



The Institute of Chartered Accountants of India  
*(Set up by an Act of Parliament)*

# WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER

APRIL 2016 | Vol. 42 | No. 04

Together  
*We Can...*

“ Trust ”

*Without trust  
we don't truly collaborate;  
we merely coordinate or, at best, cooperate.  
It is trust that transforms  
a group of people into a team.*

**INTERNATIONAL  
STUDY TOUR**  
May 2016

... Change the  
*World*

BUDGET 2016



WOMEN'S CA CARNIVAL





**Dear Colleagues,**

Successful teamwork is built on the foundation of trust. Each member of the team must establish trust, cultivate trust through their actions and words and work towards maintaining it. Each member also needs to be able to trust their team members to make a commitment to the team and work diligently towards achieving the goals set out.

The Union Budget 2016-17 was very important from the perspective of regenerating public trust in Government and to some extent Finance Minister Shri Arun Jaitley could achieve it through the focus on the 'Nine Pillars' and with the vision of 'Make in India', 'Serve in India' and 'Digital Transformation'.

**Major Events:** The legendary past President of ICAI, CA Bansi Mehta presented his annual insight on the Direct Tax provisions in the Finance Bill. More than 2,000 members were present to get a deeper understanding through the expert analysis of CA Bansi Mehta. This event was webcast all over India, enabling members from across the country to access his insightful study of the Direct Tax Provisions.

WIRC organised the 'Annual Capital Markets Summit - 2016' on the theme 'Think Tank - Innovations in Financial Markets, Industry, Companies - with Sectoral Analysis'. The depth of knowledge expounded by the speakers was appreciated by the members.

**WIRC Publications:** Past President of ICAI, CA Bansi Mehta, inaugurated WIRC's latest publications - 'Union Budget Analysis' and 'Bank Branch Audit' in the presence of 2,000 members.

**Educational Workshops:** In line with our Budget Education Programme, budget analysis meetings were held in multiple locations including J.B. Nagar (Andheri East); Mayor Hall (Andheri West); Terapanth Bhavan (Kandivali East) and in Borivali (West).

WIRC also organised Bank Audit Seminars across Mumbai at Andheri, Borivali, Cuffe Parade and at ICAI Tower, Bandra-Kurla Complex which were very successful.

**Interactive Member-Regulator Meetings:** We had a meeting with Shri Chandrakant Dada Patil, Hon'ble Minister of Co-operation, Maharashtra Government, and Shri Shekhar Charegaonkar, Hon'ble Chairman, Maharashtra State Cooperatives Council. We presented and discussed the idea of using infrastructure and faculty database to conduct joint programmes.

**Women's CA Events :** The WIRC organised a 'Women's CA Carnival' at Lokhandwala, Andheri (West). The fair saw an excellent response from the women members with more than 200 women Chartered Accountants in attendance. ICAI Vice President CA Nilesh Vikamsey showed his support for the Women CA Members' activities. The Chief Guest on the occasion was the famous thespian, Ms. Pallavi Joshi and the Guest of Honour was television actress Ms. Anchal Dwivedi. The carnival was a success with the women CA members appreciating this event dedicated to women CA members.

**Joint Programmes:** The Western India Regional Council and the Chamber of Tax Consultants jointly organised a programme focusing on 'Direct and Indirect Tax Provisions'. Members in attendance were pleased to take away relevant information to expand their knowledge base.

**WIRC Think Tank:** We are in the process of forming subject specific study groups specifically focusing on subjects comprising Co-operatives, the Insurance sector and Forensic Accounting and Fraud Prevention (FAFP).

A Chartered Accountant bears multiple responsibilities towards clients, the profession, society and in nation building. Hence, society looks up to the profession with great respect. We need to proactively maintain, sustain and grow this trust. The only way we can achieve this is by working together as a team and moving forward strengthened with our unflinching belief that together we can....



CA. SHRUTI SHAH

## OFFICE BEARERS

- CA. Shruti Shah, *Chairperson*
- CA. Hardik Shah, *Vice Chairman*
- CA. Kamlesh Saboo, *Secretary*
- CA. Shilpa Shinagare, *Treasurer*

## EDITORIAL BOARD

- CA. Shruti Shah, *Editor*

## MEMBERS

- CA. Vishnu Agarwal
- CA. Sarvesh Joshi
- CA. Sandeep Jain
- CA. Lalit Bajaj
- CA. N. C. Hegde, *Ex-Officio*

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Together  
*We Can...*

## MUKUND M CHITALE & CO.

(Vacancy for chartered accountants)

Mukund M Chitale & Co. is a medium sized chartered accountancy firm with its head office at Mumbai. We invite applications from experienced professionals (CAs) who are seeking a challenging opportunity in the following areas of work:

Statutory Audit & Internal Audit (minimum post-qualification experience of 2 years)

Please send your resume to [careers@mmchitale.com](mailto:careers@mmchitale.com). Please mention 'Response to advertisement in WIRC newsletter' in the subject line.

Mukund M Chitale & Co., 2nd Floor, Kapur House, Paranjape B Scheme Road No.1, Vile Parle East, Mumbai-400 057

[www.mmchitale.com](http://www.mmchitale.com)



### Day & Date:

Friday 1st July, 2016  
6.00 p.m. to 10.00 p.m.

### Venue:

Bhaidas Hall, Near Mithibai College,  
Vile Parle (West), Mumbai - 400056

### Chief Co-ordinators:

CA. Kamlesh Saboo 9819195333      CA. Shilpa Shinagare 9820053395      CA. Sandeep Jain 9819788099

CA. Priti Savla 9321426883

CA. Drushti Desai 9820335923

### Co-ordinators:

CA. Vijay Bhatt 9820210728

CA. S. Padmanabhan 9987579214

### AUDITION FOR DANCE, SINGING & ACTING

Sunday 15th May, 2016 | 11.00 a.m. to 2.00 p.m.  
Khimji Kunverji Vikamsey Auditorium, ICAI Tower, BKC, Mumbai



*Congratulations!*

CA Dinesh Dadriwal  
Elected continuously 5<sup>th</sup> time as a  
Director of Janta Sahkari Bank  
Ltd, Gondia



*Congratulations!*

CA Sushil Agrawal  
Elected continuously 3<sup>rd</sup> time as  
a Director of Janta Sahkari  
Bank Ltd, Gondia

18  
CPE HRS

INTERNATIONAL STUDY TOUR TO

**VENICE - SLOVENIA - SALZBURG - PRAGUE**

Holidays are just round the corner! Get set to visit the Most Exotic European Destinations with WIRC.

Fascinating Venice... Exciting Slovenia... Enticing Salzburg... Stunning Prague & More.

Limited seats... Enroll Fast!!!

22nd May to  
31st May, 16  
9 Nights / 10 Days

Per adult : INR 1,65,000/- (on twin sharing basis)

Per child\* : INR 1,20,000/- (with extra bed)

Per child\* : INR 1,00,000/- (without extra bed)

\* Child till 12 years



Co-ordinators: CA. Sandeep Jain 9819788099 | CA. Sarvesh Joshi 9822022292

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

### MG GROUP OF COMPANIES

Office: Khanna Estate, L.B.S. Marg,  
Vikhroli (West), Mumbai-79

Website: [www.mggroup.in](http://www.mggroup.in)

**Post: Group – Chief Financial Officer (CFO)**

#### Invites Application from:

Candidates having both CA & CS Qualifications.  
Candidates having additional Costing and MBA  
qualifications will have an added advantage.

**Experience: 8-10 years Age: Below 40 years.**

Please send your application along with CV  
mentioning expected Annual Emoluments/CTC by  
e-mail to [mgcfo@mgautoindia.com](mailto:mgcfo@mgautoindia.com)

**Last date of receipt of application:  
15 days from this advertisement**

#### Responsibilities:

- Overall administration of the financial accounting for Group Companies
- Co-ordinating with Statutory Authorities for various Tax Audits & Assessments
- Preparation of P&L Statement and Balance Sheet
- Coordinating with Internal/Statutory Auditors
- Preparation of MIS Reports
- Develop & manage effective working relationships in the organization
- Ensuring Statutory compliances
- Propose and execute upon continuous improvements to the reporting process

#### Key Skill Requirements:

- In-depth knowledge of Accounts, Finance, Costing, Direct and Indirect Taxes
- Conversant with formation of LLP, Pvt. Ltd. Companies, Partnership firms & Joint Ventures.
- Provide technical and operational guidance where required
- Should possess good organizational skills and able to independently prioritize and co-ordinate requirements /deadlines.

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**WE GIVE LEGAL & PRACTICAL ADVICE  
ON AGRICULTURAL LAND & PROPERTY MATTERS,  
PERSONALLY IN OUR OFFICE or ON PHONE  
or THROUGH VIDEO-CONFERRING.**

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**WE PURCHASE, DEVELOP, BUILD, SALE, LEASE, RENT-OUT  
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1800 22 5822, 022-24388174, 24224046, 24220199, 24305382.  
datey13@gmail.com ■ www.dateylands.com

**Time : 8 to 8, 12 hrs./365 days, NO HOLIDAY**

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## VALUATION OF ASSETS BRANDS BUSINESS

Several prominent valuations carried out by us

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**Web Site : [www.valuationsekhri.com](http://www.valuationsekhri.com)  
Email : [corpassistance@yahoo.co.in](mailto:corpassistance@yahoo.co.in)  
[ansekhri@hotmail.com](mailto:ansekhri@hotmail.com)**

## Seminar on International Tax Conference

12  
CPE HRS

**DAYS & DATES** FRIDAY & SATURDAY  
APRIL 15 & 16, 2016

<b>Venue</b>	The Westin Mumbai Garden City, International Business Park, Oberoi Garden City, Goregaon (E), Mumbai
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)
<b>Fees</b>	₹ 5,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
<b>Conference Chairman</b>	CA. Nihar Jambusaria, Chairman, CIT, ICAI
<b>Conference Co-chairman</b>	CA. Sanjiv Chaudhary, Vice Chairman, CIT, ICAI
<b>Conference Co-ordinators</b>	CA. T. P. Ostwal
<b>Conference Director</b>	CA. Shruti Shah, Chairperson, WIRC
<b>Conference Co-director</b>	CA. Hardik Shah, Vice Chairman, WIRC

TOPICS	SPEAKERS
<b>Friday, 15th April, 2016</b>	
Inaugural session	Justice (Retd.) Shri Dev Darshan Sud (President, ITAT)* CA. Nilesh Vikamsey, Vice-President, ICAI* CA. Nihar Jambusaria Chairman, Committee on International Taxation, ICAI
Overview of BEPS and 15 Action Plans	Shri Porus Kaka, President, IFA*
Exchange Information under BEPS	Shri Mahesh shah, CIT (A)*
Disputes Resolutions: How practical under the BEPS	CA. K. R. Sekar*
<b>Session Chairman:</b> CA Sanjiv Chaudhary, Vice-Chairman, CITAX	
Treaty Abuse & Anti Avoidance Rules under BEPS	CA. Pranav Sayta
PE under BEPS-Some practical issues	CA. Neetu Vinayek
<b>Panel discussion:</b> Whether BEPS action will succeed/ create chaos - Moderator - CA. Dinesh Kanabar*	CA. Hitesh Gajaria CA. Sushil Lakhani CA. Dhinal Shah CA. Uday Ved*
<b>Saturday, 16th April, 2016</b>	
Tax challenges of Digital Economy Action 1	CA. Padam Chand Khincha
India's view on Tax Challenges of Digital Economy- Equalization levy	CA. Rashmin Sanghvi
Transfer Pricing under BEPS	CA. Sanjay Tolia*
Value creation vs. Risks & Capital and implementation issues for Global Enterprise	CA. T. P. Ostwal
Concerns of BEPS on intangibles and how developing countries will evolve	Shri. Anis Chakraborty *
Business models after BEPS	CA. K. R. Girish*
<b>Panel discussion :</b> Transfer Pricing, Country by Country reporting, Intangibles	Shri Anis Chakraborty* CA. Sanjay Tolia* CA. T.P. Ostwal CA. K.R. Sekar*

\*Subject to confirmation

For Online Registration:

Click on link: <http://wirc-icai.org/EventDetailsNew.aspx?id=2407>

For Enquiry, Contact:

Mr. Vijay : 022-33671424, Ms. Pallavi : 022-33671421

For Offline Registration:

Cheque / DD should be drawn in Favour of "WIRC OF ICAI" and sent to ICAI Tower, 8th Floor, Plot no C-40, G Block, Opp MCA Ground, Next to Standard Chartered Bank, Bandra Kurla Complex, Bandra (East), Mumbai-400051

