



# The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



## Western India Chartered Accountants Newsletter

JULY 2018 Vol. 44 | No. 07



✓ Excellence ✓ Independence ✓ Integrity



My Dear Members,

Responsibility comes with a dual role, i.e. the onus of delivering what is expected and then being accountable for the same. This of late has increased on finance professionals with the opportunities that comes to them. It is a universal truth that with great power comes great responsibility and it is especially true considering that the attestation function carried out by a Chartered Accountant is taken to be the absolute final decision and accepted as such. As this has become a strong and undisputable base for investors and stakeholders, it assumes extra importance in today's scenario when the entire world is looking at us for good governance and quality reporting. In a nutshell risk and rewards go hand in hand. We have garnered very good demand for our professionals across the world, which I have personally witnessed during our recent International Study Tour to Australia.

When we perceive our surroundings, what we see is that the only constant is change. Our socio-economic environment is at its dynamic best with the legislations and expectations changing by the minute. Growth is never by mere chance; it is the result of forces working together. This is clearly visible in the manner we are spreading our wings world-wide. The MRAs with professional bodies in many countries in the world is a testimony that the ICAI is consistently looking to explore new avenues for the Indian Chartered Accountants on a global scale.

We stand proud as the ICAI is one of the premier professional institutes in the world and that we are not complacent about our successes but constantly strive to improve ourselves every passing day, thus becoming stronger over the years.

While we are the second largest Accounting body globally, we continue to serve beyond our traditional roles of regulating the Profession, Educating & Examining, for a more holistic growth. Besides we also contribute with our inputs to the various accounting regulatory bodies.

Since the inception of ICAI, we have evolved tremendously, following a path of continuous development and progress. Traditional book-keepers and accountants made way for a new generation who moved beyond numbers into commercial taxation laws, regulations and related business laws to optimally balance business decisions in compliance with laws. This foresight of creating professional automation took Accountants to a whole new space of financial and management planning. Today, we have developed and connected with the latest trends in digital technology by way of utilizing cloud computing and big data to move the profession up the digital path to a new future.

It's a glorious feeling that ICAI has entered into its 70th year. It has always supported and nurtured us in all our endeavours. On this occasion, I take this opportunity to wish each member, student and our support staff on this historic day.

As we commemorate and look forward to celebrating this 70th year of our foundation let us make the year a landmark one. I appeal to senior members to come forward and mentor our GenNext youth, teaching them the timeless and classical attributes to become complete professionals.

We continue to reach out personally to our valued members and beloved students across branches & study circles to deliberate and resolve issues faced by them at the ground level.

In this, the 70th year of our glorious history, I look forward in taking our beloved Alma Mater, Profession and Nation forward with your unstinted support.

With Best Wishes,

CA. Sandeep K.C. Jain  
Chairman

Forthcoming  
Events  
Page 3

Law Updates &  
Miscellaneous  
Page 6

### OFFICE BEARERS

CA. Sandeep Jain  
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Vice Chairman

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EX-OFFICIO CA. Dhiraj Khandelwal



### Sessions at Direct Tax Refresher Course, 2018



CA. Kamlesh Saboo, Chairman, Direct Tax Committee, WIRC CA. Balkishan Agarwal, Treasurer, WIRC, CA. Prafulla Chhajed, Vice President, ICAI, Chief Guest CA. G. D. Agrawal, Hon'ble President, ITAT, CA. Sandeep Jain, Chairman, WIRC, CA. Tarun Ghia, CCM, Chairman Direct Tax Committee, ICAI, CA. Purushottam Khandelwal, Secretary, WIRC



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CA. Priti Savla, RCM, CA. N. C. Hegde, CCM, CA. Rashmin Sanghvi, Faculty, CA. Kamlesh Saboo, Chairman, Direct Tax Committee, WIRC



CA. Gautam Doshi, Past Chairman & Faculty, CA. Mangesh Kinare, CCM



CA. Vishnu Agarwal, Imm. Past Chairman, WIRC, CA. G. S. Pannu, Hon'ble Member, ITAT, CA. Ashwani Taneja, Former Member, ITAT, CA. Shilpa Shinagare, RCM



CA. Vishnu Agarwal, Imm. Past Chairman, WIRC, Shri Rajendra, Hon'ble Member, ITAT, CA. Nihar Jambusaria, CCM, CA. Priti Savla, RCM



