

Rs. 15/- per copy

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



Visit <http://wirc-ical.org>



WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER



Volume 37 | No. 11 | November, 2011



Diamond Jubilee Conference of WIRC in the Honour of The Past Presidents of ICAI held on 7th & 8th October, 2011



Session – Accounting Challenges Ahead: CA. Rajesh Shah, RCM, CA. Durgesh Kabra, RCM, CA. Rajkumar Adukia, CCM, CA. Y.H. Malegam, Past President, ICAI, CA. M.M. Chitale, Past President, ICAI, CA. Sunil Talati, Past President, ICAI, CA. Mangesh Kinare, RCM, CA. Vishnu Agarwal, RCM.



Session – Auditing Expectation Gap: CA. Parag Raval, RCM, CA. Nilesh Vikamsey, CCM, CA. Shiwaji Zaware, CCM, CA. Arvind Dalal, Past President, ICAI, CA. Sunil Goyal, Past President, ICAI, CA. Jayant Gokhale, CCM, CA. C. V. Pawar, RCM.



Session – Practice in Fiscal Laws: CA. Neel Majithia, RCM, CA. N.C. Hegde, RCM, CA. Dhinal Shah, CCM, CA. P.N. Shah, Past President, ICAI, CA. R. Bupathy, Past President, ICAI, CA. Bhavna Doshi, CCM, CA. Shruti Shah, RCM, CA. Jay Chhaira, RCM.



Session – Looking Forward...: CA. Ashok Jain, RCM, CA. Anil Bhandari, RCM, CA. Sanjeev Maheshwari, CCM, CA. Y.M. Kale, Past President, ICAI, CA. Mahesh Sarda, CCM, CA. Sunil Patodia, RCM, CA. Vishnu Agarwal, RCM.

Lecture Meeting on Revised Schedule VI held on 10th October, 2011



CA. Shardul Shah, Secretary, WIRC, CA. Shrinivas Joshi, Chairman, WIRC, CA. Manoj Fadnis, Faculty, CA. Durgesh Kabra, RCM.

Lecture Meeting on LLP held on 22nd October, 2011



CA. Durgesh Kabra, RCM, CA. Shrinivas Joshi, Chairman, WIRC, Shri Henry Richard, ROC, Shri Santosh Kumar, Registrar of LLP, CA. Jayesh Thakur, Faculty.

Seminar on Intellectual Property Rights held on 15th October, 2011



CA. Sunil Mistry, Adv. Ashwini Sandu, Faculty, CA. Neel Majithia, RCM, CA. Mausam Buch.

Other Speakers



Adv. Rahul Chitnis



Adv. Ashutosh Kane



Adv. Alka Mehta



CHAIRMAN'S



Dear Members & Students,

नास्ति विद्यासमो बन्धुः नास्ति विद्यासमः सुहृत्।

नास्ति विद्यासमं वित्तं नास्ति विद्यासमं सुखम् ॥

The above shloka in Sanskrit clearly states the great importance of knowledge. It says, "There is no brother as good as knowledge, there is no friend as good as knowledge, there is no wealth as good as knowledge and there is no happiness as good as knowledge."

This is why Chartered Accountancy is one of the rare professions which constantly updates itself to absorb, retain and increase its knowledge base. In this regard, WIRC is always looking to show the way forward and makes constant effort to expand its members' and students' knowledge base. To that end, you can also look forward to an outstanding knowledge feast in November and December via the Regional Conference, CA Women's Conference, and National Convention for Students. The Regional Conference will deal with Opportunities in Financial Service Sector, the Role of Professionals in Real Estate Sector, Technology as a Differentiator in Managing profession Practice and Panel Discussions on Managing Professional Practice. The RBI Governor has kindly consented to come as Chief Guest for inaugural function of this Conference. In addition, those who have confirmed include CA. Niranjana Hiranandani, CA. Motilal Oswal and CA. Narendra Aneja. We are also requesting Mr. Rakesh Jhunjhunwala for a key note address. I am sure that the quality of knowledge and wisdom to be disseminated at this Conference at NCPA will tempt every member into attending it.

The CA Women's Conference at Y.B. Chavan Centre will have a panel discussion on how to surmount the difficulties faced by Women CAs. This is also a good opportunity for them to build a fellowship amongst their peers. I am sure all women CAs from the Region would be highly enthusiastic about attending this Conference.

The National Convention for CA Students theme this year is "Breaking The Habit". This Convention is a unique opportunity for students to develop Leadership Qualities through writing papers and coordination activities. Sessions like "Think Different to do Different", "Look Beyond", "Be Versatile", "Be the Change to bring the Change", etc. would add to their knowledge immensely. I look forward to support by CAs in sponsoring maximum number of students for this Convention.

At the same time, I also request you to look at seminars on Information Technology arranged with the support of ISACA, Workshop on XBRL, IT Security and CAAT, Auditing in SAP Environment and Conference on Industry wise IND-AS and newly launched Intensive Course on Real Estate Industry.

काकः कृष्णः पिकः कृष्णः को भेदः पिककाकयोः। वसन्तसमये प्राप्ते काकः काकः पिकः पिकः॥

The poem above means that the Crow and Koel both look black in colour and therefore may be mistaken as each other. However, with the arrival of the spring season (Vasant Ritu) everyone will know the difference by the beautiful singing of Koel.

This analogy makes the perfect comparison that all the knowledge and updation we do will make society understand the difference between CAs and other professionals.

We were all pleased with the honour of felicitating our past presidents in All Presidents' Conference. Their immense contribution was remembered through the Photo Exhibition, their Quotes of Wisdom and Video clippings at the time of Conference.

The Joint Regional Conference at Nagpur was a big success. I thank Nagpur Branch for all the support given to WIRC for arranging this unique event.

On the representation front, Service Tax Commissioner I and Commissioner II visited the Institute premises for interactive meeting with the members. The gist of the discussion is given in this Newsletter. We also had a visit and lecture by ROC-LLP. The material given by the department is uploaded on the WIRC web-site.

With Best Regards,

CA. Shrinivas Y. Joshi



Page 4
Forthcoming
Events

Page 14
Forthcoming
Study Circle
Meetings

Page 15
Forthcoming
Branch
Meetings

Page 17
Bulletin Board

Page 18
Law Updates

Page 22
Recent
Judgements

EDITORIAL BOARD

Editor: CA. Shrinivas Joshi

Joint Editor: CA. Shardul Shah

Members

CA. Bhavna Doshi • CA. Julfesh Shah • CA. Sanjeev Lalan • CA. Mangesh Kinare
• CA. Anil Bhandari • CA. Neel Majithia

OFFICE BEARERS

CA. Shrinivas Joshi, Chairman
CA. Bhailal Patel, Vice-Chairman
CA. Shardul Shah, Secretary
CA. Julfesh Shah, Treasurer

FORTHCOMING events

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

DATE	PROGRAMME	TIME	VENUE	FEES ₹	CPE	PG. NO.
16 & 17/12/2011	26th Regional Conference of WIRC	9.30 a.m. to 6.00 p.m.	Jamshed Bhabha Auditorium, NCPA, Nariman Point	3500	12	05
19/11/2011	Seminar on Business Restructuring	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	06
19/11/2011	CA Women's Conference	10.00 a.m. to 6.00 p.m.	Y. B. Chavan Centre, Jagannath Bhosale Road,	1200	06	06
20/11/2011	Seminar on System Audit under the Payment & Settlement Systems Act, 2007	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade Near Sachivalaya, Mumbai	1000	06	06
21, 23, 25, 28/11/2011	*Seminar on Industry wise IND-AS	2.00 p.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	3500	16	10
25/26/11/2011 2, 3, 9 10/12/2011	Intensive Study Course on Real Estate Industry	5.30 p.m. to 8.45 p.m.	Onyx Hall, Hotel-VITS, A. K. Road, Kondivita Lane, Andheri (E), Mumbai	2500	18	06
26/11/2011	*Seminar on Information System Audit in the BFSI Segment	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	10
26/11/2011	WIRC Diamond Jubilee CA Women's Conference at Thane	10.00 a.m. to 6.00 p.m.	Ambrosia Hall, Satkar Residency, Near Cadbury, Thane	750	06	07
26/11/2011	Workshop of the Quality Review Board	9.00 a.m. to 1.30 p.m.	Hotel Orchid, Near Domestic Airport, Vile Parle, Mumbai	500	04	07
26, 27/11/2011	WIRC Sub-Regional Conference at Aurangabad	9.30 a.m. to 6.00 p.m.	Tapadiya Natya Mandir, Nirala Bazar, Aurangabad	2500	12	08
03/12/2011	*Seminar on KPO	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	10
10/12/2011	Seminar on Service Tax Returns	10.00 a.m. to 6.00 p.m.	Terapanth Bhawan, Thakur Complex, Kandivali (E)	1000	06	07
10/12/2011	*Seminar on EOU, IT Parks & SEZ	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	10
10/12/2011	*Workshop on Hotel and Tourism Industry	10.00 a.m. to 6.00 p.m.	Hotel Sea Princess, Juhu Tara Road, Juhu, Mumbai	2000	06	11
10, 11/12/2011	WIRC Diamond Jubilee Mega Conference-2011 at Surat	10.00 a.m. to 6.00 p.m.	Gandhi Smruti Bhawan, Nanpura, Surat	1250	12	08
24/12/2011	Seminar on Assessment-Reassessment, Revision, Appeal under the Income-tax Act, 1961	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	09
31/12/2011	Half Day Seminar on Re-development and Jointly Development	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	500	03	09
07/01/2012	Seminar on Taxation of Shares & Securities	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	09
07/01/2012	*Full Day Seminar on Private Equity Funds	10.00 a.m. to 6.00 p.m.	Council Hall, ICAI Bhawan, Cuffe Parade	1000	06	11
14/01/2012	Seminar on Derivatives, Commodity & Currency (Accounting of Taxation Aspects)	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade	1000	06	09
STUDENTS PROGRAMME						
24 & 25/11/2011	National Convention for CA Students "Breaking the Habit"	9.00 a.m. to 6.00 p.m.	Yogi Sabhagraha, Swami Narayan Temple, Dadar (E)	500	—	12
SPORTS						
14 & 21/01/2012	Inter Firm Cricket Tournament		Oval Maidan, Churchgate, Mumbai	6000 per team	—	05
*Members in Industry						

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

S. Vaidyanathan Iyer Memorial Lecture on Stress Management

Increase in stress levels and unscheduled lifestyle give rise to different lifestyle problems which at times could prove lethal, especially to those in middle age. With a view to address the problem, we are pleased to announce this interesting lecture under the auspices of Late S. Vaidyanathan Iyer Memorial Fund. The learned faculty shall deal with the causes and preventive measures, keeping professionals in mind.