## Direct Tax Refresher Course (DTRC)

15  
CPE HRS

**DAYS & DATES** SATURDAY, JUNE 4, 11,  
18, 25 & JULY 2, 2016

<b>Venue</b>	Birla Matoshree Sabhagriha, Bombay Hospital, New Marine Lines, Mumbai
<b>Time</b>	10.00 a.m. to 6.00 p.m. (Registration & breakfast 9.30 a.m. to 10.00 a.m.)
<b>Fees</b>	₹ 1,950/- before 15th May ₹ 2,200/- after 15th May (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
<b>Chief Co-ordinators</b>	CA. Vishnu Agarwal 9324544607 CA. Rakesh Alshi 9819427242 CA. Shilpa Shinagare 9820053395 CA. Kamlesh Saboo 9819195333 CA. Sandeep Jain 9819788099 CA. Drushti Desai 9820335923

TOPICS	SPEAKERS
<b>4th June, 2016</b>	
<b>Session I:</b> Taxation on AOP/BOI/Charitable Trust / Co-op. Society	Dr. Girish Ahuja
<b>Session II:</b> Tax Issues in Reorganisation through LLP	CA. Pinakin Desai
<b>11th June, 2016</b>	
<b>Session I:</b> Business Deductions current Developments	CA. Kapil Goel
<b>Session II:</b> Recovery, Penalty and Stay Proceeding Provisions	CA. Ved Jain
<b>18th June, 2016</b>	
<b>Session I:</b> Transfer Pricing & Applicability to Domestic Transactions	CA. T. P. Ostwal
<b>Session II:</b> Survey, Search & Seizure	Dr. Rakesh Gupta
<b>25th June, 2016</b>	
<b>Session I:</b> Recent Supreme Court Judgments	Adv. Sourabh Soparkar
<b>Session II:</b> Burden of Proof and Law of Evidence	Hon. ITAT Member Shri Rajendra
<b>2nd July, 2016</b>	
<b>Session I:</b> Important Aspects of Section 56 & Section 68	CA. Sunil Talati
<b>Session II:</b> Brains' Trust	CA. Rajan Vora CA. Padamchand Kincha CA. Tushar Hemani

## Interactive Meeting with Registrar of Companies, Mumbai

02  
CPE HRS

**DAY & DATE** SATURDAY  
APRIL 30, 2016

<b>Venue</b>	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
<b>Time</b>	5.00 p.m. to 7.00 p.m.
<b>Chief Co-ordinators</b>	CA. Sushrut Chitale 9821112904 CA. Sandeep Jain 9819788099

TOPIC	SPEAKER
Interactive Meeting with Registrar of Companies, Mumbai	Shri A. K. Kapoor, ROC & other officials of MCA

ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile No.	Co-ordinators / Mobile No.
08/04/2016 Friday 2 CPE Hrs	5.30 p.m. Free	<b>Lecture Meeting on Professional Opportunities for CAs</b> • Professional Opportunities for CAs	CA. Shailesh Haribhakti	CA. Rakesh Alshi 9819427242 CA. Priyam Shah 9824096112	
09/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Basics of Co-op. Societies</b> • 97th Constitutional Amendment & Setup of Co-op. Dept. • Accounts & Audit Provisions under MCS Act, 1960 • Income Tax on Co-op. Societies • Prof. Opportunities in Co-op. Societies	CA. D. A. Chougule CA. D. A. Chougule Eminent Faculty CA. Ramesh Prabhu	CA. Shilpa Shinagare 9820053395 CA. Abhijit Kelkar 9422126890 CA. Vikrant Kulkarni 9881880073	CA. Gaurav Parwani 9323674628 CA. Nehal Turakhia 9833991898 CA. Premal Gandhi 9324383636
09/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on e-filing under-DT &amp; IDT for Newly Qualified CAs</b> • TDS • ITR • MVAT • Service Tax	CA. Ravi Soni CA. Atul Mehta CA. Krupal Devda CA. Payal Shah	CA. Lalit Bajaj 9867692321 CA. Purushottam Khandelwal 9825020844 CA. Sarvesh Joshi 9822022292	CA. Aumkar Gadgil 8007976830 CA. Neha Patel 9833678901 CA. Nitin Jaisinghani 9967539598
09/04/2016 Saturday 3 CPE Hrs	10.00 a.m. ₹ 700/-	<b>Seminar on Start-up Companies</b> • Basic Requirements for Start-up companies and assistance from Government for the same	CA. Jeendra Bhandari CA. G. B. Modi	CA. Sushrut Chitale 9821112904 CA. Satyanarayan Mundada 9422080814 CA. Pradeep Agrawal 9898560967	CA. Kalpesh Kothari 9029371777 CA. Mukund Mall 932224142 CA. Viral Mehta 9819030563
16/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Audit &amp; Compliance Applicable to Stockbrokers</b> • PMLA compliances applicable for securities market intermediaries • Expectation of regulators from internal auditors of stockbrokers • Expectations of regulators from internal auditors of depository Participants & Issues in DP Committee • Consent Application under SEBI	Shri Sagar Tanna CA. Kinjal Shah CA. Sandeep Maheshwari CA. Jayant Thakur	CA. Sushrut Chitale 9821112904 CA. Balkishan Agarwal 9377110634 CA. Satyanarayan Mundada 9422080814	CA. Aniket Kulkarni 9821690559 CA. Sajjan Agrawal 9322281706 CA. Neeti Mishra 9324679343
16/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Service Tax</b> • Valuation of Taxable service • Recent Judicial decisions on Service Providers • CENVAT Credit for Service - Providers • Analysis Exemption, Exclusions, Valuation and Abatements under construction services	CA. Mandar Telang CA. Sunil Gabhawalla CA. Rahul Jain CA. Narendra Soni	CA. Priti Savla 9321426883 CA. Sarvesh Joshi 9822022292 CA. Aniket Talati 9825551448	CA. Akshay Tambe 9892701496 CA. Ashish Bakliwal 9004315053 CA. Dattatray Pawar 9967835454
30/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Accounting Standards</b> • AS – Fixed Assets – AS 6, AS 10, AS 16, AS 26, AS 28 • AS – Revenue Recognition – AS 9, AS 7, AS 11 • AS – Consolidation – AS 21, AS 23, AS 27 • AS – Taxes & Provisions – AS 22, AS 29	CA. Himanshu Chapsey * CA. Atul Shukla CA. Bhaskar Iyer CA. Kishor Parikh *	CA. Priyam Shah 9824096112 CA. Hardik Shah 9825510422 CA. Umesh Sharma 9822079900	CA. Prajakta Patil 9819041003 CA. Punit Mehta 9322661090 CA. Sachin Holmukhe 9820561266
30/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Taxation of Co-operative Societies</b> • Service Tax • VAT • Income Tax • Interactive session on Controversial issues in Sec 80P CHS	CA. Rohit Bora Eminent Faculty CA. Pramod Shingte Eminent Faculty	CA. Shilpa Shinagare 9820053395 CA. Abhijit Kelkar 9422126890 CA. Vikrant Kulkarni 9881880073	CA. Meera Joiser 9819354164 CA. Adesh Gupta 9819806769 CA. Sunil Sharma 9769949829
07/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Company Audit and Reporting</b> • Analysing Accounting and Audit Aspects • Drafting of Auditors Report • Key Changes in Provisions pertaining to disclosure in Financial Statements • Issues in CARO Reporting	CA. Vijay Joshi CA. Nitant Trilokekar CA. Manish Sampat CA. N. Jayendran CA. Manoj Patil	CA. Priti Savla 9321426883 CA. Kamlesh Saboo 9819195333 CA. Purushottam Khandelwal 9825020844	CA. Shantesh Warty 9819947969 CA. Sonia Dawar 9920283330 CA. Sandesh Bhandare 9930398330
07/05/2016 Saturday	3.30 p.m.	<b>New Members Meet and Felicitations of Rank Holders</b> • Students who have secured rank in November & December 2015 examination of CPT, IPCC & Final CA from the Western Region shall be felicitated		CA. Pradeep Agrawal 9898560967 CA. Satyanarayan Mundada 9422080814	

\* Subject to Confirmation

ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile No.	Co-ordinators / Mobile No.
14/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on International Taxation for Beginners</b> • Application of Domestic Laws <i>vis-à-vis</i> International Tax perspective • Overview of important provisions of DTAA • Global Exchange of Information • Basics in International Transfer pricing	CA. Siddharth Banwat  CA. Harshal Bhuta  Eminent Faculty CA. Namrata Dedhia	CA. Rakesh Alshi 9819427242 CA. Aniket Talati 9825551448 CA. Pradeep Agrawal 9898560967	CA. Gaurav Save 9969001607 CA. Swati Bhatkar 9967537989 CA. Mehul Sheth 9820297310
21/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Post Assessment issues under Income-tax Act</b> • Provisions relating to rectification of Mistakes • Law relating to stay and recovery of demand • Preferring Appeals before the CIT (Appeals) or ITAT • Provisions relating to Reopening and Reassessments	CA. B. N. Rao  CA. Jignesh Shah  CA. H. N. Motiwala  CA. Deepak Tralshawala	CA. Shilpa Shinagare 9820053395 CA. Vishnu Agarwal 9324544607 CA. Vikrant Kulkarni 9881880073	CA. Ritesh Hibare 9773418343 CA. Rajen Gada 9920913579 CA. Pooja Achhra 9820138828
28/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on IFC</b> • Legal framework of IFC and its applicability • IFC - Key Concepts • Challenges in IFC Reporting • Roles and Responsibilities of CAs in IFC Reporting		CA. Drushti Desai 9820335923 CA. Hardik Shah 9825510422 CA. Lalit Bajaj 9867692321	CA. Nehal Turakhia 9833991898 CA. Mamta Parsekar 9820613536 CA. Jigar Gogri 9320419606

ICAI Tower, Near Standard Chartered Bank, BKC, Mumbai (Classroom)

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile No.	Co-ordinators / Mobile No.
07/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Practical workshop on formation and Online Compliance of Co-operatives</b>		CA. Shilpa Shinagare 9820053395 CA. Priyam Shah 9824096112 CA. Satyanarayan Mundada 9422080814	CA. Suneet Mahale 9819966674 CA. Ryan Fernandes 9619262890 CA. Vikram Joshi 9821733286
14/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Workshop on e-office for CAs</b> • Exploiting Google Applications for Audit • Excel as Audit Tool • Latest Tally updates • ERP: The Path Ahead	Eminent Faculty  Eminent Faculty Eminent Faculty Eminent Faculty	CA. Priti Savla 9321426883 CA. Aniket Talati 9825551448 CA. Kamlesh Saboo 9819195333	CA. Y. R. Desai 9820448365 CA. Neha Kothari 9820829669 CA. Sukrut Sane 9769366390
21/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Workshop on Project Finance</b> • International Debt Financing • Venture Capital Funding • Working Capital Financing • Preparing Project Finance Reports	CA. Lalit Dangi CA. Mrugank Kapadia CA. Sanjay Khemani Eminent Faculty	CA. Lalit Bajaj 9867692321 CA. Vishnu Agarwal 9324544607 CA. Pradeep Agrawal 9898560967	CA. Bipeen Mundade 9223290561 CA. Vidhyut Jain 9892414386 CA. Aumkar Gadgil 8007976830
28/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Valuations</b> • Introduction, Overview and Importance of Valuations • Methods of Valuation • Drafting Reports and Proposals • Case Studies	Eminent Faculty  CA. Sujal Shah Eminent Faculty CA. Pinkesh Billimoria	CA. Sushrut Chitale 9821112904 CA. Balkishan Agarwal 9377110634 CA. Aniket Talati 9825551448	CA. Ankit Sanghavi 9820689003 CA. Ramesh Mishra 9820419606 CA. Nandan Khambete 9969955696

Study Group Meetings

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Venue	Organised by / Convenor / Mobile No.
23/04/2016 Saturday 4 CPE Hrs	10.00 a.m. Per Annum ₹ 1,000/-	<b>BFSI Capital Market</b> Corporate Finance – SME Funding, Start-ups and Innovation in Financial Markets series	CA. Prakash Bhatia CA. Alekh Gandhi CA. Manoj Alimchandani	Conference Room, 6th Floor, ICAI Tower, BKC, Mumbai	BFSI & Capital Market CA. Pramod Agarwal 9930266050
23/04/2016 Saturday 3 CPE Hrs	5.30 p.m. Per Annum ₹ 1,000/-	<b>Indirect Tax Study Group</b> Ind AS 36 Impairment of Assets	CA. Tejas Parikh	Conference Room, 6th Floor, ICAI Tower, BKC, Mumbai	Indirect Tax Study Group CA. Jinit Shah 9870070607
15/05/2016 Sunday 3 CPE Hrs	10.00 a.m. Per Annum ₹ 1,000/-	<b>IFRS Study Group</b> Ind AS 21: Effect of Changes in Foreign Exchange rates	CA. Sweta Bajaj	Conference Room, 6th Floor, ICAI Tower, BKC, Mumbai	IFRS Study Group CA. Rajesh Mody 9820306861
28/05/2016 Saturday 4 CPE Hrs	9.30 a.m. Per Annum ₹ 1,000/-	<b>BFSI Capital Market</b> Roundtable Discussion on • Think Tank - Financial Services Series - Group Study Corporate Finance • Think Tank - Insurance Series - Group Study on Insurance Sector	CA. Vikas Agrawal  CA. Manoj Alimchandani	Conference Room, 6th Floor, ICAI Tower, BKC, Mumbai	BFSI & Capital Market CA. Pramod Agarwal 9930266050



