface for posting queries

<https://wirc-icai.org/cooperative.aspx>

(b) Income Tax Appellate Tribunal – Mumbai: ITA No. 1343/MUM/2017 (AY. 2013-14)

*Sea Grean Co-operative Housing vs. ITO 21(3)(2)*, Mumbai on 31st March, 2017, it is held that deduction u/s. 80P(2)(d) for the interest earned on co-operative bank is allowed.

**RERA Update**

(a) Writ Petition No. 2737 of 2017 and others, *Neelkamal Realtors Suburban Pvt. Ltd. and Anr. vs. Union of India and Ors.*, Hon'ble Bombay High Court has upheld the Constitutional Validity of Real Estate (Regulation and Development) Act, 2016.

(b) Circular Nos. 12 and 13 of 2017 dated 4th Dec., 2017 are issued by MahaRERA replacing the earlier word co-promoter to promoter as per the Order dated 14th November, 2017 passed by the Hon'ble Bombay High Court in Writ Petition (L) No. 2023 of 2017.

(c) Circular No 14/2017 of MahaRERA date 1st November 2017 : Amendment to the Circular on Standard Operating Procedure for Updating Registered Projects and Revising/ Correcting information with respect to Registered Project and Agents MahaRERA Circular No. 08/2017 dated 17/7/2017.

**Public Finance & Govt. Accounting**

Please login to [www.gem.gov.in](http://www.gem.gov.in) for the new portal introduced by GOI vide its GFR Rules, 2017 for the tender value up to ₹ 30 lakh. CAs are advised to make maximum utilisation of this newly introduced Electronic market and grab the professional opportunities in Public Finance & Govt. Accounting which is untapped and untouched territory.

**DIRECT TAX**

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



**JUDICIAL PRONOUNCEMENTS**

**SUPREME COURT DECISIONS**

1) *Plastiblends India Limited vs. Adtl. Commissioner of Income Tax (Supreme Court of India)*

**Depreciation has to be taken into account for computing profits eligible for deduction u/s. 80-IA**

(Civil Appeal No. 238 of 2012, Date of Judgment/Order : 9/10/2017)

Section 80-IA of the Income-tax Act, 1961 (the 'Act') provides deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc. Recently, in *Plastiblends India Ltd. vs. ACIT*, the singular issue which was to be considered in the various appeals pertained to claim of depreciation under section 80-IA of the Act. Interpreting the provisions of section 32 of the Act (which prevailed in the relevant Assessment Years) Supreme Court in *CIT vs. Mahendra Mills* [(2000) 243 ITR 56] had held that it is a choice of an assessee whether to claim or not to

**ROCK CENTER FOR CORPORATE GOVERNANCE** STANFORD

Stanford Senior Executive Leadership Program (SSELP), offered by the Stanford Rock Center for Corporate Governance, is now accepting students for the first intake in India.

The SSELP is a five-month flagship executive program taught across four sessions:

Session	Place, Location	Tuition Fee
16-18 Feb 2018	The Learning Galaxy, 8th Floor, Tower A, Urmi Estate, Lower Parel (W), Mumbai 400 013, India	\$24,250
21-23 March 2018		
7-9 May 2018		
22-24 June, 2018	Stanford University, California	

The program's world-class faculty represents a perfect balance of academic excellence and industry expertise. The innovative program covers areas of Strategic Accounting and Finance; Designing Effective Corporate Governance Structures and Culture; Leadership, Influence and Innovation in Complex Business Environments; Making Better Decisions: Uncertainty, Risk Taking & Strategy; and Understanding Business Deals & Global Markets.

