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The Institute of Chartered Accountants of India
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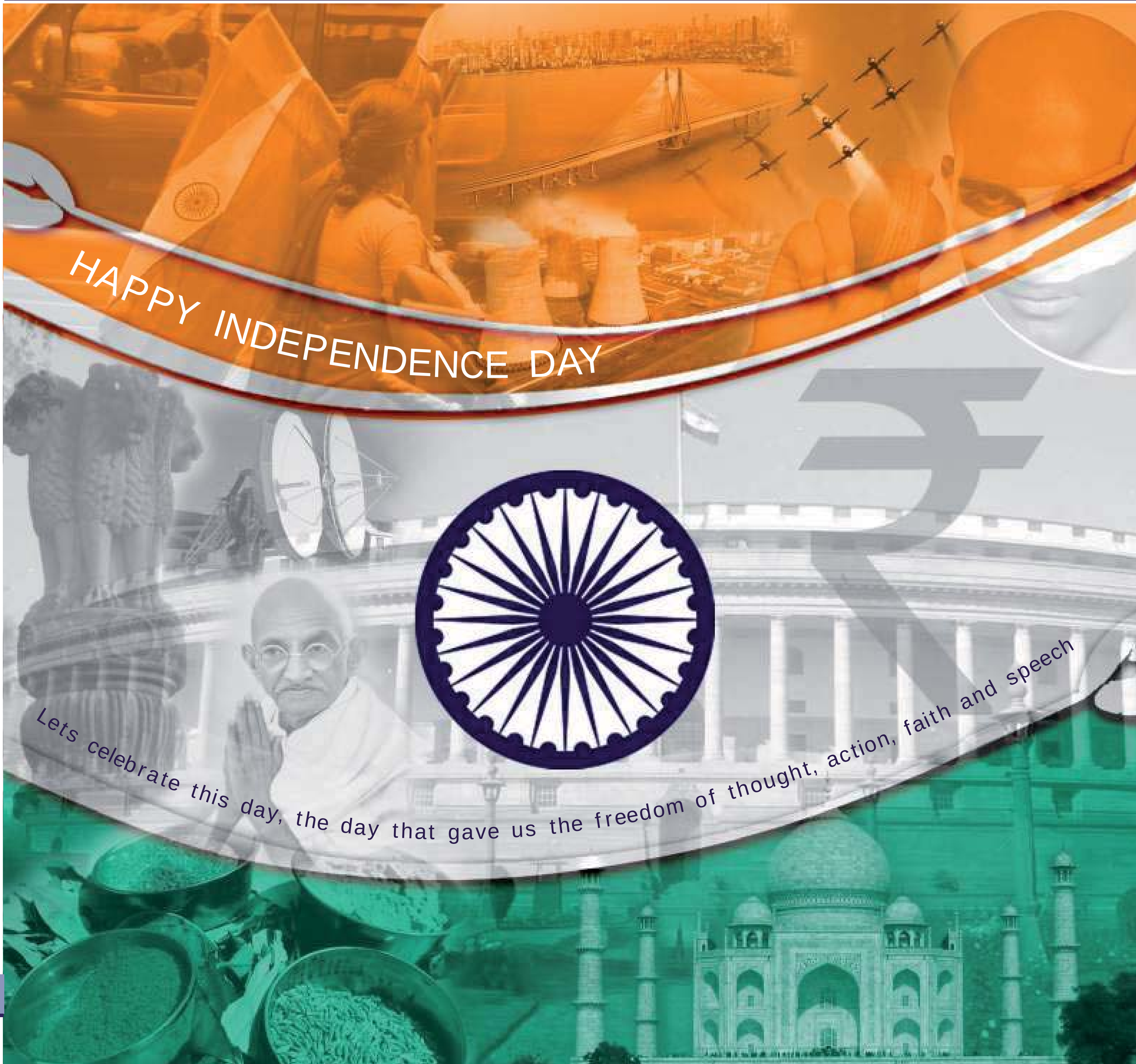
WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER

CA VIP
VERSATILE
INDEPENDENT
PROGRESSIVE

Volume 37 | No. 08 | August, 2011



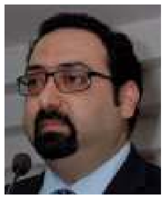
IMAGES

Seminar on Tax Audit and Documentation held on 2nd July, 2011

CA. Sunil Patodia, RCM, CA. Mangesh Kinare, RCM, CA. Abhay Arolkar, Faculty, CA. Hitesh Shah.

Other Speakers


CA. Harish Motiwalla


CA. Adi Sethna


CA. Atul Suraiya

Seminar on Networking/Merger/Demerger of CA. Firm held on 9th July, 2011


CA. Jayant Gokhale, CCM, and Faculty, CA. Viral Chheda, CA. Hashit Jagasheth.

Other Speakers


CA. Vijay Bhatt


CA. Nandita Parekh


CA. Jayesh Sanghrajka


CA. Ashok Pradhan

Workshop on Adjudication and Appellate Procedures – Service tax law held on 9th July, 2011

CA. Rajiv Luthia, Adv. Prakash Shah, Session Chairman, CA. Mangesh Kinare, RCM, Adv. J.C. Patel, Faculty, CA. Manish Gadia.

Session Chairman


Adv. Vipin Jain


Adv. S.S. Sekhon

Other Speakers


CA. Udyan Choksi

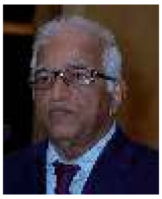

Adv. Bharat Raichandani


Adv. Anil Balani

Conference on Real Estate held on 15th & 16th July, 2011


CA. Neel Majithia, RCM, CA. Nihar Jambusaria, Faculty, CA. Rakesh Kapoor.

Other Speakers


Adv. K.K. Ramani


Adv. Deepali Sheth


CA. Rajat Talati


CA. Sunil Gabhawalla


CA. Anup Shah


CA. Keyur Shah

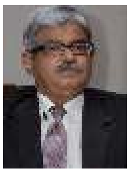

Adv. Chaitanya Mehta

Workshop on Drafting of Agreements Deeds & Documents held on 22nd & 23rd July, 2011


CA. Shardul Shah, Secretary, WIRC, Adv. Pravin Veera, Faculty, CA. Shivratan Singrodia.

Other Speakers


Adv. Parimal Shroff

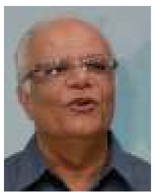

Adv. P.A. Jani


Adv. Parimal Golwala


Adv. Pardip Kapadia


CA. Rashmin Sanghavi


Adv. Kirit Mehta


Adv. Mahesh Shah


Adv. Bankim Desai


CA. Pradip Kapasi

CHAIRMAN'S Communication

Dear Members & Students,

Chartered Accountancy is one of the busiest professions in India and within the profession, the practitioners are indeed hard pressed for time during this period of the year. They are in midst of the busy season with the filing of returns of individuals on one hand and the various company audits and tax audits on the other. However, what cannot be ignored is the continuous need to update ourselves on subjects of professional interest. I earnestly request members to look at the various **professional programmes,** seminars and conferences organised by WIRC especially those on DCF valuation, FEMA, Permanent Establishment and Internal Audit. Those who are still to take part in XBRL and Tally-ERP 9 programmes may do so now.

Of late we have noticed the rising importance given to Indirect Tax by the Government in every budget. CAs are also aware of this trend and have been active in assimilating Indirect Taxation into their profession and have even started practising in this area. Taking this forward, WIRC has, on the lines of Direct Tax Refresher Course, organised **Indirect Tax Refresher Course** as Saturday series at IMC covering VAT and Service Tax. Members can now become more effective in these specific areas.

Members have long seen a need to establish subject-wise study circles in addition to the area-wise study circles. WIRC has already requested the President, ICAI to look into this possibility, in the meanwhile WIRC has decided to form **subject-wise study groups.** The subjects initially covered would be Information Technology, International Taxation, FEMA and Internal Audit. We have sent out mass mails for awareness as well as informing that membership of such study groups is open. Members should respond to these mails immediately as participation is restricted to 50 members per group only.

The WIRC **Diamond Jubilee Year has seen new activities** initiated like The **"Industry Konnect"** programme where WIRC members would meet groups of CAs in several large companies and interact with them to understand their expectations from the Institute and ensure that they reconnect with ICAI in a big way. Under the **"Health is Wealth"** programme study circles were requested to take up blood testing for members and students so as to detect early indications for problems relating to the heart, kidney, liver and diabetes. For college students, a drive called **"No Drink No Drugs – Live Life Fully"** has been undertaken jointly with Narcotics Control Bureau. College visits will have lectures, street plays, and student interaction highlighting harmful effects of drug abuse. We have also advised branches to have **Career Counselling in Colleges in rural and semi-rural areas** to increase the reach of ICAI to all parts of the country.

I am happy to announce that the **Reference Manual with CD** has been released at the hands of the President of ICAI, CA. G. Ramaswamy at an impressive convocation ceremony. Contributors have presented several topics in a unique manner this time and members can now use the manual as a support in their busy audit season.

Seminar and conference payment options have been eased as **one more payment gateway** in addition to Citibank would be made available on the WIRC website soon. This will help everyone connect easily to WIRC and help in completing CPE requirements.

I would like to reiterate to members and students that **toll-free helpline** is made available to them by ICAI. The helpline, available during office hours from Monday to Friday will enable members to sort out their queries at no cost.

The WIRC is looking forward to **saluting the nation on its 65th Independence Day**. Let us take this opportunity to eradicate corruption and poverty and work towards a truly free and developed nation.

In the immortal words of Mahatma Gandhi, **"We must be the change we wish to see".**

Jai Hind!!

With best regards,

CA. Shriniwas Y. Joshi

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For Seminar registration, enquiry contact 3980 2923 / 2922. Cheques should be drawn in favour of "WIRC OF ICAI" and sent to WIRC Office, ICAI Bhawan, Cuffe Parade • R. No. 580, Aayakar Bhawan, Churchgate • RVG Extension Counter, Andheri (W) • Mulund Reading Room, Mulund (W) • Dadar Reading Room, Dadar (E)

DATE	PROGRAMME	TIME	VENUE	FEES ₹	CPE	PG. NO.
20/08/2011	Controversial Issues Relating to Overlaps in Indirect Taxes	10.00 a.m. to 06.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	05
20 & 27/08/2011 3 & 10/09/2011	Indirect Tax Refresher Course – 2011 – Part I – VAT Audit	10.00 a.m. to 01.00 p.m.	4th Floor, Walchand Hirachand Hall, IMC, Churchgate	1950	12	05
20 & 27/08/2011 3 & 10/09/2011	Indirect Tax Refresher Course – 2011 – Part II – Service Tax	2.00 p.m. to 06.00 p.m.	4th Floor, Walchand Hirachand Hall, IMC, Churchgate	1950	12	05
27/08/2011	Seminar on Taxation of Business Income	10.00 a.m. to 06.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	06
27/08/2011	Seminar on Presentation Skill	10.00 a.m. to 06.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	06
03/09/2011	Half Day Seminar on Tax Audit	10.00 a.m. to 01.00 p.m.	Mayor Hall, Juhu Lane, Local Self Government, Andheri (W)	500	03	06
10/09/2011	Seminar on Securitisation & Debt Recovery Tribunal	10.00 a.m. to 06.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	06
10/09/2011	Seminar on KPO	10.00 a.m. to 06.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	07
17/09/2011	Seminar on Information Technology	10.00 a.m. to 06.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	07
17/09/2011	Seminar on DCF Method	10.00 a.m. to 06.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	07
24/09/2011	Seminar on Concurrent Audit of Banks	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	07
08/10/2011	Seminar on Practical Issues in Assessments	10.00 a.m. to 06.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	08
08/10/2011	Full Day Seminar on Service Tax Returns	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	08
15/10/2011	Full Day Seminar on Recent Amendments & Developments in Various Acts	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	08
15/10/2011	Programme on Intellectual Property Rights	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	08
Attention Members in Industry						
03/09/2011	Seminar on IND-AS	10.00 a.m. to 06.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	09
03/09/2011	Seiminar on NBFC	10.00 a.m. to 06.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	10
10/09/2011	Seminar on Ratings	10.00 a.m. to 06.00 p.m.	Hotel Sea Princess, Juhu Tara Road, Juhu, Mumbai	2000	06	09
23, 30/09/2011 & 05, 14/10/2011	Seminar on Industry Wise IND-AS	02.30 p.m. to 07.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	3500	16	10
01/10/2011	Workshop on Basics of DTAA	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	09
Students Section						
11/09/2011	MICS for CA Final	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	300		10
23/09/2011	Operating Research for CA Final	09.00 a.m. to 02.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	250		10
29/09/2011 to 01/10/2011	Forex, Derivatives and Portfolio Management for CA Final	10.00 a.m. to 06.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	750		10
3rd to 05/10/2011	Costing for CA Final	03.00 p.m. to 09.00 p.m.	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	750		10

For Online Event Registration & Payment Visit www.wirc-icai.org

Lecture Meeting on Recent Developments & Case Studies under Competition Commission

CPE HRS 02

DAY & DATE TUESDAY, 04TH OCTOBER, 2011

Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 50
Chief Co-ordinators	CA. Dhiraj Khandelwal 9867642684 CA. Shruti Shah 9892407988 *(Regional Council Members)*

TOPIC	SPEAKER
Recent Developments & Case Studies under competition commission	Shri Yusuf Iqbal

Lecture Meeting on Investment Options – Works of Art

CPE HRS 02

DAY & DATE WEDNESDAY, 21ST SEPTEMBER, 2011

Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 50
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Anil Bhandari 9821037605 *(Regional Council Members)*

TOPIC	SPEAKER
Investment Options – Works of Art	CA. Rishiraj Sethi

Lecture Meeting on Practical Aspects of TDS

CPE HRS 03

DAY & DATE FRIDAY, 26TH AUGUST, 2011

Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	5.30 p.m. to 8.30 p.m.
Fees	₹ 100
Chief Co-ordinators	CA. Mangesh Kinare 9869070539 CA. Vishnu Agarwal 9324544607 *(Regional Council Members)*

TOPIC	SPEAKER
Practical Aspects of TDS Procedure (including e-TDS)	CA. Vivek Degaonkar

To succeed make perseverance your best friend & experience your guide

Controversial Issues Relating to Overlaps in Indirect Taxes

CPE hrs 06

DAY & DATE	**SATURDAY, 20TH AUGUST, 2011**
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Anil Bhandari 9821037605 CA. Shruti Shah 9892407988 *(Regional Council Members)*
Co-ordinators	CA. Surendra Surekha 9372475219 CA. Manish Shah 9833260202 CA. Vikas Vishwasrao 9892915272

TOPICS	SPEAKERS
Information Technology	CA. Bharat Shemlani
Hotel & Hospitality	CA. Sagar N. Shah
Entertainment & Media	CA. Chirag N. Sheth
Construction	CA. Puloma Dalal