J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade, Mumbai

Date, Day & CPE Hrs	Time & Fees	Topic(s)	Speaker(s)	Chief Co-ordinators / Mobile No.	Co-ordinators / Mobile No.
16/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on VAT - CST</b> • Recent Decisions in MVAT & CST Laws • Recent Amendments under MVAT 7 & Allied Laws • Recent Issues in Works Contracts & Leasing Transactions • Business Audit & Allied Provisions	CA. C. B. Thakar CA. Deepak Thakkar CA. Kiran Garkar CA. Vikram Mehta	CA. Rakesh Alshi 9819427242 CA. Umesh Sharma 9822079900 CA. Manish Gadia 9820537986	CA. Milind Joshi 9930033939 CA. Reema Jethwa 9619602083 CA. Mayur Momaya 9867952010
23/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Ind-AS</b> • Revenue Recognition • Income Tax • Employee Benefits • Property, Plant and Equipment and Intangible Assets • Financial Instruments • Consolidation • Presentation of Financial Statements; First Time adoption of Ind-AS	Eminent Faculties	CA. Priyam Shah 9824096112 CA. Pradeep Agrawal 9898560967 CA. Manish Gadia 9820537986	CA. Hrishikesh Wandrekar 9892919239 CA. Hiral Mehta 9892592283 CA. Kunal Parikh 9892429993
30/04/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Important Provisions of Companies Act</b> • Compliances & e-filing requirements under Companies Act – Special Focus on compliances before 31st March, 2016 • Guidance Note on reporting on Fraud under Section 143(12)	Eminent Faculties	CA. Manish Gadia 9820537986 CA. Purushottam Khandelwal 9825020844 CA. Sarvesh Joshi 9822022292	CA. Arpit Kabra 9819007027 CA. Sachin Phadke 9867350959 CA. Abhijit Totade 9819659159
07/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Do's and Don'ts in e-filing under various Laws</b> • e-filing of TDS Returns • e-filing of IT Returns • e-filing of Service Tax Returns • e-filing of ROC Returns	CA. Ravi Soni CA. Avinash Rawani Eminent Faculty CS. S. K. Jain	CA. Sandeep Jain 9819788099 CA. Hardik Shah 9825510422 CA. Abhijit Kelkar 9422126890	CA. Amogh Pandit 8108132425 CA. Aalok Mehta 9892001645 CA. Vivek Shah 9819633348
14/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Standards on Audit</b> • Standard on Quality Control for Audit • Standard on Audit Sampling • Standard on Audit Evidence • Standard on Materiality in Audit planning and performance	Eminent Faculties	CA. Sushrut Chitale 9821112904 CA. Umesh Sharma 9822079900 CA. Sarvesh Joshi 9822022292	CA. Vikas Vishwasrao 9892915272 CA. Nidhi Mewada 9619602084 CA. Ajeet Taparia 9920710121
21/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on ICDS</b> • Introduction to ICDS • Harmonisation of ICDS with Accounting Standards issued by ICAI • Computing Income under ICDS provisions • Role and Opportunities for CAs	Eminent Faculties	CA. Manish Gadia 9820537986 CA. Sandeep Jain 9819788099 CA. Balkishan Agarwal 9377110634	CA. Amol Kamat 9823018763 CA. Akshay Patil 8879385263 CA. Rahul Lotlikar 9821140019
28/05/2016 Saturday 6 CPE Hrs	10.00 a.m. ₹ 1,200/-	<b>Seminar on Concurrent Audit of Banks</b> • Audit Planning • Reporting Requirements • Risk Based Audit • Identifying Revenue Leakages	CA. Ramesh Shetty CA. Vipul Choksi CA. Abhay Kamat CA. Sanjay Rane	CA. Drushti Desai 9820335923 CA. Balkishan Agarwal 9377110634 CA. Satyanarayan Mundada 9422080814	CA. Himanshu Chheda 9820676826 CA. Omprakash Singh 9821166054 CA. Jigisha Dewani 9969286778

Date & Day	Time	Subject(s)	Speaker(s)	Venue	Organised by / Convenor / Mobile No.
09/04/2016 Saturday	5.00 p.m.	How Investments in Mutual Funds & SIPs help in Financial Planning	CA. Paresh Sukhtankar	Maharashtra High School, 2nd Floor, Gokhale Road South, N. M. Kale Marg, Agar Bazar, Dadar (W)	Shivaji Park CPE Study Circle CA. Anogh Pandit M: 8108132425
10/04/2016 Sunday	8.45 a.m.	Role of Technology in Improving Productivity at Work: Email Management Effective Task and Calendar Management Security and Password Management Collaborative working, File and Backup Management	CA. Uday Shah CA. Ashutosh Rathi CA. Maitri Chheda CA. Dinesh Kumar Tejwani	Hotel Kohinoor, Andheri Kurla Road, J. B. Nagar, Andheri (E)	J. B. Nagar CPE Study Circle CA. Pinki Kedia M: 9869030652
10/04/2016 Sunday	9.15 a.m.	Overview of Law and Practice in Arbitration, Mediation and Conciliation and Opportunities for Chartered Accountants in this field Opportunities for Professional Growth through Network Firm Mechanism and Mergers	CA. Pawan Agarwal  CA. Mahesh Madhkolkar	Direct-I-Plex, Gandalf Hall, 1st Floor, Near Andheri Subway, Andheri (E)	Amboli CPE Study Circle CA. Ishaan Patkar M: 7208296001
15/04/2016 Friday	5.30 p.m.	Overview of GST Network (GSTN), Registrations, Returns, Payments and Refunds under GST era	CA. Tapas Ruparelia	Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad	Ellisbridge CPE Study Circle CA. Kartik Dave M: 9427525676
16/04/2016 Saturday	6.00 p.m.	Financial Analysis of Cash Flow Statement with Practical Case Studies	CA. Pravin Navandar	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Rajesh Dholu M: 9833828892
17/04/2016 Sunday	10.00 a.m.	Case Study on Business Analysis	CA. Nilesh Gore	Chess Room, 1st Floor, Dahisar Sports Foundation's Samaj Kalyan Kendra, C. S. Road, Opp. Vidya Mandir School, Dahisar (E)	Dahisar CPE Study Circle CA. Manish Vora M: 9167729167
17/04/2016 Sunday	10.30 a.m.	Seminar on Post Assessment Measures & Appellate procedures	Adv. Dharan Gandhi	Mulund College of Commerce, S. N. Road, Mulund (W)	Mulund CPE Study Circle CA. Dhaval Thakkar M: 9819848453
23/04/2016 Saturday	3.30 p.m.	Updates and Changes in TDS Recent Amendments in Maharashtra VAT Laws	Eminent Faculty Eminent Faculty	Direct-I-Plex, New Nagardas Road, Opp. Wilson Pens, Near Andheri East Subway, Andheri (E)	J. B. Nagar CPE Study Circle CA. Pinki Kedia M: 9869030652
23/04/2016 Saturday	5.30 p.m.	Due Diligence, Valuation Methodology	CA. Shailendra Jindal CA. Sujal Shah	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Yashesh Jakhelia M: 8454878798
23/04/2016 Saturday	6.00 p.m.	Lecture Meeting on GST – An Introduction	Adv. Ratan Samal	4th Floor, New SNTD, Bhuriben, Cama Lane, Ghatkopar (W)	Ghatkopar CPE Study Circle CA. Rajesh Dholu M: 9833828892
24/04/2016 Sunday	9.30 a.m.	MVAT & CENVAT Credit Rules for Builders & Works Contractors, MVAT Set off Rules – Works Contractors & Builders, CENVAT Credit Rules – Works Contractors & Builders	CA. Dilip Laxman Phadke CA. Manish Gadia	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Yashesh Jakhelia M: 8454878798
30/04/2016 Saturday	9.30 a.m.	Charitable Trust & FCRA provisions, Formation and Registration of Public Charitable Trust, FCRA provisions for Charitable Trust	CA. Vijay Joshi CA. Jagat Mehta	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Yashesh Jakhelia M: 8454878798
30/04/2016 Saturday	3.00 p.m.	Women's Wing Programme Practical Aspects of Litigation and Online Filing of appeals Internal Audit and Internal Financial Control Applicable to Small Companies	CA. Monika Nemani  CA. Meera Joisher	Direct-I-Plex, New Nagardas Road, Opp. Wilson Pens, Near Andheri East Subway, Andheri (E)	J. B. Nagar CPE Study Circle CA. Pinki Kedia M: 9869030652
30/04/2016 Saturday	5.30 p.m.	Seminar on Management lessons from Shrimad Bhagavad Gita	Shri Eknath Birari	Mulund College of Commerce, S. N. Road, Mulund (W)	Mulund CPE Study Circle CA. Dhaval Thakkar M: 9819848453
01/05/2016 Sunday	9.30 a.m.	E-filing of TDS returns and Form 15G and Form 15H Office Management & Practice Strategies for Development	CA. Ravi Soni  CA. Dushyant Bhatt	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Yashesh Jakhelia M: 8454878798
14/05/2016 Saturday	5.00 p.m.	Documentation from Transfer Pricing Perspective	CA. Yashodhan Pradhan	Maharashtra High School, 2nd Floor, Gokhale Road South, N. M. Kale Marg, Agar Bazar, Dadar (W)	Shivaji Park CPE Study Circle CA. Anogh Pandit M: 8108132425
15/05/2016 Sunday	9.30 a.m.	LLP Formation, Drafting of New LLP Agreement as well as on conversion from Pvt. Ltd. Taxation of LLP and Taxation on conversion of Pvt. Ltd. to LLP	Eminent Faculty  Eminent Faculty	Sarvoday A/C Hall, L. T. Road, Opp. Diamond Talkies, Borivali (W)	Borivali (Central) CPE Study Circle CA. Yashesh Jakhelia M: 8454878798

### Certificate of Good Standing

As per the decision of Executive Committee of ICAI and the Council, a member desirous of obtaining the good standing certificate, shall submit a request in the prescribed application form and self declaration form, available on the [www.icaai.org](http://www.icaai.org). This certificate signifies the status of continuance of membership as on date and also reflects "No Disciplinary Action Status" and will be issued to a member who has paid the membership fees for the current financial year and also completed prescribed CPE hours. Details of requirements for obtaining this certificate is available on ICAI website. The request in prescribed format can be sent by e-mail to [goodstanding@icaai.in](mailto:goodstanding@icaai.in).

**Portal for Senior Members of ICAI** [www.seniormembers.icaai.org](http://www.seniormembers.icaai.org)

The Committee for Capacity building for Members in Practice (CCBMP) has developed a website, viz; [www.seniormembers.icaai.org](http://www.seniormembers.icaai.org). This website provides a platform for senior members of ICAI for getting flexi-working hours assignment as well as fulltime assignment after their retirement.

### Procedure for Obtaining Transcripts in a Sealed Envelope of the Institute

You are required to provide a request duly signed by you for issue of Transcripts

E-mails are not entertained for issue of Transcripts.

You are required to furnish the following details / documents with your request:

- A fee of ₹ 500/- (Rupees five hundred only) for one set of transcript/s (for any one or all examinations viz. Entrance/Foundation/PE-I/CPT, Inter/PE-II/PCE/IPCE and Final) remitted through Demand Draft or Pay Order in favour of The Secretary, The Institute of Chartered Accountants of India, payable at New Delhi.
- Self-attested copies of Entrance / Foundation / PE I / CPT / PE II / PCE / IPCE / Intermediate / Final examination mark sheet/s (both front and reverse side) of all Examinations (i.e. for all your appearances including those where the result of any one or both groups was not PASS or for your appearance with result PASS if you do not want Transcript of negative/failed attempts).
- Confirm whether negative/failed attempts, if any, is/are to be excluded in the Transcript.
- Correct Student/Articles Registration number.
- Self attested copies of Rank Certificate issued, if any.
- Self attested copy of Associate Membership Certificate / Fellow Membership Certificate.
- Proof for having paid the current year Membership fee clearly indicating your membership number to enable us to issue the "COVER SHEET" (which is a part of Transcript containing Membership Number, brief description of CA Course, Passing Criteria, etc.).
- Copy/ies of Prospectus or communication received from Professional Body/Management/Educational Institution/s as applicable, requiring you to submit transcripts of Chartered Accountants Examinations, if any received.

- Prescribed Academic Request Form or any other Form for transcript duly filled in by the candidate, received from Foreign University/ies / Management Institution/s, if any.
- Copy of the Appointment Letter issued by the Foreign Body as applicable, if any.

### Procedure for Obtaining Copies of Marks Sheet, Passing Certificates Duly Attested in a Sealed Envelope of the Institute

You are required to provide a request duly signed by you for obtaining copies of marks sheet, passing certificates duly attested in a sealed cover.