Day & Date	MONDAY, 28TH NOVEMBER, 2011	
Venue	Babubhai Chinai Hall, 2nd Floor, IMC, Churchgate	
Time	6.00 p.m. to 8.00 p.m.	
Chief Co-ordinators	CA. Shardul Shah 9820287625	CA. Shruti Shah 9892407988 (Regional Council Members)
TOPIC	SPEAKER	

Stress Management through Face Yoga

All Are Cordially Invited With Spouse

ENTRY FREE

Lecture Meeting on Tax Regulations in USA

CPE HRS
02

Day & Date	TUESDAY, 22ND NOVEMBER, 2011
Venue	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 50
Chief Co-ordinators	CA. Shardul Shah 9820287625 CA. Ashok Jain 9833512888 (Regional Council Members)
TOPIC	SPEAKER

Tax Regulations in USA affecting NRIs
Shri Sanket Shah
Managing Director of NS Global

Lecture Meeting on Gold Investment Opportunity

CPE HRS
02

Day & Date	WEDNESDAY, 21ST DECEMBER, 2011
Venue	J.S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	6.00 p.m. to 8.00 p.m.
Fees	₹ 50
Chief Co-ordinators	CA. Sanjeev Lalan 9323525932 CA. Mangesh Kinare 9869070539 (Regional Council Members)
TOPIC	SPEAKER

Gold as an Investment Opportunity
CA. Bhargava N. Vaidya

CPE
HRS
12

26th REGIONAL CONFERENCE OF WIRC



Days & Dates	Friday, 16th & Saturday, 17th December, 2011
Venue	Jamshed Bhabha Auditorium, NCPA, Nariman Point, Mumbai
Time	9.30 a.m. to 6.00 p.m. (Reg. 9.00 a.m. to 9.30 a.m.)
Fees	₹ 3,500/- (inclusive of course material, breakfast & lunch) (Please add ₹ 250/- towards CA Benevolent Fund as Voluntary Contribution)

Chief Co-ordinators:

Office Bearers

Chairman	Vice Chairman	Secretary	Treasurer
CA. Shrinivas Joshi 9821096079	CA. Bhailal Patel 9825033927	CA. Shardul Shah 9820287625	CA. Julfesh Shah 9823096540
Regional Council Members			
CA. Anil Bhandari 9821037605	CA. Ashok Jain 9833512888	CA. C.V. Pawar 9423961209	CA. Dhiraj Khandelwal 9867642684
CA. Dilip Apte 9930314856	CA. Dinesh Gandhi 9822547432	CA. Durgesh Kabra 9869015418	CA. Jay Chhaira 9825196241
CA. Makarand Joshi 9423102957	CA. Mangesh Kinare 9869070539	CA. N. C. Hegde 9820423420	CA. Neel Majithia 9820327660
CA. Parag Raval 9824339200	CA. Rajesh Shah 9825041142	CA. Sanjeev Lalan 9323525932	CA. Shruti Shah 9892407988
CA. Sunil Patodia 9820344085	CA. Vishnu Agarwal 9324544607		

FRIDAY, 16TH DECEMBER, 2011

SATURDAY, 17TH DECEMBER, 2011

INAUGURAL SESSION

AUDIT

Revised Schedule VI	CA. Venkatraman
Revised Audit Report Formats per SA 700, 705, 705 (applicable w.e.f. April 2011)	Eminent Faculty
Value Addition Through Internal Audit	CA. Narendra Aneja

SESSION ON CAPITAL MARKETS & FINANCIAL SERVICES

Key Note Address: Capital Market in India – Future Trends	CA. Rakesh Jhunjhunwala*
Panel Discussion: CA as Professional Financial Advisors	CA. Motilal Oswal
Private Banking & Wealth Management	CA. Nipun Mehta
Broking	CA. Parag Parikh
Mutual Funds	CA. Milind Barve*
Investment Banking	CA. Nilesh Shah

SESSION ON REAL ESTATE

Key Note Address: Real Estate – Role of Professionals	Shri Niranjan Hiranandani
Accounting Issues in Real Estate	CA. P. R. Ramesh
Tax Issues – Direct Tax	CA. Chetan Karia
Tax Issues – Indirect Tax	CA. Parind Mehta

SPECIAL SESSION

Introductions & Mementos	
Changing face of Tax Practice	CA. Milind Mehta
Audit Committee	CA. Dilip Chokshi

SESSION ON MANAGING PRACTICE PROFESSIONALLY

Using Technology as a Differentiator	CA. Ninad Karpe
Panel Discussion: Profession or Business – is the distinction relevant and real?	CA. T.S. Vishwanathan* (PP) Moderator
	CA. T.P. Ostwal
	CA. Bharat Raut
	CA. Sunil Kothare

*Subject to Confirmation



Inter Firm Cricket Tournament

The Annual Inter Firm Limited overs (8-a-side) Cricket Tournament for members, present Article students and also students who have completed their articles and have appeared for November, 2011 CA. exams.

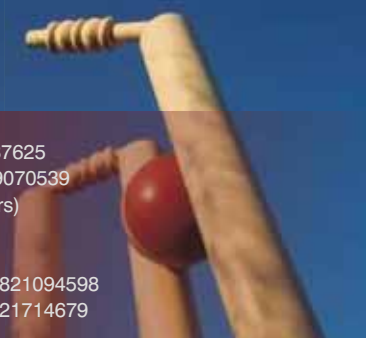
Days & Dates	: Saturday 14th & 21st January, 2012
Venue	: Oval Maidan, Churchgate, Mumbai*
Fees	: ₹ 6000/- per team

Firms interested in participating in the tournament are requested to send in their entries by way of letter giving the names and membership/ B.B. Nos. of the participants. Enrolment will be restricted to sixteen teams strictly on first-come-first-serve basis

*Subject to availability of Ground

Chief Co-ordinators
CA. Shardul Shah 9820287625
CA. Mangesh Kinare 9869070539
(Regional Council Members)

Co-ordinators
CA. Rakesh Upadhyay 9821094598
CA. Deven Gabhawala 9821714679



Seminar on Business Restructuring



DAY & DATE SATURDAY, 19TH NOVEMBER, 2011

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. Vishnu Agarwal 9324544607 (Regional Council Members)
Co-ordinators	CA. Anil Thakrar 9821069878 CA. B.M. Gattani 9323988811 CA. Arun Jain 9821024846 CA. Lalit Dangi 9322243307

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

Seminar on System Audit under the Payment & Settlement Systems Act, 2007



DAY & DATE SUNDAY, 20TH NOVEMBER, 2011

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Neel Majithia 9820327660 CA. Dilip Apte 9930314856 (Regional Council Members)
Co-ordinators	CA Pranay Kochar 9819846198 CA Anand Shenoy 9821076616 CA C.K. Shanbag 9869047101

TOPICS	SPEAKERS
Key Note Speaker–The overview of DPSS and the need for regulation	Eminent Personality
Audit Environment and types of DPSS entities like: • Central Counter party • Cards Payment Network • Cross Border Money Transfer • ATM Networks • Prepaid Instruments	Shri Nanda Mohan Shenoy
Hands on the various aspects of IS Audit of one of the five entities	
Overview of the ATM Payment system	Shri V Babu, EX DGM Bank of India
Future of Payment Systems in India Roadmap/Building a security enabled resilient IT architecture for payment systems	Eminent Faculty
Future of Mobile Payment systems and their security aspects	Shri Dewang Neralla Director Atom Technologies *

* Subject to Confirmation

Supported by ISACA Mumbai Chapter

CPE HRS 6 CA Women's Conference

DAY & DATE	SATURDAY, 19TH NOVEMBER, 2011	
Venue	Y.B. Chavan Centre, Jagannath Bhosale Road, Near Sachivalaya Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,200/- for Members & ₹ 500 for Students (The Fees includes course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinator	CA. Shruti Shah, RCM	9892407988
Co-ordinators	CA. Pooja Gupta	9821504041
	CA. Mamta Parsekar	9820613536
	CA. Priti Savla	9321426883
	CA. Shewta Jain	9920737198

TOPICS	SPEAKERS
INAUGURAL SESSION: Women empowerment	
Chief Guest	Ms. Manisha Girotra, CEO & Country Head, USB Ag (India)
Guest of Honour	Mrs. Deena Mehta Ex BSE President
Innovative Audit Tools and Techniques	CA. Smita Gune
Business Valuation	CA. Nandita Pai
Aspects of Networking	CA. Bhavna Doshi, CCM
Panel Discussion : Multi Tasking by Women -Work Life Balance	CA. T. P. Tarapore, Past Chairperson, WIRC, CA. Deepthi Pai, CA. Bhavna Doshi, CCM Dr. Vasudha Apte (Woman of the Millennium - 2001) Ms. S. Gayathri Group Head-Direct Taxes Essar

Intensive Study Course on Real Estate Industry



DAYS & DATES FRIDAYS 25/11/2011 & 2 & 9/12/2011
SATURDAYS 26/11/2011 & 3 & 10/12/2011

Venue	Onyx Hall, Hotel-VITS, A- K- Road, Kondivita Lane, Andheri (E), Mumbai	
Time	5.30 p.m. to 8.45 p.m. (Reg. 5.00 pm. to 5.30 p.m.)	
Fees	₹ 2,500/- (inclusive of course material & refreshments) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Anil Bhandari 9821037605 (Regional Council Members)	
Co-ordinators	CA. Harsh Bajaj 9821044319 CA Shirish Pandit 9820133126 CA Kamlesh Kothari 9820083144	

DATE	TOPICS	SPEAKERS
25/11/2011	Issues in Service Tax	CA. Naresh Sheth
26/11/2011	Issues in MVAT	CA Govind Goyal
02/12/2011	Issues in Stamp Duty & Registration	Eminent Faculty
03/12/2011	Issues in Income Tax	CA. Bhupendra Shah
09/12/2011	Issues in Accounting	CA. Ramkrishna Prabhu *
10/12/2011	Sources of Funding	CA. Krieshan Grover *

*Subject to Confirmation

Jointly with J. B. Nagar CPE Study Circle

WIRC Diamond Jubilee CA Women's Conference at Thane



DAY & DATE	SATURDAY, 26TH NOVEMBER, 2011	
Venue	Ambrosia Hall, Satkar Residency, Near Cadbury, Thane	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 750/- before 21/11/2011, ₹ 850/- after 21/11/2011 (inclusive of material, breakfast, lunch, etc.) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinator	CA. Shruti Shah, RCM	9892407988
Co-ordinators	CA. Priti Savla	9321426883
	CA. Shilpa Iyer	9820431458
	CA. Varsha Likhite	9892028310
	CA. Ila Chhadwa	9892594517
	CA. Kavita Arasa	9833163826

TOPICS	SPEAKERS	
Women Professionals – Challenges and Way Forward	Smt. V. R. Iyer Executive Director, Central Bank of India CA. Tara Rao Chairperson, WIRC of IFA – India Branch	
SME Finance	CA. Swati Kalke CA. Madhuri Argade	
Effective Use of Technology in Modern Era Mobile- Blackberry/ Tablets, Cloud Computing, Social Networking Sites	CA. Payal Agarwal	
Panel Discussion on Emerging Professional Opportunities in – Direct & International Tax – Indirect Tax – Internal Audit – Company Law – Academics	CA. Bhavna Doshi CCM, ICAI CA. Daksha Bakshi CA. Sujata Rangnekar CA. Sumangali Shah CA. Preeti Oza CA. Pooja Gupta	

Hosted by Thane Branch of WIRC



Workshop of the Quality Review Board



The Government has set up the Quality Review Board, with the objective of improving the quality of the professional work carried out by CA Profession. The QRB has now initiated the process of review of work to be done by the CA Firms. In order to enable members to have better understanding of the way forward, this program has been organized wherein members will also have an opportunity of interacting with QRB Members.

