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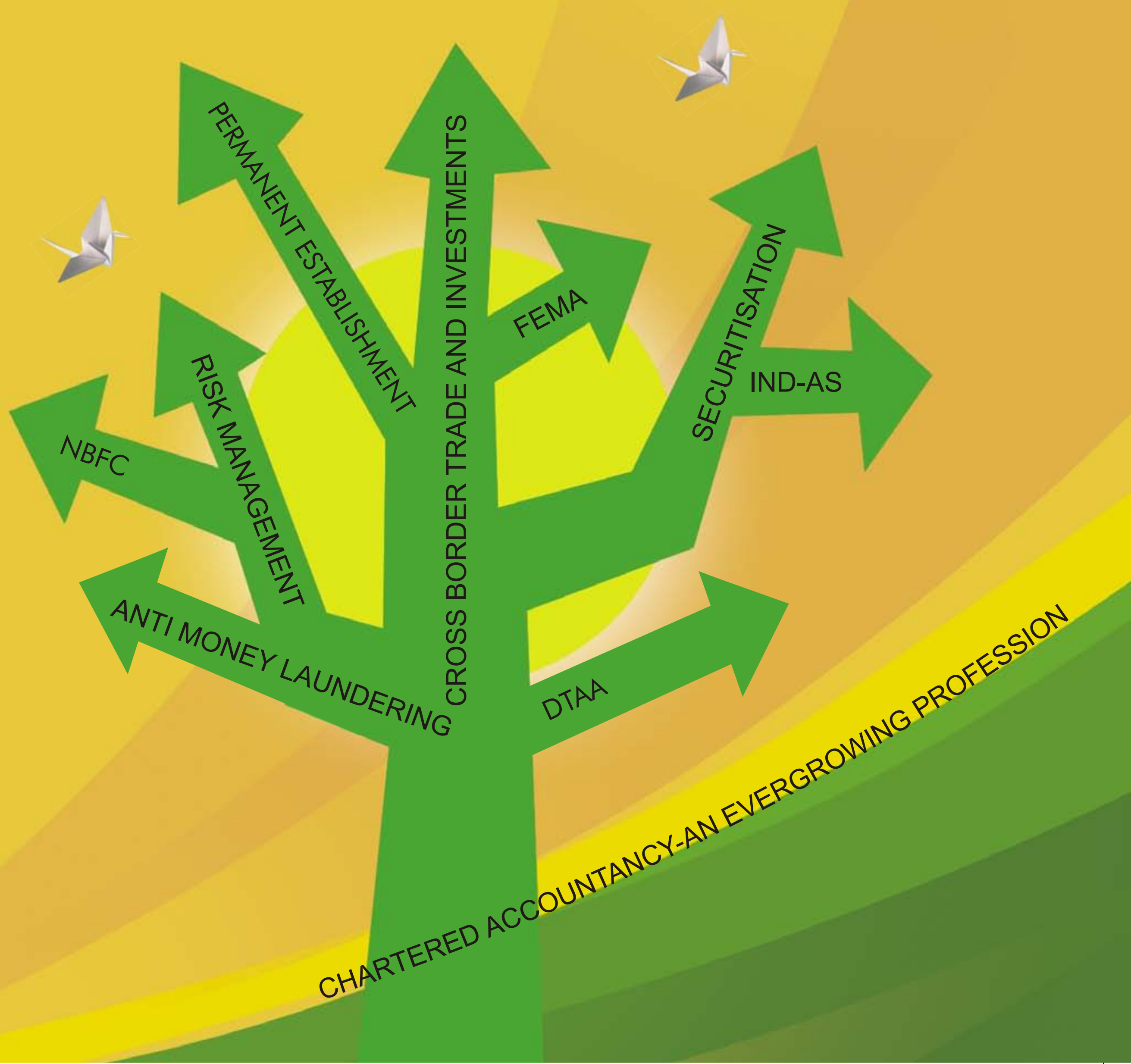
WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER

VERSATILE
INDEPENDENT
PROGRESSIVE

Volume 37 | No. 09 | September, 2011

"KALPVRIKSHA"



IMAGES

Indirect Tax Refresher Course- Part I VAT Audit held from 20th - 27th August, 2011

CA. Parag Rawal, RCM, CA. Shriniwas Joshi Chairman, WIRC, CA. Rajat Talati, Faculty, CA. Neel Majithia RCM.

CA. Kishore Joshi, CA. Vikram Mehta, Faculty, CA. Ashok Jain, RCM.

Other Speakers

CA. Deepak Thakkar

CA. Kiran Garkar

Indirect Tax Refresher Course- Part I Service Tax held from 20th - 27th August, 2011

CA. Shardul Shah, Secretary, WIRC, CA. A.R. Krishnan, Faculty, CA. Mangesh Kinare, RCM.

Other Speakers

CA. Rajiv Luthia

CA. Bharat Shemlani

CA. S.S. Gupta

Conference on Foreign Exchange Management Act, 1999 held on 19th & 20th August, 2011

CA. Deepali Jain, CA. Sudha G. Bhushan, Faculty, CA. Sunil Patodia, RCM, CA. Shilpa Khetan.

Other Speakers

CA. Pinkesh Billimoria

CA. Amit Amlani

CA. Anup Shah

CA. Paresh Shah

CA. Dilip Thakkar

CA. Shabbir Motorwalla

CA. Kirit Dedhia

Intensive Study Course on Transfer Pricing held from 1st August to 12th August, 2011

CA. K.S. Balasubramanian, CA. Nilesh Patel Chief Guest, Ex Add Commissioner of Income Tax, CA. Sanjeev Lalan, Imm. Past Chairman WIRC, CA. Jayesh Thakur.

Other Speakers

CA. Rajesh Athawale

CA. Manisha Gupta

CA. Eric Mehta

CA Sanjay Tolia

CA. Munjal Almoula

CA. Prasad Pardiwala

CA. Vaishali Mane

CA. Yashodhan Pradhan

Seminar on Controversy Issues relating to Overlaps in Indirect Taxes held on 20th August, 2011

CA. Manish Shah, CA. Rajesh Shah, RCM, CA. Bharat Shemlani Faculty, CA. Surendra Surekha.

Other Speakers

CA. Puloma Dalal

CA. Ranjeet Mahtani

CA. Sagar Shah

CHAIRMAN'S communication

Dear Members & Students,

The past few weeks have been very hectic, with all of us working at a feverish pace to honour our professional commitments. In fact, this includes your Regional Council which has been working overtime to take forward various initiatives planned by ICAI.

As Members are aware, WIRC has taken the initiative of regularly making representations to various authorities not only to clarify issues but also to come to a position of mutual understanding. To that end, the WIRC organised an interactive meeting with CCIT IV, Shri Naresh Kumar at the Institute's premises. This meeting was privileged to see three Joint Commissioners in attendance. Several important issues were raised in this meeting regarding TDS payments/deduction and difficulties faced by members and their clients regarding refunds. A report of this meeting has been included in this Newsletter. Taking the success of this representation forward, we propose to hold similar meetings with other regulators as well.

WIRC has drawn up an interesting schedule of meetings and conferences over the next few months for the benefit of our Members. I urge our Members to attend the all Presidents Diamond Jubilee Conference in October and our Regional Conference at NCPA in December. At the same time we have also announced the Women CA Conference in November. In totality, at least ten large branches of WIRC will hold various Sub-Regional Conferences, Tax Conventions and Diamond Jubilee Conferences over the next four months. I would also like to draw your attention to seminars on NBFC, DCF Method of valuation, DTAA, and Practical issues in Assessments. We have also arranged lecture meetings on New Schedule VI and Concurrent Audit seminars. Attending these seminars will not only help CAs but also the staff and article students in general. We have also proposed to repeat some of the topics being discussed in the Indirect Tax Refresher Course on VAT & Service Tax.

I am happy to say that our decision to form various study groups on International Taxation, Internal Audit, Information Technology, FEMA and Service Tax is being appreciated and we are receiving good number of registrations. We propose to hold the first meetings of these groups in October as it is difficult for members to attend group meeting in this busy month. Interested Members may visit WIRC website and send the required data to add their name to the groups.

WIRC had recently arranged a joint conference with the Southern Gujarat Chamber of Commerce & Industry in Surat. The Conference, on the subject "Taxation – Part of your Business" was conducted in the local language i.e. Gujarati, as a general seminar for the public. I request all WIRC branches to take the initiative to hold similar joint programmes with other trade and manufacturers' associations.

Branches have taken the initiative of Career Counselling in rural and semi urban areas in the local language very seriously. In Gujarat, Career Couselling has already been carried out to a large gathering of students in areas such as Gandhinagar near Ahmedabad and at Navsari near Surat. Various other branches have also started this mission and I appreciate their enthusiasm in this regard.

I am delighted to inform Members and Students that our write up on co-operative empanelment procedure in Maharashtra has been sent to Delhi as a template for replicating the same initiative throughout India.

After all the unremitting hard work put in by our fraternity for the last few weeks, I wish all CA professionals a relaxing and tension free September month. In the apt words of Ralph Ransom **"Before the reward there must be labour. You plant before you harvest.**

With best regards,

CA. Shriniwas Y. Joshi

FORTHCOMING events

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.
07 & 08/10/2011	All Presidents' Diamond Jubilee Conference	10.00 a.m. to 6.00 p.m.	Hotel Courtyard by Marriott, Andheri Kurla Road, Andheri (E)	2750	12	5
17/09/2011	Seminar on DCF Method	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	5
17/09/2011	Seminar on Information Technology	10.00 a.m. to 6.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	5
24/09/2011	Seminar on Concurrent Audit of Banks	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	5
08/10/2011	Seminar on Practical Issues in Assessments	10.00 a.m. to 6.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	6
08/10/2011	Full Day Seminar on Service Tax Returns	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	6
15/10/2011	Programme on Intellectual Property Rights	10.00 a.m. to 6.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	6
15/10/2011	Full Day Seminar on Recent Amendments & Developments in Various Acts	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	7
18/10/2011	New Members Meet and Felicitation of Rank Holders	3.30 p.m. to 7.30 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade			
22/10/2011	Seminar on Transfer Pricing	2.00 p.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	500	03	7
29/10/2011	Seminar on LLP	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	7
05/11/2011	Seminar on ESOPs	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	7
11/11/2011	Seminar on Authority of Advance Rulings - Law & Procedure	9.30 a.m. to 1.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate,	600	—	8
11, 12, 13/11/2011	RRC at Silvassa	11.00 a.m. onwards	Ras Resorts, Silvassa 128(P)(I), Silvassa Naroli Road	5250	14	8
12/11/2011	Full Day Seminar on Due Diligence	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	8
19/11/2011	Seminar on Business Restructuring	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	8
ATTENTION MEMBERS IN INDUSTRY						
23,30/09/2011 05 & 14/10/2011	Seminar on Industry Wise Ind-AS	2.30 p.m. to 7.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	16	9
01/10/2011	Workshop on Basics of DTAA	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	9
11, 12/11/2011	Workshop on Project Finance	10.00 a.m. to 6.00 p.m.	Hotel J. W. Marriott, Juhu Tara Lane, Juhu	5000	12	9
STUDENTS SECTION						
19/09/2011	IT-DBMS for IPCC Students	9.30 a.m. to 1.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	100	—	10
19, 20, 21/09/2011	Tax-House Property+Salary+Other Sources Tax-Income from Business profession Tax-Capital Gains + all other topics (TDS, Deductions, Etc.) for IPCC Students	2.00 p.m. to 5.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	300	—	10
20, 21/09/2011	Tax - Service + VAT for IPCC Students	9.30 a.m. to 1.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	200	—	10
22 & 23/09/2011	Operating Research for CA Final	9.00 a.m. to 2.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	450	—	10
29/09/2011 to 1/10/2011	Forex, Derivatives and Portfolio Management for CA Final	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	750	—	10
03, 04, 05/10/2011	Costing for CA Final	3.00 p.m. to 9.00 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, 4TH 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 Revised Scheduled - VI

CPE HRS 02

DAY & DATE MONDAY, 10TH OCTOBER, 2011

Venue	Walchand Hirachand Hall IMC, Churchgate
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 100
Chief Co-ordinators	CA. Shardul Shah 9867642684 CA. Dilip Apte 9930314856 *(Regional Council Members)*

TOPIC	SPEAKER
Issues Related to Revised Schedule VI	CA. Manoj Fadnis, CCM

Lecture Meeting on Pension & Warehousing Sector

CPE HRS 02

DAY & DATE FRIDAY, 4TH NOVEMBER, 2011

Venue	Council Hall, ICAI Bhawan, Cuffe Parade
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 50
Chief Co-ordinators	CA. Anil Bhandari 9821037605 CA. Dilip Apte | 9930314856 *(Regional Council Members)*

TOPIC	SPEAKER
Update on Pension sector & Warehousing Sector	Dr. V.R. Narasimhan EVP Kotak Mahendra Bank

Never fear shadows. They simply mean there's a light shining somewhere nearby

Seminar on DCF Method

CPE hrs 06

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

All Presidents' Diamond Jubilee Conference

CPE hrs 12

DAYS & DATES	FRIDAY, 7TH & SATURDAY, 8TH OCTOBER, 2011	
Venue	Hotel Courtyard by Marriott, Andheri Kurla Road, Andheri (E)	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 2,750/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Bhailal Patel	9825033927
	CA. Julfesh Shah	9823096540
	CA. Sanjeev Lalan	9323525932
	CA. Makarand Joshi	9423102957
	(Regional Council Members)	

TOPICS

Accounting – Challenges Ahead: Convergence with IFRS – Beginning or End of the Journey • State of Implementation of Accounting Standards in SME Segment • Pace of Change – whether too fast for all stakeholders to grapple?

Auditing – Expectation Gap: Expectations vs. Delivery – Shall the twain ever meet? • Are multiple Regulators enabling comprehensive & purposeful Reporting? • Risk Based Auditing – A Panacea?