For complete details, go to the below link:

<http://stanford.io/2AnCB6V>

For further information, contact: Smita Dhanuka @ +91 98202 12341 / [smita.dhanuka@ssquare.in.net](mailto:smita.dhanuka@ssquare.in.net)

SSELP is operated in conjunction with Stanford Rock Center's regional partner SSquare Education and Consultancy Services Pvt. Ltd.

claim depreciation. This decision was rendered in the context of assessing business income of an assessee under Chapter IV of the Act which is regulated by sections 28 to 43D of the Act. Section 32 deals with depreciation and allows the deductions enumerated therein from the profits and gains of business or profession. Section 80-IA of the Act, on the other hand, contains a special provision for assessment of industrial undertakings or enterprises which are engaged in infrastructure development etc. This provision allows certain specific kind of deductions in respect of depreciation.

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

**INTERNATIONAL TAXATION**

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



*Assistant Director of Income-tax-1 New Delhi vs. E-Funds IT Solution Inc.* [2017] 86 taxmann.com 240 (SC) dated 24th October, 2017

**Facts**

The assessee namely e-Fund Corp. and e-Fund IT Solutions Inc. were incorporated in USA. They entered into international transactions with their Indian subsidiary company, i.e. e-Fund India. In terms of agreement, e-Fund India performed, back office operations in respect of ATM management, electronic payments, and decision support and risk management services rendered by assessee.

The Assessing Authority is of the opinion that the assessee had



a fixed place where they carried on their own business, which can be constituted as its permanent establishment (PE), and thus Article 5 of the India-U.S. DTAA was attracted. Consequently, the assesseees were liable to pay tax in respect of income that they earned from the aforesaid fixed place PE in India.

On appeal, the Commissioner (Appeals) dismissed the appeals of the assesseees holding that Article 5 was attracted, not only because there was a fixed place where the assesseees carried on their business, but also because they were 'service PEs' and 'agency PEs' under Article 5.

On Second Appeal, the Tribunal held that the Commissioner (Appeals) was right in holding that a 'fixed place PE' and 'service PE' had been made out under Article 5, but said nothing about the 'agency PE' as that was not argued by the revenue before the Tribunal. However, the Tribunal, on a calculation formula different from that of the Commissioner (Appeals), arrived at a nil figure of income for all the relevant assessment years.

On cross appeals, the High Court ruled in favour of the assesseees and by an elaborate judgment, set aside the findings of all the authorities and further dismissed the cross-appeals of the revenue.

On appeal by revenue to the Supreme Court.

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

- Further, after taking cognizance of the Supreme Court Judgment in *Ramtanu Co-operative Housing Society Ltd. & Anrs vs. State of Maharashtra & Ors.* (1970) 3 SCC 323 and *Haryana State Industrial Development Corporation [HSIDC] vs. Hari Om Enterprises* (2009) 16 SCC 208, the Court also held that MIDC is a statutory corporation which is virtually a wing of the State Government. It discharges several sovereign functions.

[*CCE vs. Maharashtra Industrial Development Corporation (Bom.)* – Appeal No. 164 of 2015 uploaded on Bombay High Court's website on 27/9/2017].

**Commercial Training and Coaching Services**

Activity of imparting coaching in English Language by Vocational Training Institute is eligible for exemption under Notification No. 24/2004-ST dated 10.09.2004. [Maria Computer Systems Pvt. Ltd v/s CCE (2017) 49 STR 539 (Tri-Del.)]

Training imparted in the field of Auto CAD/CAM, Computer networking, multimedia, DTP, computer repair and maintenance, call centre training, etc. are in the nature of vocational training and exempt under Notification No. 24/2004-ST dated 10.09.2004. [Centre for Research and Industrial Staff Performance v/s CCE (2017) 49 STR 560 (Tri-Del.)]

**Renting of Immovable Property**

Where the assessee let out its vacant factory premises to various parties for monthly rent and also in addition to the rent, recovered certain amounts for providing common services like security guard, emergency electricity generator, common sanitary block for workers, repairs and maintenance of factory building, vehicle expenses, etc. it was held that the amount recovered for common services is not liable for service tax under 'renting of immovable property' services. [Mandhana Exports vs. CCE (2017) 49 STR 554 (Tri – Mum.)]