DAY & DATE	SATURDAY, 26TH NOVEMBER, 2011	
Venue	Hotel Orchid, Near Domestic Airport, Vile Parle Mumbai	
Time	09.00 a.m. to 1.30 p.m. (Reg. 9.00 a.m. to 9.30 a.m.)	
Fees	₹ 500/- per member (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	

TOPICS	SPEAKERS	
Inaugural Session Key Note Address	Shri R. Bandyopadhyay, Chairman QRB	
Special Address	CA. G. Ramaswamy President, ICAI	
Address by	CA. Sanjeev Maheshwari CCM, ICAI & Member, QRB	
Technical Session: Audit Quality Review – International Perspective	CA. P. R. Ramesh	
Quality Review – Role and Responsibility of Audit Firms	CA. Amarjit Chopra Past President, ICAI	
Interactive Session	Shri R. Bandyopadhyay, Chairman QRB CA. Amarjit Chopra, Past President, ICAI CA. P. R. Ramesh	

Programme Director:	CA. Sanjeev Maheshwari	9821119043
Programme Co-ordinators:	CA. Sunil Patodia	9820344085
	CA. Dhiraj Khandelwal	9867642684

Organized by Peer Review Board, ICAI
Hosted by WIRC of ICAI

Seminar on Service Tax Returns



DAY & DATE	SATURDAY, 10TH DECEMBER, 2011	
Venue	Terapanth Bhawan, Thakur Complex, Kandivali (E)	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Dhiraj Khandelwal	9867642684
	CA. Vishnu Agarwal	9324544607
	(Regional Council Members)	

Co-ordinators	CA. Pawan Gupta	9323591833
	CA. Manoj Dak	9820913692
	CA. Vidhyut Jain	9892414386

TOPICS	SPEAKERS	
Recent Development in CENVAT Credit	CA. Rajiv Luthia	
Refunds Under Service Tax	CA. Manish Gadia	
Valuations and Point of Taxation	CA. A. R. Krishnan*	
New Development in Work Contract and Construction	CA. Sunil Gabhawalla	

*Subject to Confirmation

Jointly with Borivali Kandivali (E) CPE Study Circle

WIRC Sub-Regional Conference at Aurangabad



DAY & DATE	SATURDAY, 26TH NOVEMBER, 2011 SUNDAY 27TH NOVEMBER, 2011																						
Venue	Tapadiya Natya Mandir, Nirala Bazar, Aurangabad																						
Time	Saturday 9.30 a.m. to 6.00 p.m. Sunday 9.00 a.m. to 4.30 p.m. (Reg. 9.00 a.m. to 9.30 a.m.)																						
Fees	₹ 2,500/- on or before 24th November, 2011 ₹ 2,750/- from 25th November, 2011 onwards (Inclusive of course material, lunch for both days & dinner on Saturday)																						
Chief Co-ordinators	CA. Makrand Joshi 9822202332 CA. Durgesh Kabra 9869015418 Regional Council Members																						
Co-ordinators	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CA. Rahul Lohade 9850909770</td> <td style="width: 33%;">CA. Jayprakash Falor 9422189509</td> <td style="width: 33%;"></td> </tr> <tr> <td>CA. Nikhil Gramle 9922007601</td> <td>CA. Kantilal Badale 9822250393</td> <td></td> </tr> <tr> <td>CA. Gurdeep Singh 9850633099</td> <td>CA. Pandurang Mantri 9423069943</td> <td></td> </tr> <tr> <td>CA. Vijay Rathi 9822228661</td> <td>CA. Vishnu Agrawal 9422296275</td> <td></td> </tr> <tr> <td>CA. Renuka Deshpande 9420809606</td> <td>CA. Rahul Jaju 9823007150</td> <td></td> </tr> <tr> <td>CA. Rajkumar Kothari 9420809151</td> <td>CA. Priti Parekh 9890585411</td> <td></td> </tr> <tr> <td>CA. S.R.Gundalwar 9422112807</td> <td></td> <td></td> </tr> </table>		CA. Rahul Lohade 9850909770	CA. Jayprakash Falor 9422189509		CA. Nikhil Gramle 9922007601	CA. Kantilal Badale 9822250393		CA. Gurdeep Singh 9850633099	CA. Pandurang Mantri 9423069943		CA. Vijay Rathi 9822228661	CA. Vishnu Agrawal 9422296275		CA. Renuka Deshpande 9420809606	CA. Rahul Jaju 9823007150		CA. Rajkumar Kothari 9420809151	CA. Priti Parekh 9890585411		CA. S.R.Gundalwar 9422112807		
CA. Rahul Lohade 9850909770	CA. Jayprakash Falor 9422189509																						
CA. Nikhil Gramle 9922007601	CA. Kantilal Badale 9822250393																						
CA. Gurdeep Singh 9850633099	CA. Pandurang Mantri 9423069943																						
CA. Vijay Rathi 9822228661	CA. Vishnu Agrawal 9422296275																						
CA. Renuka Deshpande 9420809606	CA. Rahul Jaju 9823007150																						
CA. Rajkumar Kothari 9420809151	CA. Priti Parekh 9890585411																						
CA. S.R.Gundalwar 9422112807																							

TOPICS	SPEAKERS
Capital Gain	CA. Girish Ahuja
Landmark Judgments in VAT related to VAT Audit, Refund procedure, Set off Provisions and Issues related to Works Contract	CA. C. B. Thakar
Drafting of Deeds & Agreement, Precautions, Imprecations & Examples	Adv. P. A. Jani
Impact of Negative list of Service Tax whether step towards GST	CA. Rohit Jain
Issues in LBT	CA. Pankaj Dara
Excel for Data Mining & Routine Audit	CA. Nikunj Shah
Code of Ethics, Practical Issues & Precautions	CA. Jayant Gokhale
Launching of Website & Capacity Building for Small & Medium Firms	CA. Atul Bheda*

**Subject to Confirmation*

Cheque /D.D. should be drawn in favour of "WIRC Sub-Regional Conference, Aurangabad" payable at Aurangabad or in favour of "WIRC" & payable at Mumbai. Enrolment fees shall be accepted at WIRC-Mumbai office and at Aurangabad Branch of WIRC of ICAI, Plot No. 88, Opp: DIC, Station Road, MIDC, Aurangabad. (Tel. Fax No. 0240-2342157) & Email-aurangabad@icai.org. For more details visit www.aurangabad-icai.org OR you may also Call Convenor CA. Umesh Sharma – 9822079900

Hosted by Aurangabad Branch of WIRC



WIRC Diamond Jubilee Mega Conference - 2011 at Surat



DAY & DATE	SATURDAY 10th December, 2011 & SUNDAY 11th December, 2011							
Venue	Gandhi Smruti Bhawan, Nanpura, Surat							
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)							
Fees	₹ 1,250/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)							
Chief Co-ordinators	CA. Jay Chhaira 9825196241 CA. Rajesh Shah 9825041142 (Regional Council Members)							
Co-ordinators	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">CA. Hari Shankar Tosniwal 9327140497</td> <td style="width: 33%;">CA. Hrekrushna Bhutwala 9825787911</td> <td style="width: 33%;"></td> </tr> <tr> <td>CA. Nishith Mehta 9825766257</td> <td>CA. D.D. Tamakuwala 9825246952</td> <td></td> </tr> </table>		CA. Hari Shankar Tosniwal 9327140497	CA. Hrekrushna Bhutwala 9825787911		CA. Nishith Mehta 9825766257	CA. D.D. Tamakuwala 9825246952	
CA. Hari Shankar Tosniwal 9327140497	CA. Hrekrushna Bhutwala 9825787911							
CA. Nishith Mehta 9825766257	CA. D.D. Tamakuwala 9825246952							

TOPICS	SPEAKERS
--------	----------

Day 1 : Saturday, 10th December 2011	
--------------------------------------	--

Technical Session – I	
Recent Judgements Appeal before CIT (Appeals), Applicable orders, Procedure in appeal, Additional Evidence, Power of CIT (Appeals)	CA. Ramesh Malpani CA. Sunil Talati, <i>Past President, ICAI</i>

Technical Session - II	
Revised Schedule VI , CARO and Notes to accounts Recent amendments in Service Tax and CENVAT Rules	CA. Amarjit Chopra <i>Past President, ICAI</i> CA. Ashok Batra

Day 2 : Sunday 11th December 2011	
-----------------------------------	--

Technical Session - III	
Business deductions & critical issues in TDS G- VAT – Taxation of Builders and Developers and Audit under G -VAT	Dr. (CA.) Girish Ahuja Shri Nayan Sheth, <i>Advocate High Court*</i>

Technical Session - IV	
Survey, Search & Seizure – Accounting & Assessment issues Formation and Assessment of Trust and Sec. 80G of Income-tax Act, 1961	CA. Jayant Gokhale CCM CA. Dhinal Shah CCM

** Subject to confirmation*

For Registration & Further Details
Surat Branch of WIRC Tel: 02612472932/3207911

Hosted by Surat Branch of WIRC of ICAI



Seminar on Assessment, Reassessment, Revision, Appeal under the Income-tax Act, 1961



DAY & DATE SATURDAY, 24TH DECEMBER, 2011

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Neel Majithia 9820327660 CA. Vishnu Agarwal 9324544607 (Regional Council Members)
Co-ordinators	CA. Pooja Banswani 9922667663 CA. Deepika Bellani 9860006268 CA. Archana Waghmare 9819263515 CA. Nikhil Damle 9820170436

TOPICS	SPEAKERS
Provisions about Assessment	Adv. Mandar Vaidya
Provisions about Reassessment	CA. Deepak Tralshawala
Provisions about Revisions	CA. B. N. Rao
Provisions about Appeal	CA. H. N. Motiwalla

Seminar on Derivatives, Commodity & Currency [Accounting of Taxation Aspects]



DAY & DATE SATURDAY, 14TH JANUARY, 2012

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Sanjeev Lalan 9323525932 CA. Anil Bhandari 9821037605 (Regional Council Members)
Co-ordinators	CA. Punita Bhansal 9323034493 CA. Nimesh Chothani 9321464699 CA. Jeenal Savla 9819431171

TOPICS	SPEAKERS
Concept of Derivatives	CA. Chiryush Bakshi
Risk in Derivatives	Eminent Speaker
Accounting of Derivatives	CA. Shashank Desai
Taxation of Derivatives	CA. Mrugen Trivedi

Seminar on Taxation of Shares & Securities



DAY & DATE SATURDAY, 7TH JANUARY, 2012

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. N. C. Hegde 9820423420 (Regional Council Members)
Co-ordinators	CA. Jignesh Nagda 9930506033 CA. Dinit Karan 9819683328 CA. Prakash Dubey 9930276095