Indirect Tax Refresher Course – 2011 – Part I VAT Audit

CPE hrs 12

DAYS & DATES	**SATURDAYS**	**AUGUST 20 & 27, 2011**
	SATURDAYS	**SEPTEMBER 3 & 10, 2011**
Venue	4th Floor, Walchand Hirachand Hall, IMC, Churchgate,	
Timing	10.00 a.m. to 1.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,950/- (inclusive of course material & refreshments) (Please add ₹ 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Dhiraj Khandelwal 9867642684 CA. Neel Majithia 9820327660 (Regional Council Members)	

TOPICS	SPEAKERS
Levy of tax & rate of tax [Including taxation of liquor]	CA. Rajat Talati
Works contract - concepts & developments [including VAT on builders & developers]	CA. Deepak Thakkar
Issues in Input tax credit	CA. Vikram Mehta
Refund & refund audit	CA. Kiran Garkar
Other proceedings under the MVAT Act - Business audit, Assessment, Appeal, DDQ proceedings, etc.	CA. Sujata Rangnekar
Issues in VAT Audit	CA. Janak Vaghani
Latest decisions by various courts & Tribunal	CA. C. B. Thakar
Open Forum	CA. C. B. Thakar CA. Deepak Thakkar CA. Rajat Talati

Jointly with Indirect Tax Committee of ICAI

Indirect Tax Refresher Course – 2011 – Part II Service Tax

CPE hrs 12

DAYS & DATES	**SATURDAYS**	**AUGUST 20 & 27, 2011**
	SATURDAYS	**SEPTEMBER 3 & 10, 2011**
Venue	4th Floor, Walachand Hirachand Hall, IMC, Churchgate,	
Timing	2.00 p.m. to 6.00 p.m. (Reg. 1.30 p.m. to 2.00 p.m.)	
Fees	₹ 1,950/- (inclusive of course material & refreshments) (Please add ₹ 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Sanjeev Lalan 9323525932 CA. Mangesh Kinare 9869070539 *(Regional Council Members)*	

TOPICS	SPEAKERS
Point of Taxation Rules and New Services	CA. A.R. Krishnan
Recent Changes and issues in CENVAT Credit	CA. Rajiv Luthia
Classification & Valuation of Services	CA. Bharat Shemlani
Important Recent Judgements	CA. S. S. Gupta
Important Exemptions & Abatements in Service Tax	CA. Naresh Sheth
Adjudication, Demands, Penalties & Show Cause Notices	Adv. Bharat Raichandani
Import & Export of Services	CA. Sunil Gabhawalla
Practice and procedures before CESTAT	Adv. Vipin Jain

Jointly with Indirect Tax Committee of ICAI

INFORMATION TECHNOLOGY INITIATIVES

XBRL - THE LANGUAGE OF ACCOUNTING IN THE DIGITAL WORLD TWO DAYS WORKSHOPS

Dates	Day & Timing	Location	Fees	CPE hrs.
20th & 21st Aug'11	Sat & Sun 10 am – 5 pm	Thakur House , Kandivali-E	4500.00	12
27th & 28th Aug'11	Sat & Sun 10 am – 5 pm	SNDT College, Ghatkopar	4500.00	12
17th & 18th Sept'11	Sat & Sun 10 am – 5 pm	NMITD,Kirti College, Dadar	4500.00	12

ONE DAY WORKSHOPS

Dates	Day & Timing	Location	Fees	CPE hrs.
19th Aug, 2011	Friday 10am -5pm	All India Institute of Local Self Govtn.Andheri-West	1500.00	6
9th Sept, 2011	Friday 10am -5pm	ICAI Bhawan	1500.00	6
16th Sept, 2011	Friday 10am -5pm	ITT Centre, Thakur Village	1500.00	6

INFORMATION TECHNOLOGY WORKSHOPS

Date	Location	Topic	Fees	CPE hrs.
27th& 28th Aug'11	RVG Hostel	CAAT Tool for Data analysis	2500.00	12

Note : For registration contact 3980 2922 / 3980 2923

For Enquiry Mrs. Kapoor 39802921

Chief Co-ordinators CA. Neel Majithia 9820327660
CA. Shruti Shah 9892407988
(Regional Council Members)

The least deviation from truth will be multiplied later

Seminar on Taxation of Business Income

CPE hrs 06

DAY & DATE	SATURDAY, 27TH AUGUST, 2011	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sanjeev Lalan	9323525932
	CA. Shardul Shah	9820287625
	(Regional Council Members)	
Co-ordinators	CA. Mandar Dixit	9833372921
	CA. Namrata Dedhia	9987123626
	CA. Aalok Mehta	9892001645

TOPICS	SPEAKERS
Classification of Income as Business Income, Allowance & Disallowances	CA. Dilip Lakhani
Depreciation & Block of Assets	CA. Samir Shah
Presumptive & Deemed business Income	CA. Vasudeo Ginde
Deduction under Chapter VIA	CA. Chandresh Shah

Half Day Seminar on Tax Audit

CPE hrs 03

DAY & DATE	SATURDAY, 3RD SEPTEMBER, 2011	
Venue	Mayor Hall, Juhu Lane, Local Self Government, Andheri (W)	
Time	10.00 a.m. to 1.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 500/- (inclusive of course material, & refreshments) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Ashok Jain	9833512888
	CA. Dhiraj Khandelwal	9867642684
	(Regional Council Members)	
Co-ordinators	CA. Saurabh Shah	9819566066
	CA. Subhash Chhajed	9820107179

TOPIC	SPEAKER
Issues on Tax Audit	CA. Harish Motiwalla

Seminar on Presentation Skill

CPE hrs 06

DAY & DATE	SATURDAY, 27TH AUGUST, 2011	
Venue	Council Hall, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sanjeev Lalan	9323525932
	CA. Vishnu Agarwal	9324544607
	(Regional Council Members)	
Co-ordinators	CA. Rinkle Gorwara	9821688806
	CA. Nikil Damle	9820170436
	CA. Pooja Bansawani	9922667663

TOPICS	SPEAKER
Power of Vision	
Stress Management	Shri Bhaskar Joshi
Assertive Behaviour	

Seminar on Securitisation & Debt Recovery Tribunal

CPE hrs 06

DAY & DATE	SATURDAY, 10TH SEPTEMBER, 2011	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Mangesh Kinare	9869070539
	CA. Ashok Jain	9833512888
	(Regional Council Members)	
Co-ordinators	CA. Mousham Buch	9819012868
	CA. Namrata Dedhia	9987123626
	CA. Abhijit Totade	9819659151

TOPICS	SPEAKERS
Law of recovery of debts due to bank & Financial Institution Act, 1993	Shri Rajesh Nagori
Law & Procedure under Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002	CA. Pankaj Majithia
Relevance of Securitisation for Urban Co-operative Banks	CA. Prafulla Chhajed
Mortgage backed securitisation	CA. V.S. Rangan

Those that know, do. Those that understand, teach

Seminar on KPO

DAY & DATE	SATURDAY, 10TH SEPTEMBER, 2011
Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Dilip Apte 9930314856 CA. Shruti Shah 9892407988 (Regional Council Members)
Co-ordinators	CA. Meena Shah 9821237960 CA. Kinjal Shah 9892100844 CA. Sanjay Chokshi 9820333610

TOPICS	SPEAKERS
Infrastructure, Security and other aspects relating to accounting and tax outsourcing	CA. Pankaj Gadhiali
Opportunity in vendor payment & HR payroll outsourcing	CA. Ashwin Dedhia

Seminar on DCF Method

DAY & DATE	SATURDAY, 17TH SEPTEMBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. Ashok Jain 9833512888 (Regional Council Members)
Co-ordinators	CA. Rajesh P. Shah 9821343474 CA. Harshal Bhuta 9930114418 CA. Neelam Valani 9767724078

TOPICS	SPEAKERS
Cash Flow Method Overview of DCF Issues in DCF	CA. Pinkesh Billimoria
Review of Projections and Issues arising thereon	CA. Sujal Shah
Reporting Aspects under DCF	CA. Drushti Desai
Cost of Capital and Issues arising & Case Studies	CA. Parag Ved

Seminar on Information Technology

DAY & DATE	SATURDAY, 17TH SEPTEMBER, 2011
Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. Neel Majithia 9820327660 (Regional Council Members)
Co-ordinators	CA. Kinjal Shah 9892100844 CA. Giriraj Soni 9819804353 CA. Jayesh Shah 9819043921

TOPICS	SPEAKERS
Digital signature and E - Filing (Income tax and MCA 21)	CA. Pranay Kochar
Emerging Opportunity out of Information Technology Act	CA. Krishnand Bhatt
Auditing implementation cycles of enterprise applications (ERP)	CA. Devendra Dosi

Seminar on Concurrent Audit of Banks

DAY & DATE	SATURDAY, 24TH SEPTEMBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Dilip Apte 9930314856 CA. Neel Majithia 9820327660 (Regional Council Members)
Co-ordinators	CA. Nimesh Chottani 9321464699 CA. Divya Sukumar 9930604269 CA. Nikhil Damle 9820170436

TOPICS	SPEAKERS
Advance and Credit Verification	CA. Ramesha Shetty
KYC, Ghosh & jilani Committee Compliance	CA. Niranjan Joshi
IS Audit	CA. Nitant Trilokekar
Identification of Revenue Leakages	CA. Abhay Kamat

Real education should educate us out of self into selflessness

Full Day Seminar on Recent Amendments & Developments in various Acts

CPE hrs 06

DAY & DATE	SATURDAY, 15TH OCTOBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. N. C. Hegde 9820423420 (Regional Council Members)
Co-ordinators	CA. Sunil Nuwal 9320257941 CA. Rakesh Oswal 9821156893 CA Rakesh Kapoor 9320502400 CA Amar Bafna 9869201186

TOPICS	SPEAKERS
New Takeover regulation & ICDR	CA. Dara Kalyaniwala
SME Exchange	Shri Lakshman Gugulothu
FDI Guidelines	Eminent Speaker
The Companies Act, 1956	CA. Jayesh Thakur

Seminar on Practical Issues In Assessments

CPE hrs 06

DAY & DATE	SATURDAY, 8TH OCTOBER, 2011
Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. N. C. Hegde 9820423420 CA. Dhiraj Khandelwal 9867642684 (Regional Council Members)
Co-ordinators	CA. Mandhar Bhate 9821470745 CA. Jignesh Nagda 9930506033

TOPICS	SPEAKERS
Assessments of Individuals / Partnership Firms/AOP/BOI	CA. Indra Anand
Assessments of NGOs/NBFCs/Trusts	CA. Sharad Shah
Assessments of Domestic and Foreign Companies	CA. Chandresh Bhimani
Transfer Pricing Assessment	CA. Digesh Rambhia

Full Day Seminar on Service Tax Returns

CPE hrs 06

DAY & DATE	SATURDAY, 8TH OCTOBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Mangesh Kinare 9869070539 CA. Vishnu Agarwal 9324544607 (Regional Council Members)
Co-ordinators	CA. Anand Desai 9820511417 CA. Ramesh Mishra 9820419606 CA. Sanjay Bhatt 9869035627

TOPICS	SPEAKERS
Issues in CENVAT Credit relating to ST Returns	CA. Jayesh Gogri
New Changes in Service Tax & ST Return	CA. Manish Gadia
Clause by Clause Analysis and E-filing of ST3 Return	CA. Parag Mehta

Programme on Intellectual Property Rights

CPE hrs 06

DAY & DATE	SATURDAY, 15TH OCTOBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Ashok Jain 9833512888 (Regional Council Members)
Co-ordinators	CA. Mayur Makadia 9821011941 CA. Sunil Mistry 982148878 CA. Mausam Buch 9819012868

TOPICS	SPEAKERS
Role of Intellectual Property in developing countries	Ms. Ashwini Sandu
Importance of Intellectual Property Rights in M&A transactions	Ms. Dipali Sheth
Trademark – Passing Off vs. Infringement	Shri Ashutosh Kane
Patent Prosecution Strategies	Ms. Alka Mehta

Contentment is the realization of how much you already have

Attention MEMBERS IN INDUSTRY

Seminar on IND-AS

CPE hrs 06

DAY & DATE	SATURDAY, 3RD SEPTEMBER, 2011	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sunil Patodia CA. Neel Majithia (Regional Council Members)	9820344085 9820327660
Co-ordinators	CA. Sunil Shah CA. Mayur Makadia CA. Jagdish Shah CA. Rishikesh Wandrekar	9821847755 9821011941 9820581680 9892919239

TOPICS	SPEAKERS
Consolidation Related Standards under IND-AS	CA. Rakesh Agarwal
Revenue and Differed Tax	CA. Jitesh Bheda
Fixed Assets and Borrowing Cost	CA. Yagnesh Desai
IND-AS-1 to 4 & Carve outs under IND-AS	CA. Kushroo Panthkay

Workshop on Basics of DTAA

CPE hrs 06

DAY & DATE	SATURDAY, 1ST OCTOBER, 2011	
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. N. C. Hegde CA. Shardul Shah (Regional Council Members)	9820423420 9820287625
Co-ordinators	CA. Tejas Gandhi CA. Prashant Koyande CA. Rutvik Sanghavi	9820625253 9892331890 9820703722

TOPICS	SPEAKERS
Inauguration & Keynote Address	DIT, International Taxation, Mumbai
Overview of International Taxation – Fundamental Income-tax Provisions in Sections 4, 5 & 9; Scheme of Double Taxation Treaty; etc.	CA. Rashmin Sanghvi
Key Concepts in International Taxation – Applicability (Persons & Taxes); Residence; PE; Attribution of Profits	CA. Vishal Gada
Main Distributive Rules – Royalty, Dividend, Interest	CA. Anil Doshi
Dependent Persons and Independent Professional Services	CA. Ganesh Rajgopalan
Elimination of Double Taxation including tax sparing, MFN, MAP	CA. Bijal Vora
TDS u/s. 195 (including section 206AA) and factors for advising on International Taxation (including Certification)	CA. Gautam Nayak

Seminar on Ratings

CPE hrs 06

DAY & DATE	SATURDAY, 10TH SEPTEMBER, 2011	
Venue	Hotel Sea Princess, Juhu Tara Road, Juhu, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 2,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Mangesh Kinare CA. Dilip Apte (Regional Council Members)	9869070539 9930314856
Co-ordinators	CA. Sandeep Jain CA. Ashok Manghnani CA. Y.R. Desai	9819788099 9820395195 9820448365

TOPICS	SPEAKERS
New Vistas in Ratings & Global Perspectives	Shri D.K.Dogra MD, Care
Rating of SMEs	Shri Yogesh Dixit
Bank Loan Ratings	Shri Sankar Chakravarty
Independent Equity Research and Gradings	Shri Tarun Bhatia
Panel Discussion – Moderator	CA. Manoj Alimchandani

The Panel will consist of some of above speakers, CFO, Rating Specialists and a Banker and will focus on important issues and highlight opportunities for CAs for Members in Industry.

Plan more than you can do, then do it.