Practice in Fiscal Laws – Challenges Ahead: GST & Economic Impact • DTC – Too much ado? • Anti-avoidance measures & Money Laundering – Issues for Tax Professionals

The Profession - Where are we heading to : Osmosis of the Profession • Capacity Building Measures – the journey so far • International Initiatives & Opportunities • Specialists vs. Generalists – Impact on SMPs

SPEAKERS: PAST PRESIDENTS OF ICAI

Seminar on Information Technology

CPE hrs 06

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

CPE hrs 06

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

Man's mind, once stretched by a new idea, never regains its original dimensions

INFORMATION TECHNOLOGY INITIATIVES

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

Dates	Day & Timing	Location	Fees	CPE hrs.
17th & 18th Sept'11	Sat & Sun 10 am – 5 pm	NMITD,Kirti College, Dadar	4500.00	12

INFORMATION TECHNOLOGY WORKSHOPS

Date	Time & Location	Topic	Fees	CPE hrs.
17th & 18th Sept'11	10am to 6pm Thakur College	CAAT Tools -ACL	2500.00	12
15th & 16th Oct'11	10am to 6pm RVG Hostel	Using ACL to detect FRAUD	4500.00	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)	

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. IndraAnand
Assessments of NGOs/NBFCs/Trusts	CA. Sharad Shah
Assessments of Domestic and Foreign Companies	CA. Jigar Saiya*
Transfer Pricing Assessment	CA. Digesh Rambhia
*Subject to Confirmation	

New Members Meet and Felicitation of Rank Holders

DAY & DATE	**TUESDAY, 18TH OCTOBER, 2011**
Venue	J.S. Lodha Auditorium, ICAI Bhawan, WIRC
Time	3.30 p.m. to 7.30 p.m.
Chief Co-ordinators	CA. Neel Majithia 9820327660 CA. Shruti Shah 9892407988 *(Regional Council Members)*
Chief Guests	CA. Uttam Prakash Agarwal, Past President, ICAI CA. Vipul Choksi, Past Chairman, WIRC

Students who have secured rank in May 2011 examination of CPT, PE-II, PCC, IPCC & Final CA from the Western Region shall be felicitated.

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	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. 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

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 LLP

CPE hrs 06

DAY & DATE	SATURDAY, 29th 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. Neel Majithia 9820327660 CA. Dilip Apte 9930314856
Co-ordinators	CA. Aalok Mehta 9892001645 CA. Vikas Vishwas Rao 9892915272 CA. Amogh Pandit 8108132425

TOPICS	SPEAKERS
Formation and Conversion of LLP	CS. Makarand Joshi
Taxation of LLP	CA Paras Savla
Drafting on LLP Agreement	Eminent Faculty
Structuring and Mergers using LLPs	CA. Divyesh Mehta

Seminar on Transfer Pricing

CPE hrs 03

DAY & DATE	SATURDAY, 22ND OCTOBER, 2011
Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	02.00 p.m. to 6.00 p.m. (Reg. 1.30 p.m. to 02.00 p.m.)
Fees	₹ 500/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Shardul Shah 9820287625 CA. Vishnu Agarwal 9324544607 (Regional Council Members)
Co-ordinators	CA. Jignesh Nagda 9930506033 CA. Rinkle Gorwara 9821688806 CA. Pooja Banswami 9922667663

TOPICS	SPEAKERS
Convergence – The desirability and challenge in determining a common transfer price for Income Tax and Customs	CA. Rohan Shah
Analysis of provisions - Key similarities and differences between the customs valuation rules and the transfer pricing regulations, and implications thereof	CA. Udayan Choksi
Looking ahead – Indian and International developments on convergence, and what MNEs need to do	CA. Ajit Tolani
Case study	CA. Ajit Tolani CA. Udayan Choksi

Seminar on ESOPs

CPE hrs 06

DAY & DATE	SATURDAY, 5TH NOVEMBER, 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. Neel Majithia 9820327660 CA. Ashok Jain 9833512888 (Regional Council Members)
Co-ordinators	CA. Mehul Sheth 98202973 CA. Timal Maru 9004021818 CA. Rajesh Dalal 9821627420

TOPICS	SPEAKERS
Accounting Issues and Audit of ESOPs and Sweat Equity	CA. Shrenik Baid
Taxation of ESOPs and Sweat Equity	CA. Ashesh Safi
Designing ESOPS	CA. Umesh Gala*
Provisions of Companies Act, SEBI Regulations and FEMA Compliance of ESOPs and Sweat Equity	CA. Anup Shah*
Subject to Confirmation	

Some desire is necessary to keep life in motion

Seminar on Business Restructuring

CPE hrs 06

DAY & DATE	SATURDAY, 19TH NOVEMBER, 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 CA. Vishnu Agarwal (Regional Council Members)	9869015418 9324544607
Co-ordinators	CA. Anil Thakarar CA. B.M. Gataani CA. Arun Jain CA. Lalit Dangi	9821069878 9323988811 9821024846 9322243307

TOPICS	SPEAKERS
Case Studies on Merger/Amalgamation – Accounting & Company Law aspects	CA. Amrish Shah
Case Studies on Demerger – Accounting & Company Law aspects	CA. Rekha Bagry
Case Studies on Valuation methodologies.	CA. Sujal Shah
Case Studies on buyback of shares & reduction of share capital & preferential issue– Accounting & Company Law aspects	Eminent Speaker

Full Day Seminar on Due Diligence

CPE hrs 06

DAY & DATE	SATURDAY, 12TH NOVEMBER, 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 CA. Shruti Shah (Regional Council Members)	9869070539 9892407988
Co-ordinators	CA. Rishikesh Wandrekar CA. Vaibhav Singavi CA. Sunit Mahale	9892919239 9820494846 9819966674

TOPICS	SPEAKERS
Importance of Due Diligence and Financial Due Diligence	CA. Sujal Shah
Legal Issues in Due Diligence	Mr. Sharad Abhyankar
Tax Due Diligence - Direct Tax	CA. Ajay Agashe
Tax Due Diligence - Indirect Tax	CA. Sunil Gabhawalla
Due Diligence Report	Eminent Faculty

RRC at Silvassa

CPE hrs 14

DAY & DATE	FRIDAY 11th, NOVEMBER, 2011 TO 13TH NOVEMBER, 2011	
Venue	Ras Resorts, Silvassa 128(P)(I), Silvassa Naroli Road,P.O. Box 38, Silvassa-396 230	
Time	11.00 a.m. onwards	
Fees	₹ 5,250/- per person (If booked before 5th October, 2011) • ₹ 5,750/- per person (If Booked after 5th October, 2011) [without Travel facility] including course material, stay on twinsharing basis, all meals and site seeing. **For Local Participants on Non-Residential Basis** ₹ 2,750/- per person including course material, breakfast, lunch and afternoon tea/coffee with snacks.	
Chief Co-ordinator	CA. Durgesh Kabra (Regional Council Member)	9869015418
Co-ordinators	CA. Vipul Shah CA Yashesh Jakhelia	9821028868 9967586811

TOPICS	SPEAKERS
Issues in Taxation of Shares/ Securities, with special emphasis on Capital Gains vs. Business Income	CA. Anil Sathe
Case Studies on TDS payments to Non-Residents	CA. Nihar Jambusaria
Issues in Service Tax on Construction related services	CA. Naresh Sheth
Non-Technical – Yet to be decided	Eminent Speaker

Jointly with Borivali (Central) CPE Study Circle

Seminar on Authority of Advance Rulings – Law & Procedure

No CPE

DAY & DATE	FRIDAY, 11TH NOVEMBER, 2011	
Venue	Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate , Mumbai	
Time	9.30 a.m. to 1.00 p.m. (Reg. 9.00 a.m. to 9.30 a.m.)	
Fees	₹ 600/- (inclusive of course material, breakfast) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sanjeev Lalan CA. Shardul Shah (Regional Council Members)	9323525932 9820287625

TOPICS	SPEAKERS
Inaugural and Key note Address	Mr. Justice P.K. Balasubramanyan – Chairman AAR
Practical Aspects & Expectations from Applicant	Mr. V.K. Shridhar – Mumbai AAR And Secretary AAR
Law and Procedures regarding Filing of Application of AAR including Practical aspects	Adv. Girish Dave
Recent Important Rulings of AAR	Adv. Nishith Desai

Jointly organized with **Bombay Chartered Accountants' Society and Indian Merchants' Chamber**

Strong lives are motivated by dynamic purposes

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 9820423420 CA. Shardul Shah 9820287625 (Regional Council Members)
Co-ordinators	CA. Tejas Gandhi 9820625253 CA. Prashant Koyande 9892331890 CA. Rutvik Sanghavi 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 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	Shri Rajiv Shah
30/09/2011	Banking	Shri Newton De Niese
05/10/2011	Retail & Pharmaceuticals	Shri Dhawal Kothari
14/10/2011	Real Estate & Infrastructure	Shri Dinesh Jangid

Workshop on Project Finance

CPE hrs 12

DAYS & DATES	**FRIDAY 11TH NOVEMBER & SATURDAY, 12TH NOVEMBER, 2011**
Venue	Hotel J.W. Marriott, Juhu Tara Lane, Juhu
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 5,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Dilip Apte 9930314856 CA. Sunil Patodia 9820344085 (Regional Council Members)
Co-ordinators	CA Madhvi Deodhar 9820383403 CA Ajay Kejriwal 9869160029 CA Deepika Rathod 9820330860 CA Navneet Bajaj 9819093986

TOPICS	SPEAKERS
Date 11/11/2011	
Inaugural Session	Eminent person
Long Term Finance (Debt): Project Evaluation & Feasibility Studies Long Term Debt Funding : A) Green Field Projects B) Expansion and Modernisation C) Debt for Inorganic Growth (Takeovers)	Mr. D. K Goswami
Long Term Finance (Equity) : Private Equity : IPOs :	CA. Premal Doshi (Director-Antique Capital)
Unconventional and Mezzanine Finance	CA. Sanjay Khemani
Short Term Finance Working Capital Finance Through Bank	Shri K M Bhattacharya
Date 12/11/2011	
Short Term Finance Working Capital Finance Through Other Sources CPs, Factoring, Bill Discounting, Forfeiting etc.	Shri Rajendra Adsule Axis Bank-President (SME)
Importance of Structured Finance-Tips and Tricks	Shri Supratim Sarkar (Executive VP-SBI Capital)
International Finance : Debt A) Debt for Corporates B) Debt for Overseas Takeover C) Equity & Equity Linked Debt Instruments	Shri Partha Mukharji (President-Credit, Axis Bank)
Panel Discussion	Moderator

Students Section

DAY & DATE	MONDAY, 19TH SEPTEMBER 2011	
Time	9.30 a.m. to 1.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹100/- (Including Material and Snacks)	
Chief Co-ordinator	CA. Mangesh Kinare	9869070539
Student Co-ordinators	Mr Sumit Goyal	8767623182
	Mr Rohit Agarwal	7498182950
TOPIC		**SPEAKER**
IT- DBMS for IPCC Students		CA. Zulesh Dehia

DAYS & DATES	MONDAY, 19TH SEPTEMBER TO WEDNESDAY 21ST SEPTEMBER 2011	
Time	02.00 p.m. to 5.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹300/- Including Material and Snacks)	
Chief Co-ordinator	CA. Vishnu Agarwal	9324544607
Student Co-ordinators	Mr Yugantar Kumawat	8080613024
	Ms Pramitha Rathi	9773488068
TOPICS		**SPEAKER**
Tax- House Property + Salary + Other Sources Tax- Income from Business Profession Tax- Capital Gains + all other topics (TDS, Deductions, Etc.) for IPCC Students		CA. Nayana Sawant

DAY & DATE	TUESDAY, 20TH SEPTEMBER & WEDNESDAY 21ST SEPTEMBER 2011	
Time	09.30 a.m. to 1.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹200/- (Including Material and Snacks)	
Chief Co-ordinator	CA. Sanjeev Lalan	9323525932
Student Co-ordinators	Mr Ajay Joshi	8080068181
	Mr Sanat R Doshi	9819664790
TOPIC		**SPEAKER**
Tax- Service Tax + VAT for IPCC Students		CA. Yashwant Mangal

DAYS & DATES	THURSDAY, 22ND & FRIDAY 23RD SEPTEMBER 2011	
Time	9.00 a.m. to 2.00 p.m.	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Fees	₹450/- (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

DAYS & DATES	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

Meeting with Regulators & Representations

Issues discussed and response received during the Interactive Meeting on TDS with Commissioners of Income Tax.

1. Issue of refund is taking more than two years.
   RESPONSE: Specific cases should be brought to the notice and will be attended to. In partial modification of Circular No. 2/2011, dated 27-4-2011 the refund claims pertaining to the period upto March 31, 2009 may be submitted to the Assessing Officer (TDS) upto 31-12-2012 and shall be sorted out.
2. Orders u/s 201 without opportunity of show-cause notices
   RESPONSE: Data was provided in PDF format. Now Excel format is being provided. CIT (A) has power to set aside TDS assessments, not regular assessments. Hence such orders may come and irregularities can be sorted out. These are teething problems while setting the system in place. Recovery will not be rigorous.
3. Section 276B notices are issued even where taxes are paid.
   RESPONSE: This is a problems of PAN mismatch
4. Lower Deduction certificates – takes about 2 months to issue the same
   RESPONSE : Instructions have been given for issue of certificates within one month
5. Notices from Department to deductors for verfication of correctnes of TDS claim by deductees.
   RESPONSE: This is a problems of PAN mismatch
6. Training of officer on software system necessary.
   RESPONSE: Training programs are on, but age of the AO and the capacity to absorb new concepts does cause a constraint, but training is on.
7. Quantum of demands should be standardised and rounding off / small amounts should be ignored
   RESPONSE: Instructions have been given for the same.

Interactive Meeting on TDS Issues held on 24th August, 2011

CA. Shriniwas Joshi, Chairman, WIRC, Shri Naresh Kumar, CCIT-IV, Shri A.C. Shukla, CIT (TDS), CA Shardul Shah, Secretary WIRC.