TOPICS	SPEAKERS
Characterization of Income (Coverage to include issues related to treatment of income; Business income vs. Capital Gains; CBDT circular; Speculation – Expl. 2 to sections 28; sec. 43(5); Expl. to Section 73; Issues related to transactions in derivative instruments and Issues related to computation)	CA. Nihar N. Jambusaria
Set-off & carry forward of losses and Section 14A & its implication (vis-a-vis Investor; Trader; Cost of Improvement – interest; Shares held in – Subsidiary; J/V; Supplier of goods, etc.).	CA. Sanjay R. Parikh
Business reorganisation & tax implications on shares / securities (including issues arising out of merger, amalgamation, demerger, capital reduction, buy back and Gift)	CA. Gautam Nayak
Taxation issues relating to non residents (Special mechanism for computation of capital gains; GDR / ADR / FCCB; Applicability of special rates of taxes; TDS u/s. 195. Eligibility of lower rate of tax under the proviso to section 112 to non-residents, Indexation benefit to Zero Coupon Bond)	CA. Vishal Gada

Half Day Seminar on Re-development/ Joint Development



DAY & DATE SATURDAY, 31ST DECEMBER, 2011

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 1.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 500/- (inclusive of course material, breakfast) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Durgesh Kabra 9869015418 CA. Dilip Apte 9930314856 (Regional Council Members)
Co-ordinators	CA. Vikas Vishwaswarao 9892915272 CA. Rishikesh Wandrekar 9892919239

TOPIC	SPEAKER
Legal and Tax Issues in Re-development / Joint Development Section 50C and 56(2)	CA. Tarun Ghia

Seminar on Industry Wise IND-AS



DAYS & DATES	MONDAY 21ST, NOVEMBER, 2011 WEDNESDAY 23RD NOVEMBER, 2011 FRIDAY, 25TH NOVEMBER, 2011 MONDAY, 28TH NOVEMBER, 2011
-------------------------	--

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	2.00 p.m. to 6.00 p.m. (Reg. 1.30 p.m. to 2.00 p.m.)
Fees	₹ 1,000/- per day ₹ 3,500/- for all 4 days (inclusive of course material & refreshments) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Dilip Apte 9930314856 CA. Anil Bhandari 9821037605 (Regional Council Members)
Co-ordinators	CA. Amit Sheth 9869192108 CA. Vishal Shah 8108147065 CA. Dinesh Gandhi 9821240303 CA. Kishor Joshi 9869186849

DATE	TOPICS	SPEAKERS
21/11/2011	Information Technology	Shri Rajiv Shah
23/11/2011	Banking	Shri Newton De Niese
25/11/2011	Retail & Pharmaceuticals	Shri Dhawal Kothari
28/11/2011	Real Estate & Infrastructure	Shri Dinesh Jangid

Seminar on Information System Audit in the BFSI Segment



DAY & DATE	SATURDAY, 26TH NOVEMBER, 2011
-----------------------	--------------------------------------

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Sanjeev Lalan 9323525932 CA. Durgesh Kabra 9869015418 (Regional Council Members)
Co-ordinators	CA. Anand Shenoy 9821076616 CA. C.K. Shanbag 9869047101 CA. Giriraj Soni 9819804353 CA. Jayesh Shah 9819043921

TOPICS	SPEAKERS
IS Audit in Insurance Segment	CA. Sunder Krishnan
IS Audit in Mutual Fund Segment	CA. Ashutosh Pednekar
IS Audit in Banking Segment	CA. Krishnand Bhat
IS Audit in Stock Broking Segment	CA. Pranay Kochar
Auditing Implementation Cycles of Enterprise Applications (ERP)	CA. Devendra Dosi

Supported by ISACA Mumbai Chapter

Seminar on KPO



DAY & DATE	SATURDAY, 3RD DECEMBER, 2011
-----------------------	-------------------------------------

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Ashok Jain 9833512888 (Regional Council Members)
Co-ordinators	CA. Rinkal Gorwara 9821688806 CA. Divya Sukumar 9930604269 CA. Bimlesh Singh 9619614716

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

Seminar on EOU, IT Parks and Special Economic Zone (SEZ)



DAY & DATE	SATURDAY, 10TH DECEMBER, 2011
-----------------------	--------------------------------------

Venue	J. S. Lodha Auditorium, ICAI Bhawan, Cuffe Parade
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)
Fees	₹ 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund as Voluntary Contribution)
Chief Co-ordinators	CA. Mangesh Kinare 9869070539 CA. Neel Majithia 9820327660 (Regional Council Members)
Co-ordinators	CA. Mukund Pol 9324337392 CA. Ankit Kapadia 9867876376 CA. Vikas Vishwasrao 9892915272

TOPICS	SPEAKERS
Legal & Procedural aspects for setting up EOU, IT Parks & SEZ units	Shri Jose Mathew
Issues & Aspects Relating to Direct Tax	CA. Nihar Jambusaria
Issues & Aspects Relating to VAT & Service Tax	CA. Bharat Shemlani
Practical Aspects Relating to EOU, IT Parks & SEZ Benefits under Maharashtra Industrial Policy	CA. Pankaj Majithia

Attention MEMBERS IN INDUSTRY

Workshop on Hotel and Tourism Industry



DAY & DATE	SATURDAY, 10TH DECEMBER, 2011	
Venue	Hotel Sea Princess, Juhu Tara Road, Juhu, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 2,000/- for Members (inclusive of course material, breakfast & lunch) (Please add ₹ 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Anil Bhandari 9821037605 CA. Dhiraj Khandelwal 9867642684 CA. Vishnu Agarwal 9324544607 (Regional Council Members)	
Co-ordinators	CA. Himanshu Chheda 9820676826 CA. Jasmin Chawla 9820585807 CA. Arun Prithwani 9820917280 CA. Amol Kamat 9823018763	
TOPICS	SPEAKERS	
Domestic & International Tax aspect for Hotel & Tourism Industry	CA. Sandeep Bhalla	
Indirect Taxes Issues in the Hotel Industry	CA. Parind Mehta	
Auditing Function and Risk Management in the Hotel & Tourism Industry	CA. Dipak Ghose	
Financial Norms & Venture Capital Fund	CA. Dilip Dusija	

Full Day seminar on Private Equity Funds



DAY & DATE	SATURDAY, 7th JANUARY, 2012	
Venue	Council Hall, ICAI Bhawan, Cuffe Parade	
Time	10.00 a.m. to 6.00 p.m. (Reg. 9.30 a.m. to 10.00 a.m.)	
Fees	₹ 1,000/- (inclusive of course material, breakfast & lunch) (Please add ₹ 100/- towards CA Benevolent Fund)	
Chief Co-ordinators	CA. Sunil Patodia 9820344085 CA. Ashok Jain 9833512888 (Regional Council Members)	
Co-ordinators	CA. Jayesh Shah 9819043921 CA. Y.R. Desai 9820448365 CA. Ramesh Mishra 9820419606	
TOPICS	SPEAKERS	
Different forms of private funding	CA. Raj Shroff	
Fund structures and understanding of key regulatory provisions & Understanding of key tax provisions	CA. Kalpesh Desai	
Key terms negotiated by PE Fund	Shri Vishal Dikshit ZEPHYR Management L.P.	
How to make a client PE investable	CA. Siddharth Bafna	

Meeting with Regulators & Representations

Issues raised regarding form

- CAs are exempt from Service Tax for services of presentation before statutory authority up to 1st July, 2011. The exemption row in ACES portal do not reflect corresponding exemption notification number for after entering service as "Chartered Accountants Service".
- Utilities provided by ACES are not in line with POTR and hence Assessee who have to discharge service tax liability on issue of invoice or payment whichever is earlier basis, finds it difficult, where and how to show the transactions of taxable services in the present ST-3 return.
- Para 5A(d) of ST-3 where Option for payment u/r 6(3) of CENVAT Credit Rules needs to be disclosed, mentions the amount to be paid as 10% or 8% whereas the rate has been changed to 5%.
- No spaces are provided for showing the amount of EC and SHE in para 5AA(A) of ST-3
- In Para 5AA(B) of ST-3 separate rows are not available for disclosing reversal of CENVAT credit.
- All the service tax Returns are now to be filed electronically. However, ACES portal allows period of return from F.Y. 2011-12 and onwards for the Assessee registering in the year 2011-12. Hence assessee who are wish to file Service Tax Return for the earlier period are not able to do so through ACES. Similarly there are difficulties in filing Revised return pertaining to earlier periods.
- ACES does not provide space for showing the amount of taxable services provided and calculating service tax liability pursuant to Service tax Rules 7 for the Assessee discharging service tax liability slabwise such as air travel agents, foreign exchange brokers, etc.
- GTA has to show 75% as abatement in instead of exemption in ST-3 form.
- Extension of date for filing be given until all issues regarding form are resolved.



Interactive Meeting of Commissioners of Service Tax on 12/10/2011 with Commissioner Service Tax I – Mumbai – CA. Sushil Solanki and Commissioner Service Tax II – Mr. W. Hangshing and other dignitaries.

Other Issues raised

- Migration from SAPS to ACES data or information on ST-2 has been changed. The procedure of amendment in registration be expedited in such cases.
- The attachments may be allowed by creating standard formats in ACES Forms.
- Trade notice is required for tackling with erroneous messages in ACES while uploading returns.
- Banks stop accepting payments at 11.00 clock on 5th of every Month for their reporting requirements, instead of accepting payment up to normal banking hours.
- For amending the registration by addition of services – the documents to be given should be simplified by issuing trade notice.
- Rejection of registration for not filing documents in short time be avoided
- Rule 4 requires invoices to be raised in 14 days, however no invoice can be issued/is required to be raised by some service providers such as insurance consultants, where insurance companies need to pay tax under reverse charge mechanism because in such cases insurance consultants come to know about value of their services only when insurance companies makes the payment.
- Trade notices should be put on websites of department immediately on issue.
- Recovery should not be insisted when stay application is pending.

Advise by Commissioner

- Service Tax is a good new practice area. It should be taken up by chartered accountants as their career path
- It is important to note that construction activity, slum redevelopment activity, restaurants are liable for Service Tax payments
- There are certain lacunae in ST3 Return in ACES at present. Assessee can file letter of explanation as to how the return is prepared in case of difficulty. New ST3 form will be revised thoroughly and WIRC can give suggestions of the members and forward it.
- Change of email id by the Assessee create several issues for the department and hence should be immediately addressed.
- RAC for service tax is being restarted and the benefit be taken by the assessee on procedural issues
- The concept paper on negative list requires comments by the professionals.