CA. Drushti Desai, RCM, CA. Pinakin Desai, Faculty, CA. Lalit Bajaj, RCM



CA. Vishnu Agarwal, Imm. Past Chairman, WIRC, CA. Vikrant Kulkarni, Chairman, WICASA, Adv. Amit Khemka, Sr. Advocate, Supreme Court & Delhi High Court, Shri R. K. Vohra, Ex. IRS, CA. Shruti Shah, Past Chairperson, WIRC



CA. Shardul Shah, CA. Chetan Karia, Faculty, CA. Mangesh Kinare, CCM

### National Residential Refresher Course at Shirdi Hosted by Ahmednagar, Dhule, Jalgaon, Nanded, Pune & Solapur



CA. Nandkishor Udgiri, Chairman-Solapur, CA. Anand Jakhotiya, Chairman-Pune, CA. Manohar Aylane, Chairman-Nanded, CA. Sandeep Jain, Chairman, WIRC, CA. Arun Gujrathi, Chief Guest, Former Speaker, Maharashtra Legislative Assembly, CA. Dhiraj Khandelwal, CCM, CA. Dnyanesh Kulkarni, Chairman-Ahmednagar, CA. Jayesh Gaud, Chairman-Dhule, CA. Ajay Jain, Chairman-Jalgaon



ICAI Tower, Bandra Kurla Complex, Mumbai

Date & Day	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators	Co-ordinators
14/07/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on International Tax</b> <ul style="list-style-type: none"> <li>How BEPS is changing the tax landscape in India</li> <li>Impact of BEPS Action 6 and Article 7 of MLI on India's Tax Treaties</li> <li>Discussion on Proposed Amendment to Agency PE Rules in Budget 2018</li> <li>Interplay between BEPS Action 1, Concept of Significant Economic Presence and Equalisation Levy</li> </ul>	CA. Paresh Parekh CA. Vishal Palwe CA. Jimit Devani CA. Rutvik Sanghvi	CA. Rakesh Alshi 9819427242 CA. Purushottam Khandelwal 9825020844 CA. Lalit Bajaj 9867692321	CA. Abhishek Katre 9821968858 CA. Vidhyut Jain 9892414386 CA. Swati Bhatkar 9967537989
21/07/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on Mergers &amp; Acquisitions</b> <ul style="list-style-type: none"> <li>Due Diligence</li> <li>Tax and Regulatory- Mergers, Demergers and Restructuring</li> <li>Valuations and M&amp;A</li> <li>Accounting Considerations in M&amp;A Scenarios</li> </ul>	CA. Hardik Chokshi CA. Hiren Bhat  CA. Vishal Lehari CA. Rajiv Shah	CA. Kamlesh Saboo 9819195333 CA. Pradeep Agrawal 9898560967 CA. Vikrant Kulkarni 9881880073	CA. Aniket Kulkarni 9821690559 CA. Riya Agarwal 9820101808 CA. Rahul Soni 9773123976
21/07/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on Understanding the IBC in Current Scenario</b> <ul style="list-style-type: none"> <li>Challenges faced in Implementation of Code</li> <li>Aligning mindset of stake holders the project of IBC</li> <li>Role of Resolution Professional in Effective Establishment of IBC</li> <li>Legal Jurisprudence established under IBC since its inception</li> </ul>	CA. Abizer Diwanji CA. Pravin Navandar Mr. Mukeshchand *  CA. Abhishek Nagori CA. Rajan Agarwal * Adv. Ashit Shah Adv. Rubina Khan *	CA. Drushti Desai 9820335923 CA. Hardik Shah 9825510422 CA. Sarvesh Joshi 9822022292	CA. Rakesh Tulsyan 9969410171 CA. Dhavni Karia 9819900489 CA. Nikhil Damle 9820170436
28/07/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on Charitable Organisations (NPO)</b> <ul style="list-style-type: none"> <li>Formation, Registration of Charitable Trusts/Societies/&amp; Important compliances under MPT Act</li> <li>Accounting &amp; Auditing under different laws applicable to NPO</li> <li>Registration u/s. 12AA and approval u/s. 80G of the Income-tax Act</li> <li>Issues in Taxation of NPO's under Income-tax Act</li> </ul>	CA. Suhas Malankar  CA. Vijay Joshi  CA. Zoeb Khattab  CA. Sanjiv Brahme	CA. Lalit Bajaj 9867692321 CA. Umesh Sharma 9822079900 CA. Priyam Shah 9824096112	CA. Milind Joshi 9930033939 CA. Vandana Dodhia 9820029281 CA. Nidhi Pandya 7506358911
28/07/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on NBFC</b> <ul style="list-style-type: none"> <li>Credit evaluation of NBFC – Crisil Perspective</li> <li>Acceptance of Deposits prudential norms &amp; Auditors duties</li> <li>Directions of RBI relating to NBFCs</li> <li>Audit Issues &amp; Accounting Issues Foreign Investment in NBFC Sector – Consolidation &amp; Limitation</li> </ul>	CA. Rahul Raichandani Eminent Faculty  CA. Vrinda Dalal CA. Bhavesh Vora	CA. Shilpa Shinagare 9820053395 CA. Pradeep Agrawal 9898560967 CA. Umesh Sharma 9822079900	CA. Premal Gandhi 9324383636 CA. Arpit Kabra 9819007027 CA. Diti Shah 9870131165
04/08/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on LLP</b> <ul style="list-style-type: none"> <li>Taxation of LLP</li> <li>Formation &amp; Conversion of LLP</li> <li>Provisions of LLP Act, 2008 &amp; Drafting of LLP Agreement</li> <li>Conversion of Partnership Firm and Private Limited Company into LLP</li> </ul>	CA. Umesh Gala CA. Neha Surana Eminent Faculty  CA. Divyesh Mehta	CA. Priti Savla 9321426883 CA. Vikrant Kulkarni 9881880073 CA. Aniket Talati 9825551448	CA. Y. R. Desai 9820448365 CA. Girish Shekhar 9820812584 CA. Ashish Bakliwal 9004315053
04/08/2018 Saturday  6 CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on HUF &amp; Family Arrangements</b> <ul style="list-style-type: none"> <li>Preparation of Wills and Documents in relation to HUF &amp; Family Arrangements</li> <li>Taxation of HUF, Family Arrangements, Trust &amp; Wills</li> <li>Tax Planning through HUF &amp; Family Arrangements</li> </ul>	Adv. Priyahas Jani  CA. Vimal Punmiya  CA. Dhiraj Soni	CA. Kamlesh Saboo 9819195333 CA. Sarvesh Joshi 9822022292 CA. Balkishan Agarwal 9377110634	CA. Nehal Turakhia 9833991898 CA. Mayur Momaya 9867952010 CA. Vinit Vyas 9930766805