E-mails are not entertained for issue of attested copies of marks sheet/Passing Certificates.

You are required to furnish the following details / documents with your request:

- A fee of ₹ 500/- (Rupees five hundred only) for one set of attestation of copies of marks sheet, passing certificates (for any one or all examinations viz. Entrance/Foundation/PE-I/CPT/Inter/PE-II/PCE/IPCE and Final) remitted through Demand Draft or Pay Order in favour of The Secretary, The Institute of Chartered Accountants of India, payable at New Delhi.
- Copies of Entrance / Foundation / PE I / CPT / PE II / PCE / IPCE / Intermediate / Final examination marks sheet/s (both front and reverse side) of all Examinations (i.e. for all your appearances including those where the result of any one or both groups was not PASS, if required).
- Prescribed Academic Request Form or any other Form to be sent along with attested documents duly filled in by the candidate, if any, received from Foreign University/ies / Management Institution/s.

The transcripts and/or attestation of marks sheet/passing certificates are issued normally within ten days from the date of receipt of request, complete in all respects.

This request along with the requisite fees / documents may please be sent to:

Deputy Secretary (Exams)

The Institute of Chartered Accountants of India

Post Box No. 7112, Indraprastha Marg,

New Delhi-110 002

E-mail-Id:- [rpjuyal@icaai.in](mailto:rpjuyal@icaai.in)

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## DIRECT TAX

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

### REFUNDS – ISSUE OF REFUNDS UP TO ₹ 5,000/- [237 TAXMANN (st.) 6]

The CBDT *vide* office memorandum No. 312/109/2015 dated 14/1/2016, has directed the decision that in order to provide relief to the small taxpayers, refunds up to ₹ 5,000/- and refunds in cases where arrears demand is up to ₹ 5,000/- may be issued without any adjustment of outstanding arrears u/s. 245 of Income-tax Act during F.Y. 2015-16. The non-CASS cases for the A.Y. 2013-14 and 2014-15, where the refund amount is more than ₹ 5,000/- but outstanding arrears is ₹ 5,000/- or less, may also be processed for issue of refund without any adjustment u/s. 245.

### APPEALS TO HIGH COURT U/S. 260A – INITIATIVES TAKEN FOR REDUCING LITIGATION

#### PRESS RELEASE [237 TAXMANN (st.) 7]

Several initiatives have been taken by the Central Board of Direct Taxes in the last three months up to December 2015 to significantly reduce disputes and provide relief to taxpayers facing long standing litigation.

The significant steps taken by CBDT include issue of a Circular revising the monetary limits for filing of appeals by the Department with the objective of reducing litigation as a part of its initiatives to reduce grievances of the taxpayers. CBDT has also directed Principal Chief Commissioners to constitute a collegium of Chief Commissioners of Income-tax to consider withdrawal of appeals filed by the Department in cases involving tax effect above the revised monetary limit from the High Courts in cases where, no question of law is involved, the issue is considered settled by the Department, or the appeal is no longer relevant in view of subsequent amendment.

Besides this, the CBDT has issued a number of Circulars for withdrawing or not pressing of appeals on settled issues relating to the subjects listed below:

- Non-applicability of Rule 9A of the Income-tax Rules, 1962 in case of abandoned feature films.
- Measurement of the distance for the purpose of Section 2(14)(iii)(b) of the Income-tax Act for the period prior to assessment year 2014-15.
- Interest from non-statutory liquidity ratio (non-SLR) securities.
- Allowability of employer's contribution to funds for welfare of employees in terms of Section 43(b) of the Income-tax Act.
- TDS under Section 194A of the Act on interest on fixed deposit made on the directions of the courts.
- Recording of satisfaction note under Sections 158BD/153C of the Income-tax Act.
- Non-levy of penalty u/s. 271(1)(c) wherein additions/disallowances were made under normal provisions of Income-tax Act, 1961 but tax was levied under MAT provisions under Sections 115JB/115JC, for cases prior to A.Y. 2016-17.

### SECTION 197, READ WITH SECTIONS 195, 206C OF THE INCOME-TAX ACT, 1961 – TDS CERTIFICATE FOR DEDUCTION AT LOWER RATE [237 TAXMANN (st.) 14]

#### PRESS RELEASE, DATED 1/1/2016

1. Instances of huge default of 'Short Deduction' have been observed due to wrong quoting of 197 certificate number. The scenario of wrong 197 certificate generally arises when the deductor accepts from deductee a manually issued lower deduction certificate by Assessing Officer & quotes the same in TDS statements.
2. CPC (TDS) has provided the facility of validating the 197 certificate to the deductors on [www.tdscpc.gov.in](http://www.tdscpc.gov.in) (TRACES). This enables a deductor to first validate the 197 certificates given to him by their deductees and then furnish the same in the TDS/TCS statement.
3. If the 197 certificate is not valid as per TRACES validation, the deductor should always insist upon an ITD system generated certificate having a unique 10 digit alpha numeric number. This would minimise the generation of default of "Short Deduction due to 197 certificate".
4. This also applies to certificates issued under Section 195(2) & 195(3) by LTU & international taxation officers.

### REFUNDS – PROCEDURE TO BE FOLLOWED WHERE NOTICE U/S. 245 HAS BEEN ISSUED FOR ITDS PROCESSED IN FINANCIAL YEAR 2015-16 [237 TAXMANN (st.) 17]

The CBDT *vide* office Memorandum No. 312/109/2015-OT, dated 29/1/2016, further directed to convey the decision of the Board intimating the following procedure is to be adopted other than the case covered under office memorandum dated 14/1/2016 and where the notice u/s. 245 has been issued to tax payer :

- A. In cases where the taxpayer has contested the demand, CPC would issue a reminder to the jurisdictional Assessing Officers about the contention of the taxpayer, asking them to either confirm, or make appropriate changes, to the demand, within thirty days. In case no response is received from the jurisdictional Assessing Officer, within the stipulated period of thirty days, CPC would issue the refund without any adjustment. The responsibility of non-adjustment of refund against outstanding arrears, if any, would lie with the Assessing Officer.
- B. In cases where there is no response from the taxpayer, CPC would issue a reminder to the taxpayer, asking to either agree or disagree with the demand, and submit response on the e-filing portal, within thirty days. In case no response is received from the taxpayer, within the stipulated period of thirty days, CPC would adjust the demand, along with applicable interest u/s. 220(2), against the refund due and issue the balance refund, if any, to the taxpayer.

### TRANSFER PRICING – SECTION 92CC OF THE INCOME TAX ACT-ADVANCE PRICING AGREEMENT (APA) [237 TAXMANN (st.) 28]

The Central Board of Direct Taxes (CBDT) has entered into two bilateral Advance Pricing Agreements (APAs) with United Kingdom on 29th January, 2016. With this signing, CBDT has concluded three bilateral APAs the first one being a bilateral APA signed with Japan in December, 2014.

The two bilateral APAs were signed with two Indian group entities of a UK based Multi-National Company (MNC). The APAs have been entered into soon after the Competent Authorities of India and United Kingdom finalised the terms

of the bilateral arrangement under the Mutual Agreement Procedure (MAP) process contained in the India-UK DTAA.

The APAs cover the period 2013-14 to 2017-18 and also have a "Rollback" provision for 2 years (2011-12 and 2012-13). Transfer pricing disputes on the same transaction were recently resolved under MAP for each of these two companies for the years 2006-07 to 2010-11. With the signing of the bilateral APAs, the two Indian companies have been provided with tax certainty for 12 years each (5 years under MAP and 7 years under APA). This is a significant step towards providing a stable and predictable tax regime.

The two APAs are also significant because they address the issues of payment of management & service charges and payment of royalty. These transactions generally face prolonged and multi-layered transfer pricing disputes.

With this signing, CBDT has so far signed 41 APAs out of which 38 are unilateral and 3 are bilateral.

**DEDUCTION OF TAX AT SOURCE U/S 195 – PAYMENT TO NON RESIDENT– ISSUANCE OF ONLINE CERTIFICATE U/SS. 195(2) AND 195(3). [237 TAXMANN (St.) 47]**

**TDS instruction No. 51 [F.NO. SW/TDS/02/02/2013/DIT(S)-II], dated 4/2/2016**

There was a request from field formations and taxpayers to provide functionality for issue of online certificate u/s. 195(2) and u/s. 195(3) for lower/ no deduction as manual certificates were not being considered during processing of TDS statement by CPC TDS.

The existing functionality to issue online certificate u/s. 197 in ITD application has been enhanced to issue online certificate u/ss. 195(2) and 195(3) as under:

- i. Assessing Officers of International taxation charges who are authorised to issue certificate u/ss. 195(2) and 195(3) may be assigned the role AR INT TAXATION in ITD application by respective Computer Centre through HRMS module, if not already assigned. The certificate type i.e. 197/195(2)/195(3) also needs to be specified.
- ii. For issue of certificate u/ss. 195(2) and 195(3), jurisdiction restriction of PAN has been relaxed. For issue of certificate u/s. 195(3), TAN and amount has been made optional.
- iii. As per existing procedure for issue of certificate u/s. 197, certificates u/s. 195(2) and 195(3) is required to be approved by Range Officer through ITD application.

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

**MVAT Rules, 2005**

The Government of Maharashtra has issued three notifications dated 24/2/2016 under Rules 17/17A of the MVAT Rules, 2005 by which returns in Forms 231 to 235 and 423 & 424 are substituted requiring more details.

**Budget proposals**

In the Budget presented by Hon'ble Finance Minister of Maharashtra on 18th March, 2016 certain proposals are made in respect of sales tax laws. The highlights of the same are as under:

1. Fair market value concept to be introduced
2. More than 1 revised returns

3. Defect memo to be given in e-registration
4. Changes in VAT TDS
5. Entry tax on marble and granite
6. Profession Tax to be paid for last 3 years only in case of late registration
7. Exemption for PTRC late fee for limited period
8. VAT rate increased from 5 to 5.5%
9. Sarki at 2%
10. LED tubes @ 5%
11. Some stationery products reduced to 5%
12. Limit of turnover under composition scheme increased to ₹ 1 crore
13. Abhay Yojna for paying long outstanding dues if appeal is withdrawn. In BST pay tax only. In VAT era pay Tax and 25% interest.

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

**MCA (www.mca.gov.in)**

**MCA Notification No. GSR(E) dated 10th March, 2016 – Companies (Share Capital and Debentures) Amendment Rules, 2016)**

MCA has amended the said rules to provide that where the audited accounts of a company are more than 6 months old, the calculations with respect to buyback shall be on the basis of unaudited accounts not older than 6 months from the date of offer document which are subjected to limited review by the auditors of the company. For complete text of the notification, please refer the link: [http://www.mca.gov.in/Ministry/pdf/Notification\\_11032016.pdf](http://www.mca.gov.in/Ministry/pdf/Notification_11032016.pdf)

**RBI (www.rbi.org.in)**

**RBI Master Direction No. DBR. AML. BC. No. 81/14.01.001/2015-16 dated 25th February, 2016 – Know Your Customer (KYC) Direction, 2016**

RBI had released its set of master direction in respect of Know Your Customer (KYC) guidelines. The provisions of these Directions shall apply to every entity regulated by Reserve Bank of India, except where specifically mentioned otherwise. This includes all Banks, All India Financial Institutions (AIFIs), all NBFCs, Miscellaneous Non-Banking Companies (MNBCs) and Residuary Non-Banking Companies (RNBCs), all Payment System Providers (PSPs) / System Participants (SPs) and Prepaid Payment Instrument Issuers (PPI Issuers) and all authorised persons (APs) including those who are agents of Money Transfer Service Scheme (MTSS), regulated by the Regulator. For a complete text of the direction, please refer the link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10292&Mode=0>

**RBI Master Circular No. DBR.No. BP.BC.83/21.06.201/2015-16 dated 1st March, 2016 – Basel III Capital Regulations – Revision**

RBI has taken a review of the Basel III regulations and revised guidelines in this regard have been issued. It has been decided to align, to some extent, the current regulations on treatment of these balance sheet items, for the purpose of regulatory capital, with the BCBS guidelines. The said amendments deal

with treatment of revaluation reserves, treatment of foreign currency translation reserve and treatment of deferred tax assets for the purpose of CET 1 capital. For a complete text of the circular, please refer the link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10294&Mode=0>

**RBI Master Direction No. DBR.Dir.No. 85/13.03.00/2015-16 dated 3rd March, 2016 – Reserve Bank of India (Interest Rate on Advances) Directions, 2016**

**RBI Master Direction No. DBR.Dir.No. 84/13.03.00/2015-16 dated 3rd March, 2016 – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016**

RBI has released these set of directions which comprehensively cover all regulations pertaining to interest rates on advances and deposits. These directions are applicable to Scheduled Commercial Banks only at present. For a complete text of the direction, please refer the links: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10295&Mode=0> and <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10296&Mode=0>

## CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)

### 1. FINANCE BILL, 2016

#### 1.1. Rate of interest

Section 11AA of Central Excise Act, 1944 (CEA) provides for payment of interest in cases of delayed payment of duty. The rate of interest is rationalised to 15% p.a. with effect from 1/4/2016 as against 18%.