Students Programme

National Convention for CA Students "Breaking The Habit"

DAYS & DATES	THURSDAY, 24TH NOVEMBER & FRIDAY, 25TH NOVEMBER, 2011	
Venue	Yogi Sabhagraha, Swami Narayan Temple, Dadar (E)	
Time	9.00 a.m. to 6.00 p.m. (Reg. 8.30 a.m. to 9.00 a.m.)	
Fees	₹ 500/- (inclusive of course material, breakfast & lunch)	
Chief Co-ordinators	CA. Neel Majithia Chairman, WICASA	9820327660
	CA. Jay Chhaira	9825196241
	CA. Shruti Shah (Regional Council Members)	9892407988
Students Co-ordinators	Pramita Rathi	9773488068
	Gautam Lath	9930224082
	Rohit Agarwal	7498182950

TOPICS

DEVELOP THE KNOWN (TECHNICAL SESSION)

- Present out of box direct tax solution with workable model
- How to maximize input tax credit with practical examples
- 360 degree approach to auditing
- How to analyse financial statements from competitors, investors or management perspective (at least two)

SHOW SOMETHING NEW (SPECIAL SESSION)

- Business Continuity Planning & Disaster Recovery Planning in BPO, travel and tourism and IT sector
- Forensic Investigation from a Cyber Crime perspective

THINK DIFFERENT TO DO DIFFERENT (MOCK SESSION)

- Revival strategy – Kingfisher/Air india
- Business restructuring for value creation with case studies and practical examples

LOOK BEYOND (TECHNICAL SESSION)

- Future of XBRL
- Impact of introduction of CFC Regulations in Direct Tax Code
- Changing role of Independent Directors under Companies Bill, 2011
- Future of LLP Format

BE VERSATILE (SPECIAL SESSION)

A Chartered Accountant is well recognized and respected in the society because of their versatility and ability to adapt to various situations whether as auditors, consultants or business leaders. This characteristic is inculcated in every CA student through testing on various challenging subjects, through practical training and through management courses. It will be the aim of this session to enable students to realize their true potential through examples and role models

BE THE CHANGE TO BRING THE CHANGE (SPECIAL SESSION)

Understand the Vision 2020 of the CA Institute. What do CA Students have coming their way

How to be the change to bring the change. Mr. Chetan Bhagat (subject to confirmation) will take us through his Revolution 2020 and the lessons he has to share with students

SPEAK UP..... OR.....!!!!!!(TECHNICAL SESSION)

- RTI Act
- Citizen Charter

GO OUT OF ELEMENTS (MOCK SESSION)

A group of students will enact the working of the Settlement Commission so that students can get a real life understanding of how matters are dealt with in such a forum

For Conference inquiry and registration contact

Shri Vijay on 022-3980 2923 & Ms. Pallavi on 022-3980 2922

To Register Online for event visit <http://wirc-icai.org/onlineevents.aspx>

Hosted by WIRC of ICAI & WICASA



iXBRL

Comply with confidence

A best in class solution to enable business to report financials using XBRL taxonomies based on existing financial statements.

- Transforms your financials to XBRL format
- Links XBRL tags with simple mouse clicks
- Supports multiple taxonomies
- Integrated with MS-Office
- Validates accuracy & completeness
- Prints final mapping for auditor to certify
- Multi-company functionality
- Masks XBRL specifications & helps you focus on financials



About Us

- An independent implementer of ERP, BI / EPM and Technology systems.
- Over a decade of providing Business Value through IT initiatives.
- Preferred Partner to Oracle India, SAP India & Informatica.
- Proven experience in handling **Statutory Compliance Solutions**.

Contact

Haresh Talreja | Tel : +91 22 4239 3939
haresh.talreja@tspl.com | Mob : +91 97690 19977

www.tspl.com

ICAI's Corporate Forum 9th and 10th December 2011 in Bangalore



Committee for Members in Industry will be conducting the comprehensive Two days Corporate Forum event in Bangalore on 9th and 10th December 2011.

1

CAREER ASCENT- Mid Career Campus : To provide Chartered Accountants who have one year or more of industry experience with growth and career prospects, enabling them to realize their full potential and aspirations and widen their horizon. It will also enable employers seeking experienced CAs to identify and recruit talent best suited to their (organisations') requirements.

2

Gulf Campus : Special Placement Programme is a step ahead as an extension to the same programme but with a different objective. Chartered Accountants are getting placed not only within the country but are also taking up jobs abroad. Many CAs are providing their services to the organizations in GCC and Middle East. To facilitate employment for Chartered Accountants in the GCC, CMII of ICAI is organizing Special Placement Programme. This programme would enable the corporates working in Gulf Council Countries (GCC) to recruit Chartered Accountants through video conferencing mode from Bangalore.

3

CORPORATE CONCLAVE : Two one day National Convention on contemporary topics to enrich the knowledge and to enhance the skill sets of members.

4

FINANCIAL SERVICES EXPO : A platform where Chartered Accountants and Corporates from all over India would mark their presence. This would enable various organizations involved in Banking, Insurance, Mutual Funds, Capital Markets, Real Estate, Information Technology products and services and other technological products to interact with Chartered Accountants, Investors, Finance Fraternity, and Corporate Decision Makers.

5

ICAI AWARDS 2011 : Would honour the exemplary work of Chartered Accountants in Industry by recognizing those who have demonstrated excellence in their professional life, personal life and are the role models for others in industry. These ICAI Awards 2011 also seek to acknowledge Chartered Accountants who have created value to their company's stakeholders on a sustainable basis. Last date for receiving the Nomination Forms is 17th November 2011.



Chairman of the Jury
Shri N. R. Narayana Murthy
Chief Mentor, Infosys Limited

For Further detail, Please Contact : CA. K. Raghu , Chairman CMII at 011-30110430/491, cmii@icai.in, spal@icai.in

S.No.	Date	Event(s)	Venue
1.	9 th December 2011	Career Ascent	Hotel Bangalore International, Bangalore
2.	10 th December 2011	Gulf Campus	Bangalore
3.	9 th and 10 th December 2011	Financial Services Expo	Hotel Lalit Ashok, Bangalore
4.	9 th and 10 th December 2011	Corporate Conclave	Hotel Lalit Ashok, Bangalore
5.	10 th December 2011	ICAI Awards 2011	Bangalore Palace, Bangalore

For details about the programme, kindly visit www.icai.org/forum

Career Ascent-Mid Career Campus: 011-30110549/548/450, mii@icai.in, placements@icai.org, campus@icai.in

Gulf Campus: 011-30110549/548/450, mii@icai.in, placements@icai.org, campus@icai.in

Corporate Conclave: +91(80) 30563500, 09342732548, bangalore@icai.org, dcobangalore@icai.org, jagadish.ns@icai.org

Financial Services Expo : +91(80) 30563500, 09342732548, 011-30110430 bangalore@icai.org, dcobangalore@icai.org, jagadish.ns@icai.org, spal@icai.in

ICAI Awards 2011: 011-30110491/555/430, cmii@icai.in, service_mii@icai.in, spal@icai.in

FORTHCOMING study circle meetings

Date & Day	Time	Subjects	Speaker(s)	Venue	Organised By / Convenor / Tel. No.
26/11/2011 Saturday	3.30 p.m.	Overview Of International Taxation & Introduction To Treaty Practical Case Studies in International Taxation Concerning NRI	CA. N. C. Hegde CA. Vishal Gada	Mulund College of Commerce AC Auditorium, Near Mulund Railway Station, Mulund – West, Mumbai	Mulund CPE Study Circle CA Bipeen G. Mundade M: 9223290561
26/11/2011 Saturday	6.00 p.m.	Practical aspects of XBRL	CA. Tushar Nahar	Sarvodaya Hall, L. T. Road, Opp. Diamond Talkies Borivali - (West), Mumbai	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 9821028868
03/12/2011 Saturday	5.30 p.m.	Wealth Management & Investment Planning	CA. Mukesh Dedhia	Sarvodaya Hall, L. T. Road, Opp. Diamond Talkies Borivali - (West), Mumbai	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 9821028868
4/12/2011 Sunday	9.30 a.m.	Appellate Proceedings under Income Tax Act, 1961 at to CIT-A & Tribunal	CA. Tarun Ghia	Mulund College of Commerce AC Auditorium, Near Mulund Railway Station, Mulund – West, Mumbai	Mulund CPE Study Circle CA Bipeen G. Mundade M: 9223290561
10/12/2011 Saturday	5.30 p.m.	Practical aspects of Project Finance for SMEs	CA. Neel Majithia CA. Pratik Jariwala	Sarvodaya Hall, L. T. Road, Opp. Diamond Talkies Borivali - (West), Mumbai	Borivali (Central) CPE Study Circle CA. Vipul Shah M: 9821028868
11/12/2011 Sunday	9.30 am	Carveouts and differences between Ind-AS and IFRS ETF & Gold, Various investments in Gold and Silver and options available	CA Rakesh Agarwal CA Balwant Jain	Seminar Hall, RVG CA Students' Hostel, Lallubhai Park, Andheri (West), Mumbai	Andheri (West) CPE Study Circle CA K.S. Balasubramanian M: 9820125191
18/12/2011 Sunday	9.30 a.m.	Law Relating to Wills & Succession	Dr. Rashmi Oza	Mulund College of Commerce AC Auditorium, Near Mulund Railway Station, Mulund – West, Mumbai	Mulund CPE Study Circle CA Bipeen G. Mundade M: 9223290561

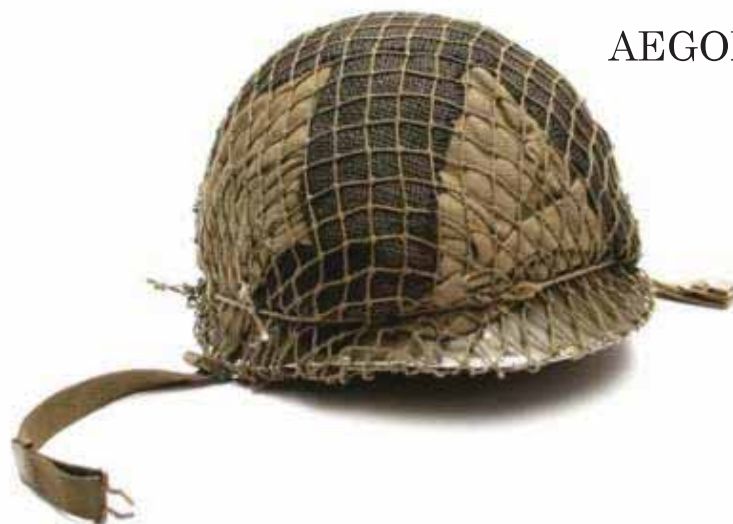
Note: All Convenors are requested to send their forthcoming programmes only on e-mail Id wircevents1@gmail.com at the end of the preceding month for the period starting 20th of Next Month.

Does your life insurance cover terrorist attacks?

AEGON Religare iTerm Plan does.

Call : [Sudip Nair 09867567939](tel:09867567939)

e-mail : sudip.nair@aegonreligare.com



AEGON  **RELIGARE**
LIFE INSURANCE

www.aegonreligare.com

For more details on risk factors, terms and conditions please read sales brochure and benefit illustration carefully before concluding a sale ■ Insurance is the subject matter of the solicitation ■ AEGON Religare iTerm Plan UIN-138N016V01 ■ IRDA Company Registration No. 138 ■ Registered Office: AEGON Religare Life Insurance Company Limited, 2nd Floor, Paranjpe 'B' Scheme, Subhash Road, Near Garware House, Vile Parle (East), Mumbai 400057 ■ ADVT No. II/May 2011/1040.