Success is measured not by position reached but by obstacles overcome

FORTHCOMING study circle meetings

Date & Day	Time	Subjects	Speaker(s)	Venue	Organised By / Convenor / Tel. No.
17/09/2011 Saturday	3.30 p.m.	Study Group Meeting Practical case study involving secs.40(a)(ia), 80-IB, & 147	CA. Rajeev Shah	Direct Int. Solution Pvt Ltd, Direct- I- Plex , Old Nagar Das Road, Near Andheri, East Subway, Andheri (East)	J.B. Nagar CPE Study Circle CA Harsh Bajaj M: 9821044319
18/09/2011 Sunday	9.30 a.m.	Investor Awareness Programmes	Mr. Himanshu Shaah	Rajasthan Co-op Housing Society, Piramal Garden J B Nagar, Andheri (East) Jointly with Shri Rajasthan Recreation Club	J.B. Nagar CPE Study Circle CA L S Lodha M: 9833513686
18/09/2011 Sunday	9.00 a.m.	Appeals before C.I.T and I.T.A.T under the Income Tax Act, 1961	CA. Pradeep Kedia	Conference Hall, 2nd Floor, Thakur Polytechnic College, 90 Feet Road, Thakur Complex, Kandivali (East)	Borivali Kandivali (E)CPE Study Circle CA Pawan Gupta M: 9323591833
08/10/2011 Saturday	9.15 a.m.	RTI Act	CA. Kinjal Shah	Subhangan Hall, Landmark Bldg. 2nd Floor, Near Bharat Petrol Pump, Opp. Railway Crossing, Borivali (West)	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 98210288684
16/10/2011 Sunday	9.30 a.m.	Assessment under Income-tax Act with Special Reference to Assessment of Builder/Developers and Redevelopment	CA. Vimal Punamiya	Mulund College of Commerce AC Auditorium, Near Mulund Railway Station, Mulund (West)	Mulund CA CPE Study Circle CA. Bipeen G. Mundade M: 9223290561
16/10/2011 Sunday	9.30 a.m.	NBFC - Overview and recent developments on holding companies / CICs FEMA - Inbound and Outbound aspects and recent developments	CA. Bhavesh Vora CA. Naresh Ajwani	Seminar Hall, RVG CA Students' Hostel, Lallubhai Park, Andheri (West),	Andheri (West) CPE Study Circle CA K.S. Balasubramanian M: 9820125191

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.

FORTHCOMING Branch Meetings

DATE	TIME	SUBJECTS	SPEAKERS	VENUE
BARODA				
08/10/2011 & 15/01/2011	02.30 p.m.	Intensive Course on GVAT	Eminent Speakers	ICAI Bhawan, Vadodara
22/10/2011	09.00 a.m.	Full Day Seminar on Corporate Laws	Eminent Speakers	ICAI Bhawan, Vadodara
NAGPUR				
14/10/2011 & 15/10/2011	09.30 a.m.	Joint Regional Conference	Eminent Speakers	Hotel Tuli Imperial
03/10/2011 to 10/10/2011		WICASA Test Series for IPCC/PCC/Final	Eminent Speakers	ICAI Bhavan
PUNE				
1st, 2nd, 8th, 9th, 15th, 16th & 22nd, October, 2011	10.00 a.m.	Certificate Course on IFRS	Eminent Speakers	
VASAI				
17/09/2011	06.00 p.m.	Management Representation Certificate Course	Eminent Speakers	Reliable Classes, D/Wing Shanti Shopping Centre, Mira Road (E)

AKOLA : Winner of Cricket Match with Income-tax Department held on 15th August, 2011.

BARODA: Shri Rajiv Lal, Chief Commissioner of Income-tax, Baroda, lighting the lamp at the Seminar on Audit held on 27th August, 2011. Seen in the picture CA. Rajesh Shah, RCM, and other members.

GANDHIDHAM: Group Photo of CA participants taken at Mundra Port & SEZ Industrial visit on 06/08/2011.

JALGAON : Felicitation ceremony of CA Jaydeep Shah, Vice President of ICAI & Members Meet.

JAMNAGAR : Seminar held on 27-8-2011. Seen in the Picture from L to R : CA. Parag Raval, RCM & Faculty, CA. Ankur Doshi Branch Chairman, CA. Nilesh Suchak Faculty.

NAGPUR: Shri Pravin Darade, Chairman NIT addressing at the Felicitation of Newly Qualified CAs held on 10/08/2011. L to R: CA. Swapnil Agrawal, CA. Abhijit Kelkar, CA. Julfesh Shah, Treasurer, WIRC, CA. Satish Sarda, Branch Chairman, CA. Jaydeep Shah, Vice-President, ICAI, CA. Ashwini Agrawal, CA. Kavita Loya.

NASHIK : Photograph taken on Flag Hoisting Ceremony on Independence day 15/08/2011. L to R: CA. Praful Bardiya, CA. C.V.Pawar, RCM, CA. S.S. Mutha, CA. Vikrant Kulkarni, CA Kishor Birari, Branch Chairman, CA. U.S.Borse, & other CA members.

NAVI MUMBAI : International RRC programme held at Bangkok

Great ideas often receive violent opposition from mediocre minds

PUNE : Flag Hoisting Ceremony on the occasion of Independence Day on 15th August, 2011.

SOLAPUR : RRC - Matheran held on 19.08.2011 to 21.08.2011. L to R : CA. N R Udgiri, CA. R A Shah, CA. B S Birajdar, CA. P S Mantri, Branch Chairman, CA. S. B. Zaware, CCM, CA. C. Chitale, CA. V. Kulkarni and CA. Arvind Shankur.

SURAT: Independence Day Celebration held on 15/08/2011. L to R : CA. Gautam Deswal; CA. H.Bhutwala , CA. H. Tosniwal, Branch Chairman; CA . Hitendra Mody, CA . Jignesh Shah ; CA .Yogesh Gandhi ; CA. Lokesh Khadaria; CA. P. C. Choudhary; CA. S. S. Udawat; CA. Rajiv Chanda.

THANE : Seminar on PDC held on 20th August, 2011. Seen in the picture. CA. Madhukar Chavan Branch Chairman & other Committee Members.

VASAI : Inauguration of GMCS 1st Batch in the Month of August. L to R: CA. Ramanand Gupta, CA. Lalit Bajaj, CA. Dhiraj Khandewal, RCM, CA. Unmesh Narvekar, Branch Chairman, CA. Anil Bhandari, RCM, Mrs. Vidya Nair, Principal of IIPS College, and CA. Shweta Jain.

Seminar on Taxation of Business Income held on 27th August, 2011

CA. Namrita Dedhia, CA. Shardul Shah, Secretary, WIRC, CA. Dilip Lakhani, Faculty, CA. Mandar Dixit.

Other Speakers

CA. Samir Shah

CA. Vasudev Ginde

CA. Chandresh Bhimani

Lecture meeting on Importance of Presentation held on 9th August, 2011

CA. Mangesh Kinare, RCM, CA. Kanu Doshi, Faculty, CA. Durgesh Kabra, RCM, CA. Kamal Naulakha.

Career Counselling at Jhunjhunwala College Ghatkopar held on 24th August, 2011

CA. Durgesh Kabra, RCM, CA. Vilas Karpe

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.

EMPANELMENT FORM FOR OBSERVERS

- 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 EXTENDED DATE FOR CPC REGISTRATION

- ICAI has extended the date of Common Proficiency Course (CPC) Registration Date up to 5th October, 2011.

NON-RECEIPT OF ICAI JOURNAL

- 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.

DIFFERENCE BETWEEN IFRS AND IND-AS

- Differences between IFRSs and IND-AS is available on the ICAI website for ready reference

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

e) Service Tax

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

Handbook on E-Filing of IT Returns: In order to enable our members to update and equip themselves with the latest technologies, ICAI has taken an initiative by providing a Handbook on The Process of E-Filing of

Income Tax Returns that would act as a ready-reckoner for our members and serve as a guide for the articled trainees in e-filing of the income tax returns. This handbook has also been hosted on ICAI website and mailed to all members.

Quick Insight for Profession: ICAI is happy to announce that soon Quick Insight on CA profession to be circulated to all CA firms/ practitioners for ready reference, which has been designed to include matters relating to direct and indirect tax, accounting standards, list of mandatory statements and standards on auditing, peer review, information regarding forms relevant to students, websites, contact e-mail ids of Committees of the Institute and that pertaining to the Companies Act, 1956 and LLP

Development in Internal Audit: ICAI considered the proposal to make the Standards on Internal Audit mandatory in a recent Council meeting and decided to keep all the Standards recommendatory for members for the time being. It is decided that the Internal Auditor's report should also state that the internal audit has been conducted in accordance with the Standards on Internal Audit issued by the ICAI. ICAI has also decided to initiate a dialogue with the government/regulatory authorities like RBI and SEBI, to the effect that internal audit must be carried out by the chartered accountants or by the firms of chartered accountants, as professionals/ professional companies other that chartered accountants carrying the audit are not subject to any disciplinary mechanism.

ICAI Awards for Excellence in Financial Reporting

The various modalities related to the competition 'ICAI Awards for Excellence in Financial Reporting' for the year 2010-2011 are currently underway. This year the competition is being held under sixteen categories. These categories have earlier been revised during the year to bring them in sync with the SAFA Best Presented Accounts Awards and a new category of 'Agricultural Sector' has been introduced which will include entities engaged in direct agriculture, horticulture, tea and coffee plantations, dairies, poultry, etc. but will exclude entities engaged in food processing, etc. which will be covered separately in Manufacturing Sector. The category of Banking Sector has been subdivided into Public Sector Banks, Private Banks (including co-operative banks) and Foreign Banks. Further two other new categories- 'Transport, Shipping, Ports, Shipping/Port allied Services' and 'Power Sector' which will include the generation, distribution, transmission entities as well as other entities involved in the business of renewable energy have also been introduced.

Important Decisions for Effectiveness

Counselling Programmes for Motivation: ICAI has decided to organise students' counselling programmes at all Regional Councils and Branches for CPT, IPCC and Final students to be organised twice a year. These programmes are conceptualised to guide students in clarifying doubts that they face while attempting the question papers during examination and to motivate them suitably. In this regard, a special booklet to guide the students "How to Crack CA Examinations" is also being prepared and will be released shortly.

ICAI is in the process of preparing a Mock Test Paper Series which will be sent to all the Branches so that they can hold a Mock Test to provide our students a firsthand opportunity to assess their preparation for examinations.

Faculty Development Programmes: Further, it has been decided to organise faculty development programmes at all five Regional Councils with a view to strengthen the existing base of faculty members/subject experts available with each of the Branches. By organising such programmes, many Branches would be able to commence classes and provide guidance to our students on one-to-one basis.

GMCS Residential Programmes be More Effective: ICAI has decided to reduce the duration of the General Management and Communication Skills (GMCS) residential programmes from six to four weeks and to re-emphasise soft skills, case studies, mock interviews, group discussions, etc., with a little increase in programme fee from ₹ 30,000/- to ₹ 40,000/- in order to provide more effective faculty and amenities. However, total numbers of learning hours will be the same.

WORK DISPOSAL POSITION

The position of disposal of various matters relating to members and students of WIRC as on 31/08/2011

PARTICULARS		DATE
Members Section		
Proprietary Firm Registration		19/08/2011
Partnership Firm Registration –	Constitution	19/08/2011
	Reconstitution	12/08/2011
Grant of Certificate of Practice		18/08/2011
Fellow Admission		24/08/2011
Change of Address		26/08/2011
New Enrolment		08/08/2011
Restoration		18/08/2011
Permission for other engagement		26/08/2011
Articles Section		
Industrial Training Registrations		16/08/2011
Re-registration		26/08/2011
Termination		18/08/2011
Completion		24/08/2011
Permission to study		16/08/2011
Supplementary Registration		24/08/2011
Change of Address		25/08/2011

Obituary

CA. Ochhavlal M. Desai
Mem. No. 001253 left for heavenly abode on 29th July, 2011. May the departed soul rest in peace.

Knowing is not enough, we must apply. Willing is not enough, we must do

DIRECT TAX

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

SECTION 281 OF THE INCOME-TAX ACT, 1961 - CERTAIN TRANSFERS TO BE VOID – GUIDELINES FOR PRIOR PERMISSION UNDER SECTION 281 TO CREATE A CHARGE ON THE ASSETS OF BUSINESS {200 TAXMANN 31 (ST.)}

CIRCULAR NO. 4/2011 [F. NO. 402/69/2010-ITCC] DATED 19-7-2011

The Board has decided that:

The taxpayers should apply in the prescribed form annexed hereto titled "Application u/s 281 of the IT Act, 1961" which would be available on the departmental website, as well as with the Assessing Officers.

The taxpayer would have to file the form at least thirty days prior to the proposed date of transaction.

The circumstances under which prior permission u/s 281 should be granted by the Assessing Officers are as follows:

(i) If there is no demand outstanding and there is no likelihood of demand arising in the next six months, then the permission should be granted.

(ii) If undisputed demand is outstanding and there is no likelihood of demand arising in next 6 months, then the taxpayer should pay the same along with interest due thereon and then permission should be granted.

(iii) If there is disputed demand outstanding, then the taxpayer should obtain stay for the same and indemnify the outstanding demand by way of bank guarantee or sufficient assets or by Department retaining the first charge on the assets proposed to be transferred or on which such charge is being created, to the extent of such demand. Thereafter, the permission u/s 281 would be granted by the A.O.

(iv) If demand is likely to arise in the next six months, then the A.O. should explore the possibility of action prescribed u/s 281B.

There would be only one level of intervention i.e., at the level of the range head for granting permission. The cases in which A.O. would require such approval would be where:-

(a) value of assets being transferred or on which charge is being created, or

(b) the amount of charge being created is ₹ Ten crores or more.