Seminar on Industry Wise IND-AS

CPE hrs 16

DAYS & DATES	**FRIDAY 23RD , 30TH SEPTEMBER 2011 WEDNESDAY 5TH OCTOBER, 2011 FRIDAY 14TH OCTOBER, 2011**
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	2.30 p.m. to 7.00 p.m. (Reg. 2.00 p.m. to 2.30 p.m.)
Fees	₹ 1,000/- per day | ₹ 3,500/- for all 4 days (inclusive of course material & Refreshments) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Dilip Apte 9930314856 CA. Anil Bhandari 9821037605 (Regional Council Members)
Co-ordinators	CA. Amit Sheth 9869192108 CA. Vishal Shah 8108147065 CA. Dinesh Gandhi 9821240303 CA. Kishor Joshi 9869186849

DATE	TOPICS	SPEAKERS
23/09/2011	Information Technology	Mr. Rajiv Shah
30/09/2011	Banking	Mr. Newton De Niese
05/10/2011	Retail & Pharmaceuticals	Mr. Dhawal Kothari
14/10/2011	Real Estate & Infrastructure	Mr. Dinesh Jangid

Seminar on NBFC

CPE hrs 06

DAY & DATE	**SATURDAY, 3RD SEPTEMBER, 2011**
Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Shardul Shah 9820287625 CA. Sunil Patodia 9820344085 (Regional Council Members)
Co-ordinators	CA. Ravi Shah 9819063558 CA. Kirit Dedhia 9833597056 CA. Kedar Mehandale 9820819459

TOPICS	SPEAKERS
Directions of RBI relating to NBFCs Acceptance of Deposits Predential norms & auditors duties	CA. Jayant Thakur
Credit evaluation of NBFC – Crisil Perspective	CA. Tarun Bhatia
Audit Issues	CA. Nandita Chokshi
Tax Issues	CA. Hardik Chokshi
Foreign Investment in NBFC Sector – Consolidation & Limitation	Shri Karan Kalra

Students Section

DAY & DATE	**SUNDAY 11TH SEPTEMBER, 2011**	
Time	10.00 a.m. to 6.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹ 300/- (Including Material and Lunch)	
Chief Co-ordinator	CA. Sunil Patodia	9820344085
Student Co-ordinators	Mr. Gautam Lath	9930224082
	Mr. Gaurav Dasani	9870884202
TOPIC		**SPEAKER**
MICS for CA Final		Shri Jignesh Chheda

DAY & DATE	**FRIDAY 23RD SEPTEMBER 2011**	
Time	9.00 a.m. to 2.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹ 250/- (Including Material and Snacks)	
Chief Co-ordinator	CA. Neel Majithia	9820327660
Student Co-ordinators	Mr. Pulkit Agarwal	7666897239
	Mr. Nihar Dharod	8767373300
TOPIC		**SPEAKER**
Operating Research for CA Final		Mrs. Kavita Shukla

DAY & DATE	**THURSDAY 29TH SEPTEMBER TO SATURDAY 1ST OCTOBER 2011**	
Time	10.00 a.m. to 6.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹ 750/- (Including Material and Lunch)	
Chief Co-ordinator	CA. Dhiraj Khandelwal	9867642684
Student Co-ordinators	Mr. Himanshu Khetan	8080052945
	Mr. Sanat Doshi	9819664790
TOPIC		**SPEAKER**
Forex, Derivatives and Portfolio Management for CA Final		Mrs. Archana Khetan

DAYS & DATES	**MONDAY 3RD TO WEDNESDAY 5TH OCTOBER, 2011**	
Time	3.00 p.m. to 9.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹ 750/- (Including Material and Snacks)	
Chief Co-ordinator	CA. Shruti Shah	9892407988
Student Co-ordinators	Mr. Rohit Agarwal	7498182950
	Mr. Saket Agarwal	8655419315
TOPIC		**SPEAKER**
Costing for CA Final		CA. Dani Khandelwal

WORK DISPOSAL POSITION

The position of disposal of various matters relating to members and students of WIRC as on 31/07/2011

PARTICULARS		DATE
Members Section		
Proprietary Firm Registration		22/07/2011
Partnership Firm Registration –	Constitution	22/07/2011
	Reconstitution	25/07/2011
Grant of Certificate of Practice		26/07/2011
Fellow Admission		27/07/2011
Change of Address		28/07/2011
New Enrolment		21/07/2011
Restoration		25/07/2011
Permission for other engagement		28/07/2011
Articles Section		
Industrial Training Registrations		20/07/2011
Re-registration		28/07/2011
Termination		21/06/2011
Completion		20/07/2011
Permission to study		25/07/2011
Supplementary Registration		20/07/2011
Change of Address		28/07/2011

The positive thinker sees the invisible, feels the intangible, and achieves the impossible

FORTHCOMING study circle meetings

Date & Day	Time	Subjects	Speaker(s)	Venue	Organised By / Convenor / Tel. No.
19/08/2011 Friday	5.30 p.m.	Accounting Standard (AS)-15,16, 18 and 26 with special reference to SME's	CA. Vipul Choksi	Roman Vision Banquet Hall,99/101, Keshavji Naik Road,Chinchbunder 3rd Floor, Mumbai	Masjid Bunder CPE Study Circle CA. Dinesh B. Poddar M: 9821291588
20/08/2011 Saturday & 21/08/2011 Sunday	6.00 p.m.	Workshop on Transfer Pricing – Part I Workshop on Transfer Pricing – Part II	Shri Rachesh Kotak Ms. Vaishali Mane Shri Arun Saripalli	Shree Shyam Kunj Haveli Hall, Near Raj Mahal Hotel, Borivali (W), Mumbai	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 9821028868
20/08/2011 Saturday	5.30 p.m.	Networking and Capacity Building and Professional opportunities for CA	CA. Uttam Agarwal, Past President, ICAI	TMA, Hall Near Dwarka Hotel, Wagle Estate, Thane West	Thane Mid-town CPE Study Circle CA. Sarad Beria M: 9820508633
20/08/2011 Saturday	6.00 p.m.	Sections 44AD& 44AE under Income-tax Act	CA. Naveen Gandhi	SNDT Dome, SNDT College , Cama Lane, Ghatkopar West , Mumbai	Ghatkopar CPE Study Circle CA. Jitendra Mehta M: 9321291991
26/08/2011 Friday	5.00 p.m.	Direct Tax Code (DTC) and Question and Answer Session on Controversial Issues relating to TDS	Dr. Vinod K. Singhania	Mulund College AC Auditorium, Near Mulund Railway Station, Mulund - West, Mumbai	Mulund CPE Study Circle CA. Bipeen G. Mundade M: 9223290561
27/08/2011 Saturday	10.00 a.m.	Overview of recent changes in Schedule VI and Overview of XBRL and Professional Opportunities	Eminent Speakers	Madhavashram Mangal Karyalaya, Manpada Cross Road Raghuveer Nagar Dombivli East	Dombivli CPE Study Circle CA. Shekhar Patwardhan Tel: 0251-2863931
27/08/2011 Saturday	2.00 p.m.	XBRL Workshop	Faculty from IRIS Business Services Ltd.	Image Restaurant, Next to Goregaon Telephone Exchange, S. V. Road, Goregaon (W), Mumbai	Goregaon (West) CPE Study Circle CA. Padmini Dhuru M: 9323463433
27/08/2011 Saturday	3.30 p.m.	Study Group Meeting Certification & Audits under I. Tax Act for A.Y. 2011-12	CA. Jayesh Shah CA. Jitendra Shah	Direct Int.Solution Pvt Ltd,Direct- I-Plex , Old Nagar Das Road, Near Andheri, East Subway, Andheri, Mumbai	J.B. Nagar CPE Study Circle CA. B L Maheshwari M: 9820070768
28/08/2011 Sunday	8.45 a.m.	Auditors Checklist Issues in Auditors Report (CARO)	CA. Rakesh Agarwal CA. Govind Ahuja	Hotel Kohinoor Continental Andheri (East)	J.B. Nagar CPE Study Circle CA. B L Maheshwari M: 9820070768
03/09/2011 Saturday	6.00 p.m.	FEMA aspects of NRI investments in India and Overseas Investments by Indian	CA. Anup Shah	SNDT Dome, SNDT College , Cama Lane, Ghatkopar West, Mumbai	Ghatkopar CPE Study Circle CA. Jitendra Mehta M: 9321291991
3/09/2011 Saturday	5:45 p.m.	Digital Signatures and e-filing (Income Tax and MCA 21) for corporate *Free for students	CS. Sanjay Dholakia	Sarvodaya A/c Hall, L. T. Road, Opp. Diamond Talkies, Borivali (West) Mumbai	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 9821028868
4/09/2011 Sunday	9.30 a.m.	Audit Documentation Lecture Meeting on DTC	CA. Rajkumar Adukia CCM	Mulund College Auditorium, Near Mulund Railway station, Mulund – West	Mulund CPE Study Circle CA. Bipeen G. Mundade M: 9223290561

Note: All Convenors are requested to send their forthcoming programmes only on e-mail Id wircevents1@gmail.com at the end of the preceding month for the period starting 20th of Next Month.

Personal Column

Required: Articleship completed candidates in Aurangabad, attractive remuneration and sufficient exam leave, Contact 9823627777 e-mail: sameer@apa.org.in

Available Experienced C.A. Partnership Firm with Infrastructure and Trained Staff for conducting Bank (Statutory/ Concurrent / System / Migration / Stock/ Internal/ Revenue Audits)/ Companies/ Insurance Companies / Government Companies Internal & Statutory Audits, (in Mumbai & Thane) at reasonable & confidential terms. Cell Nos.- 9920317933 / 9322249414 / 26700841, email – casgd.office@gmail.com

Congratulations

CA Chandan Chourasiya has been nominated to Young Professionals Sub-committee of ISACA International.

The more you know, the less you need to show

DATE	TIME	SUBJECTS	SPEAKERS	VENUE
AURANGABAD				
27/08/2011		Public Meeting on Investor Awarness Programme		Aurangabad Branch of WIRC
BARODA				
20/08/2011	9:00 a.m.	Full Day Workshop on XBRL	CA. Dhinal Shah, CCM, ICAI, Mr. Punya Trivedi, Mumbai	ICAI Bhawan, Vadodara
27/08/2011	9:00 a.m.	Full Day Seminar on Audit		ICAI Bhawan, Vadodara
28/08/2011	9:30 a.m.	Investor Awareness Programme		C C Mehta Auditorium, M S University, Baroda
NAGPUR				
18/08/2011 to 23/08/2011		Residential Refresher Course		Mahabaleshwar
18/08/2011	8.00 a.m.	General Management & Communication Skill Course	Eminent Faculty	ICAI Bhavan
21/08/2011	2.00 p.m.	WICASA Seminar on Company Audit	Eminent Speakers	ICAI Bhavan
27/08/2011	9.30 a.m.	Seminar on XBRL	Eminent Faculty	ICAI Bhavan
PUNE				
20/08/2011		Seminar on Internal Audit in IT Environment Part - 1		ICAI Bhavan, Bibwewadi
1st, 2nd, 8th, 9th, 15th, 16th & 22nd, October 2011		Certificate Course on IFRS		–
SOLAPUR				
19 to 21/08/2011		Residential Refresher Course	Eminent Speakers	Hotel Byke Resort, Matheran
SURAT				
03/09/2011	3.00 p.m.	Concealment, penalty & Issue relating to representation in penalty proceedings & judicial ruling & Issue relating to penalty in survey cases.	CA. Reepal Tralshawala*	Branch Premises, 2nd Floor, Saifee Building, Nanpura, Surat

Do not follow where the path may lead. Make a path and leave a trail

AHMEDABAD: CA. C.R. Sharedalal, addressing at the CA Day held on 1st July, 2011.

AURANGABAD: Blood Donation Camp for CA Day. Left Standing CA. Nikhil Gramle, CA. Rahul Lohade, Branch Chairman Shri O.P. Kakraliya, Chief Guest, CA. Rajkumar Kothari, CA. Vijay Rathi, CA Renuka Deshpande & Blood Donor CA. Nandkishor Malpani.

BARODA : CA. Jaydeep Shah, Vice President, ICAI and CA. Mahesh Sarda, Chairman, Committee on International Taxation, ICAI Inaugurating National Convention on NRIs on 9th July, 2011 and other Member.

KOLHAPUR : Programme on XBRL Financial Reporting Language held on 09-07-2011. CA. Girish Mulye, Branch Chairman, and CA. Shirish Padey, Speaker .

JALGAON : Group Photogaph taken during the seminar on Marketing & Practice Management for CA & Felicitation of CA Passout Students. Also seen in the picture are CA. Parikshit Bhadade, CA. K. K. Badale, Branch Chairman, CA. Jayesh Doshi, Faculty, CA. Vivek Katdare, CA. Kalpesh Patil.

NASHIK : 29th Annual General Meeting on 23/07/2011. From L to R: CA. Vikrant Kulkarni, CA. Ujwal Navsarikar, CA. M.Y. Sarode, CA. Brijesh Surana, CA. Kishor Birari, Branch, Chairman, CA. C. V. Pawar, RCM, CA. Sanjeev Mutha, CA. Praful Bardiya, CA. Ulhas Borse.

NAGPUR : CA. G. Ramaswamy, President, ICAI, lighting the lamp at the All India CA Students Conference on 23rd & 24th July, 2011. L to R: Mrs. Harsha Shah, CA. Ashwini Agrawal, CA. Julfesh Shah, Treasurer, WIRC, Mr. Ashish Sahni, CA. S.B. Zaware, CCM, CA. Satish Sarda, Branch, Chairman, CA. Jaydeep Shah, Vice President, ICAI, CA. Nilesh Vikamsey, CCM, Mr. Shrenik Mundada, Shri K. Tulsiani, CA. V. Murli, CCM, CA. R.S. Temurnikar, CA. Kirti Agrawal, CA. Makarand Joshi, RCM, CA. Neel Majithia, RCM.

It usually takes a long time to find a shorter way

PUNE: Inauguration of Pune Branch Website by the auspicious hands of CA. G. Ramaswamy, President, ICAI. L to R : Mr. Neeraj Modi, CA. Dinesh Gandhi, RCM, CA. Dilip Apte, RCM.

SANGLI: Ms Delnaz Mistry, Sr. Manager NSDL Mumbai, lighting the lamp on the Seminar on Taxation held on 2nd July 2011. L to R: CA. Uday Shah, CA. A.D. Hajare, CA. Rajendra Kothari, Branch Chairman

SURAT: National Conference on Taxation held on 16th & 17th July, 2011. L to R: CA. Dharmesh Tamakuwala, CA. Nisith Mehta, CA. Dhinal Ashvinbhai Shah, CCM, CA. Jaydeep Shah, Vice President ICAI, Shri Ganapatbhai Vasava , Chief Guest , Hon'ble Speaker Gujarat Vidhan Sabha, CA. Sanjay Kumar Agarwal, CA. Shriniwas Joshi, Chairman WIRC, CA. H. Tosniwal, Branch, Chairman, CA. M.P Sarda, CCM, CA. Jay Chhaira, RCM.

SOLAPUR: CA. Rishikesh Shah addressing at the Student Orientation Programme held from 16th of July, 2011. L to R: CA. Arvind Shankur, CA. B. S. Birajdar, CA. P S Mantri, Branch Chairman.