(Notification No. 15/2016-CE (NT) dated 1st March, 2016)

#### 1.2. Annual return

Presently, specified manufacturers are required to furnish to the Superintendent of Central Excise, annually by 30th April of each financial year, a declaration about goods manufactured or to be manufactured, details of principle inputs and quantitative details of such inputs and finished goods. Also, a monthly return of principle inputs received and consumed with respect to goods manufactured has to be submitted.

Now, with effect from 1/4/2016, specified manufacturers or service providers shall submit to the Superintendent of Central Excise, one single annual return for each financial year, by 30th November of succeeding year.

(Notification No. 8/2016-CE(NT) dated 1st March, 2016)

#### 1.3. Revised returns

Rule 12 of Central Excise Rules, 2002, provides for types, format of returns which are required to be filed under Central Excise Laws. Existing rule does not provide for filing of revised returns. A new sub-rule (8) has been introduced with effect from 1/4/2016 which allows assessee (including 100% EOU – Rule 17(6)) to file revised return (including annual return) by the end of the calendar month in which the original return is filed.

It has been further proposed that, the 'relevant date' for issuance of Show Cause Notice (SCN), will be the date of submission of revised return.

(Notification No. 8/2016-CE(NT) dated 1st March, 2016)

#### 1.4. Single registration facility to interlinked manufacturing set ups

Presently, Section 6 of CEA read with Rule 9 of Central Excise Rules, 2002, prescribes compulsory registration of manufacturers

and other specified persons. As per Notification No. 36/2001-CE (NT) dated 26/6/2001, if 2 or more premises of same factory are separated by public road, railway line or canal, the Principal Commissioner/Commissioner may allow a single registration.

Now, with effect from 1/3/2016, a single registration would be granted if 2 or more premises are located within a close area in the jurisdiction of a Range Superintendent subject to following conditions:

- Manufacturing process is interlinked and
- Units are not availing benefit of area based exemptions

(Notification No. 19/2016 CE (NT) dated 1/3/2016)

### 1.5. Increase in normal period of limitation for issuance of SCN

Hitherto, SCN may be issued u/s. 11A of CEA within 1 year from the relevant date in *bona fide* cases. However, in respect of cases involving *mala fide* intentions, SCN may be issued within 5 years from the relevant date. Now, it is proposed to increase the time limit of 1 year to 2 years for issuance of SCN i.e. normal period of limitation is proposed to be increased to 2 years from the relevant date. However, in case of cases of *mala fides*, the period continues to be 5 years even post amendment.

The amendment would be effective from the date of enactment of Finance Bill, 2016.

The increase in time limit would provide more time to departmental officers to issue SCN. During the transitional period, department now has liberty to issue SCNs to assessee even for past dues which have already crossed the present time limit of 1 year.

### 1.6. Indirect Tax Dispute Resolution Scheme, 2016

The scheme is applicable to appeals pending before Commissioner (Appeals) as on 1/3/2016. The declaration has to be made till 31/12/2016. The scheme would be effective from 1/6/2016 and the declarant will get immunity from all proceedings under CEA subject to specified exclusions and conditions. The applicant shall pay tax along with interest at applicable rate and 25% of penalty imposed in the order within 15 days of acknowledgement of declaration.

Since the Scheme does not appear to be attractive, the relief is expected for pending litigation of penalties only.

### 2. AMENDMENTS TO CENTRAL EXCISE RULES, 2002

- Rule 11(8) of Central Excise Rules, 2002 has been amended to dispense with the requirement of carrying of self-certified copy of duplicate invoice for transportation in case the invoice is digitally signed with effect from 1/4/2016
- Rule 26 (1) of Central Excise Rules, 2002, has been amended to provide that in cases where the proceedings have been concluded against the person liable for duty then penalty proceedings initiated against other persons will also be dropped with effect from 1/4/2016.
- As per Central Excise Rules, 2002, in case of provisional assessment, interest needs to be paid from the first day of the month succeeding the month for which such amount is determined, till the date of payment thereof. Now, with effect from 1/3/2016, interest would be paid for the period starting with the first day after the due date till the date of actual payment, whether such amount is paid before or after the issue of order for final assessment.

(Notification No. 8/2016 – CE(NT) dated 1st March, 2016)

### 3. AMENDMENTS TO CENVAT CREDIT RULES, 2004

CENVAT Credit Rules, 2004 have undergone a sea change *vide* Union Budget 2016-17. Few CENVAT Credit amendments made are as under:

#### • Credit of National Calamity Contingent Duty (NCCD)

Credit of all Creditable duties and cesses is available for payment of NCCD. However, for push button mobiles (Tariff ID 85171210) and accessories and parts thereof (Tariff ID 85171290), only Credit of NCCD could be utilised for payment of NCCD. Now, with effect from 1/3/2016, for payment of NCCD (leviable under Section 136 of the Finance Act, 2001) on all specified goods, Credit of NCCD can only be utilised.

#### • Removal of goods from the factory of job worker

Normally, a principal manufacturer can clear goods from job worker's premises with the permission of AC/DC. The permission of AC/DC is valid for a financial year. Now, with effect from 1/4/2016, the permission given by AC/DC for clearance of goods from the premises of job worker will be valid for 3 financial years.

#### • Credit on moulds, dies, jigs, fixtures etc. when sent directly to other manufacturer or job worker

Credit is allowed in respect of inputs and capital goods sent directly to another manufacturer or to a job worker without bringing the same in his factory. Now, with effect from 1/4/2016, Credit will also be allowed on moulds, dies, jigs, fixtures, etc. sent directly to other manufacturer or job worker without bringing the same to his factory.

#### • Credit on inputs and capital goods for pumping of water for captive use

Inputs and Capital Goods must be used within the factory premises except where such goods are used in production of electricity outside the factory premises which is to be captively consumed. Now, with effect from 1/4/2016, Credit of inputs and Capital Goods used for pumping of water for captive use in the factory is also allowed where such capital goods are installed outside the factory.

(Notification No. 13/2016 – CE(NT) dated 1st March, 2016)

### 4. TARIFF AMENDMENTS

#### 4.1. Introduction of Central Excise Duty on Jewellery

Duty of excise @ 1% (without CENVAT Credit) or 12.5% (with CENVAT Credit) is introduced on articles of Jewellery (Other than Silver Jewellery) with effect from 1/3/2016. An exemption from payment of duty has been granted to jewellery manufacturers for the initial clearances up to ₹ 6 crore provided the total value of clearances is less than ₹ 12 crore in previous financial year. For the month of March, 2016, the limit of 6 crore is proportionately kept at ₹ 50 lakh. Also, Tariff value as prescribed earlier for jewellery @ 30% of transaction value has been omitted. Further, various facilities such as centralised registration, registration of retail shops etc. is provided for trade facilitation.

(Notification No. 12/2016 – CE dated 1st March, 2016 and Notification No. 7/2016-CE(NT) dated 1st March, 2016)

#### 4.2. Introduction of Central Excise Duty on Branded Textile articles

Duty of Central Excise @ 2% (without CENVAT Credit) or 12.5% (with CENVAT Credit) is introduced on articles of textile

with effect from 1/3/2016. The tariff value is fixed @ 60% of RSP. For the month of March, 2016, the manufacturer is granted exemption for the initial clearances up to ₹ 12.5 Lakh provided the total value of clearances in previous year is less than ₹ 4 crore (Small Scale Industries Exemption).

An exemption from payment of duty has been granted to goods having RSP up to ₹ 999/- irrespective of the fact whether the goods are bearing brand name/sold under the brand name or otherwise. Exemption in respect of unbranded goods has been continued.

(Notification Nos. 7/2016-CE, 8/2016 – CE, 9/2016 – CE, 15/2016-CE and 11/2016–CE(T.) dated 1st March, 2016)

#### 4.3. Introduction of Infrastructure Cess (IC)

IC will be levied as a duty of excise and will be applicable on motor vehicles (Tariff ID 8703) with effect from 1/3/2016. Effective rate of IC will be as follows:

Rate of IC	Type of goods
NIL	3 wheeled vehicles, electrically operated vehicles, hybrid vehicles and other specially designed vehicles
1%	Petrol/LPG/CNG driven motor vehicles, having length less than 4m & engine capacity not exceeding 1200cc
2%	Diesel driven motor vehicles, having length less than 4m & engine capacity not exceeding 1500cc
4%	All other categories of motor vehicles

Consequently, CENVAT Credit Rules, 2004 (CCR) are amended to provide that IC will not be eligible for Credit and it cannot be paid through utilisation of Credit.

(Notification No. 1/2016 – Infrastructure Cess dated 1st March, 2016)

#### 4.4. Incidence on clean energy cess enhanced

Clean Energy Cess as levied on coal, lignite and peat has been renamed as 'clean environment cess' and its incidence increased from ₹ 200 per tonne to ₹ 400 per tonne.

(Notification No. 1/2016–clean energy cess dated 1st March, 2016)

#### 4.5. Changes in RSP based valuation

a) Following goods have been added for the RSP based assessment with effect from 1/3/2016:

- Aluminium foils of thickness not exceeding 0.2 mm (Tariff ID: 7607) with an abatement of 25%
- Smart watches (Tariff ID: 851762) with an abatement of 35%

b) Accessories of following goods are taxable under RSP based taxation with effect from 1/3/2006 and accordingly, the Third Schedule to Central Excise Tariff Act, 1985 is amended with effect from 1/3/2006:

- Tyres of works truck
- Fork lift truck
- Self-propelled bulldozers, excavators, road rollers etc.
- Pile drivers & pile extractor.

c) With effect from 1/3/2016, for all types of footwear, the abatement rate has been increased from 25% to 30% of RSP.

(Notification Nos. 11/2016-CE(NT) and 12/2016-CE(NT) dated 1st March, 2016)

**SERVICE TAX**

(Contributed by CA. Rajiv Luthia)

**SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS**

Following changes are effective from 1st March, 2016

**Central Government, vide Notification No. 9/2016-ST dated 1st March, 2016** has made following amendments to Mega Exemption Notification No. 25/2012-ST dated 20th June, 2012:

- Entry No. 9B is inserted to grant exemption to services provided by Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme,
  - (a) Two year full time residential Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT), conducted by Indian Institute of Management;
  - (b) Fellow programme in Management;
  - (c) Five year integrated programme in Management.
- Entry No. 12A is inserted to grant exemption to services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of
  - i) A civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;
  - ii) A structure predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment;
  - iii) A residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation I to Section 65B(44).

Provided under a contract entered into before 1st March, 2015 on which appropriate stamp duty, wherever applicable, has paid before 1st March, 2015. The said exemption would be valid till 31st March, 2020.

- Entry Nos. 13 (ba) & 13(bb) are inserted in Mega Exemption Notification to grant exemption to services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of
  - i) A civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation" under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers.
  - ii) A civil structure or any other original works pertaining to the "Beneficiary-led individual house construction /enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana".
- Entry No. 14(a) granting exemption to services by way of construction, erection, commissioning, or installation of original works pertaining to railways, including monorail or metro is amended to restrict the exemption only to railways thereby services related to monorail or metro would be taxable. However, in respect of contracts for such services which were entered into before 1st March, 2016

on which appropriate stamp duty is paid shall continue to remain exempt.

- Entry No. 14(ca) is inserted to grant exemption to services by way of construction, erection, commissioning, or installation of original works pertaining to low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under:
  - i) The "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;
  - iii) Any housing scheme of a State Government.
- Entry No. 14A is inserted to grant exemption to services by way of construction, erection, commissioning, or installation of original works pertaining to an airport or port provided under a contract entered into before 1st March, 2015 on which appropriate stamp duty, wherever applicable, has paid before 1st March, 2015 subject to condition that the Ministry of Civil Aviation or, as the case may be, the Ministry of Shipping in the Government of India certifies that the contract had been entered into before the 1st day of March, 2015. The said exemption would be valid till 31st March, 2020.

**Central Government, vide Notification No. 10/2016-ST dated 1st March, 2016**, has amended Point of Taxation Rules, 2011 whereby 2 Explanations are inserted in Rule 5 to provide that the said rule shall apply *mutatis mutandis* in case of new levy on services & new levy or tax shall be payable on all the cases other than specified therein.