The timelines for granting/refusing permission u/s 281 by the A.O. are as follows:

(i) If there is no demand outstanding and there is no likelihood of demand arising in the next six months, then the A.O. should grant the permission within ten working days of the receipt of the application.

(ii) If undisputed demand is outstanding and there is no likelihood of demand arising in next 6 months, then the A.O. should grant permission within ten working days of payment as in para 3(ii) above.

(iii) If there is disputed demand outstanding and the taxpayer has obtained stay and indemnified the demand, then the A.O. should grant the permission within ten working days of the indemnification of the demand.

(iv) If demand is likely to arise in the next six months and the A.O. is considering actions prescribed u/s 281B for the assets excluding the asset under consideration, then the A.O. should grant the permission within fifteen working days of the receipt of the application.

(v) If the taxpayer does not pay the undisputed outstanding demand or his application for stay of disputed demand is rejected or he is unable to indemnify the outstanding demand, the application shall be disposed of within a period of ten working days. In case the permission is not being granted, a speaking and reasoned order conveying refusal would be issued with the approval of the Range head within ten working days of expiry of time given to the taxpayer to pay the undisputed demand or rejection of his stay application, as the case may be.

These time limits should be followed scrupulously by the A.Os.

The validity of the letter granting permission u/s 281 would be:

(I) One hundred and eighty days from the date of issue of approval, or

(ii) Service of order of attachment u/s 281B whichever is earlier.

Once the asset is transferred or charge is created, the taxpayer should submit the documents, in this regard, to the A.O. for his record.

This circular shall come into force with immediate effect.

SECTION 139 OF THE INCOME-TAX ACT, 1961 – RETURN OF INCOME – EXEMPTION FROM REQUIREMENT OF FURNISHING RETURN OF INCOME FOR ASSESSMENT YEAR 2011-12 WHERE INCOME DOES NOT EXCEED RS. 5 LAKHS – ASSESSEE HAS OPTION TO AVAIL SAID EXEMPTION {200 TAXMANN 41 (ST.)}

ORDER [F. NO. 142/09/2011-SO(TPL)], DATED 25-7-2011

The Central Board of Direct Taxes had exempted a certain class of persons from the requirement of furnishing a Return of income under section 139(1) of the Income-tax Act, 1961 for the assessment year 2011-12, *vide* Notification SO No. 1439 (E) dated 23-6-2011, subject to the conditions specified in the Notification. It has come to the notice of the Board that in some Income-tax offices, Returns of Income are not being received by the staff on the ground that an individual with less than ₹ 5 lakhs of income is not required to furnish his return of income. Necessary instructions have been issued to the officers and staff concerned to accept Returns of Income from those taxpayers who wish to file their Return of income even if they satisfy the conditions of the above-mentioned notification.

MAHARASHTRA VAT

(Contributed by CA. C. B. Thakar)

A] MVAT ACT, 2002

(a) The Finance Department has issued G.R. dated 16.5.2011 wherein administrative relief in respect of interest /penalty is granted, subject to conditions. This relief is granted to the units certified by Khadi and Village Industries Commission and producing detergent soaps.

(b) The Commissioner of Sales Tax has issued order dated 9.8.2011 under section 10(6) of MVAT Act,2002 whereby powers of section 64(3)/(4) are granted to designated officer mentioned in the said order.

B] MVAT Rules, 2005

Notification

The Government has issued Notification dated 22.7.2011 by which Oriental Bank of Commerce, Vijaya Bank and Andhra Bank are notified to be Government Treasury.

C] Profession Tax Act, 1975

a) The Commissioner of Profession Tax has issued Notification dated 13.7.2011 whereby the due date for payment for profession tax by enrolled persons for the year 2011-12 has been extended from 30th June, 2011 to 31st August, 2011.

b) The Commissioner of Profession Tax has also issued Notification dated 14.7.2011 whereby it is notified that from 1st August,2011, the returns under Profession Tax Act should be filed electronically and the payment should be made in challan Form MTR-6.

D] Circular

The Commissioner of Sales Tax has issued Trade Circular No. 12T of 2011 dt. 3.8.2011, by which it is clarified that the Mathadi Mandal/Mathadi Kamgar are not liable under Profession Tax Act.

CORPORATE LAWS

(Contributed by CA. Jayesh Thakur)

REVIEW OF GUIDELINES ON ENTRY OF NBFCs INTO INSURANCE BUSINESS [www.rbi.org.in]

The RBI has issued Circular No. DNBS.PD.CC.No. 221/03.02.002/2010-11 dtd. 27.05.2011 referring to its earlier guidelines on the above subject whereby NBFCs registered with RBI which satisfy the stipulated eligibility criteria would be permitted to set up a joint venture company for undertaking insurance business with risk participation, subject to safeguards. The maximum equity contribution such an NBFC can hold in a joint venture (JV) company is 50 per cent of the paid-up capital of the insurance company. Further, in terms of para 4 of the said Guidelines, a subsidiary or company in the same group of an NBFC or of another NBFC engaged in the business of a non-banking financial institution or banking business shall not be allowed to join the insurance company on risk participation basis. It is now clarified that in case more than one company (irrespective of doing financial activity or not) in the same group of the NBFC wishes to take a stake in the insurance company, the contribution by all companies in the same group shall be counted for the limit of 50 per cent prescribed for the NBFC in an insurance JV. Also, the term "companies in the same group" shall mean an arrangement involving two or more entities related to each other through any of the following relationships : Subsidiary – parent (defined in terms of AS 21), Joint venture (defined in terms of AS 27), Associate (defined in terms of AS 23), Promoter-promotee (as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997) for listed companies, a related party (defined in terms of AS 18), Common brand name, and investment in equity shares of 20% and above.

REVISED FORMS 8/17/23D NOTIFIED BY MCA [www.mca.gov.in]

The MCA has issued Notification dtd. 26.05.2011 revising the forms 8 (relating to particulars for creation or modification of charge, etc.) / 17 (relating to particulars for satisfaction of charge) / 23D (relating to information by cost auditor to central government). These new forms will be effective from 29.05.2011.

ISSUE OF CERTIFICATE BY DIGITAL SIGNATURE [www.mca.gov.in]

The MCA has issued General Circular No. 29/2011 dtd. 20.05.2011 in furtherance of the green initiative in corporate governance by allowing paperless compliances by the companies after considering sections 2, 4, 5, and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode. It states that the RoC has to issue a number of certificates to companies and other stakeholders as required under the provisions of Companies Act, 1956 read with Companies Regulations, 1956. As per Regulation 24 of Companies Regulation, 1956 every certificate or copy granted under the provisions of the Companies Act, 1956 shall be signed and dated by the RoC and shall bear his official seal. At present, these certificates are issued physically under the manual signature of RoC and issued by post. In order to cut timelines and another step towards green initiative, MCA has decided that all certificates and standard letters issued by the RoC will now be issued electronically under the digital signature of the RoC. The digital certificates are being developed and will be available for issue by 30th June, 2011 in a phased manner.

GUIDELINES FOR FAST TRACK EXIT MODE FOR DEFUNCT COMPANIES [www.mca.gov.in]

The Ministry of Corporate Affairs ("MCA") has issued General Circular No. 36/2011 dtd. 07.06.2011 in relation to giving an opportunity for fast track exit to a defunct company, for getting its name struck off from the register of companies. The MCA has stated that there are a number of companies which are registered under the Companies Act, 1956, but due to various reasons are inoperative since their incorporation or which have commenced business but became inoperative or defunct later on. Such companies may be desirous of getting their names strike off from the register of companies maintained by Registrar of Companies. In terms of section 560 of the Companies Act, 1956, the Registrar of Companies (ROC) may strike off the name of such companies on satisfying the conditions and as per present practice, a company desirous of getting its name struck off has to apply to the ROC in e-form 61 and that all pending statutory returns are required to be filed along with e-form 61. The MCA has decided to modify the existing route through e-form–61 and has prescribed new Guidelines for "Fast Track Exit mode" for defunct companies under section 560 of the Companies Act, 1956. The guidelines stipulate and provide the definition of a 'defunct company', types of companies eligible and procedure to be adopted by such companies and by the ROC for the purpose and provides the format of affidavit and indemnity bond for the purpose.

CHANGE IN CONSTITUTION - GRANT OF PRIOR APPROVAL TO MEMBERS OF STOCK EXCHANGES/SUB-BROKERS [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/MIRSD/2/2011 dtd. 03.06.2011 whereby it has stated that it is done away with the requirement of members of the stock exchanges and sub-brokers to obtain prior approval from SEBI for change in status or constitution has been done away with and that the members of the stock exchanges would be required to take prior approval from SEBI for change in control. It is clarified that the stock exchanges will continue to grant prior approval to their members and sub-brokers for change in status or constitution, which would include :

a) in case of a body corporate, amalgamation, demerger, consolidation or any other kind of corporate restructuring covered by section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force and for change in its managing director, whole-time director or director appointed in compliance with rule 8(4A)(v) of the Securities Contracts (Regulation) Rules, 1957 and any change in control over the body corporate;

b) any change between the legal forms like individual, partnership firm, Hindu undivided family, private company, public company, unlimited company or statutory corporation and other similar changes;

c) in case of a partnership firm any change in partners not amounting to dissolution of the firm;

d) any other purpose as may be considered appropriate by the stock exchanges.

It is provided that the stock exchanges shall submit a periodical report with details of the changes in status or constitution of the members / sub-brokers, as per the format and in accordance with guidelines given at Annexure A to this Circular. One may refer to the above citation for further details.

THE COMPANIES (COST AUDIT REPORT) RULES, 2011 [www.mca.gov.in]

The MCA has issued Notification No. G.S.R. 430(E) dated 03.06.2011 notifying the Companies (Cost Audit Report) Rules, 2011 and which shall apply to every company in respect of which an audit of the cost records has been ordered by the Central Government under section section 233B(1) of the Act. The rules specify the manner and mode of appointment of a cost auditor, form of cost audit report, timeline for submission of the cost audit report, rights of cost auditor in relation to the production of the accounting records, penalty for contravention of the rules, etc. One may refer to the above citation for further details.

GUIDELINES FOR DECLARING FINANCIAL INSTITUTION AS PUBLIC FINANCIAL INSTITUTIONS UNDER COMPANIES ACT, 1956 [www.mca.gov.in]

The MCA has issued General Circular 34/2011 dtd. 02.06.2011 stating that in terms of section 4A(2) of the Companies Act, 1956 the Central Government is empowered to notify in the Official Gazette such institutions as it may think fit to be a public financial institution (PFI). In the past, the MCA was declaring an institution as a PFI if it meets any one of clauses (i) and (ii) of section 4A(2) of the Act. Now, the MCA has framed the following criteria for declaring any financial institution as a PFI :

a) A company or corporation should be established under a special Act or the Companies Act being Central Act;

b) Main business of the company should be industrial/ infrastructural financing;

c) The company must be in existence for at least three years and their financial statement should show that their income from industrial/infrastructural financing exceeds 50% of their income;

d) The net-worth of the company should be ₹ 1,000 crore;

e) The company is registered as infrastructure finance company (IFC) with the RBI or as a housing finance company (HFC) with the National Housing Bank;

f) In the case of CPSUs/SPSUs, no restriction shall apply with respect to financing specific sector(s) and net-worth.

CLARIFICATION ON RATES OF DEPRECIATION FOR PURPOSE OF DECLARATION OF DIVIDEND BY COMPANIES [www.mca.gov.in]

The MCA has issued General Circular No. 31/2011 dtd. 06.06.2011 in relation to providing depreciation for the purpose of declaration of dividend under section 205 in case of companies referred to in section 616(c) and it was noticed by the MCA that despite having clear provision in section 616(c) of the Companies Act, 1956, companies engaged in generation/supply of electricity are approaching the MCA for fixing rate of depreciation in individual cases. The MCA has clarified that section 616(c) of the Companies Act, 1956 provides that the same shall apply to companies engaged in the generation or supply of electricity except insofar as the said provision is inconsistent with the provisions of the Indian Electricity Act, 1910 or the Electricity Supply Act, 1948 as repealed by enactment of the Electricity Act, 2003. The Ministry of Power had, *vide* resolution dated 6th January, 2006 notified the Tariff Policy in terms of section 3 of the Electricity Act, 2003 and which provides that rates of depreciation as notified by the Central Electricity Regulatory Commission (CERC) would be applicable for the purpose of tariffs as well as for accounting. The CERC, while notifying the regulation *vide* Notification dated 19-1-2009, in exercise of powers conferred under section 178 of the Electricity Act, 2003, had also notified the rates of depreciation as well as the methodology for computing such depreciation and which is to be provided up to 90% of the cost of asset. Since the rates of depreciation and the methodology notified under Electricity Act, 2003 are inconsistent with the rates given in Schedule XIV of the Act and the former being special Act, it shall prevail over the rates notified under Schedule XIV of the Companies Act by virtue of section 616(c) of the Companies Act. Accordingly, it is clarified that companies referred to in section 616(c) of the Companies Act can distribute dividend out of profit arrived at after providing for depreciation following the rates as well as methodology notified by CERC and the same shall be sufficient compliance of section 205 of the Companies Act, 1956. One may refer to the above citation for further details.

MANDATORY FILING FOR DEFAULTING COMPANIES – SECTION 610 [www.mca.gov.in]

The MCA has issued Circular No. 38 dated 20.06.2011 whereby it has stated that in order to ensure corporate governance and proper compliances of provisions of Companies Act, 1956, no request, whether oral, in writing or through e-forms, for recording any event based information/changes shall be accepted by the ROC from such defaulting companies, unless they file their updated balance sheet and profit and loss accounts and the annual return with the ROC. In order to a have better understanding of the circular, it is now further clarified that this requirement would also be applicable to those defaulting companies and their Directors which have not filed the balance sheet or the annual return for any of the financial years 2006-07, 2007-08, 2008-09 and 2009-10 with the ROC as required by section 220 and/or 159 of the Companies Act, 1956. This requirement shall be effective from 3rd July, 2011. One may refer to the above citation for further details.