THANE: Shri. K.P. Raghuvanshi, IPS lighting the lamp at the Foundation Day Celebration held on 1st July, 2011. Others seen in the Picture CA. M.M. Chitale, Past President, ICAI, Shri. Pt. Shankar Ahbyankar, Shri Shantanu Gawde, CA. Madhukar Chavan, Branch Chairman & other Committee Members.

VASAI: Inauguration of CA Students WIRC Sub-Regional Conference by Hon'ble CA. Jaydeep Shah, Vice President, ICAI. L to R: CA. Pramod Dhamankar, CA. Lalit Bajaj, CA. Shewta Jain, Guest of Honour CA. Kamlesh Vikamsey, Past President, ICAI, CA. Unmesh Narvekar, Branch Chairman, CA. Shriniwas Joshi Chairman WIRC, CA. Neel Majithia, RCM, CA. Ramanad Gupta.

VAPI: Workshop on E-TDS held on 29/07/2011. (R - L) CA. Hitesh Patel, Shri Abraham Roy, Faculty, CA. Jignesh Vasani, Branch Chairman, Shri D.S. Benupani, Guest of Honour, Valsad , Shri Vijay Mishra, President DIA, Shri K.C. Parekh, Dr. K. Shyam Prasad, A.C.I.T. TDS Surat.

OBITUARY

CA. Rameshkumar Zanzari,
M. No. 31404 left for heavenly abode on 11-6-2011. May the departed soul rest in peace.

CA. Shankar Ramchandra Apte
(M. No. 7145). left for heavenly abode on 13-6-2011. May the departed soul rest in peace.

A good scare is worth more to a man than good advice

EXCLUSION OF TOPICS FOR FINAL EXAMINATION

On a review of the syllabus for the Final Course, ICAI has decided to exclude the following topics from the Final Examination to be held in November, 2011 and thereafter:-

Paper 1: Financial Reporting

– Inflation Accounting

Paper 5: Advanced Management Accounting

- Time Series Analysis; and
- Test of Hypothesis.

- ICAI has come out with a Handbook on "The Process of E-filing of Income Tax Returns"
- Empanelment Form for Observers for the CA Exam to be held in Nov-2011 and the Common Proficiency Test to be held in Dec, 2011 is now available on the ICAI website
- ICAI has extended the date of Common Proficiency Course (CPC) Registration Date up to 5th October, 2011.
- This is for the attention of Members of the Institute who fail to receive 'The Chartered Accountant', Journal dispatched to them either due to un-intimated change of address or postal problems. Please inform your respective region immediately for any change in your address so that regular and timely delivery of journals can be ensured to you. Any complaints for the non-receipt of the journal can be sent to journal@icai.in or call at Ph: +91-0120-3045921.
- Differences between IFRSs and IND-AS is available on the ICAI website for ready reference
- Broad principle as proposed by the Accounting Standards Board on which the Concept Paper would be developed for the revision of the existing notified accounting standards has been approved by ICAI.
- Draft Statement/Guidance Note to the Revised Schedule VI to the Companies Act, 1956, as prepared by the Accounting Standards Board of the Institute, has been approved by ICAI.
- A special group was constituted by ICAI of study the Guidelines of MPLAD scheme with an objective to recommend areas for improvement with reference to the accounts and audit part of the Scheme. The Group had finalised its draft report on the basis of views expressed at a meeting of Rajya Sabha Standing Committee in April 2011. The views of the Office of C&AG were also sought on the draft report. Recommendations of this special group on accounting and auditing aspects of the Members of Parliament and Local Area Development (MPLAD) Scheme have been approved by ICAI.
- Recommendations on the Study Group on formulation of Policy and Procedure for Conversion of Existing CA Firms into LLP have also been approved. MCA had issued a general circular in April 2011 clarifying that the word "partnership", wherever occurring in the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959 and the Company Secretaries Act, 1980 shall *mutatis mutandis* be construed as including those limited liability partnerships (LLPs), where all the other partners are natural persons (individuals) and that the word "partner" shall also be construed accordingly. ICAI had decided to allow all existing CA firms to convert themselves into LLPs, and bring out a format for making an application for conversion to an LLP by ICAI.
- Guidelines for professional accountants on Know You Client (KYC), as finalised by the study group as constituted by the Ethical Standards Board of the Institute, under which the practicing members are required to gather information about their clients for whom they are doing attest function have been approved. These guidelines will be recommendatory in nature by ICAI.

PAYMENT OF ANNUAL FEES FOR THE YEAR 2011-12

The annual Membership and Certificate of Practice fees (if member holds certificate of practice) became due and payable on 1st April, 2011. Circulars advising members to pay the membership/certificate of practice fee were sent to individual members in the month of April, 2011 and published in May, 2011 issue of the Journal.

Attention of all those members who have still not paid the annual membership fee/certificate of practice fee by 31st July, 2011 is invited to pay the fees immediately so as to reach the concerned Regional Office before 30th September, 2011.

The non-payment of annual membership/certificate of practice fee will have the following consequences.

i) The member will not eligible to use designatory letter 'CA.' as a prefix to the name and 'ACA'/'FCA' and designation 'Chartered Accountant'

ii) A member in practice will cease his right to practise as a Chartered Accountant.

iii) Such a member will not be eligible to train articled/audit assistant already receiving training under him.

iv) The member will not be eligible to train any new articled/audit assistant.

v) Such a Member will not be eligible to carry out audit/ certificate/attest and other functions in view of (i) & (ii) above.

For any other clarification, members are advised to contact the concerned decentralised offices of the Region.

Please pay your membership fee and avoid unwanted removal of your name.

FORMATION OF STUDY GROUPS FOR MEMBERS BY WIRC

INVITATION TO REGISTER

I] WIRC proposed to form study groups on following subjects –

a) Information Technology
b) International Taxation
c) Internal Audit
d) FEMA

II] Maximum number – Membership is restricted to 50 per group on First Come First Served Basis.

III] Purpose – The objective of the Study Groups will be to discuss and deliberate on current issues, circulars, notifications, in the subjects and to gain expert knowledge in the respective subjects over a period which will help the members of the group in their own practice or service. The other objective is to create the knowledge bank in these subjects as a support to the profession in general.

IV] Fees – The fees for the group meetings will be decided in the first meeting of the groups to be held on 27th August, onwards. Individual mails and SMS would be sent to all those who wish to register in the groups about the final date and venue.

V] Registration Details – Send your details in following format to – wirc@icai.in wircevents1@gmail.com at the earliest to avoid disappointment.

Name_______________Membership Number _________________

Group Interested in_____________Mobile Number_____________

E-Mail ID___________________

TOLL FREE HELP LINE: The attention of members and students is drawn to the toll-free helpline available to them at ICAI Bhawan, Cuffe Parade during office hours from Monday to Friday 1800 22 8009 to solve their queries.

ANNOUNCEMENT OF KYC NORMS: All the members of Institute of Chartered Accountants of India (ICAI), who are in practice, are hereby informed that the Council has formulated the following Know Your Client Norms (KYC norms) at it's 307th Meeting held on 13th July, 2011, which shall be recommendatory in nature, and apply only in case of attest function.

KNOW YOUR CLIENT (KYC) NORMS: The financial services industry globally is required to obtain information of their clients and comply Know Your Client Norms (KYC norms). Keeping in mind the highest standards of Chartered Accountancy profession in India, the Council of ICAI thought it necessary to recommend such norms to be observed by the members of the profession who are in practice.In light of this background, the Council of ICAI approved the following KYC Norms. However, these norms are recommendatory in nature and every Chartered Accountant carrying out attest function is encouraged to follow them.

1. ENTITY INFORMATION

A. GENERAL INFORMATION • Name of the Entity • Type of Entity • Business Description

B. CORPORATE STRUCTURE • Name of ultimate parent company • Name of Parent company • Name of Affiliates

C. REGULATORY INFORMATION • Company PAN No • Company Identification No • Directors' Identification No • Directors' Names & Addresses • Name(s) and Addresses of Companies, in which above person is director.

D. ENGAGEMENT INFORMATION • Type of Engagement

2. OTHER INFORMATION

• Entities financial Information • Name of the ultimate parent Auditor • Any known violation of any Law/Regulations

This decision shall be in force from 13th July, 2011

DIRECT TAX

(Contributed by CA. Haresh P. Kenia, CA. Deepak Lala)

COMPULSORY DIGITAL SIGNATURE WHILE E-FILING OF INCOME TAX RETURN FOR INDIVIDUAL/HUF AND FIRMS TO WHOM PROVISIONS OF SECTION 44AB ARE APPLICABLE. {200 TAXMAN (S.T) 1}

The CBDT *vide* notification No.37/2011 dated 01/07/2011 gives Income tax (sixth amendment) Rules, 2011. It amends rule 12(3) of Income Tax Rules, 1962.

It provides that a firm required to furnish return in ITR-5 or Individual /HUF required to furnish return in ITR-4 and to whom the provisions of section 44AB are applicable are required to furnish the return for assessment year 2011-12 and subsequent years in the manner specified in rule 12(3)(ii) i.e. "furnishing the return electronically under digital signature".

The provisions are applicable for assessment year 2011-02 and subsequent year.

CREATION OF DIRECTORATE OF INCOME-TAX(CRIMINAL INVESTIGATION) {199 TAXMAN (ST) 83}

The Central Government *vide* notification No.29/2011 dated 30th May, 2011 intimates the approval of the President of India for creation of Directorate of Income Tax (Criminal Investigation) to be known in short as DCI , in the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. It comes with immediate effects.

The DCI will perform function in respect of criminal matters having any financial implication punishable as an offence under any Direct Tax Law including following

1. Chapter XXII of the income-tax Act 1961
2. Chapter VIII of the wealth-tax Act 1957

The detailed listing of functions which is required to be performed by DCI, in discharge of its responsibility under the direct Tax laws are available in the above referred magazine.

The DCI will be headed by a Director General of Income Tax (Criminal investigation), who will be officer of ranks of the Chief Commissioner of Income Tax and will be located in New Delhi

The DCI will have 8 director of Income Tax (Criminal investigation) located at New Delhi, Chandigarh, Jaipur, Ahmedabad, Mumbai, Chennai, Kolkata and Lucknow.

With respect to other details, one may refer to the above notification

DTAA BETWEEN INDIA AND MOZAMBIQUE- SECTION 90 OF INCOME TAX ACT {199 TAXMAN (ST) 86}

The Central Government *vide* notification No. 30 dated 31st May, 2011, notified, in exercise of power conferred by section 90 of Income-tax Act, agreement between the Government of the Republic of India and the Government of the Republic of Mozambique for the Avoidance of Double Taxation and the prevention of Fiscal Evasion with respect to Taxes on Income.

It notifies that all the provisions of the said agreement shall be given effect to in the Union of India with effect from 1st April, 2012.

SECTION 10(15)(I) OF INCOME-TAX ACT – EXEMPTION- INCOME BY WAY OF INTEREST ETC. ON BONDS, SECURITIES ISSUED BY CENTRAL GOVERNMENT. {199 TAXMAN (ST) 110}

In exercise of power conferred under section 10(15)(I) of Income Tax Act, the Central Government exempted the Income received by way of interest on Securities and bonds, Saving Certificate, etc *vide* notification number GSR607(E) dated 9th June, 1989.

The Central Government *vide* notification no 32/2011 dated 3/6/2011 amends the notification GSR 607 (E) dated 9th June, 1989 and restricts the interest on post office Saving Bank account to the extent of ₹ 3500/- in the case of individual and ₹ 7000/- in case of Joint account.

CONSTITUTION OF A COMMITTEE TO EXAMINE WAYS TO STRENGTHEN LAWS TO CURB GENERATION OF BLACK MONEY IN INDIA, ITS ILLEGAL TRANSFER ABROAD AND ITS RECOVERY {199 TAXMAN (ST) 119}

OFFICE MEMORANDUM NO. 291/15/2011-IT (INV.I), DATED 27-5-2011

It has been decided with the approval of competent authority to constitute a committee to examine ways strengthen laws to curb the generation of black-money in India, it's illegal transfer abroad and its recovery. The Committee shall consist of the following officers:-

1. Chairman, CBDT – Chairman of Committee
2. Member (L&C), CBDT – Member
3. Director, ED – Member
4. DG, DRI – Member
5. DG Currency – Member
6. Joint Secretary (FT&TR), CBDT – Member
7. Joint Secretary, MoL – Member
8. Director, FIU-IND – Member
9. CIT (Inv), CBDT – Member secretary

The Committee shall examine the existing legal and administrative framework to deal with the menace of generation of black money through illegal means including, *inter alia,*

a) Declaring wealth generated illegally as national asset;
b) Enacting/amending laws to confiscate and recover such assets; and
c) Providing for exemplary punishment against its perpetrators.

The Committee shall consult all stakeholders and submit its report within a period of six months

MASTER CIRCULAR- COLLECTION OF DIRECT TAXES-OLTAS {200 TAXMAN (ST) 27}

The RBI has issued the master circular number RBI/2010-11/87 dated 1st July, 2010 on the above subject which was issued to facilitate quick reference to all the extant instruction issued on the subject at one place. This master circular has been now updated with the important instruction issued till end June, 2011. This circular may also be downloaded from website www.master circulars.rbi.org.in

MAHARASHTRA VAT

(Contributed by CA. C. B. Thakar)

A] MVAT Act,2002

Notifications

a) The Government of Maharashtra has issued Notification dated 6.7.2011 under Section 9(1) of the MVAT Act,2002 whereby rate of tax on kerosene sold through PDS is reduced from 5% to 3% from 8.7.2011. Similarly the rate of tax on HSD is reduced from 24% to 21% from 8.7.2011.

b) The Government has issued Notification u/s 41(1) dated 20.7.2011 whereby certain entries in respect of refund to diplomatic authorities have been amended. The amendments are basically to insert certain conditions in the existing entries.

B] Circulars

The Commissioner of Sales Tax has issued Trade Circular No. 11T of 2011 dated 12.7.2011 by which issue regarding taxation of motor vehicles under CST Act,1956 for the VAT period from 1.4.2005 is clarified.

CORPORATE LAWS

(Contributed by CA. Jayesh Thakur)

FILING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT IN (XBRL) MODE [www.mca.gov.in]

The MCA has issued General Circular 37/2011 dtd. 07.06.2011 and has stated that in supersession of MCA's Circular No. 9/2011 dated 31.03.2011 and 25/2011 dated 12.05.2011, it is now mandated that certain class of companies should file their balance sheets and profit and loss account alongwith director's and auditor's report for the year 2010-11 onwards by using the XBRL taxonomy. The Taxonomy Business Rules, Validity tools, etc. required for preparation of these documents in XBRL format have been prepared and hosted on the website of the Ministry at www.mca.gov.in. The Frequently Asked Questions (FAQs) about XBRL have been framed by the MCA and are annexed as Annexure I with this circular for the information and easy understanding of the stakeholders. To enable filing on XBRL by stakeholders, the MCA-21 portal will have XBRL filing module by July, 2011 and the actual date will be informed separately. The coverage would be as under :

Coverage in Phase I

Following class of companies have to file the financial statements in XBRL form only from the year 2010-11 :

- all companies listed in India and their Indian subsidiaries;
- all companies having a paid-up capital of ₹ 5 crore and above
- all companies having a turnover of ₹ 100 crore and above.