FORTHCOMING branch meetings

DATE	TIME	SUBJECTS	SPEAKERS	VENUE
AHMEDABAD				
18/11/2011		Issues under Ss 10A to 10 AB and u/s 80 IA & 80 IB of the Act New Schedule-VI- Issues under the Head Profits and Gains of Business under IT Act	Shri Padamchand Khincha CA. Ganesh Nadar Shri Saurabh Soparkar	
26/11/2011	09.00 a.m.	Seminar on "VAT"	CA. Kishor Gheewala	
NAGPUR				
19/20/11/2011 & 26/27/11/2011	8.30 am	CA Premier League	---	Vasant Nagar Cricket Ground Ambedkar College Cricket Ground
19/11/2011	10.00	WICASA Indoors Sports Festival	---	YMCA Hall
20/11/2011		WICASA Football Tournament		Hislop College Ground
SURAT				
19/11/2011 Saturday	4.00 PM.	Administrative difficulties faced in conducting G-VAT Audit	Eminent Speakers	Branch Premises , 2nd Floor, Saifee Building, Nanpura, Surat
26/11/2011 Saturday	4.00 PM.	Workshop on Concurrent Audit of Banks	Eminent Speakers	Branch Premises , 2nd Floor, Saifee Building, Nanpura, Surat
VASAI				
27/11/2011	9.00 a.m.	Construction Industry Seminar	CA. Vimal Punmiya Shri Sunil Ramani, Advocate CA. Rajiv Luthia	GCC Club, Mira Road (East)
27/11/2011	4.00 p.m.	Free Lecture Meeting of Solicitors on Conveyance (Jointly with Chambers of Tax Consultants)	Shri Praveen Veera Advocate CA. Ramanand Gupta	GCC Club, Mira Road (east)
3/4/12/2011	9.30 a.m.	Mega IT Conference	CA. Prashant Mali CA. Ashwin Dedhia CA. B.C. Chechani	GCC Club, Mira Road (east)



AURANGABAD: Recent Developments And Issues In Service Tax on 22.10.2011.
L to R: CA Alope Singh, CA. Rahul Lohade, Branch Chairman, Shri Shakkarwar, CA. D. P. Mohite, CA. Anand Nahar, CA. Girish Kulkarni, CA. Gurdeep Bagga

Personal Column

Mumbai based CA firm is interested in conducting assignment basis or otherwise: Statutory / Internal / Concurrent Audits, Advisory – Direct Taxation, Representing before Tax Authorities in Mumbai at mutually agreeable terms. Contact: Prachi Parekh - +91-9819014616, prachi@spleandco.web.in or Satyajit Lele - +91-9867684472, satyajit@spleandco.web.in, web: www.spleandco.web.in

FCA having experience for more than 8 years in handling audit/Tax audits, Vat audit, stock audits, Limited Review and various certification work of both listed and other corporate. Seeking work of similar client on assignment basis. for further details mail to kaushikshahukar@sify.com or 9892942721

CA Having 35 years knowledge of corporate gamut with good managerial and administrative skills seeks senior level assignment in a small/medium size company (Contact No. 23727538 Between 7 pm and 9 pm)

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

Required CAs as partners in experienced C.A. firm in Mumbai with good arrangement /terms and freedom for personal practice, place and age no bar. Contact glen.office@gmail.com / 26254421 / 9920317933

Obituary



CA. Jagdishchandra M. SHAH
M. No. 03738 left for heavenly abode on 12th October, 2011. May the departed soul rest in peace.



CA. Shankerlal Wasudeo Jethwani M.
No. 038845 left for heavenly abode on 30th August, 2011. May the departed soul rest in peace.

WORK DISPOSAL POSITION

The position of disposal of various matters relating to members and students of WIRC as on 31/10/2011

PARTICULARS	DATE
Members Section	
Proprietary Firm Registration	25/10/2011
Partnership Firm Registration – Constitution	25/10/2011
Reconstitution	15/10/2011
Grant of Certificate of Practice	21/10/2011
Fellow Admission	21/10/2011
Change of Address	28/10/2011
New Enrolment	05/10/2011
Restoration	21/10/2011
Permission for other engagement	21/10/2011
Articles Section	
Industrial Training Registrations	15/10/2011
Re-registration	28/10/2011
Termination	15/10/2011
Completion	28/10/2011
Permission to study	21/10/2011
Supplementary Registration	28/10/2011
Change of Address	28/10/2011



Its time to add SHINE to your career !

As a qualified Chartered Accountant here's an opportunity to add glitter to your career.

We are a multi-faceted firm of Chartered Accountants providing services in the areas of Direct Tax (Compliance & Advisory), International Taxation (Cross Border Transaction, Transfer Pricing and Inbound & Outbound Investments), Audit & Assurance (Statutory / Management Audit & Due Diligence Reviews) and Business Advisory.

At NA Shah, you will have ample opportunities to handle challenging and diverse range of assignments to enrich your career.

Currently we have opportunities for

Manager – Audit & Assurance **Qualified Assistant – Audit & Assurance**

For pre-requisites, job profile and prospects visit our website www.nashah.com
Interested candidates may send their resume to careers@nashah.com or courier them to:

N A Shah Associates

B 41-45 Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 013 Tel.: +91 22 4073 3000

AUDIT & ASSURANCE | BUSINESS ADVISORY | DIRECT TAX

FORMATION OF STUDY GROUPS FOR MEMBERS BY WIRC

INVITATION TO REGISTER

- I] WIRC proposed to form study groups on following subjects –
- Information Technology
 - International Taxation
 - Internal Audit
 - FEMA
 - Service Tax
- II] Maximum number – Membership is restricted to 50 per group on First Come First Served Basis.
- III] Purpose – The objective of the Study Groups will be to discuss and deliberate on current issues, circulars, notifications, in the subjects and to gain expert knowledge in the respective subjects over a period which will help the members of the group in their own practice or service. The other objective is to create the knowledge bank in these subjects as a support to the profession in general.
- IV] Fees – The fees for the group meetings will be decided in the first meeting of the groups to be held on 27th August, onwards. Individual mails and SMS would be sent to all those who wish to register in the groups about the final date and venue.
- V] Registration Details – Send your details in following format to – wirc@icai.in wircvents1@gmail.com at the earliest to avoid disappointment.
- Name _____ Membership Number _____
 Group Interested in _____ Mobile Number _____
 E-Mail ID _____

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

Delhi High Court Upholds ICAI Decision

Delhi High Court has upheld Institute's decision to bar an auditor of Global Trust Bank (GTB) from practising accountancy for five years. ICAI had found him guilty of professional misconduct as auditor during 2000-2001. It was then that the 1993-formed bank was on the verge of collapse due to reckless lending. Although, a single bench of the High Court had quashed our order in the past. After ICAI appeal against the same, the verdict eventually came out in support of ICAI disciplinary proceedings against him. The Court has also clarified that the procedures prescribed by the unamended Chartered Accountants Act, 1949, i.e. Sections 21, 22 and 22A, would be applicable to all pending proceedings in information case and not the procedure prescribed after the amendment made by the Chartered Accountants (Amendment) Act, 2006. ICAI can now initiate an inquiry against an accused on the basis of information or complaint.

ICAI PROPOSES NORMS IN INTERNAL AUDIT

Realising that quality is one of the fundamental assumptions of internal audit and there has been a steep rise in attention on internal audit, ICAI have till date issued 17 Standards on internal audit to cover the basic principles and practice of internal audit and establish the basis for its performance evaluation. To enable the internal auditors in performing quality audit, the Council of the Institute has recently decided that wherever the Standards on internal audit are being complied with, internal audit reports may mention that the audit has been conducted in accordance with the Standards issued by the Institute. ICAI is also in dialogue with the Ministry of Corporate Affairs in this regard and have recommended making it mandatory for all companies to mention in their internal auditor's report that the audit has been conducted in accordance with the Standards on internal audit issued by the Institute.

ICAI CORPORATE FORUM TO BE HELD IN BANGALORE

To provide our members in profession and industry a platform to interact, and to appreciate our members who have done exceptionally in professional/social milieu, ICAI will now be organising 5th Corporate Forum in December 2011 in Bangalore, which will have a series of events like Career Ascent, Gulf Campus, Financial Services Expo, Corporate Conclave, ICAI Awards, etc. The Infosys Chief Mentor, Shri N. R. Narayana Murthy, has agreed to head the jury for the ICAI Awards. The Awards ceremony will take place at the Bangalore Palace. Details about application process for nomination, deadline, etc., can be collected online from the Institute's ICAI website.

GUIDANCE NOTE ON CERTIFICATION OF XBRL FINANCIAL STATEMENTS

The Ministry of Corporate Affairs had vide their circulars of July 2011 required that the XBRL financial statements be certified by a professional, inter alia, a chartered accountant. This certification requirement is appearing in the Forms 23AC-XBRL and 23ACA-XBRL notified by the Ministry to upload the XBRL financial statements under MCA 21. ICAI has recently released the Guidance Note on Certification of XBRL Financial Statements, which has been developed to help the chartered accountants effectively and efficiently carry out these certification engagements in the most value added manner. The Guidance Note, among other things, provides guidance on the duties and responsibilities of the management vis a vis the chartered accountant with respect to the XBRL mode financial statements as well as the detailed procedures to be undertaken by the chartered accountants to provide the assurance sought under Forms 23-AC XBRL and 23-ACA XBRL. This is also been hosted on the Institute's ICAI website.

RESIDENTIAL CERTIFICATE COURSE ON INTERNAL AUDIT

ICAI recently launched the first batch of the Residential Certificate Course on Internal Audit at the Centre for Excellence in Hyderabad, which aims to deliver a programme dealing with the issues that impact internal audit profession at present and in future. The Course will help members in acquiring knowledge on the theory and practice of internal audit and its allied functions and on our role in them, and how these impact contemporary business enterprises. Duration of the Course is 200 hours comprising ten classroom days, case-study preparation, self study and e-learning. Classroom sessions will cover contemporary topics including internal controls, corporate governance, risk management, etc. To strengthen the content and add value to the course, group assignments and case studies have also been incorporated.

REVISED SCHEDULE – VI TO THE COMPANIES ACT

Ministry of Corporate Affairs has revised Schedule-VI to the Companies Act, 1956, which is applicable from the Financial Year 1st April 2011 onwards. The Financial statements to be prepared for the year ending on 31st March, 2012 should be as per the requirement of Revised Schedule-VI. The revised Schedule-VI introduces many new concepts and disclosure requirements. It has done away with several statutory disclosure requirements of the existing Schedule-VI.

To create awareness on the part of members across the region, the WIRC of ICAI has decided to carry out a drive to update and educate members in reporting requirements in consonance with Revised Schedule-VI.