PERIODICAL REPORT- GRANT OF PRIOR APPROVAL TO BANKERS TO AN ISSUE, DEBENTURE TRUSTEES, DEPOSITORY PARTICIPANTS, CREDIT RATING AGENCIES [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/MIRSD/8to11/2011 dtd. 20.06.2011 in relation to the requirement of taking prior approval by the Bankers to an Issue from SEBI for change in status or constitution which has been now dispensed with. However, the Bankers to an Issue would be required to take prior approval from SEBI for change in control. It is now clarified that commencing from the quarter ended 30th June, 2011, all Bankers to an Issue shall report the following change(s) to SEBI in its quarterly reports :

a) Amalgamation, demerger, consolidation or any other kind of corporate restructuring covered by section 391 of the Companies Act, 1956 (1 of 1956) or the corresponding provision of any other law for the time being in force

b) Change in director, including managing director/whole-time director

c) Change in shareholding not resulting in change in control.

If there is no change during the relevant quarter, it shall be indicated in the report. Similar circulars are also issued for SEBI (Debenture Trustees) Regulations, 1993, SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Credit Rating Agencies) Regulations, 1999. One may refer to the above citation for further details.

SHAREHOLDING OF PROMOTER / PROMOTER GROUP TO BE IN DEMATERIALISED MODE [www.sebi.gov.in]

The SEBI has issued Circular No. Cir/ISD/3/2011 dtd. 17.06.2011 in relation to its earlier dispensation on "trading rules and shareholding in dematerialised mode" whereby in order to moderate sharp and destabilising price movements in shares of companies, to encourage better price discovery and to increase transparency in securities market, it was mandated that securities of companies are to be traded in normal segment, if and only if, the company has achieved at least 50% non-promoter shareholding in dematerialised form and maintained the same on a continuous basis. Now, in order to further promote dematerialisation of securities, encourage orderly development of the securities market and to improve transparency in the dealings of shares by promoters including pledge/usage as collateral, SEBI in consultation with Stock Exchanges, has decided that the securities of companies shall be traded in the normal segment of the exchange, if and only if, the company has achieved 100% of promoter's and promoter group's shareholding in dematerialised form latest by the quarter ended September 2011 as reported to the stock exchanges. Where the companies do not satisfy the above criteria, the trading in securities of such companies shall take place in trade-for-trade segment. For this purpose, the exchanges shall take the latest shareholding pattern as required to be submitted by the listed companies with exchanges in pursuance to the listing agreement as of the preceding quarter or of any subsequent date. One may refer to the above citation for further details.

ADDITIONS TO NOTIFIED FINANCIAL INSTITUTIONS U/S 4A OF COMPANIES ACT, 1956 [www.mca.gov.in]

The MCA has issued Notification No. SO-1355(E) dtd. 10.06.2011 whereby it has notified the following financial institutions as notified financial institutions in terms of section 4A(2) of the Companies Act, 1956 :

a) Gujarat Industrial Investment Corporation Limited.

b) Andhra Pradesh Industrial Development Corporation Limited.

c) Karnataka Urban Infrastructure Development and Finance Corporation Limited.

d) L&T Infrastructure Finance Company Limited.

INTEGRATION OF DIN AND DPIN [www.mca.gov.in]

The MCA has issued General Circular No. 44/2011 dtd. 08.07.2011 in relation to integration of the Director's Identification Number (DIN) issued under the Companies Act, 1956 with the Designated Partnership Identification Number (DPIN) issued under Limited Liability Partnership (LLP) Act, 2008. Currently, the MCA has been issuing two separate identification numbers as DIN to an individual for becoming a director of a company under Companies Act, 1956 and DPIN for a partner in an Limited Liability Partnership under the Limited Liability Partnership (LLP) Act, 2008. To avoid this duplicity and give ease to the stakeholders, the MCA has decided to issue only one identification number to an individual for both the purposes. Hence, with effect from 9th July, 2011 no fresh DPIN will be issued and any person, who desires to become a designated partner in an LLP has to obtain DIN by filing e-form DIN-1. If DIN has been allotted, it shall also be used as DPIN for all purposes under the LLP Act, 2008. Similarly, if a person has been allotted DPIN, it will also be used as DIN for all purposes under Companies Act, 1956. And, if a person has been allotted both DIN and DPIN, the DPIN will stand cancelled and DIN will be used as DIN as well as DPIN for all purposes under the LLP Act, 2008 and the Companies Act, 1956.

It is also stated in this Circular that in terms of Circular no. 32/2011 dated 31st May, 2011, the MCA has made Income Tax Permanent Account Number (PAN) mandatory for obtaining DIN for Indian nationals. Further, all existing DIN holders, who have not furnished their PAN at the time of obtaining DIN, are required to furnish their PAN to the MCA by filing e-form DIN-4 by 30 September, 2011. Similarly, all DPIN holders, who had not furnished their PAN at the time of obtaining DPIN, are required to furnish their PAN to the Ministry by filing e-form DIN-4 by 30 September, 2011, failing which their DPIN/DIN will be disabled and they will also be liable for penalty. One may refer to the above citation for further details.

NAME AVAILABILITY GUIDELINES, 2011 [www.mca.gov.in]

The MCA has issued General Circular No. 45/2011 dtd. 08.07.2011 superseding of all the previous circulars and instructions issued by MCA regarding name availability and the applicants and the ROC are advised to adhere to the revised guidelines while applying for, or approving, a name. Under the provisions of section 20 of the Companies Act, 1956, no company is to be registered with undesirable name or if it is identical with or too nearly resembling with :

a) Name of a company in existence and names already approved by the ROC;

b) Name of an LLP in existence or names already approved by the Registrar of LLP;

c) A registered trade-mark or a trade-mark which is subject of an application for registration, of any other person under the Trade Marks Act, 1999.

It is also stated in the Circular that while applying for a name in the prescribed e-form-1A, using Digital Signature Certificate (DSC), the applicant shall be required to furnish a declaration to the effect that he has used the search facilities available on the portal of the MCA, i.e. www.mca.gov.in/MCA21, for checking the resemblance of the proposed name(s) with the companies and LLPs already registered or the names already approved. If this declaration is certified by a professional, the name will be made available by the system online to the applicant without backend processing by the ROC. This facility is not available for applications for change of name of existing companies. The name, if made available to the applicant, shall be reserved for sixty days. In case of a foreign company incorporating its subsidiary company, then the original name of the holding company as it is may be allowed with the addition of word India or name of any Indian state or city, if otherwise available. Change of name shall not be allowed to a company which is defaulting in filing its due annual returns or balance sheets or which has defaulted in repayment of matured deposits and debentures and/or interest thereon. These guidelines and revised e-form 1A would be implemented with effect from 24 July, 2011. One may refer to the above citation for further details and the revised forms.

AMENDMENT TO FILING OF FINANCIAL STATEMENTS UNDER xBRL MODE [www.mca.gov.in]

The MCA has issued General Circular No. 43/2011 dtd. 07.07.2011 clarifying that the filing on the MCA 21 portal in the XBRL mode will be effective in respect of financial statements closing on or after 31 March, 2011 instead of the year 2011-12. It is also provided by this Circular that besides signing by signatories as specified by section 215 of the Companies Act, 1956, the statutory auditor has to certify the financial statements prepared in xBRL mode for filing on MCA-21 portal. Also, phase-1 class of companies as per earlier MCA Circular 9/2011 dated 31st March, 2011 and later exempted from xBRL filing (under Power sector, Insurance sector, NBFC and Banking sector) who are unable to file their financial statements would be exempted from additional fee due to delay in filing up to 30th September, 2011.

SERVICE TAX

(Contributed by CA. Rajiv Luthia)

Central Government *vide* Notification No.43/2011-ST dated 25th August, 2011 has amended Rule 7 of the Service tax Rules, 1994 w.e.f. 1st October,2011, whereby every assessee is mandatorily required to file Service Tax Returns electronically. Under the existing provisions, only those assessees who have paid total service tax of ₹ 10 Lakhs or more in preceding financial year were mandatorily required to file service tax return electronically.

Central Government vide Letter F.No.137/21/2011-ST dated 15th July, 2011 has clarified in respect of taxability of International Private Leased Circuit (IPCL) charges paid by BPOs/MNCs to services providers situated outside India under Reverse Charge Mechanism u/s.66A read with Rule 2(1)(d) of the Service Tax Rules, 1994. It clarified that

- IPCL charges are not liable to service tax under the category of "Telecommunication Services (Section 65(105)(zzzx))" since the services are not rendered by any "telegraph authority" having licence u/s.4(1) of the Indian Telegraph Act, 1885.
- The services of IPCL received from abroad is more appropriately classifiable under the category of "Business Support Services (Section 65(105)(zzzq))"

Central Government *vide* Letter F.No.137/25/2011-ST dated 3rd August, 2011 has clarified that "delayed payment charges" collected by stock brokers are not includible in taxable value since such charges are in the nature of penal charges for not making the payment within stipulated time and the same are not the charges for providing taxable services. However, if only gross amount is shown on the account statement/invoice/bill without indicating delayed payment charges separately, service tax would be payable on the entire amount.

Central Government *vide* Circular No.145/14/2011-ST dated 19th August,2011 has clarified that in view of the principles of classification provided in Section 65A, fees charged by Chamber of Commerce for issuance of Country of Origin Certificate is more appropriately classifiable under the category of "Technical Inspection or Certification Service (Section 65(105)(zzi))" and not under the category of "Club or Association Services (Section 65(105)(zzze))".

Central Government *vide* Instruction dated 17th August,2011 has fixed up monetary limits w.e.f. 1st September,2011 for the purpose of Section 35R of the Central Excise Act, 1944 (which is made applicable to Service Tax vide Section 83 of the Finance Act, 1994) below which appeal shall not be filed by the Revenue in Tribunal, High Court & the Supreme Court.

Sr.No.	Appellate Forum	Monetary Limit (₹)
1)	CESTAT	5,00,000/-
2)	High Court	10,00,000/-
3)	Supreme Court	25,00,000/-

The determining element for the purpose of above said monetary limits would be the duty/tax under dispute and would not include interest/penalties. However, where the imposition of penalty/demand of interest is the subject matter of dispute and the said penalty/interest exceeds the monetary limit prescribed, then the matter could be litigated further.

It also clarified that:

- adverse judgments relating to the following should be contested irrespective of the amount involved:
  - a) Where the constitutional validity of the provisions of an Act or Rule is under challenge.
  - b) Where Notification/ Instruction/ Order or Circular has been held illegal or *ultra vires*.
- Above said monetary limits would apply to cases of refund as well.

CENTRAL EXCISE
(Contributed by CA. Jayesh Gogri)

Tariff Notifications

Amendment to effective rate of Duty on goods of Chapter 83 to Chapter 93

Notification No. 06/2006-CE dated 1st March, 2006 exempted certain excisable goods from payment of excise duty in excess of the rate as specified therein and subject to certain conditions as mentioned in the Annexure therein. Accordingly, all the excisable goods namely; all items of machinery, including prime movers, instruments, apparatus and appliances, control gear and transmission equipments etc. supplied to mega power projects or are required for setting up of an ultra-mega power project attracts NIL rate of duty subject to certain conditions. Henceforth, following additional conditions have been prescribed to be fulfilled:

a) Certification of the project by an officer not below the rank of Joint Secretary

b) In case the certificate is provisional, the Chief Executive Officer need to furnish Fixed Deposit of an amount equal to Central Excise Duty payable in the name of President of India for a period of 36 months or more to Assistant Commissioner/Deputy Commissioner of Central Excise.

In case the final certificate is not furnished by Project Developer within 36 months from date of clearance of excisable goods, said Fixed Deposit would be appropriated towards Central Excise Duty payable.

(Notification No. 35/2011-CE dated 21st July, 2011)

Amendment to effective rate of duty on goods of Chapter 1 to Chapter 25

Notification No. 03/2006-CE dated March 1st, 2006 exempted certain excisable goods from payment of excise duty in excess of the rate as mentioned therein. The said notification has been amended to exempt goods falling under the Chapter 16 or 19 (except 1905) namely food preparations including food preparations containing meat, which are prepared or served in a hotel, restaurant or retail outlet whether or not such food is consumed in such hotel, restaurant or retail outlet from levy of central excise duty.

(Notification no. 37/2011-CE dated 25th July, 2011)

Amendment to effective rate of duty on goods of Chapter 83 to Chapter 93

Notification No. 6/2006-CE dated the 1st March, 2006 exempted certain excisable goods from payment of excise duty in excess of the rate as mentioned therein. The said notification has been amended to exempt all goods in respect of which a general license under section 406 of the Merchant Shipping Act, 1958 (44 of 1958) has been granted by the Director General Shipping from levy of central excise duty.

(Notification No. 38 /2011 –CE dated 29th July, 2011)

Non Tariff Notifications

Excise duty Liability – Goods manufactured on job work basis

Sub-rule (1A) was inserted in Rule 4 of Central Excise Rules, 2002 allowed a manufacturer to authorize a job worker to pay the duty leviable on goods (falling under Chapter 61 or Chapter 62 or Chapter 63) on behalf of the manufacturer.

The option of authorizing job worker to discharge duty has been taken away. In other words, the person who gets the textile articles manufactured by the job worker, will have to discharge central excise liability on his own, even if the actual manufacturing activity have been undertaken by a manufacturer.