However banking companies, insurance companies, power companies and Non Banking Financial Companies (NBFCs) are exempted for XBRL filing for the time being.

Additional Fee Exemption

It is clarified that all companies covered by Phase-I and whose balance sheets are adopted in the annual general meeting held before 30.09.2011 are permitted to file up to 30-09-2011 without any additional filing fee. However, where companies hold the annual general meeting in the month of September 2011, they will file the balance sheet within 30 days from the date of adoption in the general meeting as per section 220 of the Companies Act, 1956.

Training Requirement

It is also clarified that stakeholders desirous to have training on the XBRL or on taxonomy related issues, may contact the persons as mentioned in Annexure II to his Circular.

PARTICIPATION BY SHAREHOLDERS OR DIRECTORS IN MEETINGS THROUGH ELECTRONIC MODE [www.mca.gov.in]

The MCA has issued Circular No. 356/2011 dtd. 06.06.2011 in relation to participation by a shareholder or a director of the company in meetings under the provisions of the Companies Act, 1956 through electronic mode. It is clarified that, (a) it is not mandatory for companies to provide its directors the facility to attend meetings through video conferencing, (b) in respect of shareholders meetings to be held during financial year 2011-12, video conferencing facility for shareholders is optional ; thereafter, it is mandatory for all listed companies, (c) where the company opts to provide video conferencing facility, they have to comply with the procedures prescribed in the Circular no. 27/2011 & 28/2011 dated 20.05.2011, (d) the company is free to select video conferencing facility of any agency but the Chairman of the meeting and Secretary of the company has to ensure that there is a proper video conferencing equipment/facility which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting, and, (e) in the case of e-voting in general meetings, the MCA is presently authorizing only National Security Depository Ltd. and Central Depository Services (India) Ltd. as agencies for providing and supervising electronic platforms for electronic voting subject to the conditions that they obtain a certificate from Standardization Testing and Quality Certification (STQC) Directorate, Department of Information Technology, Ministry of Communication and IT, Government of India, New Delhi.

REDEMPTION OF INDIAN DEPOSITORY RECEIPTS (IDRS) INTO UNDERLYING EQUITY SHARES [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/CFD/DIL/3/2011 dated 03.06.2011 whereby it has stated that earlier in order to facilitate foreign issuers to raise funds from the Indian capital markets through IDRs and enable investors in the domestic market to have investment opportunities in the securities of major multi-national companies listed on well developed markets, a legal framework was created by the MCA, RBI and SEBI. Based on that, Standard Chartered PLC had came out with its IDR issue in May 2010 and these IDRs have been listed on BSE and NSE on June 11, 2010. It is now decided by SEBI in consultation with RBI that after the completion of one year from the date of issuance of IDRs, redemption of the IDRs shall be permitted only if the IDRs are infrequently traded on the stock exchange(s) in India. For this purpose, IDRs shall be deemed to be "infrequently traded" if the annualized trading turnover in IDRs during the six calendar months immediately preceding the month of redemption is less than five per cent of the listed IDRs. Also, the issuer company shall test the frequency of trading of IDRs on a half yearly basis ending on June and December of every year. It is provided that when the IDRs are considered "infrequently traded" on the above basis, it shall be the trigger event for redemption. Then, the issuer company shall make a public announcement in an English and Hindi language newspaper with wide circulation in the prescribed format (including brief details about the trigger of the redemption event, time period for submission of application and the approach for processing the applications) as well as notify the stock exchanges. The announcement shall be made within seven days of closure of the half year ending on which the liquidity criteria is tested. A suitable format for this purpose shall be prescribed by the stock exchange(s) separately. The IDR holders may submit their application to the domestic depository for redemption of IDRs within a period of thirty days from the date of public announcement. The redemption of IDRs shall be completed within a period of thirty days from the date of receipt of application for redemption. Pursuant to the redemption, the domestic depository shall notify the revised shareholding pattern of the issuer company to the concerned stock exchanges within seven days of completion of the process of redemption. This circular is applicable with immediate effect.

COMPANIES (DEMATERIALIZATION OF CERTIFICATES) RULES, 2011 [www.mca.gov.in]

The MCA has issued Circular No. 17/143/2011-CL.V dtd. 06.06.2011 on the above Rules' issuance so that all public Companies and their subsidiaries which have raised money by issue of shares, debentures, by accepting public deposits, stock, bond or any other financial instruments from public, other than from directors of the company, shall be required to issue and keep such share certificates, debenture certificates and certificates issued for receipt of deposits, stock, bond or any other financial instruments in dematerialized form only, in the manner prescribed in the Depositories Act, 1996 and regulation made thereunder. The MCA has invited comments / recommendations on these Rules 30 June, 2011 by e-mail on e-mail addresses monika.gupta@mca.gov.in and kamna.sharma@mca.gov.in.

NEW RULES FOR UNLISTED PUBLIC COMPANIES PREFERENTIAL ALLOTMENT/PRIVATE PLACEMENT [www.mca.gov.in]

The MCA has issued Circular No. F.No. 12/13/2011-Legal dtd. 24.05.2011 in relation to section 81(1A) of the Companies Act, 1956 whereby a public company may make preferential allotment of shares only by passing a special resolution in a general meeting. The MCA has now by this Circular has issued a new set of draft rules Unlisted Public Companies (Preferential Allotment) Rules, 2011 (which provide for greater compliance and disclosure requirements) to replace the current Unlisted Public Companies (Preferential Allotment) Rules, 2003. The MCA has The draft rules are open for public comments upto 20th June 2011. The proposed changes which bring about additional compliance requirements like, (a) Pricing – where warrants are issued on a preferential basis with an option to apply for and get the shares allotted, the issuing company shall determine beforehand the price of the resultant shares. (b) Offer document – there are some mandatory specified disclosures (detailed disclosure requirement with respect to the proposed issue, timelines, project details, financial position, etc.) required to be made by a company in the offer document as per Annexure I to this Circular. The offer document should be approved by the members in the General Meeting and filed with the Registrar of

Companies (RoC) along with the copy of the special resolution approving the issue. (c) Dematerialisation of securities – all securities issued under preferential allotment/private placement is to be kept in dematerialised form. (d) Time period for private placement – issue should close within 30 days of its opening and there should be a minimum gap of 60 days between the closing of one issue and the opening of the subsequent issue. (e) Central Government approval in Private placement – for private placement of any convertible instruments (not equity shares), prior approval from Central Government would be necessary where the cumulative amount exceeds INR 50 million. (f) Compliance Certificate – the Company should obtain a certificate (for filing with the RoC along with the return of allotment) from a Chartered Accountant or a Company Secretary or a Cost Accountant in practice certifying that the issue was in accordance with the Rules.

COMPLIANCE OF PROVISIONS OF COMPANIES ACT AND RULES [www.mca.gov.in]

The MCA has issued General Circular No. 33/2011 dtd. 01.06.2011 noting that in order to ensure compliance of the provisions of the Companies Act, 1956 and Rules made thereunder, majority of companies only file their event based information through MCA-21 to the Registrar of Companies; however, the statutory compliance related to Annual filings are not complied with. The MCA has therefore decided that companies who have not filed their statutory Annual Reports (i.e. Balance Sheets, Profit and Loss Accounts and Annual Reports) with the Registrar of Companies would not to be allowed to file their other Forms except certain Forms till the companies have filed its updated Statutory Annual Accounts/ Annual Report in MCA-21 system. The Forms that are part of the exception are Form Nos. 32 (Particulars of appointment of directors, manager and secretary and the changes among them, etc.), 20-B (Annual return for a company having a share capital), 21-A (Annual return for a company not having share capital), DIN-3 (Intimation of DIN by the company to RoC), 21 (Notice of the court or the company law board order), 23-AC & 23-ACA (Annual balance sheet / profit and loss account filing), 1-INV (Deposit of money into IEPF), 23-B (Information by Auditor to Registrar) and 66 (Submission of compliance certificate with the RoC). Incidentally, it is also provided that, (a) no e-filing shall be accepted by the RoC from Directors of these defaulting companies for any other company also, (b) company secretaries and auditors of these companies will also not be allowed to sign and certify the filing with MCA-21 system, in respect of these defaulting companies, till the defect is rectified, (c) members of ICAI, ICSI and ICWAI must not issue any certificates to such defaulting companies other than above-mentioned e-forms, (d) action will be taken against the defaulting companies and their directors/officers in default in co-ordination with RBI and SEBI, (e) this circular will not apply to such companies where the balance sheet and annual return could not be filed due to order of court/company law board or any other competent authority and concerned RoC has marked this company as having management dispute, and, (f) his circular shall be effective from 3rd July, 2011

PROCESSING OF INVESTOR COMPLAINTS AGAINST LISTED COMPANIES IN SEBI COMPLAINTS REDRESS SYSTEM ("SCORES") [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/OIAE/2/2011 dtd. 03.06.2011 stating that it has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. The salient features of this system include centralised database of all complaints, online movement of complaints to the concerned listed companies, online upload of Action Taken Reports (ATRs) by the concerned companies, and online viewing by investors of actions taken on the complaint and its current status. All complaints pertaining to companies will be electronically sent through SCORES at http://scores.gov.in/Admin. The companies are required to view the complaints pending against them and submit ATRs alongwith supporting documents electronically in SCORES. Failure on the part of the company to update the ATR in SCORES will be treated as non-redressal of investor complaints by the company. Submission of physical ATR will not be accepted for complaints lodged in SCORES. For complaints forwarded to companies on or before 20/05/2011, physical ATRs should be submitted. The user ID and password for logging into SCORES at http://scores.gov.in/Admin are being communicated separately to companies against whom complaints are lodged in SCORES. In case the complaints are processed by the Registrar to the Issue and Share Transfer Agent (RTI/STA) on behalf of the company, the company should indicate in the enclosed Annexure whether they require the facility to forward complaints to the RTI/STA, so that the ATRs can be uploaded by them. In such cases, the name of the RTI/STA, the name of the Compliance Officer and email id should be furnished, so that the user id and password can be provided accordingly. Further, failure on the part of the RTI/STA to update the ATR in SCORES will be treated as non redressal of investor complaints by the company.

AMENDMENT TO COMPANIES DIN RULES [www.mca.gov.in]

The MCA has issued Notification No. F. NO. 2/1/2011-CL.V dtd. 02.06.2011 mandating certification of the DIN application form (DIN-1) by a Chartered Accountant or a Company Secretary or a Cost Accountant holding a certificate of practice under the relevant statute of their professional governing bodies. Similar requirement is introduced in relation to intimation of change in particulars of director to be given to the MCA (in Form DIN-4) where it is now also provided that the form can also be digitally signed by a Company Secretary in full time employment of the company. Consequent to these amendments, the Forms DIN-1 and DIN-4 are also substituted with new forms to reflect the amendment by this notification.

COMPANIES (PASSING OF THE RESOLUTION BY POSTAL BALLOT) RULES, 2011 [www.mca.gov.in]

The MCA has issued Notification No. F.NO. 2/4/2011-CL.V dtd. 30.05.2011 in furtherance of the Green Initiative in Corporate Governance released by the Ministry of Corporate Affairs in May 2011 notifying the above rules. Now, the new definition of 'voting by electronic mode' states that it is a process for recording votes by the members using a computer based machine to display an electronic ballot and to record the vote and also the number of votes polled in favour or against such that the entire voting gets registered and counted in an electronic registry in a centralized server. It may be noted that the rules shall be applicable to listed companies and in case of resolutions relating to certain businesses in which the resolutions shall be passed through Postal Ballot which are, (a) alteration in the object clause of memorandum, (b) alteration of articles of associations in relation to insertion of provisions defining private company, (c) buy-back of own shares by the company under sub-section 77A(1), (d) issue of shares with differential voting rights as to voting or dividend or otherwise under section 86(a)(ii), (e) change in place of registered office outside local limits of any city, town or village as specified in section 146(2), (f) sale of whole or substantially the whole of undertaking of a company as specified under section 293(1)(a), (g) giving loans or extending guarantee or providing security in excess of the limit prescribed under section 372A(1), (h) election of a director under proviso to section 252(1) of the act, and, (i) variation in the rights attached to a class of shares or debentures or other securities as specified under section 106. It is provided that notice would be sent under registered post acknowledgement due or through any other secured mode of posting provided by department of post or through electronic mail. The notice is required to mention whether voting would be through postal ballot or by electronic mode and in case of electronic mode, the process and manner for such voting provided by the agency.

GUIDELINES FOR ACCOUNTING OF REPO/REVERSE REPO TRANSACTIONS – CLARIFICATION [www.rbi.org.in]

The RBI has issued Circular No. IDMD No./29/11.08.043/2010-11 dtd. 30.05.2011 referring to its earlier requirement on the above subject that participants should enter into bilateral master repo agreement as per the documentation finalized by Fixed

Income Money Market and Derivatives Association of India (FIMMDA) specifically to obviate the disputes arising out of repo transactions. Pursuant to queries received from market participants on the issue as to whether the master repo agreement finalised by FIMMDA is mandatory for repo transactions in Government securities settled through CCIL, it is now clarified that the master repo agreement finalised by FIMMDA is not mandatory for repo transactions in Government securities settling through a Central Counter Party (CCP) [eg. Clearing Corporation of India Limited (CCIL)], having various safeguards like haircut, MTM price, margin, multilateral netting, closing out, right to set off, settlement guarantee fund/ collaterals, defaults, risk management and dispute resolution/arbitration etc. However, master repo agreement is mandatory for repo transactions in corporate debt securities, which is settled bilaterally without involving a CCP.

SERVICE TAX

(Contributed by CA. Rajiv Luthia)

Central Government *vide* Notification No.42/2011-ST dated 25th July, 2011 has exempted the taxable service provided by association of dyeing units under the category of "Club or Association Services"(Section 65(105)(zzze)) in relation to common facility set-up for treatment and recycling of effluents and solid waste discharged by dyeing units with a financial assistance from the central or state government.

Central Government *vide* Circular No.144/13/2011-ST dated 18th July, 2011 clarified the term "Completion of Service" provided under The Service Tax Rules, 1994 and Point of Taxation Rules, 2011 to mean that all the other auxiliary activities such as measurement, quality testing etc. besides the physical part of providing prime service also to be completed, which enable the service provider to be in a position to issue an invoice. However such auxiliary activities shall not be flimsy or irrelevant grounds for delay in issuance of invoice.

CBEC *vide* letter F.No.106/Commr(ST)/2009 dated 8th July, 2011 clarified that service tax is applicable on the amount charged by airports authorities towards user development fees & passenger service fees. The said amount shall be included while determining value of service under the category of "Airport Services".

CBEC *vide* letter F.No.137/35/2011 dated 13th July, 2011 clarified that service tax is applicable on activity of ONGC that of providing staff on deputation to Directorate general of Hydrocarbons (DGHC) under the category of "Manpower Recruitment or Supply Agency Services"(Section 65(105)(k)). The volume of activity undertaken or presence/absence of profit motive is irrelevant for determining applicability of service tax.