**Central Government, vide Notification No. 11/2016-ST dated 1st March, 2016**, has granted exemption to service in relation to Information Technology Software when such Information Technology Software is recorded on a media under Chapter 85 of the First Schedule to the CETA, 1985, on which it is required, under the provisions of the Legal Metrology Act, 2009 or the rules made thereunder or under any other law for the time being in force, to declare on package of such media thereof, the retail sale price, from whole of the service tax subject to the condition that

- (i) The value of the package of such media domestically produced or imported, for the purposes of levy of excise duty or the additional customs duty leviable u/s. 3(1) the CTA, 1975, if imported, as the case may be, has been determined u/s. 4A of the CE Act, 1944; and
- (ii) (a) The appropriate duties of excise on such value have been paid by the manufacturer, duplicator or the person holding the copyright to such software, as the case may be, in respect of such media manufactured in India; or
  - (b) The appropriate duties of customs including the additional duty of customs on such value, have been paid by the importer in respect of such media which has been imported into India;
- (iii) A declaration made by the service provider on the invoice relating to such service that no amount in excess of the retail sale price declared on such media has been recovered from the customer.

**Central Government, vide Notification No. 15/2016-ST dated 1st March, 2016** has appointed 1st April, 2016 as the date from which the Section 65B(49) defining "support service" shall be omitted. Consequently, suitable amendments are made in



Notification No. 30/2012-ST dated 20th June, 2012 related to payment of Service Tax under Reverse Charge Mechanism & Rule 2(1)(d)(i)(E) of the Service Tax Rules, 1994 to omit the reference to term "support service" vide Notification No. 16/2016-ST, Notification No. 17/2016-ST & 18/2016-ST all dated 1st March, 2016.

**Tax Research Unit of Ministry of Finance, Government of India, in Para 15.1 of F. No. 334/8/2016-TRU dated 29th February, 2016**, has clarified that incentives received by the Air Travel Agents (ATAs) from the Companies providing Computer Reservation System (CCRS) are for using the software and platform provided by the CCRS like Galileo, Amadeus, etc. The CCRS are providing these incentives either for achieving the targeted booking of air tickets or for loyalty for booking of air tickets using their software system. Thus, the service provided by CCRS is to the Airlines and Air Travel Agent is promoting the service provided by CCRS to Airlines. Thus, the service provided by the ATAs to CCRS is neither covered in the negative list nor exempt by a notification. Therefore, service tax is leviable on the same.

Tax Research Unit of Ministry of Finance, Government of India, in Para 15.7 of F. No. 334/8/2016-TRU dated 29th February, 2016, has clarified the services provided by the Institutes of Language Management (ILMs) are not covered by Section 66D (l) or Entry 9 of Notification No. 25/2012 - ST as they are not providing pre-school education or education up to higher secondary school (or equivalent) or education for obtaining a qualification recognised by law. It is the schools/colleges/institutions (in which the students take admissions) which provide such education. The ILMs provides services to such educational institutions, which helps such educational institutions in providing services specified in the negative list. Thus, it is clarified that services provided by ILMs are liable to Service Tax.

**Following changes are effective from 8th March, 2016**

Central Government, vide Notification No. 20/2016-ST dated 8th March, 2016, has amended Service Tax Return Form ST-3 to report the levy of Swachh Bharat Cess.

## GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)

### Denial of ITC

Vide Notification No. (GHN-10)VAT-2015-S.11(6)(5)-TH dated 27/1/2016, u/s. 11(6) of the GVAT Act, the ITC on Cigarette made from tobacco is denied wholly in case the goods are sold/resold in the course of inter-state trade and commerce.

## FEMA

(Contributed by CA. Manoj Shah & CA. Sudha G. Bhushan)

### Regulatory Relaxations for Start-ups

The Reserve Bank of India (RBI) vide Press Release dated February 2, 2016, had announced that in case of start-ups, certain permissible transactions under the existing regulatory framework shall be clarified. Accordingly, in order to facilitate ease of doing business, the RBI has issued following clarification in case of start-ups.

### Clarifications relating to acceptance of payments by start-ups

*A.P. (DIR Series) Circular No. 51 dated February 11, 2016*

RBI has various clarifications on accepting payment by a start-up in India on behalf of overseas subsidiaries. For details

of such clarifications please refer to the aforesaid Circular available on RBI website at <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10277&Mode=0>

### Clarifications relating to issue of shares

*A.P. (DIR Series) Circular No. 52 dated February 11, 2016*

#### Issue of shares without cash payment through sweat equity –

- RBI vide Notification No. FEMA.344/2015 RB dated June 11, 2015 has permitted Indian companies to issue sweat equity, subject to conditions, *inter alia*, that the scheme has been drawn either in terms of regulations issued under the Securities Exchange Board of India Act, 1992 in respect of listed companies or the Companies (Share Capital and Debentures) Rules, 2014 notified by the Central Government under the Companies Act 2013 in respect of other companies.

#### Issue of shares against legitimate payment owed –

- Reserve Bank of India vide Notification No. FEMA. 315/2014-RB dated July 10, 2014, has permitted Indian companies to issue equity shares against any other funds payable by the investee company (e.g. payments for use or acquisition of intellectual property rights, for import of goods, payment of dividends, interest payments, consultancy fees, etc.), remittance of which does not require prior permission of the Government of India or RBI under FEMA, 1999 subject to conditions relating to adherence to FDI policy including sectoral caps, pricing guidelines, etc. and applicable tax laws.

### Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2016

*Notification No. FEMA 361/2016-RB dated February 15, 2016*

The Reserve Bank of India has issued Notification No. FEMA 361/2016-RB dated February 15, 2016 amending the original Notification No. FEMA 20/2000-RB to give effect to Press Note No. 7 (2015 Series) issued by the Department of Industrial Policy & Promotion (DIPP) for review of Foreign Direct Investment (FDI) Policy on Investment by Non-Resident Indians (NRIs), Person of Indian Origin (PIOs) and Overseas Citizens of India (OCIs).

Notification No. FEMA 361/2016-RB dated February 15, 2016 is available at <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10288&Mode=0>.

### Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Second Amendment) Regulations 2016

*Notification No. FEMA 362/2016-RB dated February 15, 2016*

The Reserve Bank of India has issued Notification No. FEMA 362/2016-RB dated February 15, 2016 amending the original Notification No. FEMA 20/2000-RB to give effect to Press Note No. 12 (2015 Series) issued by the DIPP for review of FDI Policy on various sectors.

Notification No. FEMA 361/2016-RB dated February 15, 2016 is available at <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10289&Mode=0>.

### Grant of EDF waiver for export of goods free of cost

A.P. (DIR Series) Circular No. 53 dated March 3, 2016

Hitherto, status holders exporter were entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of ₹ 10 lakh or 2% of average annual export realisation during preceding 3 (three) licensing years, whichever is higher.

However, the Government of India *vide* amendment Notification No. 9/2015-2020 dated June 4, 2015, has notified that the status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of ₹ 10 lakh or 2% of average annual export realisation during preceding 3 (three) licensing years whichever is lower. Accordingly, the AD Category-I banks are directed to consider requests from Status Holder exporters for grant of Export Declaration Form (EDF) waiver, for export of goods free of cost based on the revised norm.

### Report of the Expert Committee on Prior Permissions and Regulatory Mechanism released by the DIPP on February 26, 2016

The DIPP had constituted the Expert Committee in April, 2015 to examine the possibility of replacing multiple Prior permissions with a pre-existing regulatory mechanism with adequate safeguard. The said Committee after considering suggestions and inputs from Industry Associations, country specific Chambers, prominent industry leaders, various key stakeholders, various Ministries and State Governments has submitted its report for creating an investor friendly pre-existing regulatory framework replacing multiple prior permissions with adequate safeguards for making India one of the most attractive investment destinations.

The detailed report is available on DIPP website at [http://dipp.nic.in/English/Investor/Ease\\_DoingBusiness/expertCommitteeReport\\_RegulatoryApprovals\\_26February2016.pdf](http://dipp.nic.in/English/Investor/Ease_DoingBusiness/expertCommitteeReport_RegulatoryApprovals_26February2016.pdf).

## CO-OPERATIVE SOCIETY (Contributed by CA. Ramesh Prabhu)

With the efforts of many NGOs and housing activists, the Real Estate (Regulation and Development) Act, 2016 is passed in this budget session in both the Houses. The same being the subject of concurrent list in Schedule 7 of the Constitution, the State regulating law related to construction activities shall become redundant and need to implement the provisions of this Act.

This pioneering legislation has been envisaged to bring accountability and transparency in the sector for improving governance, for protecting consumer interest and speedy mechanism for adjudication of disputes. This is expected to promote professionalism, standardisation and orderly growth which will boost private investment in housing sector.

The key features of this Act:

- (1) Applicability of the Act: Applicable across India to cover both residential and commercial real estate;
- (2) Establishment of Regulatory Authority/Tribunals, Adjudicating Officers to decide the compensation at State/Union territories Level to be represented by applicant in person or through professionals including Chartered Accountants before all the authorities.

- (3) Mandatory registration of real estate projects and real estate agents who intend to sell any plot, apartment or building, with the Real Estate Regulatory Authority
- (4) Mandatory public disclosure norms for all registered projects such as details of promoters, project, layout plan, plan of development works, land status, status of statutory approvals and disclosure of proforma agreements, names and addresses of real estate agents, contractors, architect, structural engineer etc. on the website specially maintained by the Regulatory Authority.
- (5) Punitive provisions such as levy of penalty, imprisonment for not complying with the orders by the developer or by the flat purchasers including deregistration of the project and penalties in case of contravention of provisions of the Act or the orders of the Authority or Tribunal;
- (6) Provision for barring jurisdiction of court and any authority from entertaining complaints in respect of matters covered under the Act;
- (7) Appropriate State/Central Govt. for UT have powers to make rules over subjects specified in the Act; Regulatory Authority to have powers to make regulations;
- (8) The promoters, developers and the customers shall adhere to the provisions of this Act for better transparency and for development of real estate sector across India.

Professional Opportunities for CAs:

- (1) Audit of every Project Account by CAs: As per section 4(d) of the said Act, 70% or more of the amount realised on sale of the flats need to be deposited in a separate escrow account to cover the cost of construction and shall be used exclusively for that project only. It is also provided that the Promoter shall get his accounts audited: within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for that project and the withdrawal has been in compliance with the proportion to the per centage of the completion of the project. Therefore, now every project account of whether proprietor, partnership, trust, company need to be separately audited by a CA and is a great professional opportunities.
- (2) Representation Before the Regulatory Authority, Appellate Tribunal and Adjudicating Officer:
  - As per Section 56 of the said Act, the applicant or appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal or the Regulatory Authority or the Adjudicating Officer as the case may be.

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**DIRECT TAX**

(Contributed by

CA. Paras K. Savla & CA. Lalchand Choudhary)

**Supreme Court**

**S. 12 AA**

It was held that non-disposal of registration application u/s. 12AA by revenue authorities within statutory time line, charitable trust would be deemed to have been registered on the date when 6 months from the date of application ends – *CIT vs. society for the Promotion of Education C.A. 1478 of 2016 order dated 16/2/2016*.

**S. 80-IB Deduction of subsidies**

The subsidies which go to reimbursement of cost in the production of goods of a particular business would be taxable under the head "Profits and Gains of Business or Profession", and not under the head "Income from Other Sources". Deduction u/s. 80-IB is allowable on revenue subsidies, so received from the Government by contending that subsidies were directly relatable to cost of manufacture and/or sale of products – *CIT vs. Meghalaya Steels Ltd. [2016] 67 taxmann.com 158 (SC)*.

**S. 147 No reassessment without original assessment**

Where no assessment order passed, there cannot be a notice for reassessment in as much as the question of reassessment arises only when there is an assessment in the first instance – *Standard Chartered Finance Ltd. vs. CIT [2016] 67 taxmann.com 54 (SC)*.

**High Courts**

**S. 11(6) Depreciation on assets held by charitable trust**

It was held that newly introduced Section 11(6) of the Act, not allowing depreciation in respect of any asset, acquisition of which has been claimed as an application of income, is prospective in nature and operates with effect from 1/4/2015 – *DIT(E) vs. Al-Ameen Charitable Fund Trust [2016] 67 taxmann.com 160 (Karnataka)*.

**S. 45(4) Conversion of Partnership firm into Company**

The partners have taken equity shares in the private limited company on conversion of firm into company. Therefore, whatever rights that they had in the capital assets of the firm by way of being its partners, continue to exist in the form of equity shares that they held in the private limited company. In other words, one form of ownership that they had as partners of the partnership firm, got converted into another form. Hence, this is not a case where there was either a transfer of a capital asset or the distribution of a capital asset – *Pipelines India vs. ACIT [2016] 67 taxmann.com 112 (Madras)*.

**S. 45(4) Conversion of firm into company**

In absence of there being distribution of capital assets, on conversion of partnership firm into private company, no tax liability arises on conversion – *DCIT vs. R. L. Kalathia & Co. [2016] 66 taxmann.com 249 (Gujarat)*.

**S. 74 Set off of gains on depreciable assets against bought forward long term loss**

For purposes of Section 74 of the Act, the deemed short term capital gain arising on transfer of long term depreciable assets continues to be long term capital gain. The deeming fiction under Section 50 is restricted only to the mode of computation of capital gains contained in Sections 48 and 49 of the Act. It does not change the character of the capital gain from that of being a long term capital gain into a short term capital gain for

purpose other than Section 50 of the Act. Accordingly it was held assessee was entitled to claim set off deemed short term capital gain arising out of sale of depreciable assets against the brought forward long-term capital losses and unabsorbed depreciation – *CIT vs. Parrys (Eastern) (P.) Ltd [2016] 66 taxmann.com 330 (Mumbai)*.