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

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



**Statutory and Sovereign Functions not liable to service tax**

Maharashtra Industrial Development Corporation ["MIDC"] collected service fees or service charges pursuant to section 17 of Maharashtra Industrial Development Act, 1961 ["MID Act"] for providing and maintaining the amenities in its industrial estates such as roads, water supply, street lighting, drainage, etc. The Bombay High Court held that such charges would not be liable for service tax observing as follows:

- The service fees or service charges are in the nature of compulsory levy which is used by MIDC in discharging statutory obligations under section 14 of the MID Act.

...  
*Congratulations!*



CA. Sanjay Rungta, (M. No.043721) has been re-appointed as Independent Director of Indian Overseas Bank for 3 years.

**Seminar on Auditing & Assurance Standards**



**Seminar on International Taxation**



CA. Virag Shah, CA. Vishnu Agarwal, Chairman, WIRC, CA. Hiten Sutar







**File GSTR1 returns (sales invoices) and view GSTR2A (invoice data uploaded by counter-party dealers) with reconciliation seamlessly on NSDLgst portal.**

## NSDLgst KEY OFFERINGS

- Special module for Chartered Accountants/Tax Consultants to service their clients
- Reconciliation, Ledgers & Mismatch alerts
- Comprehensive reports & MIS reports
- Securely store data for multiple years
- e-Sign facility
- Helpdesk for Dealers/Tax Consultants/Chartered Accountants

**When it comes to GST, trust the experts**

**ENROL NOW**



[www.nsdlgsp.co.in](http://www.nsdlgsp.co.in)



[020-25678300](tel:020-25678300)



[gstinfo@nsdl.co.in](mailto:gstinfo@nsdl.co.in)



**Mega Conclave on Direct Tax & GST**



CA. Sandeep Jain, RCM, CA. Vishnu Agarwal, Chairman, WIRC, Hon'ble P. K. Bansal, Vice President, ITAT, CA. Tushar Hemani, CA. Avinash Poddar, CA. Balkishan Agarwal, Chairman, WICASA, CA. Vimal Punmiya, Shri R. K. Gupta, DG Income Tax, Pune, CA. Vishnu Agarwal, Chairman, WIRC, Shri Pramod Kumar, Principal, Commissioner of Income Tax -1, Thane, Shri Shrikrishna, Principal, Commissioner of Income Tax -1, Thane,

**Training Programme on Service Tax with Service Tax Department**



CA. Avinash Poddar, CA. Vishnu Agarwal, Chairman, WIRC, Shri Ganesh Havanur, Commissioner CGST & CEX, Audit Thane, CA. Zoeb Khattad



Shri Ganesh Havanur  
Commissioner CGST & CEX Audit Thane



Smt Jyoti Agrawal  
Deputy Commissioner CGST & CEX Audit Thane



Shri Arvind Singhal  
Assistant Commissioner CGST & CEX Audit Thane



Shri B. R. Beniwal  
Assistant Commissioner CGST & CEX Audit Thane



Shri Prakash M. Modak  
Assistant Commissioner CGST & CEX Audit Thane



Shri V. L. Kamble  
Assistant Commissioner CGST & CEX Audit Thane



Shri Niraj Srivastava  
Assistant Commissioner CGST & CEX Audit Thane





**Regional Tax Conclave at Baroda**



**WIRC Office Bearers visited Bhavnagar Branch**



CA. Shruti Shah, Past Chairperson, WIRC, CA. Pradeep Agrawal, Treasurer, WIRC, CA. Raju Baxi, CA. Vishnu Agarwal, Chairman, WIRC, CA. Sarvesh Joshi, Vice Chairman, WIRC, CA. Priyam Shah, RCM