CBEC *vide* letter Dy.No.2305/Commr(ST)/2011 dated 15th July, 2011 clarified that service tax is not applicable on job work of computer embroidery under the category of "Business Auxiliary Services"(Section 65(105)(zzb)), since the said job work is manufacturing activity within the meaning of Section 2(f) of The Central Excise Act,1944 & falling under the chapter heading 5810 of Central Excise Tariff Act.

CBEC *vide* letter F.No.354/9/2011-TRU dated 12th July, 2011 clarified that life insurance companies are not entitle to take entire CENVAT credit of input services till 30th April,2011 as they were not liable to pay service tax on services related to investment activities. The option to discharge service tax liability @ 1% of total premium does not imply that service tax is paid on investment services also.

CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)

Tariff Notification

Amendment to exemption granted to goods supplied for defence and other specified purposes:

Notification No. 64/1995 –CE dated March 16th, 1995 exempted certain goods supplied for defence & other specified purposes from excise duty. The scope of the said notification has been widened to also include machinery, equipment, instruments, components, spares, jigs, fixtures, dies, tools, accessories, computer software, raw material and consumables required for the Long Range Surface to Air missile (LR-SAM) Programme of Ministry of Defence subject to producing the certificate from Programme Director.

However, this exemption is granted till 25th November, 2011 only.

(Notification No. 34/2011- CE dated July 19th, 2011)

Non-Tariff Notifications

Amendments in existing forms of Central Excise returns/ new Form ER-8 introduced:

Following Central Excise returns are amended / introduced:

a. Form ER-1 (monthly returns) applicable to all assesses has been amended

b. Form ER-3 (quarterly returns) for small scale industries has been amended

c. ER-8 has been introduced in respect of assesses availing benefit of exemption under notification No. 1/2011–CE dated February 27th, 2011.

(Notification Nos. 15/2011 –CE dated June 30th, 2011 & 16/2011 –CE dated July 18th, 2011)

Power to grant registration to Large Taxpayers Units (LTU)

Earlier the application for LTU registration was supposed to be made to the Chief Commissioner of Central Excise, LTU. However, now the same can be made to Assistant Commissioner/Deputy Commissioner of Central Excise, LTU or to the superintendent of Service tax, LTU; as the case may be.

(Notification No 17/2011 –CE dated July 18th, 2011)

GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)

Category Change

Vide Public Circular No. VA.VE.K/V.V.T-1/11-12/OTW.522/1244 Dt.02nd June, 2011, instructions have been issued to effect the category change from Quarterly to Monthly with in 7 days.

A New Web-Site

Presently the dealers are e-filing their returns on www.commercialtax.gujarat.gov.in. It is learnt that Department is developing new web-site www.ctgujarat.in for this purpose.

FEMA

(Contributed by CA. Manoj Shah, CA. Hinesh Doshi)

Liberalisation / Rationalisation of Overseas Direct Investment (ODI)

A.P. (DIR Series) Circular No. 73 dated June 29, 2011

Ref.: A.P. (DIR Series) Circular No. 69 dated May 27, 2011

With a view to restating the various provisions relating to transfer by way of sales of a joint venture (JV) or wholly owned subsidiary (WOS) outside India with and without write off, the Reserve Bank of India (RBI) has on June 29, 2011 issued circular consolidating the existing guidelines in this regard as under:

Transfer by way of sale of shares of a JV / WOS

An Indian Party, without prior approval of RBI, may transfer by way of sale to another Indian Party (which complies with the provisions of Regulation 6 of FEMA Notification 120/RB-2004 dated July 7, 2004) or to a person resident outside India, any share or security held by it in a JV or WOS outside India subject to the following conditions:

(i) the sale does not result in any write off of the investment made.

(ii) the sale is to be effected through a stock exchange where the shares of the overseas JV/ WOS are listed;

(iii) if the shares are not listed on the stock exchange and the shares are disinvested by a private arrangement, the share price is not less than the value certified by a Chartered Accountant / Certified Public Accountant as the fair value of the shares based on the latest audited financial statements of the JV / WOS;

(iv) the Indian Party does not have any outstanding dues by way of dividend, technical know-how fees, royalty, consultancy, commission or other entitlements and / or export proceeds from the JV or WOS;

(v) the overseas concern has been in operation for at least one full year and the Annual Performance Report together with the audited accounts for that year has been submitted to the Reserve Bank;

(vi) the Indian party is not under investigation by CBI / DoE/ SEBI / IRDA or any other regulatory authority in India.

Transfer by way of sale of shares of a JV / WOS involving write off of the investment

Indian Parties may disinvest, without prior RBI approval in the following cases where the amount repatriated on disinvestment is less than the amount of the original investment, subject to the conditions listed above at items (ii) to (vi):

(i) in cases where the JV / WOS is listed in the overseas stock exchange;

(ii) in cases where the Indian Party is listed on a stock exchange in India and has a net worth of not less than ₹ 100 crore;

(iii) where the Indian Party is an unlisted company and the investment in the overseas venture does not exceed USD 10 million and

(iv) where the Indian Party is a listed company with net worth of less than ₹ 100 crore but investment in an overseas JV/WOS does not exceed USD 10 million.

The Indian Party is required to submit details of such disinvestment through its designated AD category-I bank within 30 days from the date of disinvestment.

An Indian Party, which does not satisfy the conditions stated above, shall have to apply to RBI for prior permission.

Foreign Direct Investment (FDI) in India - Issue of equity shares / preference shares against import of capital goods / machineries / equipments and Pre-operative/pre-incorporation expenses, under the Government route:

A.P. (DIR Series) Circular No. 74 dated June 30, 2011

Consequent to the amendment in Consolidated FDI Policy issued by the Department of Industrial Policy & Promotion *vide* Circular 1 of 2011 dated March 31, 2011, RBI has decided to permit issue of equity shares / preference shares for the following categories of transactions under the Government route of the FDI scheme subject to compliance of the conditions prescribed in the aforesaid circular:

1. Import of capital goods/ machineries / equipments (including second-hand machineries)
2. Pre-operative/pre-incorporation expenses (including payments of rent, etc.)

All requests for conversion should be accompanied by a special resolution of the company. Government's approval would be subject to pricing guidelines of RBI and appropriate tax clearance.

The above circular and notification are available on RBI website at:

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=6489&Mode=0

Buyback / Prepayment of Foreign Currency Convertible Bonds (FCCBs)

A.P. (DIR Series) Circular No. 75 dated June 30, 2011

RBI has, on June 30, 2011, extended the time limit for premature buyback of FCCBs from June 30, 2011 to March 31, 2012 subject to compliance of all the terms and conditions of buyback/ prepayment of FCCBs, as prescribed. Further RBI has liberalised the procedure for such buy-back as described in the circular in detail.

The above circular is available on RBI website at:

http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6490&Mode=0

Redemption of FCCBs

A.P. (DIR Series) Circular No.01 dated July 04, 2011

RBI has, on July 4, 2011, allowed the Indian companies to refinance the outstanding FCCBs subject to compliance with certain conditions prescribed in the circular.

Restructuring of FCCBs involving change in the existing conversion price is not permissible. However, proposals for restructuring of FCCBs not involving change in conversion price will be considered under the approval route depending on the merits of the proposal.

The above circular is available on RBI website at: http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=6596&Mode=0

Regularization of Liaison Office (LOs) / Branch Offices (BOs) of foreign entities established during the pre-FEMA period

A.P. (DIR Series) Circular No.02 dated July 15, 2011

In terms of Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000, as amended from time to time, applications from foreign Non-Government Organisations (NGOs) / Non-Profit Organisations (NPOs)/Government bodies / Departments for establishing BO / LOs in India are considered by RBI in consultation with the Government of India, Ministry of Finance. Certain BOs / LOs established by the foreign NGOs, NPOs, news agencies and other foreign entities are continuing to function in India, without approval of RBI, after the Foreign Exchange Management Act, 1999 (FEMA) came into force from June 1, 2000. Accordingly, the foreign entities who have established LO or BO in India and continues to function without obtaining permission from the RBI should approach the RBI within a period of 90 days from the date of issue of this circular for regularization of establishment of such offices in India, in terms of the extant FEMA provisions. The foreign entities who may have established LO or BO with the permission from the Government of India may also approach RBI along with a copy of the said approval for allotment of a Unique Identification Number (UIN) by RBI. All such applications/ requests should be submitted to RBI in form FNC and should be routed through the AD where the account of such LO /BO is maintained.

Facilitating Rupee Trade – Hedging facilities for non-resident entities

A.P. (DIR Series) Circular No. 03 dated July 21, 2011

In order to facilitate greater use of Indian Rupee in trade transactions, RBI has issued guidelines to allow non-resident importers and exporters to hedge their currency risk in respect of exports from and imports to India, invoiced in Indian Rupees, with Authorised Dealers in India. The detail guidelines are given in the above referred circular.

The above circular is available on RBI website at: http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6619&Mode=0

DIRECT TAX
(Contributed by CA. Paras K. Savla, CA. Deepak Tikekar)

S.4 Subsidy

If the object of the Subsidy Scheme was to enable the assessee to run the business more profitably the receipt is on revenue account. On the other hand, if the object of the assistance under the Subsidy Scheme was to enable the assessee to set up a new unit or to expand the existing unit the receipt of the subsidy was on capital account. The object of the subsidy received from West Bengal Government under scheme of Industrial promotion for expansion of their capacities, modernization, and improving their marketing capabilities are for the assistance on capital account. Similarly, merely because the amount of subsidy was equivalent to 90 per cent of the sales tax paid by the beneficiary does not imply that the same was in the form of refund of sale tax paid. CIT vs. Rasoi Ltd. 199 Taxman (Mag) 235 (Cal.)

S. 11 Sub-letting of leased property

The sub-letting done by the assessee trust in order to continue its charitable activity cannot be branded as a "business activity". DIT(E) vs. Sahu Jain Trust [2011] 11 taxmann.com 436 (Cal.)

S. 23 Determination of ALV – interest free deposits

Rateable value determine as per local laws can be taken as ALV u/s 23. Notional interest on interest free deposits is not be consider for determining ALV – CIT vs. Moni Kumar Subba 199 Taxman 310(Del.)(FB)

S.32 – Sale and lease back transaction

The real intention of the parties in entering into the sale and lease agreement and that such intention has to be gathered from the words in the said agreement in a tangible and in an objective manner and not upon a hypothetical assessment of the supposed motive of the assessee to avoid tax. It cannot be said that the transaction is not genuine merely because an assessee gets a commercial advantage because of the factoring in of a tax benefit. - CIT vs. Cosmo Films Limited, High Court of Delhi, ITA No. 1404/2008, Decided on: 18 July 2011

S.32 Depreciation – proof of actual use

If the assessee was to install such a machinery on its *bona fide* business consideration, mere absence of proof of actual use thereof was not enough to deny the claim for depreciation. CIT vs. Shahbad Co-op. Sugar Mills Ltd 199 Taxman (Mag) 267 (P & H)

S.32 Depreciation – ready for use

Even assuming that keeping the machinery ready for use itself is sufficient for claiming depreciation, assessee has to establish that the machinery was brought to its site and installation and commissioning were done which is possible only after trial run. CIT vs. International Creative Foods (P.) Ltd. 199 Taxman (Mag.) 273 (Ker.)

S.37(1) Expenditure on education

When the assessee is running an Engineering and Consulting Services, earning profits and. in pursuance of its business or profession, it laid out certain monies for education of a student in the very same field, such an expenditure cannot be held to be unlawful or prohibited by law. - CIT vs. Ras Information Technologies (P.) Ltd. [2011] 12 taxmann.com 158 (Kar.)

S.37(1) Expenditure on license in the name of partner

The assessee firm engaged in the business of liquor after it is obtain licence in the name of one of the partner. However, the licence belongs to the firm only. Expenditure on licensee is allowable as a business deduction - CIT v. S.B. Pannalkar & Co [2011] 12 taxmann.com 154 (Kar.)

37(1) Allowability of expenditure

The assessee is carrying on a business or not is to be ascertained from the material placed before the Assessing Officer and not by a mere entry in the balance sheet. The assessee was in the business of sale of shares with a profit motive and not for investment and, therefore, entitled to business expenditure as well as deduction of interest towards loan borrowed though shares were disclosed as investments and not as stock in trade. CIT v. Aravind Prakash Malpani 200 Taxman (Mag) 41 (Kar)

37(1) Deduction of expenditure – written agreement

The incurred hire charges for the coolers which were installed in the premises of the assessee. Deduction as business expenditure for this would be allowed even if there was no written agreement. 200 Taxman (Mag) 43 (Del)

S.43B – Deduction of advance excise duty on payment basis

During the previous year relevant to the AY 1996-97, the appellant paid, inter alia, a sum of Rs.322.46 lakh on account of excise duty, the liability for payment of which was incurred in the previous year relevant to the AY 1997-98. Considering the provision of section 43B (a) of the Act deduction was allowed in AY 1996-97 on payment basis. - Paharpur Cooling Towers Ltd v CIT, High Court of Calcutta, I.T.A. No. 2 of 2004 Decided on: 15 July 2011

S.45 – Gift of shares by company

The definition of 'gift' given in section 122 of the Transfer of Property Act, 1882, 'Gift' is the transfer of certain existing movable or immovable property made voluntarily and without consideration by one person called the donor to another called donee, and accepted by or on behalf of the donee. The meaning of gift reflect no element of love and effection. The gift of shares by the applicant to John Deere Asia (Singapore) is made without any consideration and therefore the transfer has to be held to be a gift and is not taxable as per the provisions of the Act. So far as applicability of transfer pricing provisions is concerned, section 92 provides computation of income arising from an international transaction having regard to the arm's length price. This provision cannot be applied to a transaction which is not chargeable to tax under the Act. In Re Deere & Co., [2011] 11 taxmann.com 388 (AAR - New Delhi)

S.192 – TDS on Salary

In view of the statutory provisions of the Income-tax Act, the employee having any objection regarding deduction of tax source from salary, the proper remedy for the respondent is to approach the authority/officer concerned and not by filing complaint under IPC or Cr.PC. - Rajeswar Tiwari v. Nanda Kishore Roy [2011] 11 taxmann.com 407(SC)

S.148 date of issue of notice

Considering the definition of the word 'issue', it was apparent that merely signing the notices on 31-3-2010, could not be equated with issuance of notice as contemplated under section 149. The date of issue would be the date on which the same were handed over for service to the proper officer, which in the facts of the case would be the date on which the said notices were actually handed over to the post office for the purpose of booking for the purpose of effecting service on the assessees. Till the point of time the envelopes were properly stamped with adequate value of postal stamps, it could not be stated that the process of issue was complete. In the facts of the case, the impugned notices having been sent for booking to the speed post centre only on 7-4-2010, the date of issue of the said notices would be 7-4-2010 and not 31-3-2010 - Kanubhai M. Patel (HUF) v. Hiren Bhatt or His Successors to Office [2011] 12 taxmann.com 198 (Guj.)