\* Subject to confirmation



ICAI Tower, Bandra Kurla Complex, Mumbai

Date & Day	Time & Fees	Topic(s) & Speaker(s)	Chief Co-ordinators	Co-ordinators	
01/09/2018 Saturday  <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on E-commerce</b> <ul style="list-style-type: none"> <li>Introduction to E-commerce – Recent developments from FEMA and FDI perspective – Summary of the key tax issues relevant to the E-commerce sector</li> <li>Overview of the various structures – Discussion on related direct tax issues specific to the structures</li> <li>Discussion on recent updates under the OECD 2017 and MLI</li> <li>Transfer Pricing – global transparency and India impact – review of existing business models – APA</li> <li>GST issues relevant for the E-commerce sector</li> </ul>	CA. Neetu Vinayek  CA. Jasdeep Sahni  CA. Nidhi Agarwal CA. Archana Karnani CA. Anjul Mota  CA. Kirti Oswal	CA. Manish Gadia 9820537986 CA. Aniket Talati 9825551448 CA. Priyam Shah 9824096112 CA. Abhijit Kelkar 9422126890	CA. Dikshay Chandaliya 9773545382 CA. Amogh Jain 8828028081 CA. Parth Shah 9920868483
08/09/2018 Saturday  <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Workshop on Tax issues arising on account of IND AS</b> <ul style="list-style-type: none"> <li>Implementation of Ind-AS – Impact on Corporate Tax</li> <li>Revenue recognition (Ind AS 115)</li> <li>Property, Plant, Equipments (IND AS 16) – Intangible Assets (IND AS 38)</li> <li>Borrowing Costs (IND AS 23) – Government Grants (IND AS 20) &amp; MAT Impact</li> </ul>	CA. Hiten Sutar CA. Neelam Mange CA. Tarak Dharod CA. Manmay Chandawalla CA. Hemantkumar Salian	CA. Sushrut Chitale 9821112904 CA. Satyanarayan Mundada 9422080814 CA. Drushti Desai 9820335923	CA. Virag Shah 7043154500 CA. Zubin Haria 9930562512 CA. Vimal Agrawal 9320617447
22/09/2018 Saturday  <b>6</b> CPE Hrs	10.00 a.m. to 6.00 p.m.  ₹ 1,416/- (Incl. GST)	<b>Seminar on Business restructuring in relation to Taxation, SEBI and FEMA laws</b> <ul style="list-style-type: none"> <li>Key Taxation aspect under Slump Sale / Asset Sale / Slump Exchange / Share Sale</li> <li>Key Tax and Regulatory aspects of AIF and FVCIs</li> <li>SEBI Takeover Regulation - Informal Guidance and case studies</li> <li>Key aspect under FEMA Inbound Investment</li> <li>Key aspect under FEMA Outbound investment</li> </ul>	CA. Devarsh Patel  CA. Amit Dhoot  CA. Rashmin Pandya  CA. Hardik Shah  CA. M. Jagannathan	CA. Rakesh Alshi 9819427242 CA. Purushottam Khandelwal 9825020844 CA. Balkishan Agarwal 9377110634	CA. Eshaan Shah 9408190992 CA. Girish Maru 9004049320 CA. Ratan Jain 9820027879