(Notification No. 19 /2011-CE (N.T.), dated 28th July, 2011)

Circular

Classification of Chlorinated paraffins/ Chloroparaffins

This circular clarifies that Chlorinated paraffins/ Chloroparaffins (liquid form) are classifiable under Chapter 38 of Central Excise Tariff Act, 1985 ('CETA') whereas Chlorinated Paraffin waxes (in solid form) are classifiable under Chapter 34 of CETA. ***(Circular No. 950 /1/2011-CX dated 1st August, 2011)***

GUJARAT VAT
(Contributed by CA. Kishor R. Gheewala)

Pre-Audit Limits Enhanced : -

Vide Public Circular No. VA.VE.K/ APPEAL/ PRE-AUDIT/2011-12/OTW.257 Dt. 21st June, 2011, limits for pre-audit for first appeal under GST/ GVAT have, *inter-alia*, been enhanced as under.

a) Deputy Commissioner Appeal : -
   - I) For relief up to ₹ 7 lakhs including tax, interest & penalty, disposal of appeal without pre-audit.
   - ii) For relief above ₹ 7 lakhs to ₹ 25 lakhs, pre-audit by Jurisdictional Joint Commissioner.
   - iii) For relief exceeding ₹ 25 lakhs, pre-audit by Additional Commissioner, Ahmedabad.

b) Joint Commissioner Appeal : -
   - I) For relief less than ₹ 25 lakhs including tax, interest & penalty, disposal of appeal without pre-audit.
   - ii) For relief exceeding ₹ 25 lakhs, pre-audit by Additional Commissioner, Ahmedabad.

Statutory Forms not to be submitted

Statutory forms are to be submitted to the authorities as per Rule 12(7), of the CST Rules. *Vide* Public Circular No. GUJKA/ VAT-6/ 2011-12/OTW.121/103 Dt. 11th July, 2011, dealers, as mentioned below, have not to submit such forms to authorities but can retain the same with them only, subject to furnishing a list of the same & submitting an Undertaking to produce the same as and when called for.

a) Public Undertakings of Central/ State Governments.

b) Petroleum (Oil) Companies.

c) Dealers having more than 500 forms.

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

Investment in the units of Domestic Mutual funds

A.P. (DIR Series) Circular No. 08 dated August 9, 2011

RBI has, in consultation with the Government of India and the Securities and Exchange Board of India (SEBI), decided to allow non-resident investors (other than SEBI registered Foreign Institutional Investor (FIIs) and SEBI registered Foreign Venture capital Investors (FVCIs)) hereinafter called 'Qualified Foreign Investors' (QFIs) who meet the KYC requirements of SEBI, to purchase on repatriation basis rupee denominated units of equity schemes of domestic Mutual Funds (MFs) issued by SEBI registered domestic MFs in accordance with the terms and conditions as stipulated by the SEBI and the RBI from time to time in this regard.

The QFIs may invest in rupee denominated units of equity schemes of domestic MFs issued by the SEBI registered domestic MFs under the two routes viz. (i) Direct Route – SEBI registered Depository Participant route (ii) Indirect Route - Unit Confirmation Receipt route subject to the terms and conditions specified in the aforesaid circular. Investments by the QFIs would be subject to a ceiling of USD 10 billion under both the routes. The investment is permitted in the units which are directly issued by the domestic MFs and no secondary market purchases would be allowed.

The above circular is available on RBI website at:

http://rbi.org.in/Scripts/NotificationUser.aspx?Id=6664&Mode=0

Report of the Committee to review facilities for Individuals under Foreign Exchange Management Act, 1999

Press Release: 2011-2012/226 dated August 10, 2011

Pursuant to the announcement in the Annual Monetary Policy for 2011-12, RBI had constituted a Committee under the Chairmanship of Smt. K. J. Udeshi for review of procedures relating to foreign exchange facilities to individuals – Residents/ Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs). On May 10, 2011, the RBI had invited comments/ suggestions from the members of the public and other stake holders on the foreign exchange related schemes/ facilities available to the individuals – residents / NRIs and PIOs.

The Committee has submitted its report to the RBI on August 8, 2011. The objective of the review was to identify areas for streamlining and simplifying the procedure so as to remove the operational impediments and assess the level of efficiency in the functioning of authorised persons, including the infrastructure created by them. The Committee also included representatives from select authorised dealer banks, external members, representative from Indian Banks' Association and Foreign Exchange Dealers Association.

The Committee has made several recommendations to improve facilities to resident individuals, non-resident Indians, person of Indian origin, as also, simplification of procedures and training of bank personnel.

Congratulations

CA. Girish Deodhar, has been appointed as the Executive Committee Member of the Vidarbha Industries Association & has been appointed as the Chairman of HRD Forum.

Personal Column

Required: Fresh / Experienced Chartered Accountant on full time employment basis in Aurangabad. Attractive remuneration will be given. Contact: 9823627777, e-mail : sameer@apa.org.in

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Just knowing is not enough, one must learn by doing

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

Ss-2(15), 10(23C) (iiiab), 10(23C) (iiiad) &10(23C) (VI): Sale of books at low rates eligible for exemption:

Assessee, a public sector undertaking of State Government, engaged in the business of printing and sale of text books at low rates to the students of the deprived section of society against receipt of subsidy from the State Government was exempt under s. 10(23C) (iiiab) and, therefore, subsidy receivable by the assessee on the sale of text books is not taxable. *Bihar State Text Book Publishing Corporation vs. Commissioner of Income Tax & Anr. (2011) 241 CTR (Pat) 403*

Ss-2(15), 11, 13(1) (c) & 13(3)(a): Maintenance of latrines eligible for exemption:

Maintenance of latrines is an essential and inseparable incidental activity to attain the sublime and the dominant object of construction of latrines and therefore exemption under s.11 could not be denied more so when exemption is being allowed for so many past years. *Dy. Commissioners of Tax vs. Sulabh International Social Service Organisation (2011) 242 CTR (Pat) 70*

Ss-2(28A), 40(a) (i) & 195: Bills discounting charges is not interest:

Discounting charges paid by assessee to a foreign company for discounting export sale bills is not interest as defined in s. 2(28A) and since the foreign company has no PE in India, it was not liable to tax in respect of the discounting charges and, therefore, assessee was under no obligation to deduct tax at source under s. 195 and the discounting charges could not be disallowed by invoking s. 40 (a) (I). *Commissioner of Income Tax vs. Cargill Trading (I) (P) Ltd. (2011) 241 CTR (Del) 443*

S-6(1) (c): Employment includes own business:

Taking up own business by the assessee abroad satisfies the condition of going abroad for the purpose of employment covered by Expln. (a) to s. 6(1) (c) and therefore, assessee was entitled to claim his status to be non-resident for the relevant period. *Commissioner of Income Tax vs. O. Abdul Razak (2011) 241 CTR (Ker) 485.*

Ss-10 B (6), 10 B (8) & 72: Claim for exemption & carry forward of losses:

Where the assessee had forfeited the claim under s. 10 B because they were debonded by the Development Commissioner and hence in the IT return filled for 1999-2000 deduction under s. 10 B was not claimed, the technicality of non compliance of s.10 B (8) should not deprive the assessee from claiming the benefit of carry forward of business loss computed for that year. *Commissioner of Income Tax vs. Torry Harris Sea Foods (P) Ltd. (2011) 242 CTR (Ker) 111.*

Ss-10(23C) (VI) & 11(5): Non-specified investment & exemption:

Investment in chit fund is not one of the modes of investment or deposit of money referred to in cls. (1) to (xii) of s. 11(5) and therefore, respondent was justified in rejecting the petitioner's application for grant of exemption under s. 10(23C) (vi) on the ground that it had invested money in a chit fund in the preceding year in violation of third proviso to s.10 (23C). *Priyadarshini Educational Academy vs. Director General of Income Tax (Investigation) & Ors. (2011) 241 CTR (AP) 199*

Ss-22 &28(i): House Property vs Business Income:

Where the let out property is not in the possession of the assessee, nor any business was done there and assessee has let out the same to others for rent, income has to be taxed under the head Income from house property. *Commissioner of Income Tax & Anr vs. Saran Holdings (P) Ltd. (2011) 241 CTR (Pat) 527.*

Ss-28(i) & 45: Business Income vs Capital Gain:

Profit on sale of land (though not registered in his name) received by the assessee from the owner of the land in pursuance of an agreement to develop his land and for spending certain amount for developing it for the owner was capital gain when there is no material to hold that the assessee was indulging in to business transaction right from the beginning. *Commissioner of Income Tax & Anr vs. S. Rajamannar (2011)241 CTR (Kar) 372*

S—32: A Manufacture or Production:

Activity of providing wireline logging services involves conversion of unreadable and unusable information regarding latent physical property of rocks beneath the earth's surface into scientific data through sophisticated scientific tests and calculations and further into logs printed on papers or recorded on magnetic tapes which bear a distinct character and identity from that of the primary input and therefore same amounts to manufacture or production of an article or thing so as to entitle the benefit of investment allowance to the assessee. *Commissioner of Income Tax vs. HLS India Ltd (2011) 242 CTR (Del) 1.*

S-37 (1): Business Expenditure:

AO disallowed commission paid by assessee alleging the same to be bogus, but the vital information that taxes had been paid by party which received the impugned commission has not been considered by the authorities below; matter is remanded. *Pawan Kumar Jain vs. Commissioner of Income tax (2011) 242 CTR (Del) 45.*

S-43 B: Payment within extended period of time eligible for deduction:

So long as there is an extended period of time granted by the AO under proviso to S.139 (1) all acts done within the extended period must be deemed to have been done within the prescribed period of time as originally stipulated; no disallowances under s.43 B could be made for belated payment of sales –tax by assessee made within extended due date for filing IT returns. *Commissioners of Income Tax vs. Narender Anand (2011) 242 CTR (Del) 32*

Ss-44AD & 68: Presumptive Taxation & Unexplained cash credit:

Assessment being made under s.44AD the assessee was not under obligation to explain individual entry of cash deposits in the bank unless such entry had no nexus with the gross receipts and therefore no addition under s. 68 called for. *Commissioner of Income Tax vs. Surinder Pal Anand (2011) 242 CTR (P& H) 61*

Ss-45 & 48: Expenditure in connection with transfer:

Amount spent for rectifying the defects in the title to the property and removing encumbrance to transfer is expenditure incurred in connection with the transfer for the purpose of computation of capital gains; assessee should be given an opportunity to explain her stand as raised in her reply which could not be considered by the assessing authority, in as much as the said reply was submitted before the assessing authority only after the order of assessment came to be passed. *V. Lakshmi Reddy vs. Income Tax Officer (2011)241 CTR (Mad) 364*

S-57(iii): Deduction against Income from Other Sources:

Amount transferred by bank at the instance of the assessee from the cash credit/packing credit account to fixed deposits account for retaining as term deposits ,is invariably not from borrowed funds but from export proceeds credited in the packing credit account and ,therefore ,this transaction cannot be taken as a loan availed by the assessee from the bank to make the deposit ,and deduction of estimated interest cannot be allowed under s. 57(iii) in the computation of interest income. *Commissioner of Income Tax vs. Dhanalakshmi Weaving Works (2011)241 CTR (Ker) 285*

S-80-IA: Production & Manufacture:

Coating with oxides of noble metals on titanium metal electrode/anode bringing about a change in its character and use for making it fit for use in the production of chlorine and caustic soda in electrolytic process is 'manufacture 'or production of 'article' or thing within the meaning of s. 80-IA entitling the assessee for deduction under s.80-IA. *Titanor Components Ltd vs. Commissioner of Income Tax & Anr (2011) 241 CTR (Del) 255*

S-80 – IB: Eligibility of certain receipts for deduction:

Transport and interest subsidies which are not directly relatable to the industrial activity of the assessee, do not qualify for deduction under s.80-IB. Payment of excise duty has a direct nexus with the manufacturing activity, hence refund of excise duty under exemption notification qualifies for deduction under s. 80-IB. *Commissioner of Income Tax vs. Meghalaya Steels Ltd (2011) 241CTR (Gau) 384*

S-80-IB: Manufacture:

Process involved in converting raw fish into tinned fish did not amount to manufacturing and therefore assessee was not entitled to deduction under s. 80IB. *Commissioner of Income Tax vs. Gitwako Farma (I) (P) Ltd. (2011) 241 CTR (Del) 449*

S - 80-IB: Claim for deduction:

Assessee cannot be deprived of deduction under s. 80-IB merely because he did not claim such benefit in the initial year in which he was eligible to claim this benefit.

Registration of an industrial undertaking as a small-scale industrial undertaking under the Industries (Development and Regulations) Act, 1951 is not a condition precedent for treating the same as a small-scale industrial undertaking and, it is sufficient if it fulfils the eligibility criteria for being regarded as a small-scale industrial undertaking for the purposes of said Act. *Praveen Soni vs. Commissioner of Income Tax (2011)241 CTR (Del) 542*

S-80HHD: Eligibility of certain receipt for deduction:

Interest earned by assessee tour operator by making deposits of advances received from foreign tourists cannot be said to have been derived from the services provided to foreign tourists and, therefore ,such interest income did not qualify for benefit of s. 80HHD, more so as it was received from banks in India in Indian currency and not in foreign exchange. *Lotus Trans Travels (P) Ltd. vs. Commissioner of Income Tax (2011) 241 CTR (Del) 530*

S-80HHD: Eligibility of certain receipt for deduction:

Where the assessee was receiving the commission from shopkeepers and not in foreign exchange from the tourists directly, assessee was not eligible for deduction under s.80HHD. *Commissioner of Income Tax vs. Le Passage to India Tour & Travels (P) Ltd (2011) 241 CTR (Del) 535*

S-115J: MAT & additional depreciation:

While computing the book profit under S. 115 J addition cannot be made on account of additional depreciation debited in the books for the earlier years because of change in the method of providing depreciation retrospectively. *Dy. Commissioner of Income Tax vs. Farmson Pharmaceuticals Gujarat Ltd. (2011) 241 CTR (Guj) 568*

Ss-143(2), 147 & 148(1): Reassessment and furnishing of reason:

Assessee having filed a letter on 31st March ,2000, asking the AO that returns already filed under s. 139 may be treated as returns filed pursuant to the notice under s.148, the notice under s. 143(2) issued beyond the period of 12 months is saved by the proviso to s. 148 (1).