All the Branches and study circles are requested to organize the programmes on Revised Schedule-VI for the benefit of members. The WIRC and its Corporate Law Committee will extend full support in designing the programme as well as in arranging the faculty resources.

The Branches may contact CA. Parag Raval, RCM (079-30011928, 098243 39200, parag@gkcco.com) or Mr. Koshy John, Deputy Secretary, WIRC (022-398202952, koshy@icai.in) for the help and guidance

 INFORMATION TECHNOLOGY INITIATIVES				
Dates	Timing	Topics & Venue	Fees	CPE hrs.
19 & 20 Nov 2011	10.00 to 6.00	2 Days Workshop on XBRL ITT Centre, Rvg, Andheri - W	4500/-	12
26 & 27 Nov 2011	10.00 to 6.00	Using ACL For Fraud Detection Kirti College, Dadar	4500/-	12
2 & 3 Dec 2011	10.00 to 6.00	IT Security Workshop ITT Centre, Thakur House	4500/-	12
9 & 10 Dec 2011	10.00 to 6.00	Auditing In Sap Environment	4500/-	12
23 & 24 Dec 2011	10.00 to 6.00	CAAT-ACL Workshop ITT Centre, Thakur House	3500/-	12
Note : For registration contact 3980 2922 / 3980 2923 For Enquiry Mrs. Kapoor 39802921				
Chief Co-ordinators	CA. Neel Majithia CA. Shruti Shah (Regional Council Members)		9820327660 9892407988	

DIRECT TAX

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

SECTION 90A OF THE INCOME TAX ACT, 1961 – DTAA – ADOPTION BY CENTRAL GOVERNMENT OF AGREEMENT WITH TAIPEI {201 TAXMANN 103 (ST.)}

Notification No. 48/2011 [F.No. 500/02/2001-FTD-II], dated 02/09/2011

The Central Government has adopted the agreement between India-Taipei Association in Taipei and Taipei Economic and Cultural Center in New Delhi for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and has notified that all the provisions of the said agreement shall be given effect to in the Union of India with effect from the 1st day of April, 2012.

SECTION 80CCF OF THE INCOME TAX ACT, 1961 – DEDUCTION – IN RESPECT OF SUBSCRIPTION TO LONG TERM INFRASTRUCTURE BOND – NOTIFIED LONG TERM INFRASTRUCTURE BOND {201 TAXMANN 125 (ST.)}

Notification No. 50/2011 [F.No. 178/43/2011-SO(ITA-1)], dated 09/09/2011

The Long Term Infrastructure Bonds to be issued in the financial year 2011-12 shall be issued by -

1. The Industrial Finance Corporation of India, established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948);
2. The Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);
3. The Infrastructure Development Finance Company Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956);
4. The India Infrastructure Finance Company Ltd.; a company formed and registered under the Companies Act, 1956 (1 of 1956); and
5. A Non-Banking Finance Company classified as an Infrastructure Finance Company by the Reserve Bank of India.

Tenure of the bond - (i) The tenure of the Bond shall be for a minimum period of ten years; (ii) the minimum lock-in period for an investor shall be five years; (iii) after the lock-in period the investor may exit either through the secondary market or through a buyback facility, specified by the issuer in the issue documents at the time of issue; (iv) the bond shall also be allowed as pledge or lien or hypothecation for obtaining loans from Scheduled Commercial Banks, after the said lock-in-period.

SECTION 10(15) OF THE INCOME TAX ACT, 1961 – NOTIFIED TAX-FREE BONDS/DEBENTURES OF PUBLIC SECTOR COMPANIES {202 TAXMANN 1 (ST.)}

Notification No. 52/2011 [F.No. 178/56/2011-IT(A-1)], dated 23/09/2011

The Central Government has authorised the entities mentioned in column (2) of the table below, to issue, during the financial year 2011-12, tax free, secured, redeemable, non-convertible bonds of rupees 1,000 each in case of public issue and rupees 1,00,000 each in other cases, aggregating to amounts mentioned in column (3) of the said table, subject to the conditions mentioned in the said notification. The tenure of the bonds shall be ten or fifteen years.

S.No.	Entities	Aggregate Amount of Bonds
(1)	(2)	(3)
1.	National Highways Authority of India	Rs. 10,000 crores
2.	Indian Railway Finance Corporation Ltd.	Rs. 10,000 crores
3.	Housing & Urban Development Corporation Ltd.	Rs. 5,000 crores
4.	Power Finance Corporation	Rs. 5,000 crores

INCOME TAX (SEVENTH AMENDMENT) RULES 2011 – AMENDMENT IN RULE 114 AND SUBSTITUTION OF FORM 49A {202 TAXMANN 28 (ST.)}

Notification No. 56/2011 [F.No. 133/48/2011-SO(TPL)], dated 17/10/2011

The CBDT has notified new Forms for making PAN Application. Form 49A – for Individuals who are citizens of India, HUF and other entities which are registered or formed in India and Form 49AA – for Individuals who are not citizens of India and other entities formed or registered outside India.

MAHARASHTRA VAT

(Contributed by CA. C. B. Thakur)

Circular

The Commissioner of Sales Tax has issued Trade Circular No. 14T of 2011 dated 19.10.2011 by which the Commissioner of Sales Tax has informed about delegation of powers of waiver of interest and penalty in respect of sales made by handmade soap manufacturer to the respective assessing authorities.

CORPORATE LAWS

(Contributed by CA. Jayesh Thakur)

PROSECUTION OF DIRECTORS [www.mca.org.in]

The MCA has issued Master Circular No. 1/2011No.3/57/2011/CL-II dtd. 29.07.2011 stating that in spite of various rulings available on the question of “officers in default” who can be held liable for violations of a particular provision under the Companies Act, RoCs are arraying all the directors of the company for the violations without differentiating between officer in default and or others. Also, penal actions are also initiated against certain directors who are not charged with the responsibility in the following cases:

- a) For listed companies, SEBI requires nomination of certain directors designated as Independent Directors.
- b) For public sector undertakings, respective Government nominates directors.
- c) Various public sector financial institutions, financial institutions and banks having participation in equity of a company also nominate directors to the board of such companies.
- d) Directors nominated by the Government under section 408 of the Companies Act, 1956.

It is now clarified that RoCs should take extra care in examining the cases where above directors are also identified as officers-in-default. No such director as indicated above shall be held liable for any act of omission or commission by the company or by any officer of the company which constitute a breach or violation of any provision of the Companies Act, 1956, and which occurred without his knowledge attributable through Board process and without his consent or connivance or where he has acted diligently in the board process. The board process includes meeting of any committee of the board and any information which the director was authorized to receive as director of the board as per the decision of the board. All the RDs are advised to direct inspecting officers also to examine the board’s minutes of the company to arrive at a conclusion if independent director is also responsible for any violation of the provisions of Companies Act, 1956. It is further clarified that before taking penal action under the Companies Act, 1956 against the directors, the compliances listed in the above Circular should be verified by RoCs. This Circular also states that for default under sections 209(5), 209(6), 211 and 212 of the Act, the persons listed in this Circular shall be the ‘officers-in-default for the purpose of prosecution under these provisions. It is also clarified that there should be proper application of mind on the part of RoCs in deciding whether a person to be implicated is an ‘officer-in-default’ by examining the Annual Return, Form 32(s) and DIN-3 database available in the Registry. The guidelines of this Circular should be applied and wrongful prosecution should be avoided. Wherever the RoCs have doubt as to whether director/officer can be held liable after applying the above parameters, they should refer to the RD who shall guide RoCs in the matter.

REVISED FORMS 23AC AND 23ACA NOTIFIED BY MCA [www.mca.gov.in]

The MCA has issued Notification F. No. 5/18/2005 - CLV dtd. 11.08.2011 revising the form 23AC (Form relating to filing balance sheet and other documents with the RoC) and form 23ACA (Form for filing profit and loss account and other documents with the RoC). These new forms will be effective from 12.08.2011.

INFRASTRUCTURE FINANCE COMPANIES (IFCS) - AS ELIGIBLE ISSUERS FOR FII INVESTMENT LIMIT IN DEBT INSTRUMENT FOR INFRASTRUCTURE [www.rbi.gov.in]

The RBI has issued Circular No. CIR/IMD/FIIC/15/2011 dated 26.08.2011 referring to SEBI circular on FII investment in the corporate bonds issued by Indian companies which are in the infrastructure sector, where ‘infrastructure’ is defined in terms of the extant guidelines on External Commercial Borrowings (ECB). The RBI has now clarified that Non-Banking Financial Companies (NBFCs) categorized as Infrastructure Finance Companies (IFCs) by the Reserve Bank of India (RBI) shall also now be considered eligible issuers for the purposes of FII Investment under the corporate debt long term infra category.

APPLICABILITY OF REVISED SCHEDULE VI FORMAT TO COMPANIES PROPOSING IPO [www.mca.gov.in]

The MCA has issued General Circular No. 62/2011 dtd. 05.09.2011 referring to its earlier notification regarding revised schedule VI of the Companies Act, 1956 in relation to which clarification was sought that during the current year, the MCA has amended the Schedule VI which is to take effect for accounts closing on 31 March 2012. During the financial year, in case companies intend to go for

Initial Public Offer / Further Public Offer, they are expected to prepare accounts in the new Schedule VI format. If previous figures are reclassified in accordance with new Schedule VI, this will pose enormous amount of administrative work and difficulty in making such changes besides making comparison with previous year unrealistic. Hence, the MCA has clarified that the presentation of financial statements for the limited purpose of IPO/FPO during the financial year 2011-12 may be made in the format of the pre-revised Schedule VI under the Companies Act, 1956. However, for period beyond 31 March 2012, they would prepare only in the new format as prescribed by the present Schedule VI of the Companies Act, 1956. Also, companies would ensure that it will prepare and file the annual accounts for the financial year 2011-12 as per revised Schedule VI of the Companies Act, 1956.

BUSINESS ACTIVITIES OF THE ASSET MANAGEMENT COMPANY AND INFRASTRUCTURE DEBT FUND SCHEMES [www.sebi.gov.in]

The SEBI has issued Circular No. LAD-NRO/GN/2011-12/27668 dtd. 30.08.2011 amending the (Mutual Funds) Regulations, 1996 in relation to restrictions on business activities of the asset management company (AMC) which provides that the AMC shall not act as a trustee of any mutual fund and not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund. It is provided that the AMC shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of SEBI (Mutual Funds) (Amendment) Regulations, 2011. Also, the AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India. Also, by this Circular the Infrastructure debt fund schemes regulations are also issued and which contain detailed regulations on applicability, eligibility criteria for launching infrastructure debt fund scheme, conditions for infrastructure debt fund schemes, permissible investments, valuation of assets and declaration of net asset value, duties of asset management company, disclosures in offer document and other disclosures, transactions by employees, etc.