S.179 – Opportunity of hearing before recovery proceedings

It will be appropriate and proper if the director is given a hearing and a fresh order under section 179 of the Act is passed - Sanjay Ghai v Dy. CIT, High Court of Delhi, W.P.(C) 7395/2010 Decided on: 7 July 2011

ITAT

S. 14A No disallowance if not exempt income

No disallowance under sec. 14A can be made on the assessee for the relevant assessment year in case where the assessee does not have any income which does not form part of the total income nor has claimed any such income. Tribunal arrived at this conclusion after analysing various decisions of High Court & Supreme Court. Siva Industries & Holdings Ltd. vs. ACIT, ITAT Bench 'A', Chennai I.T.A. No. 2148/Mds/2010 AY 2006-07 Decided on: 20 May 2011

S.28 Project completion method – receipt on sale sale of TDR

Assessee builder following project completion method. The assessee has received TDRs in lieu of handing over of possession of the buildings constructed for slum dwellers and TDR was sold by the assessee. Since the project was not complete, the assessee had set off these receipts against work-in-progress. ITAT restore matter before AO with the direction that in case on verification it is found that the project was completed in 2007-08, Assessing Officer will compute the income from project after taking into account entire expenditure and the receipts from the beginning of the year including the TDRs sale. However, in case the project is not found complete, the Assessing Officer will set off TDR receipts against work in progress and no income will be assessed on account of TDR receipts separately - ACIT vs. Skylark Build, ITAT, Mumbai, ITA No. 4307, 4308/Mum/2009, AY: 2006-07and 2007-08, Decided on: 17 June 2011

To refrain from imitation is the best revenge

S.43(5) – F & O transaction

Even if the notification is from a 25-01-2006, as per clause (d) inserted, the same will apply to all the transactions in relation to assessment year 2006-07 and onwards. Clause (d) does not mention that unless the recognized stock exchange is notified, the transaction will not be deemed to be a speculative transaction. The power to notify the stock exchange is granted under the statute and hence once the recognized stock exchange is notified, the same will apply in respect of all eligible transactions carried out in relation to financial year relevant to assessment year 2006-07 and onwards. The notification is by way of a subordinated legislation but cannot override the principal legislation enacted by the Parliament. It only clarifies but will not override unless statutorily so prescribed. - ACIT v Hiren Jaswantrai Shah, ITAT, Ahmedabad, ITA No. 3361 (Ahd.) of 2009 AY: 2006-07, Decided on: 17 June 2011

S.43(5) Derivative transaction - Speculative Business v Capital Gain

Section 43(5) defining 'speculative transaction' is relevant only in the context of income under the head 'Profits and gains of business or profession'. It rules out its application to income under any other head. Section 43(5) has no application to FIIs in respect of 'securities' as defined in Explanation to section 115AD, income from whose transfer is considered as short term or long term capital gains. Once inclusion of such income from the transfer of securities is held to be falling only under the head "Capital gains", it cannot be considered as Business income', whether speculative or non-speculative. It was held that that income from Index based or non-Index based derivatives be treated as short term capital gains and not 'business income', whether speculative or non-speculative.

LG Asian Plus Ltd. vs. ADIT, ITAT, Mumbai, IT Appeal Nos. 2645 and 2691 (Mum.) of 2008, AY: 2004-05

S.45 – Capital gain v. Business Income

Section 2(42B) further defines the short term capital gain means capital gain arising from the transfer of short term capital asset. Thus, statute prescribed criteria for treating the capital asset either as long term capital asset or short term capital asset on the basis of the holding period but no such criteria of treating the short term capital asset and treating the asset has been prescribed under the statute. Even, there is no indication of holding period of 30 days find place either in the statute or in the circular/instructions as well as judicial pronouncements on the issue. It cannot be said that the fact that the assessee paid interest on borrowings should be held against him, particularly when there are other predominating features in the case which give clear impression that the assessee intended only to invest in shares and not hold them as stock-in-trade. There is no thumb rule that a person cannot borrow money for the purpose of making investment. Further it was also held that the interest cost can be capitalized and reduced from the sale price - Hitesh Satishchandra Doshi and Anr. vs. JCIT, ITAT 'H 'Bench Mumbai, ITA Nos. 6497, 6603, 6495/Mum/2009 and CO No. 239/Mum/2009 & 3231/Mum/2009 AY 2003-04, 2004-05 and 2006-07, Decided on: 15th June 2011

S.45(3)r.w.ss. 72 & 73 Loss on speculative derivative transaction

The assessee is entitled to set off of brought forward losses from business of dealing in derivatives, incurred in assessment years prior to assessment year 2006-07 against profits of the same business in assessment years 2006-07 and subsequent assessment years, where in view of amendment same is not treated as speculative business. Gajendra Kumar T. Agarwal vs. ITO 11 taxman.com 231 (Mum-ITAT) AY 2006-07

S.48 Indexation on Preference Shares

Once shares are specifically covered by indexation of costs, and unless there is a specific exclusion clause for 'preference shares', it cannot be open to the Assessing Officer to decline indexation benefits to preference shares - G.D. Metsteel (P.) Ltd. vs. ACIT [2011] 12 taxmann.com 165 (Mum. - ITAT)

S.37(1) – Expenditure as percentage on profits

Contribution to statutory fund determined on the basis of net profit of the organisation is allowable as deduction. ACIT v Indian Farmer Fertilisers Co-op Ltd., ITAT Bench 'C' New Delhi, ITA Nos. 3350/Del./2009 &1194/Del./2011, a.ys: 2005-06 & 06-2007, Decided on 31st May 2011

80IB(10) – Deduction in case of joint venture

The assessee had all the clearances and statutory permissions where as another party EBPL was prepared to finance the project. Both of them collaborated and put up the housing project. The gross sale proceeds are to be divided between the assessee and EBPL on the basis of 43% and 57% respectively. The assessee would be getting deduction under section 80-IB(10) in respect of the profits derived by it from the housing project and EBPL will be similarly claiming deduction in respect of its share of the profits- DCIT vs Bombay Real Estate Development Company Pvt Ltd. ITAT BENCH 'B', Mumbai ITA Nos. 6504, 6505 /Mum/2008, 4219/Mum/2009, 4728/Mum/2007 A.Ys 2002-2003, 2003-2004, 2004-2005 and 2005-2006, Decided on: 3 June 2011

80IB(10) *Pro rata* deduction

Assessee is entitled for *pro rata* deduction in respect of flats having built up area not exceeding 1500 square feet and not entitled for deduction in respect of those flats having their built up area exceeding 1500 square feet. It was also held that even where the purchasers of the flats combined two flats together thereby exceeding the limit of the built-up area of 1500 sq. ft., it could still be considered as proper compliance of the stipulation provided in section 80-IB(10) that the built-up area should not exceed 1500 sq. ft. and therefore, assessees are eligible for deduction under section 80-IB(10). Private terrace area should be included in the built-up area of the flats for the purpose of working out statutory extent of the built-up area - Sanghvi & Doshi Enterprise v. ITO [2011] 12 taxmann.com 240 (Chennai - ITAT) (TM)

INTERNATIONAL TAXATION
(Contributed by CA. Hinesh Doshi, CA. Vishal Gada)

Bourbon Offshore Asia PTE Ltd. (2011-TII-15-ARA-INTL) AAR No. 937 of 2010

Date: 12th July, 2011

Facts

The assessee is a tax resident of Singapore. It offers a comprehensive range of highly productive and new generation innovative offshore service vessels to global oil and gas industries. The vessels assist and support offshore drilling and marine operations.

It entered into a time charter vessel hiring agreement for providing its offshore service vessels to Transocean Offshore International Ventures Ltd. (TOIVL) in India. TOIVL provided various offshore drilling and support services to Oil and Natural Gas Corporation Ltd. (ONGC).

However, being a time charter agreement, the entire operation, navigation and management of the vessel, although operated by TOIVL, was under the exclusive command and control of the assessee.

The assessee filed an application with the AAR asking for a ruling as to whether its income from the hiring of the vessels would be covered under the special provision of section 44BB of the Act.

It was argued that the offshore drilling activities were an integral part of exploration and prospecting activities for mineral oil. Section 44BB of the Income-tax Act is applicable to non-residents who are engaged in the business of providing services or facilities which are in connection with or supplying plant and machinery on hire used, or to be used in the prospecting for or extraction or production of mineral oil. Here "in connection with any activity" would mean that everything which was connected with any of the three activities, namely, prospecting for, extraction of or production of mineral oil would fall within its scope.

On the other hand, the Revenue argued that the services rendered by the assessee was technical in nature and income from providing such services in India was liable to be taxed as fee for technical services.

It was argued that the services contemplated in section 44BB were services other than those coming within the purview of Explanation 2 to section 9(1)(vii) of the Act. Moreover, the exclusion clause in Explanation 2 to section 9 (1) (vii) does not apply in the case of the applicant because it was not undertaking a mining or like project. Therefore, the income of the assessee would be chargeable under section 9(1) (vii) read with section 44DA.

Issues

Whether income from hiring of vessels by assessee used in exploration and prospecting of mineral oil by another company is entitled to be taxed at the special rate prescribed u/s 44BB?

Whether such vessels can be considered as 'plant'?

Whether nature of receipts on account of provision of supply of vessels on hire basis can have the character of fees for technical service taxable u/s 44DA?

Held

There is no dispute that the applicant is engaged in the business of providing offshore oil and gas marine subsea services. It also offers range of offshore oil service vessels to global oil and gas industry.

Under the contract with TOIVL, who in turn is providing various offshore drilling and support services to ONGC, the applicant has provided 4 vessels to TOIVL to be used on east and west coast of India.

For the purposes of section 44BB of the Act, the vessels provided are covered under the definition of "plant". The consideration received for supply of "plant" i.e. the vessels on hire when used in the prospecting for or extraction or production of oil and gas is covered under the special provision for computing profits and gains under section 44BB of the Act.

The nature of receipts on account of provision of supply of vessels on hire basis cannot have the character of fees for technical services within the meaning of explanation 2 to section 9(1)(vii). The services required by TOIVL are rendered by the applicant by using the vessels under its control and command which cannot bear the character of fees for technical services.

The rate at which tax is to be withheld from payments made by Transocean to BOA towards time charter of service vessels will be 4.22%.

AAR pronounced in favour of the Assessee.

Deputy Commissioner of Income Tax Vs Tech Mahindra Ltd (Formerly Mahindra British Telecom Ltd) (2011-TII-71-ITAT-MUM-TP)

Dated June 30th, 2011

Facts

The assessee is a joint venture between an Indian company, Mahindra & Mahindra Ltd and a UK based company, British Telecommunications, engaged in the business of software services relating to telecommunication, internet technology and engineering etc. The assessee had allowed credit to its US based associated enterprises, beyond the stipulated credit period. The case was referred by Assessing officer to the Transfer Pricing Officer for determination of arm's length price. The assesse was required to show cause as to why interest @ 10% not be treated as arm's length interest for such delayed receipts on account of notional interest relating to excess credit period granted by the assessee to its AEs. The assessee contended that excess credit period was allowed to the US AE in view of the liquidity problems faced by the AE, and that, in any event, no such interest is charged from even independent enterprises.

It was also noted that the assessee had charged 10 % interest from its German AE on the Euro denominated loan granted by the assessee. The AO charged the same interest rate as an arm's length interest for the excess credit period, resulting in an ALP adjustment. CIT(A) confirmed the ALP adjustment in principle but restricted the same to USD LIBOR rate plus a markup of 80 basis points, which amounted to 2%.

Issue

Whether a transaction admittedly with an associated enterprise can be taken as an internal comparable for the purpose of ascertaining the ALP.

Whether when there is a choice between the interest rate of a currency other than the one in which transaction has taken place and the interest rate in respect of the currency in which transaction has taken place, the latter should be adopted.

Held

It was held that the very selection of comparable by the TPO was contrary to the scheme of the applicable transfer pricing regulations. The TPO had proceeded to adopt the interest rate at which the assessee had given a Euro denominated loan to its AE, as an internal comparable under the Comparable Uncontrolled Price (CUP) method. TPO apparently overlooked the fact that to be an internal comparable under the CUP method, the transaction has to be with an independent enterprise. Rule 10B(1)(a) specifically provides that, as a first step for determining the Comparable Uncontrolled Price "the price charged or paid for property transferred or services provided in a comparable uncontrolled transaction, or a number of such transactions, is identified (emphasis by underlining supplied by us)". Rule 10(a), in turn, defines the expression 'uncontrolled transaction' as 'a transaction between enterprises other than associated enterprises, whether resident or non-resident'. Thus a transaction between the associated enterprises cannot be taken as a comparable for the purpose of application of CUP method. Accordingly, a transaction admittedly with an associated enterprise of the assessee company cannot be taken as an internal comparable for the purpose of ascertaining the ALP.

It was also held that since the AE was based in United States, the right parameter to be applied was US Dollars LIBOR rate, with an appropriate mark up, as against the rate of interest on a Euro denominated loan granted by the assessee to another AE, as adopted by the Transfer Pricing Officer.

In view thereof Revenue's appeal was dismissed.

Yahoo India Pvt Ltd vs Deputy Commissioner of Income Tax (2011TII94-ITAT-MUM-INTL)

Dated June 24th, 2011

Facts

The assessee company, a fully owned subsidiary of Yahoo Inc, USA, which was engaged in the business of providing consumer services such as search engine, content and information. The assessee company had made a payment of Rs.34,86,947/- to Yahoo Holdings (Hong Kong) Ltd. being cost of services to display a banner advertisement on the portal owned by Yahoo Holdings (Hong Kong) Ltd.

Yahoo Holdings (Hong Kong) Ltd. is engaged in the business of providing internet services, technological tools and marketing solutions for business to customers in Hong Kong. During the year under consideration, the Department of Tourism of India intended to display a banner advertisement on the portal owned by Yahoo Holdings (Hong Kong) Ltd. For this purpose, it hired the services of the assessee company to approach Yahoo Holdings (Hong Kong) Ltd. to provide uploading and display services for hosting the banner advertisement at Yahoo Hong Kong portal.

The said payment to M/s. Yahoo Holdings (Hong Kong) Ltd. was made by the assessee during the year under consideration without deducting tax at source. The stand of the assessee was that since the services performed by Yahoo Holdings (Hong Kong) Ltd. were entirely outside India and since Yahoo Holdings (Hong Kong) Ltd. had no presence in India, the amount paid to them for the services rendered outside India was not taxable in India.

According to the A.O., the income attributable to the services claimed to be rendered outside India had accrued in India as per the provisions of section 9 and the same being taxable in India, the assessee was required to deduct tax at source before remitting the said amount to Yahoo Holdings (Hong Kong) Ltd

Issues

Whether payment made by the assessee for uploading and display of banner advertisement of its client in the portal run by a foreign company amounts to user of equipment by the assessee ? Whether the same is chargeable to tax as royalty ? Whether in absence of deduction of tax at source, the payment can be disallowed ?

Held

Yahoo Holdings (Hong Kong) Ltd. was engaged in the business of providing internet services, technological tools and marketing solutions for business to customers in Hong Kong.