**S. 201 Assessee in default**

In terms of Circular 5 of 2010, the proviso to Section 201(3) cannot be interpreted, in such way that so as, to enable it to initiate proceedings for declaring an assessee to be an assessee in default under Section 201 of the Act for a period earlier than four years prior to 31st March, 2011. Revenues contention, Circular 5 of 2010 of CBDT clarifying that the proviso to Section 201(3) of the Act was meant to expand the time limit for completing the proceedings and passing orders in relation to 'pending cases', cannot be accepted.

High Court also observed that there is no question of 'harmonious construction' of a Circular issued by the CBDT. At best, it is an external aid of construction of Section 201(3) and the proviso thereto. The Circular also gives an instance of contrary understanding of the legal position by the Department itself. It is well-settled that if a Circular issued by the Department favours an assessee then it should be so done even where such interpretation goes contrary to the legislative intent - *Vodafone Essar Mobile Services Ltd. vs. UOI [2016] 67 taxmann.com 124 (Delhi)*.

**S. 148 Challenging reassessment proceedings**

It is open for the petitioner to challenge a reassessment proceedings as being without jurisdiction for absence of reason to believe even in case where the assessment has been completed earlier by issue of intimation under Section 143(1) – *Khubchandani Healthparks Pvt. Ltd. vs. ITO Bombay HC W. P. No. 3027 of 2015 Order dated 10/2/2016*.

**INTERNATIONAL TAXATION**

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

**DDIT vs. MSV International INC [TS-78-ITAT-2016 (DEL)] dated 12th February, 2016**

**Facts**

The assessee is a foreign company incorporated in USA and is engaged in the business of providing consultancy services in the areas of highways, transportation, water supply, waste management etc. The assessee has set up several projects offices in India to carry on its activities in India.

The assessee filed its return of income and shown in the P&L Account, income from Consultancy and Engineering Services and claimed related expenses.

AO taxed consultancy charges and engineering services accrued from NH-45 Projects of the assessee as fees for technical services @ 20% u/s 44D r.w.s. 115A of the Act and proportionate expenses in relation to that receipt were disallowed, as the income is required to be taxed on gross basis and no expenditure to be allowed u/s. 44D of the Act.

The assessee being aggrieved with the order of AO preferred an appeal before CIT(A). CIT(A) after considering the provision of Section 9(1) (vii), Section 44D, Section 44DA and various decisions has held that the gross receipts of the assessee is covered by the exclusion provided in the definition of fees for

technical services as per Explanation 2 of Section 9(1) (vii) of the Income-tax Act and therefore same cannot be taxed as fees for technical services. Thus it held the same is taxable as normal business profit of the assessee.

Aggrieved by the decision of the order of CIT(A), Revenue filed an appeal with Delhi Tribunal.

#### Issue

Whether the amount received by the assessee from NH-45 project is chargeable to tax u/s. 44D of the Act or under the normal provision of taxation?

Whether the same is fees for technical services as per Section 9(1)(vii) of the Act?

Whether benefit of Indo-US DTAA is available to the assessee?

#### Held

Considering the contention of revenue, assessee & CIT(A) order, Tribunal rejected Revenue's contention that income derived by the assessee from construction project should be taxed as fees for technical services ('FTS') in terms of Explanation 2 of Section 9(i) (vii).

Undenyingly the services rendered by the assessee are technical in nature but merely because the services are technical in nature they do not become fees for technical services in accordance with the provision of Expl. 2 to Section 9 (1) (vii) of the Act. Thus the services fall outside the exceptions carved as construction activity.

There is no imparting of technical skill which is absorbed by the receiver thereby enabling it to deploy similar technology in future without depending on assessee and thus averment of AO that the services rendered are "made available" is not correct. Thus these payments do not qualify as FTS under Article 12(4) of Indo-US DTAA as "make available" test is not satisfied.

ITAT held that as per the provision of Section 44D r.w.s 9(1) (vii) of the Act assessee's receipt from NH-45 is not taxable as FTS but under normal provision of Income-tax Act as business income. Hence, Revenue's appeal is dismissed.

**Datamine International Ltd. vs. ADIT TS-130-ITAT-2016(DEL) dated 14th March, 2016**

#### Facts of the Case

The assessee, Datamine International Ltd. is a branch office of Datamine International Ltd., (UK), which is a subsidiary of Datamine International Ltd., (UK) (corporation). Assessee provides specialised mining software solutions, developed by its Group, to mining industry in India.

Assessee in its books declared its income as 'Software sales'.

But the AO was of view that the assessee sold copyright itself and not copyrighted articles as software licensed for use were specialised software having special purpose usage in mining activity covering full scope of mining from the exploration, drill hole extending up to shipping.

AO thus held that consideration received by assessee was 'Royalty' as per Section 9 and also under Article 13(3)(a) of Indo-UK DTAA.

The DRP also rejected the assessee's claim.

Aggrieved, assessee preferred an appeal before Delhi ITAT.

#### Issue

Whether the income earned by the assessee was income from

sale of software skills or royalty under Section 9 of the Income-tax Act and under Article 13(3)(a) of the Indo-UK DTAA?

#### Held

There were two types of Agreements, "Distributor agreement" (whereby assessee-branch purchased software from UK parent) and the "End user agreement" (whereby assessee-branch sold software to end-users).

Distributors Agreement mentioned that it is a not Royalty Agreement as it confers no rights upon the Distributor to use or incorporate in any way any of the ideas or technology contained within the Products. In case of end user agreement ITAT observed that end user was permitted to install the software on any number of computers, but with the qualification that he cannot operate/execute simultaneous copies of the software product more than the purchased sets.

ITAT noted end-users merely have right to use the product under license, also observes that customers were not assigned any of the rights mentioned u/s. 14 of the Copyright Act so as to constitute an assignment of a copyright by UK parent and 'royalty' definition under India-UK DTAA does not include consideration use of software, referring to various other DTAA's.

Thus Delhi ITAT ruled that revenue from 'software sale' by assessee to Indian customers not royalty under Article 13 of India-UK DTAA and upholds assessee's act of treating it as 'business receipts'. Further since assessee constitutes UK company's PE in India, holds that amount shall be taxable under Article 7 as 'Business profits' and not under Article 13.

Hence the ITAT ruled in favour of assessee.

### SERVICE TAX

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

#### Clearing and Forwarding Agent

The assessee in the present case was a packing station which was mainly engaged in receiving cements in bulk and storing the same and distributing it as per instructions of ACC (assessee's client). It had also entered into an arrangement with Indian Railways whereby it had made investment in 125 railway wagons for which the Railways had agreed to grant a rebate of 22.5% of the freight received by it from ACC for transportation of cements. Under the arrangement ACC was required to pay 77.5% of the freight to Railways and 22.5% of the freight to the assessee. The Revenue had sought to tax the amount of rebate received by it from ACC on the grounds that the same was in the nature of consideration received for providing clearing and forwarding services. On appeal the Tribunal held that the freight rebate payable to the assessee is on account of its investments in the railway wagons and the same is not for provision of any service to ACC. Merely because the amount is routed through ACC it cannot be said to be a consideration for clearing and forwarding services.

The assessee had received certain handling charges from ACC for making available certain facilities such as special wagons, specialising equipments for use of ACC. The revenue had sought to demand service tax on these charges under the category of clearing and forwarding services. On appeal the Tribunal negated the department's contention by observing that only services rendered by way of clearing and handling of goods would be liable for service tax under the category of clearing and forwarding services. Since the assessee had only made

available its facilities to ACC no service tax would be payable by it under the category of clearing and forwarding services.

[*CST vs. Bulk Cement Ltd. (2015) 39 STR 616 (Tri.-Mumbai)*].

#### Commercial or industrial construction services

In this case the Tribunal observed as follows –

- Painting of buildings would be covered under the expression 'completion and finishing services' as defined in 'construction of commercial complex' services/ 'commercial or industrial construction services'. However, painting activity carried out for residential quarters which does not fall within the meaning of residential complex would not be liable for service tax;
- Painting of buildings belonging to railways and bus-stands (transport terminals) would not be liable for service tax in view of the specific exclusion from the definition of commercial or industrial construction services;
- Painting of plant and machinery belonging to Nashik Thermal Power Station used for generation of electricity would not be liable for service tax under commercial / industrial construction services since Nashik Thermal Power Station cannot be said to be engaged in commercial activity (Relying on Board Circular No. 80/10/2004-ST dated 17/9/2004;
- Activity of laying drainage lines cannot be said to be in the nature of laying pipeline and hence the same would not be taxable under the category of commercial or industrial construction services

[*P. B. Rathod vs. CCE (2015) 39 STR 650 (Tri.-Mumbai)*]

#### Commercial training and coaching services

Where the assessee was engaged in conducting courses which imparted skills to the students in the field of practical accounting, auditing, etc which enabled them to get employment, the Tribunal held that the courses would be covered under the category of Finance Executive in non-engineering trades as notified by the Apprentices (Amendment) Act, 1961 and accordingly the same would be considered as vocational training eligible for exemption under Notification No. 24/2004 dated 10/9/2004 [*CCE vs. Act Careers P. Ltd. (2015) 39 STR 632 (Tri.-Mumbai)*].

#### Online information and database access or retrieval services

The appellant in the present case had a website containing a number of photographs which would be freely viewed but would be available for download for use in ad insertions etc., only on payment of the prescribed charges. The revenue had sought to levy service tax on these charges under the category of 'Online information and database access or retrieval services'. The assessee contested the demand on the ground that it had got a copyright in the photographs and hence amount received by it were for use of copyright and hence would be outside the purview of service tax. On appeal the Tribunal held that –

- The photograph could be downloaded for use in ads etc. only through computer network;
- The appellant used to charge the viewer a fee for downloading the images;
- The photograph contained in the website may be having a copyright but when the photograph is only available in the website for accessing and subsequent downloading, the copyright in such images becomes incidental and the

main activity so far as the appellant's client is concerned is making information available for retrieval.

Accordingly, the services would be liable under the category of 'online information and database access or retrieval' services [*Photolibrary India P. Ltd. vs. CST (2015) 39 STR 637 (Tri.-Mumbai)*]

#### Valuation

Where the assessee had not paid service tax on out of pocket expense incurred by it such as travelling expenses, hotel expense, etc. since it entertained a *bona fide* belief based on the circulars and trade notices issued by the Ministry as were prevalent during the relevant period of time, the Tribunal without examining the merits of the case held that in view of the *bona fide* belief entertained by the assessee, the extended period of limitation was not invocable [*Jones Lang Lasalle Property Cons. (I) P. Ltd. vs. CCE (2015) 39 STR 626 (Tri.-Bang.)*].

#### Penalty

In a revision proceedings where the Commissioner had enhanced the amount of penalty but had given an option to the assessee to pay 25% of the entire penalty amount within 30 days from the date of communication of his order, the Revenue had sought to deny this benefit on the ground that such benefit could not be extended to the assessee in a revisionary proceedings. On appeal the Tribunal held that under the revisionary proceedings the Commissioner had modified the O-I-O. Hence in such circumstances it can be considered that the revisionary proceedings were in continuation of the original proceedings and hence the Commissioner had every right to grant to the assessee the benefit of payment of reduced penalty [*CCE & ST vs. Hyderabad Detective & Security Services (2015) 39 STR 609 (Tri.-Bang.)*].

Where the assessee who was not registered with the Service tax Department but had on being pointed out by the department obtained registration and had also discharged its service tax liability along with interest and had not disputed the same, the Tribunal held that the benefit of non-issuance of show cause notice u/s. 73(3) was extendable to the assessee [*Shree Parvati Construction vs. CCE (2015) 39 STR 648 (Tri.-Mumbai)*].

#### Refund

The assessee had claimed refund of unutilised CENVAT credit in terms of Notification No. 5/2006-CE-NT which was sought to be denied by the Revenue on the ground that during the period of export the appellant was not registered with the service tax department and hence one of the conditions of the notification mentioned in Para 3 thereof (namely the applicant should make an application to the Assistant Commissioner within whose jurisdiction the registered premises from which services are exported) is not satisfied. On appeal the Tribunal held that:

- The said condition does not mean that services should be exported from registered premises;
- There is no prohibition that the services should be exported only from the registered premises.
- In absence of any such requirement under CENVAT Credit Rules, the notification cannot go beyond the powers conferred by Rule 5 of the Cenvat Credit Rules.

Accordingly it was held that refund of CENVAT credit was admissible [*Embitel Technologies (India) Pvt. Ltd. vs. CST (2015) 39 S.T.R. 612 (Tri.-Bang.)*].