ANNOUNCEMENT

Option for Polling Booth - Elections to the Twenty-Fourth Council and Twenty-Third Regional Councils

The next elections to the Council and the Regional Councils of the Institute of Chartered Accountants of India are scheduled to be held on 7th and 8th December, 2018 in cities having more than 2500 members (i.e. Ahmedabad, Bengaluru, Chennai, Delhi/New Delhi, Gurgaon, Hyderabad, Indore, Jaipur, Kolkata, Mumbai, Pune, Surat and Thane) and on 8th December, 2018 at all other places in terms of the provisions of Rule 21 of the Chartered Accountants (Election to the Council) Rules, 2006 specified by the Central Government. According to the provisions of clause (3) of Schedule 2 to Rule 6 of the aforesaid Rules, a notice is required to be published giving the voters in cities, having more than one polling booth located at different addresses, an opportunity to exercise their option to vote at a particular polling booth within that city.

Accordingly, an Announcement for Option for a particular polling booth in cities/towns i.e., Bengaluru, Mumbai, Kolkata, Delhi/New Delhi and Chennai having more than one polling booth located at different addresses has been hosted on the website of the Institute. For full details, kindly visit the Institute's website [www.icaai.org](http://www.icaai.org)

(V. Sagar)  
Secretary and Returning Officer

**go green** Going green isn't just about cutting down on plastic use or using solar power but involves constantly taking steps to reduce our carbon footprint and most importantly sustainability. Since we spend more time reading from our phones, tabs and laptops let us reduce our dependence on paper and use the digital medium to access our newsletter. In this year, let's take a step forward and convert from paper to digital. Support our goals to save our environment by mailing your choice to receive the e-Newsletter on [wirc@icaai.in](mailto:wirc@icaai.in)

India continues to be the top four producers of plastic waste in the world, generating 56 lakh tonnes of plastic waste annually. India's contribution to plastic dumping into the world's oceans is 60%.

Let us join hands to stop this destruction of our living world and pledge to stop the usage of plastic in our professional and personal lives.



Mark your Calendar

WESTERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

# 33rd REGIONAL CONFERENCE OF WIRC

12 CPE Hrs

24th & 25th August, 2018 • Hotel Sahara Star, Near Domestic Airport, Mumbai • 9.00 a.m. to 6.00 p.m.