The banner advertisement hosting services did not involve use or right to use by the assessee any industrial, commercial or scientific equipment and no such use was actually granted by Yahoo Holdings (Hong Kong) Ltd. to assessee company. Uploading and display of banner advertisement on its portal was entirely the responsibility of Yahoo Holdings (Hong Kong) Ltd. and assessee company was only required to provide the banner Ad to Yahoo Holdings (Hong Kong) Ltd.

Assessee thus had no right to access the portal of Yahoo Holdings (Hong Kong) Ltd. and there is nothing to show any positive act of utilization or employment of the portal of Yahoo Holdings (Hong Kong) Ltd. by the assessee company.

Thus, the Tribunal held that the payment made by assessee to Yahoo Holdings (Hong Kong) Ltd. for the services rendered for uploading and display of the banner advertisement was not in the nature of royalty but the same was in the nature of business profit and in the absence of any PE of Yahoo Holdings (Hong Kong) Ltd. in India, it was not chargeable to tax in India. Assessee thus was not liable to deduct tax at source from the payment made to Yahoo Holdings (Hong Kong) Ltd. for such services and in our opinion, the payment so made cannot be disallowed by invoking the provisions of section 40(a) for non-deduction of tax.

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

Clearing and forwarding services

The appellant's activity of selling coir products purchased from the manufacturers in its stores to the buyers identified by the appellant is not liable for service tax under the category of clearing and forwarding services since the appellant did not 'receive' and 'despatch' goods on behalf of manufacturers but 'purchased' and 'sold' them on their own account. [Coir Board vs. CCE (2011) 22 STR 646 (Tri. – Bang.)]

Commercial Training and Coaching Service

Where the appellant was engaged in providing coaching which formed an essential part of a course or curriculum of a university, leading to issuance of certificate or diploma or degree from the university under the distance education programme, the Tribunal following the High Court judgment in Mallappuram District Parallel College Association vs. UOI (2006) 2 STR 321 (Ker) which was also followed in JMC Educational Charitable Trust vs. CCE (2010) 21 STR 421 (Tribunal) held that levy of service tax on the coaching services under the category of commercial training or coaching services was not justifiable. [Trichy Inst of Management Studies (P) Ltd v. CCE (2011) 22 STR 533 (Tri- Chennai)]

Consulting Engineer Services

Services of installation and commissioning of machinery are liable for service tax only w.e.f. 1.7.2003 under the category of 'errection, commissioning and installation' services and not prior to that date under the category of 'consulting engineering' services. [CCE vs. Gleason Works (India) Ltd. (2011) 22 STR 607 (Tri-Bang.)]

Goods Transport Agency services

Where the consignment agent paid the freight charges as well as service tax payable thereon as a payer of freight and deducted the same from the sale proceeds payable to the appellant manufacturer the Tribunal held that the appellant is not liable to pay service tax on freight charges deducted by the consignment agents since it is the consignment agent who is liable to pay service tax on the goods transport agency services as it is he who pays the freight charges [Rajalakshmi Paper Mills Pvt. Ltd. vs. CCE (2011) 22 STR 635 (Tri. – Che.)].

Mining vs. Site formation services

Where the assessee was primarily engaged in 'winning of minerals' i.e. extraction of iron ore the Tribunal held that the essential character of the activities of the appellants were in the nature of mining services and site formation and clearance, excavation and earthmoving and demolition etc. was only incidental to the contract of mining of iron ore. Since mining services were liable to service tax only w.e.f. 1.6.2007 the demand for a period prior to 1.6.2007 is not payable. [CCE vs. Vijay Leasing Company (2011) 22 STR 553 (Tri-Bang.)].

Import of services

The service recipient would not be liable for service tax for services received from outside India prior to 18.4.2006 [CCE & ST vs. Micro Labs Ltd. (2011) 22 STR 615 (Kar.)].

Export of services

Commission received for providing liaison services to a service recipient based abroad being export of services is not liable for service tax. [CCE vs.Gleason Works (India) Ltd. (2011) 22 STR 607 (Tri-Bang.)]

Valuation

The optional hostel and mess charges charged separately and collected from the students who are interested in availing such facility by an assessee, a commercial coaching and training centre, is not includable in gross receipts for levy of service tax under commercial training or coaching services. [Vikas Coaching Centre vs. CCE & ST (2011) 22 STR 650 (Tri. – Bang.)]

Demand

Where the legal interpretation of any provision is capable of two different interpretations and the assessee has interpreted the same to his benefit, it cannot be said that there was any suppression or malafide on his part and accordingly the larger period of limitation cannot be invoked and also penalty cannot be imposed [Lanxess Abs Ltd. vs. CCE (2011) 22 STR 587 (Tri-Ahmd.)]

Adjudication

The show cause notice proposed to raise a demand on the appellant's activities under the category of 'business auxiliary services' and 'business support services' without specifying the exact clause under which it would be liable. The adjudicating authority still confirmed the demand. The CCE(A) though observing that the adjudicating authority's decision was 'weird' confirmed the demand under the category of 'business auxiliary services' which the Tribunal held could not be done. The Tribunal observed that in absence of precise provisions under which service tax is sought to be demanded by the show cause notice the demand was not sustainable [United Telecoms Ltd. vs. CST (2011) 22 STR 571 (Tri-Bang.)].

Penalty

Where the assessee had paid tax alongwith interest at the instance of the department after the issuance of show cause notice and had paid the penalty imposed which was 25% of the tax demand within two months of the receipt of the order, the Tribunal held that the revision proceedings initiated by the Commissioner to increase penalty up to 100% of the tax is incorrect since the appellants were entitled to the relief provided in the proviso to Section 78 as they paid the tax before the commencement of the revisionary proceedings and hence no further penalty was payable by them [Vikas Enterprises v. CCE (2011) 22 STR 561 (Tri- Bang)].

Where in the initial stages there were disputes as to who shall pay service tax on goods transport agency services and the where appellant bona fide believed that they were not required to pay service tax but promptly paid the same alongwith interest on being pointed out by the department, the Tribunal condoned the penalties u/s. 77 and 78. [Amman Steel Corporation vs. CCE (2011) 22 STR 563 (Tri-Chennai)]

On a conjoint reading of section 76 and section 80 of the Finance Act, 1994, there is discretion to hold that no penalty is imposable but there is no discretion to any authority, be it adjudicating authority, CCE(A) or Tribunal to reduce the penalty. [CCE vs. V.M. Constructions (2011) 22 STR 520 (Guj.)]

Where the appellant had failed to pay proper service tax and had adjusted the excess payments in one year and short payments in another year, in absence of legal provisions, the Tribunal confirmed the demand but did not impose penalty since:

(i) the appellant's size was large and the demand arose as a result of calculation errors;

(ii) the duty liability was worked out by the appellant and the department did not do any investigation;

(iii) the demand [less than Rs. 1 crore] was much less compared to the total service tax paid [in crores] by the appellant during the said period.

[Fascel Ltd. vs. CST (2011) 22 STR 656 (Tri-Ahmd.)]

Refund

Refund of service tax paid on input services [Cenvat credit] availed by the assessee in relation to export of its services is permissible even if the refund claim pertained to the period prior to the date of the assesseee obtaining registration. [CST vs. E-Care India Pvt. Ltd. (2011) 22 STR 529 (Tri – Chennai)]

Passing an assessment order is contemplated only when a notice u/s.73 is issued. Otherwise, there is no provision for assessment. Thus, where the assessee wrongly deposited service tax on its activities which were not liable for service tax and claimed refund (which was rejected by the lower authorities for certain reasons), the rejection of the refund claim on the ground that the assessee had not challenged the assessment by filing a statutory appeal is not sustainable since no order capable of being appealed against had ever been passed. [CCE vs. Vijay Leasing Company (2011) 22 STR 553 (Tri-Bang.) relying on Central Office Mewar Palaces Org. vs. UOI (2008) 12 STR 545 (Raj.)]

Where the refund claim for unutilised cenvat credit filed by the assessee who was an output service provider in respect of exports made prior to 14.3.2006 post 14.3.2006 i.e. when Rule 5 of the Cenvat Credit Rules 2004 dealing with refund of Cenvat Credit was substituted to provide for refund of unutilised credit to provider of output services the High Court observed that -

(i) the Rule 5 as it stands after 14.3.2006 does not make any distinction between exports made prior to 14.3.2006 or after 14.3.2006 and

(ii) as per the proviso to rule 5 as it stood prior to the amendment on 14.3.2006 output service provider is entitled to claim refund

Accordingly it upheld the Tribunal's order of allowing refund claim considering all other requisite conditions were fulfilled by the assessee. [CST vs. WNS Global Service (P) Ltd. (2011) 22 STR 609 (Bom.)]

Refund – Unjust Enrichment

Where the appellant wrongly paid service tax on the job-work charges charged by it to manufacturer, who issued a debit note on the ground that such charges were not liable, based on which the appellant filed a refund claim, the Tribunal held that, where no investigation had been done to prove that the debit note issued by the manufacturer was wrong the plea of unjust enrichment cannot be sustained and accordingly the refund was admissible. [K.S.Transformers (P) Ltd. vs. CCE (2011) 22 STR 581 (Tri-Del.)]

Revision of order

Where an appeal has been preferred before the Commissioner (Appeals) against the order of the adjudicating authority, suo-motu revision of the adjudicating authority's order by the Commissioner u/s.84 for increasing the liability during the pendency of the appeal was held to be not permissible even though the appeal before the Commissioner(Appeals) was only as to the validity of the adjudicating authority's order since u/s. 35A(3), the CCE(A) is also empowered to increase the liability and hence the issue of higher liability was also an issue before the CCE(A) [CCE v. Shiva Builders (2011) 22 STR 513 (P& H)]

An order of the revisionary authority passed u/s. 84 of the Finance Act, 1994, has to be within the framework of the show cause notice initially issued and adjudicated by the adjudicating authority and it cannot travel beyond the show cause notice initially issued to the assessee. Making a new case under the revisionary proceedings is not permissible. [Aero Products vs. CST (2011) 22 STR 522 (Tri-Bang.)].

Cenvat Credit

Where the appellant, a manufacturer, had received the taxable services prior to 10.09.04 [before the Cenvat Credit Rules, 2004, ("Credit Rules") came into force] but had paid the service tax thereon to the input service provider post 10.09.04 and availed cenvat credit the Tribunal held that the same was not permissible since –

(i) under Rule 3(1) of the Credit Rules, a manufacturer of final product shall be eligible for credit on only those input services which are received on or after 10.09.04; and

(ii) credit of Service tax in terms of the transitional provision of sub-rule (1) of Rule 11would also not be admissible since input service credit was available only to service providers and not to manufacturers.

[Ajay Poly Pvt. Ltd. vs. CCE (2011) 22 STR 535 (Tri-Del.)].

Prior to deletion of Explanation to Rule 2(p) of the Cenvat Credit Rules, 2004 w.e.f. 19.04.06 service tax payable on goods transport agency services can be discharged by utilisation of cenvat credit but not after 19.04.06 [Iswari Spinning Mills v. CCE (2011) 22 STR 549 (Tri-Chennai)].

Credit of service tax paid on vehicles used in the residential colony and on the insurance of residential buildings is admissible since the definition of input service is quite wide and any activity that is used for business purposes is required to be held as an input service.[Ultratech Cement Ltd. Vs. CCE (2011) 22 STR 578 (Tri-Ahmd.)]

Where the appellant had a single EOU unit, in respect of which he claimed refund of unutilised cenvat credit availed on invoices issued in the name of its head office which refund was denied on the ground that the head office was not registered as an input service credit distributor u/r. 7 of the Cenvat Credit Rules, 2004, ("Credit Rules"), the Tribunal allowed the refund and held that Rule 7 of the credit rules would be applicable only if the assessee wishes to get himself registered as input service credit distributor and in absence of more than one manufacturing unit there was no compulsion on him to register under Rule 7 of the credit rules.[Durferrit Asea Pvt. Ltd. vs. CCE (2011) 22 STR 583 (Tri-Bang.)].

In this case the Tribunal held that where the appellant firm was converted into a Private Limited company no formal permission from the Central Excise Officers was required by the company to avail the unutilized balance of Cenvat credit lying with the firm. [Flex Art Foil Pvt. Ltd. vs. CCE (2011) 22 STR 591 (Tri-Ahmd.)]

Where the appellant had reversed the entire credit on common input services which were used for manufacture of both dutiable as well as exempted goods, before adjudication the Tribunal held that the same was a sufficient compliance under Rule 6(3) of the Credit Rules as retrospectively amended by the Finance Act, 2010, and hence the appellant would not be liable to pay 10% of the value of the exempted goods. However, interest @ 24% was held to be payable [Standards Intl. Precision Engineers P. Ltd. vs. CCE(2011) 22 TSR 594 (Tri-Bang.)].

Prior to 16.06.05 in absence of any other evidence prescribed by law to claim credit of taxes paid in respect of goods transport agency services the same can be availed on the basis of TR-6 challans. [Dharampur Sugar Mills Ltd. vs. CCE (2011) 22 STR 598 (Tri-Del.)]

Credit of service tax paid on goods transport agency services used for delivery of goods to the customers' premises on FOR basis is not eligible for input credit. [Lafarge India Pvt. Ltd. vs. CCE (2011) 22 STR 603 (Tri-Del.)]

Credit of service tax paid on security agency services at the residential colony of its employees is not admissible since providing residential quarters and security services therein was voluntary and hence it does not have any direct or indirect relation to the activity of manufacture of final product. [CCE & C vs. Gujarat Heavy Chemicals Ltd. (2011) 22 STR 610 (Guj.)]

Where Madurai office of BSNL procured capital goods and transferred to Kumbakonam office of BSNL which claimed the Cenvat credit of duty paid based on the invoice received by Madurai office, the Tribunal held that Cenvat credit is admissible even though the Madurai office was registered only later since there is no dispute that the duty was paid by the appellant and receipt and use of capital goods was for authorised purposes [BSNL vs. CCE (2011) 22 STR 628 (Tri. – Che.)]

Credit of service tax paid on security agency services engaged by the assessee (manufacturer) in the company's guest house is not admissible since it does not have any nexus with the activity of manufacture of final product. [Kilburn Chemicals Ltd. vs. CCE (2011) 22 STR 637 (Tri. – Che.)]

Cenvat credit – Interest on wrong availment

Where the assessee had wrongly availed credit but had subsequently reversed the same before utilization, the High Court held that the Tribunal's order that no tax or interest was payable by the assessee needs no interference since no substantial question of law arises [CCE vs. Jagatjit Industries Ltd. (2011) 22 TSR 518 (P& H)].

Note: The above decision is prior to the decision of Supreme Court in UOI vs. Ind – Swift Laboratories Ltd. 2011-TIOL-21-SC-CX wherein the Supreme Court has held that interest on irregular cenvat credit is payable from the date of taking credit and not from the date of utilising it.

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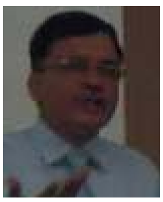

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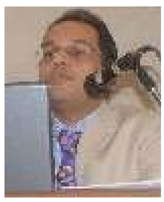

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