Revenue is duty-bound to furnish the reasons on the basis of which the reassessment proceedings are initiated, furnishing of the gist of reasons is not the same as indicating the grounds, where the notice does not disclose the reasons the AO. shall have to proceed from the stage from which the illegality had crept into the proceedings and furnish the grounds on which the reassessment proceedings had been initiated. *Commissioner of Income Tax vs. C. Palaniappan (2011) 241 CTR (Mad) 207*

Ss-144, 147 & 148: Best judgment assessment & reassessment:

Best judgment assessment made under s. 144 after reopening of the assessment by issuing notice under s. 148 cannot be void *ab initio* on the ground that before making a best judgment assessment, notice under first proviso to s. 144 was not issued , more so when such an opportunity had been extended to the assessee *V. Lakshmi Reddy vs. Income Tax Officer (2011)241 CTR (Mad) 364*

S-147, proviso: Reassessment after four years:

When there was no failure to disclose fully and truly all material facts by assessee, presumption on the part of the AO that the assessee has failed to achieve 82 per cent value addition in order to be treated as a hundred per cent EOU required for availing deduction under s. 10 B was incorrect and reopening of the assessment beyond four years cannot be sustained. *Jayant Agro Chemicals Ltd. vs. Income Tax Officer & Ors (2011) 241 CTR (Bom) 424*

S-260A: Belated appeals to High Courts:

When huge stakes are involved, the High Court should not dispose of the appeals filed by the Departments merely on the grounds of delay; High Court can consider imposing costs on the Department for the delay and decide the appeals on merits. *Commissioner of Income Tax vs. West Bengal Infrastructure Development Finance Corpn Ltd (2011) 241 CTR (SC) 504*

S-271(1) ©, Explain. 1: Penalty & *bona fide* claim:

Merely because assessee, a Government corporation, claimed depreciation in the valuation of closing stock on account of deterioration of old stock and the same has not been accepted by the Revenue, penalty under s. 271(1) (c) is not leviable, in the absence of any finding that the claim of the assessee was false or that it fudged the books of account. *Commissioner of Income Tax vs. H.P. State Forest Corporation Ltd. (2011) 241 CTR (HP) 413*

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

LS Cable Ltd. [2011-TII-20-ARA-INTL] [AAR]

Facts

The applicant, a tax resident of South Korea, was engaged in the business of manufacturing electric wire and cable for power distribution. The applicant won a bid from Delhi Transco Limited (DTL) for the supply, laying, jointing, testing and commissioning of four projects.

The applicant entered into three separate contracts with DTL and its scope of work under the contracts for all the projects included:

- offshore supply contract involving supply of equipment and materials including mandatory spares on Cost, Insurance & Freight (CIF) basis;
- onshore supply contract; and
- onshore service contract.

Issues

Whether income earned by the applicant from the offshore supply of equipments and materials including supply of mandatory spares on CIF basis is taxable in India under the provisions of the Act and the India-Korea tax treaty?

Held

The AAR held that income of similar nature earned by a non-resident was held not taxable in India in the case of *Hyosung Corporation vs. DIT [2009] 314 ITR 343 (AAR),* where all these issues were considered at length following the binding decision of the Supreme Court in *Ishikwajima Harima Heavy Industries vs. DIT [2007] 288 ITR 408 (SC).* Accordingly, the AAR held that it was not free to disregard the law laid down by the Supreme Court and to have a fresh look into the matter.

The clauses in the offshore supply contract agreement regarding the transfer of ownership, the payment mechanism in the form of letter of credit and insurance clause, would establish that the transaction of sale and the title took place outside Indian territory. The transit risk borne by the applicant till the goods reach the site in India was not inconsistent with the sale of goods taking place outside India. The parties may decide between them as to when the title of the goods should pass. As the consideration for the sale portion is separately specified, it can well be separated from the whole as it was held in the case of Ishikwajima Harima Heavy Industries.

Nothing in the law prevents the parties to enter into a contract which provides for sale of material for a specified consideration, although such material was meant to be utilised in the fabrication and installation of a complete plant

Regarding the revenue's plea that as the applicant has a PE in India, the existence of PE would be relevant for the purpose of carrying out the contract for onshore supplies and services, etc. but such a PE would have no role to play in offshore supplies. Even if a PE is involved in carrying on some incidental activities such as clearance from the port and transportation, it cannot be said that the PE is in connection with the offshore supplies.

Accordingly, the applicant is not liable to tax in respect of offshore supplies.

ITO vs. Bajaj Hindustan Ltd. (ITA No. 63/Mum/09) (Mum ITAT)

Facts

The taxpayer company is engaged in the business of manufacturing of sugar. It engaged the services of KPMG, to advice and assist in acquisition of Sugar Mills/Distilleries in Brazil.

KPMG provided the taxpayer with the following services:

- Assistance in the identification of targets fitting taxpayer's needs and contact of those companies;
- Presenting the taxpayer with selected information on those targets;
- Perform pricing analysis of selected targets;
- Assist the taxpayer in the acquisition process of target(s), with the internal team of the taxpayer and other external advisors named by the company, for a closing of the transactions in the best possible conditions.
- The taxpayer made payment to KPMG without deducting any tax at source in connection with the services rendered.

Issue

Whether the payment made by the taxpayer to KPMG did not fall within the exceptions enumerated under Section 9(1)(vii)(b) of the Act and, therefore, the income accrues or arises in India in the hands of KPMG and hence liable to withholding tax in India?

Held

The payment made by the taxpayer to KPMG is in respect of services which otherwise fall within the definition of FTS as given in the Act. The dispute is whether the exceptions mentioned in Section 9(1)(vii)(b) of the Act would apply so that it can be said that the fees in the nature of FTS has not accrued or arisen to KPMG in India.

As far as the first exception in Section 9(1)(vii)(b) of the Act is concerned, the taxpayer carries on business in India and has utilised the services of KPMG in connection with such business. Therefore, the taxpayer's case would not fall within the first exception, even though the services were rendered only in Brazil.

The taxpayer wanted to acquire sugar mills/distillery plants in Brazil and for that purpose set up a subsidiary company in Brazil and therefore the taxpayer was contemplating to create a source for earning income outside India. The expression used in the second exception to Section 9(1)(vii) (b) of the Act is 'for the purpose of earning any income from any source outside India'. The source of income had not come into existence but the language of Section 9(1)(vii) (b) of the Act, does not require that the source of income should have come into existence for the taxpayer to be covered by exceptions mentioned in that Section.

Accordingly, the Tribunal held that the payment received by KPMG was outside the scope of Section 9(1)(vii) of the Act and accordingly the taxpayer was not liable to deduct tax under Section 195 of Act.

Sanjay Gala vs. ITO [ITA No.2989/Mum/2008 (AY 2005-06)]

Facts

The taxpayer, a Non-Resident Indian (NRI), filed his tax return and treated bonus shares as 'foreign exchange asset' within the meaning specified under Section 115C(b) of the Act after claiming exemption available to NRI under Section 115F of the Act.

The Assessing Officer (AO) did not treat bonus shares as 'foreign exchange assets' and accordingly disallowed the benefit of exemption available under Section 115F of the Act. The AO held that in order to claim such exemption, the bonus shares needs to be acquired in foreign currency.

Issues

Whether the taxpayer is eligible for benefit under Section 115F of the Act only in respect of original shares?

Whether he is not eligible for such benefit towards bonus shares subsequently received by him?

Held

The Tribunal on a perusal of Section 115C(b) of the Act held that the taxpayer acquired original shares by investing in convertible foreign exchange. Therefore, it could not be said that bonus shares were acquired in isolation without taking into consideration original shares acquired by the taxpayer.

The Tribunal relying on the decision of Supreme Court and various High Courts held that bonus shares acquired by the taxpayer were covered under the definition of Section 115C(b) of the Act.

Further, the Tribunal held that the cost of acquisition of original shares and their value were closely interlinked and interdependent on the issue of bonus shares. Therefore, once bonus shares are issued, the averaging out formula has to be followed with regard to all the shares. Accordingly, bonus shares acquired by the taxpayer were covered by Section 115C(b) of the Act, and the same were eligible for benefit under Section 115F of the Act.

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

Banking and other financial services

In respect of financial leasing services, service tax is leviable on lease management fee/ processing fee and documentation charges and on finance /interest charges and not on the principal amount. *[ITW India Ltd. vs. CCE (2011) 23 STR 159 (Tri-Ahmd.)]*

Business auxiliary services

Where the assessee, an authorised dealer, received overriding commission from the manufacturer on the sales made directly by the manufacturer in the territory of the dealer, the Tribunal on facts observed that such commissions are paid mainly as a compensation for the dealer's effort in popularizing the products in the territory; for the opportunity loss of not being able to get the dealers margin on the said sales; for the dealer's efforts to procure order; and for realization of sale proceeds. The dealer was held not to be an agent of the manufacturer and his services could not be considered as services provided by a commission agent. Hence the commission is not eligible for exemption under notification 13/2003 -ST. dated 20.6.2003 *[CCE vs. Krishna Automobiles (2011) 23 STR 57(Tri – Delhi)]*

The process of cutting paper into sheets though does not amount to 'manufacture', does form part of 'production' and accordingly would be liable for service tax under the category of business auxiliary services as being 'production of goods on behalf of client'.[Orient Packaging Ltd. vs. CCE (2011) 23 STR 167(Tri – Delhi.)]

Cargo Handling Services

Cargo handling service means 'loading, unloading, packing or unpacking of cargo', and the expression "cargo" is goods 'loaded or unloaded on a truck, aircraft and ship'. Hence the activity of shifting finished goods and unfinished goods within the factory premises does not come within the ambit of cargo handling service since the goods are not 'cargo'. *[CCE vs. Modi Construction Company (2011) 23 STR 6 (Jhar)]*

Clearing and Forwarding Agent

The activity of financing the purchase of coal, and arranging for its transportation by paying the freight, arranging insurance and R/R etc. is not liable for service tax under the category of 'Clearing and Forwarding

Agent Services' *[Kaveri Coal Suppliers vs. CCE (2011) 23 STR 35 (Tri-Del) relying on Hanuman Coal Co vs. CCE (2011) 22 STR 350 (Tribunal)]*

Where the assessee was engaged in procuring orders from the customers, for their principal and also guaranteeing the payment, the Tribunal held that the said activity would not be covered under the category of 'Clearing and Forwarding agent service' since clearing and forwarding agent services mainly comprised of receiving the goods on behalf of principal, storing then and thereafter delivering the same at the instruction of the principals. *[CCE vs. K.K.Polymers (2011) 23 STR129 (Tri-Del)]*

Where the assessee was engaged in the activity of promoting sale of their principal's products by identifying buyers the Tribunal held that the said activity would not be covered under the category of 'Clearing and Forwarding agent service' *[Susheel Yarn Pvt. Ltd. vs. CCE (2011) 23 STR 130 (Tri –Delhi)].*

Manpower recruitment and supply agency services

Where the assessee was an academic institution, and not a 'commercial concern' the Tribunal held that receipts from various business organizations for the campus recruitment programme conducted by them would not be liable for service tax under the category of 'manpower, recruitment and supply agency' services prior to 01.05.2006, since at that point of time only service rendered by a 'commercial concern' was liable for service tax. *[CST vs. Indian Institute of Management (2011) 23 STR 132 (Tri – Bang)]*

Import of Services

Prior to the enactment of section 66A (charging section) into the Finance Act, 1994, i.e. 18.04.06 making the service recipient in India liable for service tax in respect of services provided by a person from outside India, demand on service recipient by merely relying on rule 2(1)(d)(iv) of the Service Tax Rules, 1994, is not permissible *[CST vs. Quintiles Data Processing Centre (I) P. Ltd. (2011) 23 STR 15 (Guj); See also CST vs. Metro Cash And Carry (2011) 23 S.T.R. 124 (Kar); Vardhman Spinning General Mills vs. CCE (2011) 23 STR 158 (Tri-Del)]*

Demand

Procedural lapses should not prevent substantive justice when the money has gone into treasury since procedures are not tyrant but subordinate to legislation. Thus where the assessee had made payment of service tax under the wrong accounting code the Tribunal held that tax cannot be demanded on the ground that money paid by the assessee has not gone in to the government treasury. *[BAS Engineering (P) Ltd. vs. CCE (2011) 23 STR 145 (Tri-Del.)]*

Limitation

Where the assessee had failed to obtain service tax registration, since it *bona fide* believed that its activities were not liable for service tax but had subsequently on being pointed out by the department obtained the service tax registration and discharged its service tax liability, the High court held that the extended period of limitation could not be invoked *[CST vs. Karnataka State Warehousing Corporation (2011) 23 S.T.R. 126 (Kar)].*

Where the appellants were regularly paying service tax on their services and filing returns, where audits had been conducted by the department raising objections and subsequently dropping them and where the Board had also issued a circular referring to the prevalence of doubts and also providing clarification thereon, the Tribunal held that there was no mala fide intention on the part of the assessee and accordingly the extended period of limitation was not invocable *[Essar Projects (India) Ltd. vs. CCE (2011) 23 STR 140 (Tri-Ahmd.)].*

Appeal

Appeals against the Tribunal's order involving questions of classification of service rendered lies before the Apex Court by virtue of section 35L of the Central Excise Act, 1944, and not before the High Court u/s 35G of the said Act. *[CCE vs. S.S. Maritime (2011) 23 STR 114 (Kar)].*

The question whether the assessee is liable to pay service tax for a courier service during the period from 15.3.2005 to 15.6.2005 as the service provided by the assessee constitutes export of services was held to be 'determination of a question relating to rate of service tax' and accordingly an appeal against the order of the Tribunal lies before the Supreme Court *[CCE vs. S.S. Maritime (2011) 23 STR 114 (Kar); CCE vs. TNT Ltd. (2011) 23 STR 115 (Kar)].*

Penalty

Where the assessee who was under the impression that its activities were not liable for service tax but had promptly obtained service tax registration and paid service tax along with interest on being pointed out by the department the High Court held that there was no intention to evade payment of duty on its part and hence there was a reasonable cause under section 80 of the Finance Act, 1994, for waiver of penalties. *[CST vs. Vinayaka Travels (2011) 23 STR 5 (Kar)]*