Eminent personalities, speakers covering contemporary and special topics for Members in Industry and Practice

Fees ₹ 4,250+GST Before 1st August / ₹ 4,500+GST After 1st August



## International Co-Operative Exposure Visit to Srilanka

28th – 31st August, 2018

16 CPE HRS

Chief Co-ordinators:

CA. Shilpa Shinagare - 9820053395

CA. Sarvesh Joshi - 9822022292

Participant Fees – ₹ 18,000/-

Excluding Visa & Airfare

Limited Seats with Max 25 Delegates



For Inquiry call on 022-33671421/424 • To register online for event visit <https://wirc-icai.org/onlineevents.aspx>

### Participation in International Yoga Day



Marine Drive



Borivali



Andheri



Santacruz



## DIRECT TAX

(CA. Haresh P. Kenia, CA. Deepak Lala,  
CA. Paras K. Savla & CA. Hemant R. Shah)



**Section 90 of the Income-Tax Act, 1961 – Double Taxation Agreement – Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Foreign Countries – Kuwait – Amendment in Notification No. SO 2000(E), dated 27/11/2007**

**Notification No. SO 1823(E) [No. 21/2018 (F. No. 501/03/88-FTD-II)], dated 4/5/2018**

The Protocol amending the Agreement between the Government of the Republic of India and the Government of the State of Kuwait for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed at New Delhi on 15th June, 2006 has been signed at Kuwait on the 15th January, 2017, as set out in the Annexure appended to the above notification (hereinafter referred to as the said amending Protocol). The date of entry into force of the said amending Protocol is 26th March, 2018, being the date of the later notification of the completion of domestic requirements for the entry into force of the said amending Protocol, in accordance with Article 3 of the said amending Protocol. The Central Government has notified that all the provisions of the said amending Protocol, shall be given effect to in the Union of India.

## TRIBUNAL DECISIONS

*Kamlesh Parwani vs. ITO (ITAT Mumbai)*

**Addition justified for huge gifts on failure to prove genuineness**

[Appeal No.: I.T.A. No. 1737/Mum/2013, Date of Order: 23/2/2018, Assessment Year: 2005-06]

In this case, the assessee miserably failed to prove the genuineness of the stated gifts. It is evident from the Order of lower authorities that the assessee could only prove the identity of the donor but failed to establish the creditworthiness and genuineness of the gifts with cogent material. The donors had no relationship with the assessee and despite that huge gifts were received by the assessee as well as his other family members during impugned AY. Therefore, the stand of Ld. First Appellate Authority was confirmed and the assessee's appeal stands dismissed.

## MAHARASHTRA VAT & GST (CA. C. B. Thakar)



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

### Circulars

1. The Commissioner of Goods and Services Tax, Maharashtra State, has issued Internal Circular bearing No. 10A of 2018 dated 16/5/2018 by which instructions are given



**CA. Anil Dandekar**

(M. No.102382) has been awarded the BCCI Award for Best umpire in domestic cricket.

for passing of assessment orders manually till SAP based assessment module is made operational.

2. The Commissioner of Goods and Services Tax, Maharashtra State, has issued Circular bearing No. 15T of 2018 dated 21/5/2018 by which exemption from payment of late fees u/s. 6(3) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 is clarified.
3. The Commissioner of Goods and Services Tax, Maharashtra State, has issued Circular bearing No. 16T of 2018 dated 24/5/2018 by which Go Live of SAP based filing of Administrative Relief Application for unregistered period in case of dealers who have obtained Registration late is explained.
4. The Commissioner of Goods and Services Tax, Maharashtra State, has issued Circular bearing No. 17T of 2018 dated 2/6/2018 by which the clarifications on issues related to refund is given.
5. The Commissioner of Goods and Services Tax, Maharashtra State, has issued Internal Circular bearing No. 15A of 2018 dated 4/6/2018 by which the mentioning of details of Appellate Authority in the demand notice is clarified.

## GUJARAT VAT & GST (CA. Kishor R. Gheewala)



### IMPORTANT JUDGMENT

#### Barter as sale

The transaction of accepting gold from customers against delivery of new gold ornaments is held as "Barter" transaction and hence, held as "Sale" as covered u/s. 2(23) of the GVAT Act.

M/s. Arya Jewellers, First Appeal No. 8 of 2012 decided on 23/01/2017, reported at 2016 GSTB Part-II Page 369.

#### "Noodles" Exempt as "Sev"

The sale of Maggie Noodles is held as "Sev", made out of Wheat Flour or Maida, as covered under Entry 10(3) of Schedule I of the GVAT Act, following Judgment of the Hon'ble Tribunal under the Gujarat Sales Tax Act, 1969.

M/s. Patel Enterprise, R. A. No. 84 of 2014 decided on 31/1/2017. Reported at 2016 GSTB Part-II, Page No. 395.