**Workshop on Forensic Audit**



CA. Sajjan Kanodia, CA. Manish Gadia, RCM, CA. Chetan Dalal, Faculty, CA. Vishnu Agarwal, Chairman, WIRC, Shri P. B. Loke, Chief Guest, CA. Kamlesh Kothari

**Seminar on UAE Dubai VAT**



CA. Ritesh Hibare, CA. Avinash Poddar, CA. Vishnu Agarwal, Chairman, WIRC, CA. Sanket Shah

**Study Course on Law Applicable to Real Estate & Redevelopment**



CA. Vishnu Agarwal, Chairman, WIRC, CA. Tarun Ghia, CCM, CA. Shilpa Shinagare, RCM

**Girish Kulkarni Memorial Lecture on Facing Challenges – The Bhagavad Gita way**



Shri Indrayumana Das, CA. Vishnu Agarwal, Chairman, WIRC, Shri Amatasana Das, CA. Sreesha Govinda Das, CA. Manish Gadia, RCM

**Seminar on Corporate Social Responsibility**



CA. Rakesh Tulsyan, CA. Abdullah Fakhri, CA. Vishnu Agarwal, Chairman, WIRC, CA. Hiral Nandu



**Seminar on Arbitration & Competition Act**



CA. Vishnu Agarwal, Chairman, WIRC, CA. Pawan Kumar Agarwal, CA. Dhavni Karia

**Sub Regional Conference at Rajkot**





CA. P. K. Bansal  
Hon'ble Vice President, ITAT



CA. G. S. Pannu  
Hon'ble ITAT Member



Shri Rajendra  
Hon'ble ITAT Member



Shri R. K. Gupta  
IRS, DG of Income Tax, Pune



Shri Pramod Kumar  
Principal, Commissioner of Income Tax-1, Thane



Shri Shrikrishna  
Principal, Commissioner of Income Tax-2, Thane



Shri Satish Mahana  
Hon'ble Minister for Infrastructure &  
Industrial Development, Govt. of UP



CA. Ashwini Taneja  
Former ITAT Member



Dr. Sibichen Mathew, IRS,  
CIT Appeal, Chennai

Price ₹ 15 per copy

Associate Membership Fees ₹ 1,500 and Fellow Membership Fees ₹ 3,000 (including subscription to WICA Newsletter)

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 Kurla Complex, Bandra East, Mumbai - 400051.

Editor: CA. Vishnu Agarwal

The views and opinions expressed or implied in Western Indian Chartered Accountants Newsletter are those of the authors or contributors and do not necessarily reflect those of WIRC. Unsolicited articles and transparencies are sent in at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of WIRC.

**DISCLAIMER:** The WIRC of ICAI is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Newsletter. The members, however, may bear in mind the provision of the Code of Ethics while responding to the advertisements.

**Branches :** Ahmedabad • Ahmednagar • Akola • Amravati • Anand • Aurangabad • Baroda • Bharuch • Bhavnagar • Bhuj • Dhule • Gandhidham • Goa • Jalgaon • Ichalkaranji • Jamnagar • Kalyan-Dombivali • Kolhapur • Latur • Nagpur • Nanded • Nashik • Navi Mumbai • Navsari • Pimpri Chinchwad • Pune • Rajkot • Ratnagiri • Sangli • Satara • Solapur • Surat • Thane • Vapi • Vasai

If undelivered, please return to:

**Address :** ICAI Tower, Plot No. C-40, G Block, Opp. MCA Academy, Next to Standard Chartered Bank, Bandra Kurla Complex, Bandra East, Mumbai-400051.

**WIRC Website :** <http://www.wirc-icai.org> **ICAI Website :** <http://www.icai.org> • **Phone :** 3367 1400/1500 • **E-mail :** WIRC : [wirc@icai.in](mailto:wirc@icai.in) • **Mumbai :** [wro@icai.in](mailto:wro@icai.in)

• **New Delhi :** [icaiho@icai.org](mailto:icaiho@icai.org)