Where the assessee had paid service tax along with interest before the issuance of the show cause notice and claimed waiver from the issue of SCN and penalties u/s 73(3) [which grants such waiver where there is no intent to evade] the Tribunal granted the claim and also held that there was no requirement to pay 25% of penalty alongwith tax and interest which was only required under 73(1A) of the Act [which covers cases where there was an intent to evade tax.] *[CST vs. Independent News Services P. Ltd. (2011) 23 STR 23 (Tri-Del)].*

Imposition of penalty u/s. 76 and 78 for the same offence is not warranted even where the dispute pertains to the period prior to the amendment of Section 78 w.e.f. 10.05.08 since the penalties are substantially for the same offence. *[CCE vs. Krishna Automobiles (2011) 23 STR 57 (Tri- Del)]*

Where there was a confusion among the trade for a long time as regard the liability to service tax which was later clarified by a Board circular, the Tribunal held that the bona fide belief of the assessee that no service tax was payable on its activities was justified. *[CCE vs. Abharan Motors Pvt Ltd. (2011) 23 STR 72 (Tri-Bang)]*

W.e.f. 10.5.08 the fifth proviso to Sec 78 had been inserted which stipulated that no penalty u/s 76 would be imposed if penalty u/s 78 had been imposed. Accordingly where the show cause notice had been issued post 10.5.08 for the period prior to 10.5.08 imposing penalties under sections 76 and 78, the Tribunal held that since the show cause notice has been issued when the 5th proviso to section 78 was in force penalty u/s 76 is not imposable when penalty u/s 78 has been imposed. *[CCE vs. Pendharkar Constructions (2011) 23 STR 75 (Tri-Mumbai)].*

Where the assessee-manufacturer, had contested that erection, commissioning and installation of the products it sold was not liable for service tax since it bore excise duty but subsequently paid the same after the Tribunal's order (which upheld the demand but condoned the penalties), the High Court on appeal by the department against the non imposition of penalties, condoned the penalties on the reasonable cause ground under u/s. 80 since there was no wilful attempt to evade payment of tax and the disputed period (1.7.03 - 30.9.03) is in the nature of transitional period and the benefit of doubt needs to be given to the assessee. *[CST vs. Lincoln Helios (India) Ltd. (2011) 23 STR 112 (Kar)].*

Where the revenue was aware of the appellant's activity on account of an ongoing excise litigation as to whether or not the said activity would amount to manufacture, and further did not advise the assessee that the said activities would be liable for service tax w.e.f. 10.9.04 under the category of business auxiliary services as 'production of goods on behalf of client', the High Court held that there had been no suppression or intention to evade payment of service tax on the part of the assessee and accordingly there was a reasonable cause u/s. 80 for non-imposition of penalties *[CCE vs. PSL Corrosion Control Services Ltd. (2011) 23 STR 116 (Guj.)].*

Where the issue involved in the case was one relating to interpretation of statute, the Tribunal held that it was a fit case for invoking Section 80 of the Finance Act, 1994, to waive imposition of penalty. *[Orient Packaging Ltd. vs. CCE (2011) 23STR 167 (Tri – Delhi)]*

Where there was a doubt relating to the taxability of commission received by authorized automobile dealers from the banks and other non-banking finance companies for arranging loan facility to their customers for purchase of vehicles which had been recognized by the Board Circular No. 87/05/2006-ST dated 6.11.06, the Tribunal observed that non – payment of service tax by the assessee could not be held to be intentional and accordingly no penalties were imposable. *[CCE vs. Vivekram Bajaj (2011) 23 STR 136 (Tri-Chennai)*

(a) It is a settled principle that show cause notice gives rise to civil and penal consequences. Thus where there was no proposition in the show cause notice for levy of penalty under section 78 but the same had been imposed by the adjudicating authority the Tribunal held that there was no opportunity of rebuttal granted to the appellant and hence the same is not imposable.

(b) Existence of several controversies at the infancy stage of law is a reasonable cause u/s. 80 for non-imposition of penalties.

[BAS Engineering (P) Ltd. vs. CCE (2011) 23 STR 145(Tri-Del.)]

CENVAT Credit

(i) Credit of service tax paid on Chartered Accountant's service accounting and auditing of the transactions of the assessee is admissible since auditing and accounting has been specifically included in the definition of input service

(ii) Credit of service tax paid on Manpower recruitment and supply service availed by the assessee for recruiting qualified personnel (skilled engineers engaged in data retrieval) to render its output service (data retrieval) is admissible.

(iii) Credit of service tax paid on outdoor catering service availed for the staff of the company, to the extent borne by the assessee, is admissible.

(iv) Credit of service tax paid on General insurance service availed for insuring the premises (from where the output service is provided) and the equipments (which are used in providing the output services) is admissible since the same is an activity related to its business.

(v) Credit of service tax paid on security services to guard the premises from where the output service is provided is admissible.

(vi) Credit of service tax paid on Technical inspection service availed to assess the credentials in order to qualify for grading ISO 9001 2000 is admissible since –

(a) the certification enables the assessee to market its services successfully; and

(b) the services are akin to 'credit rating' services specifically covered under the definition of input service

[Utopia India Pvt. Ltd vs. CST (2011) 23 STR 25 (Tri- Bang)]

Where the assessee, a manufacturer and a service provider had rendered on site repair services to its customer by engaging two engineering firms, and had utilised credit of service tax paid on the engineering services availed by it for discharging its liability of excise duty, the Tribunal held that credit would be admissible since –

(a) mere engagement of sub-contractor for some activities does not take away the role of assessee as a service provider and accordingly the service tax paid to the sub-contractors would be admissible as input credit;

(b) there being no stipulation under the Cenvat credit rules to maintain separate cenvat credit account in respect of manufacturing activity and 'provision of services' credit of service tax paid on repair and maintenance services can be utilised for paying excise duty on manufactured goods

[CCE vs. Areva T&D India Ltd.(2011) 23 STR33 (Tri- Chennai)]

In the present case, the issue before the Tribunal was whether the goods transport agency ("GTA") services received by the appellant during the period April'05 to March'07 could be treated as an output service and the service tax thereon could be discharged through Cenvat credit. The Tribunal held that-

(I) For the period prior to 19.4.06 (i.e. before the deletion of explanation to r. 2(p) of the Cenvat Credit Rules, 2004) though by virtue of the explanation the GTA services received by the appellant were deemed to be their output services yet the appellants would not be eligible to discharge the service tax liability in respect thereof by using CENVAT credit since by virtue of r. 3(1) of the credit rules CENVAT credit on inputs/capital goods /input services can be taken only if the same has been received and used in provision of services or for manufacture of final products. Since the assessee was neither engaged in provision of services nor in manufacture of final products it could not avail CENVAT credit on any input services and consequently cannot utilize such credit for discharging its service tax liability in respect of goods transport agency services received by it.

(ii) For the period post 19.4.06 after the deletion of explanation to r. 2(p) only services actually provided by assessee could be treated as output service. Hence irrespective of the fact whether or not the assessee was manufacturing any final products or providing taxable output services service tax on goods transport agency services was required to be paid by the assessee in cash and not through CENVAT credit.

[ITC vs. CCE (2011) 23 SRT 41(Tri –Bang)]

Where there had been only a change in the name of the assessee company without any change in the Constitution, the Tribunal held that the unutilized Cenvat credit standing in the old name of the company can be transferred in the new name of the company *[CCE vs. Sri Varahiamman Steels (P) Ltd. (2011) 23 STR 91 (Tri-Chennai)]*

The issue before the Hon'ble High Court was whether the decision of the larger bench of the Tribunal in *ABB Ltd. vs. CCE (2009) 15 STR 23 (Tri-LB)* wherein it was held that credit of service tax paid on outward transportation of final product from the place of its removal till it is delivered to the customer is admissible as input credit as being "activity related to business" is correct. The High Court observed that –

(I) For the period up to 1.4.08, the expression 'clearance of final product from the place of removal' in clause (ii) of Rule 2(l) of the Cenvat credit Rules, 2004, included transportation charges from the place of removal till it reached the place of customer. Hence prior to 1.4.2008, credit of service tax paid on outward transportation of final products is admissible as input credit. With the substitution of word "upto" in the said clause in place of words "from" w.e.f. 1.4.08 the credit of service tax paid on clearance of final product was restricted upto the place of removal. Hence for the period post 1.4.2008, credit of service tax paid on outward transportation of final product, is not admissible as input credit.

(ii) Outward transportation of final product from the place of removal till the customer's place is not available under the expression 'activities relating to business such as ……… outward transportation upto the place of removal' contained in the inclusive part of the definition of input service since the legislature has expressly used the words relating to transportation to restrict it only upto the place of removal and not thereafter. Further, since the exhaustive part viz., 'clearance of final products from the place of removal' covers such transportation, the same cannot be read into the provision under the words 'activities relating to business'. Hence to that extent the Tribunal's conclusion is incorrect though the ultimate order passed by the Larger Bench (allowing credit) would not suffer from any infirmity (since the issue it appears was pertaining to the period pre-1.4.2008).

[CCE vs. ABB Ltd (2011) 23 STR 97 (Kar)]

Where the assessee had been maintaining project wise CENVAT credit account the Tribunal held that restriction on utilization of CENVAT credit to the extent of 20%, as envisaged under the erstwhile Rule 6(3)(c) of the CENVAT credit Rules, 2004, would not be applicable to the assessee. *[Essar Projects (India) Ltd. vs. CCE (2011) 23 STR 140 (Tri-Ahmd.)]*

When there was no dispute about the realization of demand by the exchequer the Tribunal held that availment of Cenvat credit on the basis of TR-6 challan was admissible even when the same was not specified as a document for taking credit. *[Cosmos Castings India Ltd. vs. CCE (2011) 23 STR 144 (Tri-Del.)]*

IMAGES

Workshop on Independent Directors held on 5th August, 2011

CA. Y.R. Desai, CA. Dilip Apte, RCM, CA. Bharat Shah, CA. Dileep Choksi, Faculty.

Other Speakers

CA. B.K. Vatsaraj

CA. Dilip Thakkar

CA. Dipak Ghose

Seminar on Tally ERP - 9 held on 6th August, 2011

CA. Prashant Koyande, CA. Vishnu Agarwal, RCM, Shri Darshan Shah, Faculty, CA. Pranay Kochar.

Other Speakers

Shri Sanjay Shukla

CA. Anand Paurana

Speaker of Interactive Meeting on TDS Issues held on 24th August, 2011

CA. Vivek Degaonkar

Seminar on Permanent Establishment held on 6th August, 2011

CA. Shushrut Chitale, CA. Durgesh Kabra, RCM, CA. Shardul Shah, Secretary, WIRC, CA. Ankit Kapadia, CA. Shefali Goradia, Faculty.

Other Speakers

CA. Sunil Shah

CA. Harsha Rawal

CA. Vishal J. Shah

Seminar on Search & Seizure held on 13th August, 2011

CA. Durgesh Kabra, RCM, CA. Dilip Shah, Faculty, Shri B.P. Gaur, DG of Income Tax (Investigation), Mumbai, CA. Shardul Shah, Secretary, WIRC.

Other Speakers

Shri Sharat Sarangi

CA. Vimal Punmiya

CA. Reepal Tralshawala

Workshop on Issues Related with Charitable Trust held on 20th August, 2011

CA. Sunil Patodia, RCM, CA. B.L. Maheshwari, CA. Sanjeev Maheshwari, CCM, Shri Ajay, Addl, Director, Income Tax (Exemption), Range - II, CA. Shardul Shah, Secretary, WIRC, CA. Gautam Shah, Faculty, CA. Amar Bafna.

Other Speakers

CA. Nitant Trilokekar

CA. Anil Sathe

CA. Vijay Doshi

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Interactive Meeting on TDS Issues held on 24th August, 2011

Sitting L to R: Smt. Jyoti Laxmi Nair, Addl. CIT, Shri Manoj Mishra, Addl, CIT, CA. Sanjeev Lalan, Imm. Past Chairman, WIRC, Shri A.C. Shukla, CIT, CA. Shriniwas Joshi, Chairman, WIRC, Shri Naresh Kumar, CCIT-IV, CA. Shardul Shah, Secretary, WIRC, Shri Charanjit Singh, Addl, CIT, Shri K.M. Shahi, ITO-TDS.
Standing: CA. Vandana Dodhia, CA. Rinkal Gorwara, CA. Dilip Apte, RCM, CA. Kamal Naulakha, CA. Sunil Patodia, RCM, CA. Dhiraj Khandelwal, RCM, CA. Atul Suraiya, CA. Vishnu Agarwal, RCM, CA. Mangesh Kinare, RCM, CA. Durgesh Kabra, RCM, Shri Baidyanath, NSDL and other Members.

CA. Jaydeep Shah, Vice President, ICAI lighting the lamp at the National Residential Conference held from 5th to 7th August 2011 at Goa. L to R: CA. Anup Borkar, CA. Virendra Prabhudesai, CA. K. Raghu, Chairman, CMI, ICAI CA. Shardul Shah, Secretary, WIRC, CA. Pankaj Tyagee, CCM, CA. S. B. Zaware, CCM, CA. Kiran Kharangate, CA. Ashish Prabhu Verlekar, CA. P. Ramchandra Hegde, Chairman, Goa Branch, CA. Naveen Daivajna.

Photograph taken during the Flag Hoisting Ceremony on 15th August, 2011.

CA. Bhailalbhai Patel, Vice Chairman, WIRC, lighting the lamp at the Seminar on Taxation. L to R: CA. Samir Devatia, Faculty, Shri Paresh Patel, VP SGCCI, Shri Dhiren Tharnanari, CA. Jay Chhaira, RCM, Shri Gokul Baxi, Chief Guest, Shri Rohit Mehta, President SGCCI, Shri Janak Patchigar, CA Harishankar Tosniwal, Chairman, Surat Branch, CA. Mitish Modi.

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