## GOODS AND SERVICES TAX (CA. Rajiv Luthia)



### SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

**CBIC, vide Notification No. 23/2018-Central Tax dated 18th May, 2018** extends the due-date for filing GSTR 3B for month of April, 2018 from 20th May, 2018 to 22nd May, 2018.

**CBIC, vide Notification No. 24/2018-Central Tax dated 28th May, 2018** notifies National Academy of Customs, Indirect Taxes and Narcotics (NACIN) as the authority for conducting the examination for GST Practitioners under Rule 83 (3) of the CGST Rules, 2017.

**CBIC, vide Notification No. 25/2018-Central Tax dated 31st May, 2018** extends the time limit for furnishing the return by an Input Service Distributor in FORM GSTR-6 for the months of July, 2017 to June, 2018, till the 31st July, 2018.

**CBIC, vide Notification No. 26/2018-Central Tax dated 13th June, 2018** has made following amendment in CGST Rules, 2017 namely.



## CORPORATE LAWS (CA. Rahul Joglekar)



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

**MCA notification GSR (E) dated 18th June 2018 – Companies (Accounting Standards) Amendment Rules, 2018.**

MCA has issued the aforesaid notification to make amendments to the Companies (Accounting Standards) Rules, 2006 issued under the Companies Act 1956. The amendment deals with AS-11 with respect to disposal of interest in non-integral foreign operation and treatment of exchange gains and losses in such disposal. For complete text of the notification, please refer the link: [http://www.mca.gov.in/Ministry/pdf/CompanyAmendmentRule1806\\_19062018.pdf](http://www.mca.gov.in/Ministry/pdf/CompanyAmendmentRule1806_19062018.pdf).

## SERVICE TAX (CA. A. R. Krishnan & CA. Girish Raman)



**Business Auxiliary Services**

Where the amount equivalent to difference between the toll collected and the amount paid to National Highway Authority of India [“NHAI”]/Maharashtra State Road Development Corporation [“MSRDC”] for acquiring “toll collection rights” was sought to be taxed under “Business Auxiliary Service”, the Tribunal held as follows:

- The activity of NHAI/MSRDC is of developing, maintaining and management of national state highways which is a sovereign function and not into any business activity.
- The assessee had secured the right to toll collection in auction on payment of bid price to NHAI/MSRDC and the bid price paid to NHAI/MSRDC was in no way connected with the collection of toll or quantum of toll amount. The assessee has to pay NHAI/MSRDC the bid amount irrespective of the fact whether such activity would earn him profit or loss. The activity of toll collection by the assessee is not on behalf of NHAI/MSRDC but on their own account once they had secured the right to collect the toll.
- NHAI and MSRDC do not consider the assessee as commission agent collecting toll on their behalf. They consider the appellant as in business of toll collection and even tax is collected at source u/s. 206C of the Income-tax Act from the instalments paid by the assessee to NHAI/MSRDC. No income tax is deducted at source under section 194H which is towards collection of tax on commission income.

Hence the activity of the assessee cannot be considered as “Business Auxiliary Service” and cannot be subjected to service tax. [Commissioner of Service Tax, Mumbai vs. Ideal Road Builders Pvt. Ltd. (2018) 12 GSTL 192 (Tri. Mum.)].

## INTERNATIONAL TAXATION (CA. Hinesh Doshi & CA. Ronak Soni)



**Renaissance Services BV vs. Deputy Director of Income Tax, International Taxation TS-303-ITAT-2018 (Mumbai Tribunal) dated 8th June, 2018**

**Facts**

The assessee, a tax resident of Netherlands is engaged in conducting training programmes and providing access to

various computer systems, viz., Centralised Reservation System (‘CRS’), Property Management Systems (PMS) and Other Systems.

The assessee provided the above services to two Indian entities and contended that the consideration received was reimbursement of expenses without a mark-up. Alternatively, it claimed that even if it was considered Business receipt, it would not be taxable in the absence of a PE in India as per the India-Netherlands DTAA.

The Officer held that conducting training programmes was taxable as FTS u/s. 9(1)(vii) of the Act. Further, access to CRS and PMS was held to be Royalty u/s. 9(1)(vi).

The CIT(A) upheld the contentions of Revenue and further noted that the agreement for use of the brand name “Marriott” by the Indian entities under a licence for Royalty from the assessee was ancillary to the main agreement and thus was also under the ambit of FTS taxable in India.