Where the revenue had sought to deny refund of CENVAT credit on input services which were availed by the assessee (a SEZ unit) prior to commencement of commercial production the Tribunal held that the appellants were eligible for refund of the same in view of the Gujarat High Court decision in appellant's own case. Further the Tribunal also held that the assessee was eligible to claim refund of the services which were wholly consumed within the SEZ instead of claiming exemption upfront in view of the decision in case of Tata Consultancy Services (2013) 29 STR 393 (Tri.) and Intas Pharma (2013) 32 STR 543(Tri) [*Zydus Technology Ltd. vs. CST (2015) 39 STR 657 (Tri.-Ahmd.)*]

Where the refund of CENVAT credit claimed by the assessee was sought to be denied on two accounts viz., (i) some of the invoices were addressed to the premises which were not registered with the service tax department; and (ii) the amount of refund claimed cannot exceed the amount of CENVAT credit as mentioned in the ST-3 returns, the Tribunal held as follows –

- As regards the invoices addressed to the unregistered premises, since the said premises had subsequently been included in its service tax registration certificate credit availed on the invoices addressed to such premises was admissible; and
- The amount of refund claimed under Rule 5 of the CENVAT credit rules cannot be restricted to credit as disclosed in the return.

[*Cararo Technologies India Pvt. Ltd. vs. CCE (2015) 39 STR 673 (Tri.-Mumbai)*].

In case of refund of service tax paid under reverse charge mechanism, the question of unjust enrichment would not arise [*Radicura Pharmaceuticals Pvt. Ltd. vs. CST (2015) 39 STR 485 (Tri.-Del.)*].

The appellant in the present case was a 100% export oriented unit engaged in the manufacturing and export of absorbent cotton. It was usually clearing the goods under a bond. However, during the period of dispute it had cleared certain goods by availing exemption under Notification No. 30/2004-CE dated 9/7/2004. The Revenue had sought to deny the CENVAT credit by asking the assessee to reverse the credit in terms of Rule 6 of the CENVAT Credit Rules, 2004 on the grounds that the assessee had not cleared their goods under bond but had exported exempted goods. On appeal, the Tribunal considering the intention of the CENVAT Credit Rules, viz., to mitigate the cascading effect of tax and also the intention of the Government not to export taxes held that the manufacturer would be entitled to CENVAT credit availed in respect of inputs used in the manufacture of final product which are exported irrespective of the fact whether the final product is otherwise exempted from the levy of Central Excise Duty [*Lavino Kapur Cottons Pvt. Ltd. vs. CCE (2015) 39 STR 514 (Tri.-Mumbai)*].

#### CENVAT Credit – Reinsurance services

In the present case, the Revenue had sought to deny credit of service tax paid by the assessee, an insurance company on the reinsurance services received by it from overseas reinsurer on the ground that the said services would not constitute as an input service since the reinsurance had taken place after the insurance business was affected. On appeal the Tribunal held as follows:

- The process of issuing an insurance policy and subsequent procurement of reinsurance policy is an integral part of the insurance business. The process of insurance does not

come to an end merely on issuance of insurance policy. It continues till the existence of the term of the policy.

- Obtaining reinsurance is a statutory obligation under Section 101A of the Insurance Act, 1938 and the same is a co-terminus with the insurance policy.

Accordingly the Tribunal held that the reinsurance services would be considered as an input service eligible for CENVAT credit [*PNB Metlife India Insurance Co. Ltd. vs. CCE (2015) 39 STR 561 (Kar.)*].

#### CENVAT Credit

- (1) The assessee in the present case was holding the brand name 'Wagh Bakri' tea. It had permitted the use of its brand name to others for which it charged a royalty and had discharged the service tax thereon under the category of Intellectual Property Right services. It was also engaged in packing of the tea for sale on its own account for which it had availed the services of packers. It had utilised the CENVAT credit paid on such packing services for discharging its tax liability on IPR services which was sought to be denied by the department. On appeal the Tribunal held that considering the factual matrix of the case it cannot be said that packing services were used by the appellant for providing its IPR services and hence the CENVAT credit availed thereon was inadmissible.
- Credit of service tax paid on security services which is a specified service under Rule 6(5) of the CENVAT Credit Rules is admissible unless the same is specifically used for provision of exempted services
- As regards other services e.g. CA services, telephone services used for both trading activity and IPR services – since no separate figures were available only proportionate credit should be taken.

[*Gujarat Tea Depot Co. vs. CST 2015 (39) S.T.R. 629 (Tri.-Ahmd.)*]

- (i) Credit of service tax paid on insurance services availed for insuring business risk (against infidelity and forging of securities) is admissible;
- Credit of service tax paid on telephone services availed at residence of senior officials who are required to be vigilant at all times in view of the inherent business risk is admissible;
- Credit of service tax availed on cable operator services availed at the offices for displaying business channels so as to enable its customers to take informed decisions while dealing with the securities is admissible.

[*Stock Holding Corporation of India Ltd. vs. CST (2015) 39 STR 664 (Tri.-Mumbai)*].

Where the input services invoices based on which the assessee had taken CENVAT credit were wrongly issued in the name of another company by the input service provider the Tribunal observed that denial of credit on this ground alone would be incorrect especially in view of the proviso to Rule 9(2) of the credit rules since on facts it was established that the services were received by the appellant and accounted for in its books and the payment for the same was made by the appellant to the service provider [*Shivraj Cable Network vs. CCE (2015) 39 STR 670 (Tri.-Mumbai)*].





**Ahmednagar:** Seminar on Bank Branch Audit held on 19/3/2016. (L-R): CA. Sujit Firodiya, CA. Abhijit Kelkar, RCM, CA. Jaydeep Shah, Past President, ICAI, CA. Sushil Jain, Mr. B. Z. Bamb, CA. Kiran Bhandari



**Anand:** CA. Pankaj Mordani, CA. Abhay Desai, Faculty, CA. Prakash Shah, Branch Chairman, CA. Milin Mehta, Faculty, Shri Nilesh Patel, Senior Vice President – V.U.I.A., Shri Bhairav Patel, General Secretary – V.U.I.A.



**Akola:** Seminar on Bank Branch Audit on 19/3/2016. (L-R): Shri H. N. Chaudhari, Regional Manager, SBI, CA. Mithun Tekade, CA. Prakash Bhandari, Branch Chairman



**Aurangabad:** Seminar on Union Budget on 5/3/2016. (L-R): CA. Ganesh Shilwant, CA. Renuka Deshpande, Branch Chairperson, Chif Guest Shri S. D. Srivastava, Hon. Principal CIT, CA. N. C. Hegde, CCM, CA. Umesh Sharma, RCM, CA. Sachin Kasliwal, CA. Sachin Lathi



**Baroda:** Women's Day Celebration on 8/3/2016. Ms. Kajal Oza Vaidya - "A Journey from Kitchen to Corporate"



**Gandhidham:** Photograph taken during the Post Union Budget Analysis 2016 on 8/3/2016



**Goa:** Seminar on Bank Branch Audit on 18/3/2016. (L-R): CA. Yeshwant Kamat, Branch Chairman, Shri Siddharth Kunkolienkar, MLA, CA. Santosh Kenkre, CA. Abhijit Kelkar, RCM

**Jalgaon:** Women's Day Special "Talk Show with Women Entrepreneurs" on 8/3/2016, Speakers Dr. Shilpa Bendale, Mrs. Neeta Jain, Dr. Aparna Bhat-Kasar



**Jamnagar:** Seminar on Bank Branch Audit on 12/3/2016. (L-R): CA. Shraddha Mehta, CA. Shriniwas Joshi, Faculty, Past Chairman, WIRC, CA. Bhavik Dholakia, Branch Chairman, CA. Kaushik Goswami



**Kolhapur:** Women's Day 8/3/2016. (L-R): Adv. Sulbha Chipade, Mrs. Jyoti Jadhav, CA. Nilesh Bhalkar, Branch Chairman, CA. Avdhoot Chikodi, Mrs. Ashwini Danigond



**Rajkot:** Change Over Ceremony on 27/2/2016



**Nagpur:** Seminar on Finance Bill-2016 held on 12/3/2016. (L-R): CA. Jiten Saglani, CA. Saket Bagdia, CA. Sanjay Agrawal, CA. Umang Agrawal, Dr. Girish Ahuja, CA. Jaydeep Shah, Past President, ICAI, CA. Swapnil Ghate, Branch Chairman, CA. Abhijit Kelkar, RCM, CA. Julfesh Shah, CA. Sandeep Jotwani, CA. Kirit Kalyani



**Nashik:** Group photograph taken during the Hon. Vice President's visit at Nashik Branch. (L-R): CA. Vikrant Kulkarni, RCM, CA. Harshal Surana, CA. Randhir Gujrathi, CA. Prafulla Chhajed, CCM, CA. Mangesh Kinare, CCM, CA. Ravi Rath, Branch Chairman, CA. Nilesh Vikamsey, Vice President, ICAI, CA. O. K. Somani, CA. Mintri, CA. Milan Lunawat, CA. Vikas Hase, CA. Ganesh Zawar, CA. Sandeep Pahade, CA. Anand Zawar, CA. Rekha Patwardhan, CA. Rajendra Shete, CA. Rohan Andhale



**Navi Mumbai:** Group photograph taken during the International Women's Day on 8/3/2016.

**Vasai:** Public Meeting on Union Budget held on 6/3/2016. (L-R): CA. Dayaram Paliwal, CA. Bhanwar Borana, CA. Vimal Punmiya, Faculty, CA. Vimal Agrawal, Branch Chairman, CA. Nitesh Kothari, CA. Lalit Bajaj, RCM



**Vapi:** New MCM and Past Chairmen with speakers CA. Nihar Jambusaria & Adv. Sailesh Sheth for the discussion on Finance Bill-2016 on 4/3/2016



CA. Shardul Shah, Shri Uday Bhaskar, Chief Guest, CA. Dilip Shah, Faculty, CA. Nitin Jaishinghani



Adv. Nitee Punde



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CA. Ritesh Hibare, CA. Rakesh Agarwal, Faculty, CA. Mamta Parsekar



**SEMINAR ON STATUTORY AUDIT OF BANK BRANCHES**



CA. Kamal Naulakha, CA. Ketan Saiya, Faculty, CA. Mukund Mall

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CA. Kamlesh Kothari, Ms. Kadambari Deodhar, Faculty, Shri Mayur Nandu, Faculty, CA. Shruti Shah, Chairperson, WIRC, Dr. Hiru Bilani, Faculty, CA. Manish Gadia, RCM

**PUBLIC MEETING ON UNION BUDGET 2016 AT BORIVALI**



CA. Sharad Sheth, CA. Hiren Mehta, CA. Deven Chokshi, Faculty, CA. Durgesh Kabra, Past Chairman, WIRC, CA. Yashesh Jakhelia, CA. Shruti Shah, Chairperson, WIRC, CA. Nihar Jambusaria, CCM & Faculty, CA. Kamlesh Saboo, Secretary, WIRC, CA. Shilpa Shinagare, Treasurer, WIRC, CA. Vandana Dodhia, CA. Abhijit Kelkar, RCM, CA. Lalit Bajaj, RCM & others

**WORKSHOP ON FINANCE BILL, 2016  
(DIRECT TAX PROVISIONS)**



CA. Priti Savla, RCM, CA. Ketan Vajani, CA. Kishor Karia, CA. Avinash Lalwani, President, CTC, CA. Gautam Nayak

**WORKSHOP ON FINANCE BILL, 2016 (INDIRECT TAX PROVISIONS)**



CA. Omprakash Biyani, CA. Vikram Mehta, CA. Akhil Kedia, CA. Rajiv Luthia, CA. Avinash Lalwani, President, CTC, CA. Vipin Jain, CA. Shruti Shah, Chairperson, WIRC, CA. Atul Mehta, CA. Narendra Soni

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**WOMEN'S SPECIAL  
NETWORKING MEET**



CA. Ramnath Iyer, CA. Vijyatta Jaiswal, CA. Sonika Kapoor

**INTERACTIVE MEET**



CA. Ramesh Prabhu, CA. Kamlesh Saboo, Secretary, WIRC, Hon'ble Shri Chandrakant Patil, Minister for Co-operation, CA. Shruti Shah, Chairperson, WIRC, CA. Shilpa Shinagare, Treasurer, WIRC

CA. Shilpa Shinagare, Treasurer, WIRC, CA. Shruti Shah, Chairperson, WIRC, Hon'ble Shri Shekhar Charegaonkar, Chairman, Maharashtra State Cooperatives Council, CA. Kamlesh Saboo, Secretary, WIRC,

## PAST CHAIRMEN MEETING



Group photographs taken during the Regional Chairman's and Regional Head's Meet at Hyderabad on 8/3/2016

### SEMINAR ON PROVISIONS OF BUDGET (DIRECT TAXES)



CA. Mehul Sheth, CA. Bhadresh Doshi, Faculty

### SEMINAR ON PROVISIONS OF BUDGET (INDIRECT TAXES)



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