Aggrieved, the assessee appealed before the Mumbai ITAT.

**Issue**

Whether permitting use of the group’s Brand name amounts to ancillary and subsidiary services taxable as FTS in its hands?

Whether training services which did not ‘make available’ skills or know how or transfer any technology to the personnel constitute FTS taxable in India?

Does providing access to various computer systems amount to ‘Technical Services’?

**Held**

The Hon. ITAT held that the assessee was not the owner of the brand name “Marriott”. Further, it was not in receipt of any Royalty as provided in Article 12(4) of the India-Netherlands tax treaty. Instead, the consideration received was for providing access to various computer systems and the element of Royalty could not be inscribed into the same.

## Obituary



**CA. Narendra M. Shah**

M. No. 07495 left for his Heavenly Abode on 4/3/2018.



**CA. Shreyans Jhaveri**

M. No. 31834 left for his Heavenly Abode on 27/5/2018.



**CA. Hojefa Hamjabhai Lokhandwala**

M. No. 157127 left for his Heavenly Abode on 9/6/2018.

May the departed Souls Rest in Peace.



All the services provided were in ordinary course of business and could not be brought within the sweep of "ancillary and subsidiary" services as provided in Article 12(5) of the India-Netherlands Tax Treaty. Accordingly, they could not be taxable as FTS.

### FEMA

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



#### External Commercial Borrowing (ECBs) – Monthly reporting through ECB 2 returns

A.P. (DIR Series) Circular No. 29 dated June 7, 2018

Part E of ECB 2 return is modified to include only standard information on hedged/unhedged ECB exposure. Details of hedging in Part E.1 of the return and foreign exchange earnings and expenditure in Part E.2 of the return should be furnished in additive format. Further, for reporting in respect of natural hedge, provisions contained in paragraph 2(iii) of A.P. (DIR Series) Circular No. 15 dated November 7, 2016 should be followed.

The revised monthly reporting format of ECB 2 return would be applicable from month end June 2018.

For further details on format of amended E block in ECB-2 Return please refer aforesaid circular available at –

<https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/APDIR295929BB13DEDA4A179372AC21F8AF4B3F.PDF>

#### Foreign Investment in India – Reporting in Single Master Form

A.P. (DIR Series) Circular No. 30 dated June 7, 2018

With objective of integrating the extant reporting structures of various types of foreign investment in India, as announced in the First Bi-monthly Monetary Policy Review dated April 5, 2018 RBI will introduce a Single Master Form (SMF) which would be filed online. SMF would provide a facility for reporting total foreign investment in an Indian entity as also investment by person resident outside India in an investment vehicle.

Before implementation of SMF, RBI will provide an interface to the Indian entities, to input data on total foreign investment in a specified format. The interface will be available on RBI website [www.rbi.org.in](http://www.rbi.org.in) from June 28, 2018 to July 12, 2018. Indian entities not complying with this pre-requisite will not be able to receive foreign investment (including indirect foreign investment) and will be non-compliant with Foreign Exchange Management Act, 1999 and regulations made thereunder.

The entities may be in readiness with the requirements to be provided in the Entity Master in the specified format given in the circular. The final form, when hosted, will be available in the Master Direction–Reporting under FEMA, 1999.

For details please refer circular at –

<https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/NT194481067EB1B554402821A8C2AB7A52009.PDF>

### CO-OPERATIVES (CA. Ramesh Prabhu)



#### RERA Update

#### HC held second appeal to be entertained only on question of law

Bombay High Court on 7th June, 2018, in Second Appeal (ST) No. 13781 of 2018 with Civil Application No. 560 of 2018 in the matter of *M/s. Sea Princess Realty vs. Mr. Rajesh Mehta* with

other allottees held that second appeal under RERA will be entertained for only question of law and dismissed the second appeal. MahaRERA had given six months relief of interest payment to the builder for delay in possession was revoked by the Appellate Tribunal on the 1st Appeal and also ordered for action against Architect for issuing completion certificate when the work was not complete in all respects.

#### Promoter is liable to pay interest to subsequent purchasers for delay in handing over the possession

MahaRERA decided on 12th June, 2018 to pay interest by the promoter for delaying the possession of the flat to the resale purchasers of the under construction flat in the complaint filed by Mr. Navneet Bagga against M/s. Neelkamal Realtors Suburban Pvt. Ltd.

### INFORMATION TECHNOLOGY UPDATE CORNER (CA. Ajay Dave)

A new report from the McKinsey Global Institute has highlighted how it thinks a range of jobs based on human skills are likely to be affected by AI and automation. The study emphasises the top three skill sets McKinsey says workers will need to develop between now and 2030 if they do not want to be "left behind". Download the study report here: <https://goo.gl/MxLXko>.



#FinTech #Algorithms #MachineLearning  
#FinanceApplications: A Guide to Machine Learning Techniques for Finance Applications. The linked 51-page research paper introduces 8 most popular classifiers in Machine Learning and illustrates each with an example based on financial data from real world. It can serve as a guide for how to apply Machine Learning Techniques to solve problems faced by finance industry. Download the report here: <https://goo.gl/72MJsN>.



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



### INDUSTRY CONNECT

CA. Tarun Jain, (FCA, CS, ICWA)  
Wholetime Director, Vedanta Ltd.



The Chartered Accountancy, more than any other course, provides you the wherewithal to access and take advantage of multiple professional opportunities. In my 35+ years as a finance professional, I have risen from a chief accountant to a finance director, all because of the drive to learn, to grow and to excel inculcated at a foundational level while doing the CA course.

This mindset has spurred me to grow beyond my comfort zone of accounting and become a multi-faceted professional. Opening my mind to the vast number of opportunities that can be found for finance professionals. In finance, for example, I have been fortunate to be exposed to the making of unique finance instruments, finance for M&A as well as large infrastructure projects, etc.

At the end of the day, Chartered Accountants are trained not only to see the big picture but also find the ways and means to achieve it by successfully working on and implementing all the myriad bits and pieces that are essential to any successful endeavor.

I dedicate every success garnered by me purely and solely to this coveted qualification.





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CA. Samir Shah



CA. Sanjay Chakrabarti



Shri Krishna Modi



CA. Sunder Krishnan



CA. Ajay Dave

### Interactive Meeting with CPA Australia at Melbourne, Australia



CA. Ramjilal Goswami, CA. Dharmendra Desai, CA. Jayraj Naik, CA. Mahesh Kanade, CA. K. C. Jain, Past Chairman, WIRC, CA. Mathew Sahane, CA. Sandeep Jain, Chairman, WIRC, CA. Vishnu Agarwal, Imm. Past Chairman, WIRC, CA. Sarvesh Joshi, RCM & CA. Sanjay Nikam with Members from CPA Australia Ram Subramanian, Ruth Atkinson, Claire Grayston, Jerry Andrews

### Study Course on Law Applicable to Real Estate and Redevelopment



CA. Ramesh Prabhu, Faculty, CA. Shilpa Shinagare, RCM, Chairperson, Committee of Co-op. Soc. Mah, WIRC, Shri Mahesh Talreja, Faculty, CA. Virag Shah



CA. Yogesh Ashnar



Adv. Manoj Pandit

### Team WIRC Branch Visit



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Amravati



Nagpur



Navi Mumbai



### Sub Regional Conference at Baroda



CA. Kiritkumar Patel, CA. Pradeep Agrawal, RCM, CA. Purushottam Khandelwal, Secretary, WIRC, CA. Priyam Shah, Vice Chairman, WIRC, CA. Prafulla Chhajed, Vice President, ICAI, CA. Dhiren Parikh, Branch Chairman, CA. N. C. Hegde, CCM, CA. Jay Chhaira, CCM, CA. Sanjeev Sharma, CA. Krunal Brahmhatt

### Intensive Workshop on Companies Act, 2013



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CA. Manish Sampat



CA. Yagnesh Desai



CS. Reema Jain

### Seminar on Real Estate (Regulation and Development) Act (RERA)



CA. Amit Mohare



CA. Ashwin Shah



CA. Sunil Naik

### Information Session on Opportunities and ease of Migration by CPA Australia



Ms. Preeti Dang, CPA, Australia, CA. Sandeep Jain, Chairman, WIRC, Mr. Leslie Leow, CPA, Australia

### Seminar on ICDS



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CA. Vyomesh Pathak

### Study Course on Co-operatives



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Adv. Suresh Pawar



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CA. Nitant Trilokekar



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