AMENDMENT TO SEBI (MUTUAL FUNDS) REGULATIONS REGARDING ABRIDGED ANNUAL REPORTS [www.sebi.gov.in]

The SEBI has issued Circular No. Cir/IMD/DF/16/2011 dtd. 08.09.2011 amending the SEBI (Mutual Funds) Regulations, 1996 in relation to on abridged scheme wise annual report format and periodic disclosures to the unitholders and regarding mailing of scheme wise annual report or abridged summary. Now, in order to bring cost effectiveness in printing and dispatching the annual reports or abridged summary and as a green initiative measure, it shall be ensured that, (a) In case of unitholders whose email addresses are available with the Mutual Fund, the AMCs shall communicate to them stating that henceforth, the scheme annual reports or abridged summary would only be sent by email, (b) In case of unitholders whose email addresses are not available with the Mutual Fund, the AMCs shall communicate to the unitholders to obtain their email addresses for registration of the same in their database, (c) The communication in both the above cases shall clearly mention that the scheme annual accounts or abridged summary would henceforth be sent to these email addresses and not as physical copies and the communication shall also have an option for the investors stating that those who still wish to receive the reports as physical copies may indicate as such, (d) In case of any request from these unitholders as detailed above for physical copies notwithstanding their registration of email addresses, AMCs shall provide the same without demur. (e) For the rest of the investors, i.e. whose email addresses are not available with the mutual fund, the AMCs shall continue to send physical copies of scheme annual reports or abridged summary, and, (f) The AMCs shall display the link of the scheme annual reports or abridged summary prominently on their websites and make the physical copies available to the investors at their registered offices at all times.

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

The MCA has issued General Circular No. 63/2011 dtd. 06.09.2011 referring to its earlier Circular which informed that in order to ensure corporate governance and proper compliances of provisions of Companies Act, 1956, no request, whether oral or in writing or through e-forms, for recording any event based information / changes shall be accepted by the Registrar of Companies (RoCs) from such defaulting companies, unless they file their updated balance sheet and profit & loss accounts and annual return with the RoCs. However, in the interest of stakeholders, certain event based information/changes were being accepted by the RoC from such defaulting

companies. Now, on requests received from various quarters of the corporates and professionals, the RoCs shall accept Forms 2, 3, 5, 23, 61 in cases of filing by directors of defaulting companies in respect of such companies. Forms 61, DIN-3, 32, 21, FTE in cases of filing by directors of defaulting companies in respect of companies having the status of dormant companies. Forms DIN-3, 32, 2, 3, 5, 21, 23, 61, 23AC, 23ACA, 20B, 21A, 66, 23-B, FTE in cases of filing by directors of defaulting companies in respect of companies having the status as active in progress companies. This circular shall be effective from 18th Sept, 2011.

REPLACEMENT OF LLP ANNUAL COMPLIANCE FORM TO ENABLE STP [www.mca.gov.in]

The MCA has issued Notification No. F.No.2/17/2011-CLV dtd. 14.09.2011 replacing the Form 8 (Statement of Account & Solvency) relating to annual filing for LLPs. The only change in the form is in relation to the enabling of the form for submission / uploading of the same online in a straight-through processing (STP) manner. There is no other change in the content.

AMENDMENTS TO ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS [www.sebi.gov.in]

The SEBI has issued Notification No. LAD-NRO/GN/2011-12/25/30309 dtd. 23.09.2011 relating to rights issue of Indian Depository Receipts (IDRs) and some other minor amendments. It is provided that a listed issuer offering IDR through a rights issue shall satisfy the conditions specified in Chapter XA (which is inserted by this Notification) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at the time of filing the offer document and that every listed issuer offering IDRs through a rights issue shall prepare the offer document in accordance with the home country requirements along with an addendum containing disclosures as specified in Part A of Schedule XXI and regulation 106F and file the same with the SEBI and the stock exchanges on which the IDRs of the issuer are listed. The Notification gives more details on applicability and eligibility to make an IDR issue, renunciation by an IDR holder, requirements for depository and record date, disclosures in the offer document and the addendum for the rights offering, filing of draft offer document and the addendum for rights offering, fast track issue, dispatch of abridged letter of offer and application form, period of subscription, pre-issue advertisement for rights issue, utilization of funds raised in rights issue, etc. The Notification also contains Part 'D' containing the requirements for disclosures in abridged prospectus, Schedule XXI containing Part A on disclosures in the addendum to the offer document for rights issue of IDRs and Part B on disclosures in abridged letter of offer for rights issue of IDRs.

AMENDMENT TO LISTING AGREEMENT PURSUANT TO NEW TAKEOVER REGULATIONS [www.sebi.gov.in]

The SEBI has issued Circular No. SEBI/CFD/DCR/SAST/ 1/2011/09/23 dtd. 23.09.2011 proposing consequential amendments to Clause 35 of the Equity Listing Agreement pursuant to the NTR. A consequential amendment is made to clause 35 of the Equity Listing Agreement pursuant to NTR as per Annexure - 1 to this circular. Stock Exchanges are advised to carry out the amendments in their Listing Agreement and confirm compliance of the same in the next monthly development report. Also, formats for disclosures / reports under the NTR which have prescribed various reports / disclosures to be filed under various provisions contained therein, in the formats as may be specified by the Board. Accordingly, the formats have been specified and listed in Annexure - 2 of this circular.

REVISED FORM 5 NOTIFIED BY MCA [www.mca.gov.in]

The MCA has issued Notification F No 2/20/2011-CLV dtd. 23.09.2011 revising the form 5 (Notice of consolidation, division, etc. or increase in share capital or increase in number of members). The new forms will be effective from 25.09.2011.

COMPANIES (AMENDMENT) REGULATIONS, 2011 [www.mca.gov.in]

The MCA has issued Notification F.No 2/13/2011-CL-V dtd. 22.09.2011 whereby it is provided that except as otherwise provided in the Act, the Registrar shall not keep any document pending for approval and registration or for taking on record or for rejection or otherwise for more than sixty days, from the date of its filing excluding the cases where approval from the Central Government or Regional Director or Company Law Board or Court or any other competent authority is required.

FILING OFFER DOCUMENTS WITH SEBI [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/CFD/DIL/6/2011 dtd. 28.09.2011 and as a green initiative, it has been decided to reduce the number of copies of offer documents being submitted to SEBI. Also, considering the availability of the soft copies of the offer documents in the websites of SEBI and the concerned

merchant bankers, it is hereby prescribed that, (a) three copies of the draft offer document shall be filed with the relevant office of the Board, and, (b) one copy of the offer document shall be filed with the relevant office of the Board. It is clarified that this requirement shall be applicable for all draft/final offer documents filed with SEBI on or after the date of this circular.

CLARIFICATION ON 100% PROMOTER HOLDING IN DEMAT FORM [www.sebi.gov.in]

The SEBI has issued Circular No. SEBI/Cir/ISD/ 05 /2011 dtd. 30.09.2011 regarding 100% promoter holding in demat form. On review of the promoters holding in demat form, it has been observed that there has been improved compliance to the above circular and the companies/promoters have started the process of converting their physical holdings in dematerialized form. At the same time representations have been received from large number of companies as well as various industry bodies regarding practical difficulties being faced in dematerializing promoters holding and seeking exemptions/extension in complying with the provisions. Hence, it is decided to extend the current deadline by one quarter i.e. quarter ending December 2011. Also, the Stock Exchanges are advised to put in place the adequate systems and issue the necessary guidelines to the market for implementing the above decision, make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, bring the provisions of this circular to the notice of the member brokers of the Exchange and also to disseminate the same on the website and communicate to SEBI, the status of the implementation of the provisions of this circular in a Monthly Report.

GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES [www.sebi.gov.in]

The SEBI has issued Circular No. IMD/DF/17/2011 dtd. 28.09.2011 recalling its initial and continuous disclosure norms applicable to issue and listing of debt securities through the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Simplified Listing Agreement for Debt Securities. SEBI had observed that a variety of hybrid securities that combine features of plain vanilla debt securities and exchange traded derivatives are being issued through private placements and listed on stock exchanges. It is seen that such securities differ from plain vanilla debt securities or debt securities issued with embedded call or put options, i.e., by offering market linked returns obtained through exposures on exchange traded derivatives. Since such returns are linked to equity markets, such securities are also called equity linked debentures or stock linked debentures etc. Hence, such securities being different in their nature and their risk-return relationship, it has been decided to specify additional disclosures and other requirements in offer documents for issue of structured products/market linked debentures that seek listing on stock exchanges. The SEBI has provided detailed guidelines and conditionalities which need to be complied with in respect of listing of structured debt/equity linked debentures in the above Circular.

EXTENSION OF TIME FOR SUBMITTING DIN-4 [www.mca.gov.in]

The MCA has issued General Circular No. 66/2011 dtd. 04.10.2011 extending the time for filing DIN-4 by DIN holders for furnishing the PAN and to update PAN details till 15.12.2011.

EXTENSION OF TIME FOR COMPANY LAW SETTLEMENT SCHEME, 2011 [www.mca.gov.in]

The MCA has issued General Circular No. 65/2011 dtd. 04.10.2011 extending the time for submitting applications under the Company Law Settlement Scheme, 2011 upto 15 December, 2011.

COMPANIES (FILING OF DOCUMENTS AND FORMS IN EXTENSIBLE BUSINESS REPORTING LANGUAGE) RULES, 2011 [www.mca.gov.in]

The MCA has issued Notification No. F.No. 5/18/2005-CL-V dtd. 05.10.2011 notifying the above Rules and which specifically refer to e-Forms no. 23AC-XBRL and 23ACA-XBRL specified under the Companies (Central Government) General Rules and Forms, 1956 which should be utilized where one is covered and required to submit the annual filings in XBRL.

INTRODUCTION OF CREDIT DEFAULT SWAPS (CDS) FOR CORPORATE BONDS: CHANGE IN EFFECTIVE DATE FOR OPERATIONALISATION [www.rbi.gov.in]

The RBI has issued Circular No. IDMD.PCD.No. 12/14.03.04/2011-12 dtd. 20.10.2011 referring to its earlier Circular whereby it was indicated that the guidelines on CDS would be effective from 24 October, 2011 for which the necessary infrastructure which includes trade repository, documentation,

publication of CDS curve for valuation, standardisation of contracts, etc. required for the launch of the product is being put in place. Further, the market participants have also asked for certain clarifications regarding documentation, operational aspects, and the arrangement for the necessary institutional framework. Hence, it has been decided to operationalise CDS guidelines by the end of November 2011 and for this purpose the exact date will be notified separately.

AMENDMENT TO TAKEOVER REGULATIONS, 2011 [www.sebi.gov.in]

The SEBI has issued Circular No. SEBI/CFD/DCR/SAST/2/2011/10/20 dtd. 20.10.2011 referring to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 wherein various formats for the reports/disclosures to be filed were specified. The formats for disclosures for acquisition and disposal of shares under Regulation 29(1) and 29(2) of the Regulations, which have since been finalized are placed as Annexure-A and Annexure-B respectively and enclosed to this Circular.

REPORTING FORMAT FOR MANNER OF INCREASING AND MAINTAINING PUBLIC SHAREHOLDING IN RECOGNISED STOCK EXCHANGES [www.sebi.gov.in]

The SEBI has issued Circular No. CIR/MRD/DSA/12/2011 dtd. 24.10.2011 on the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 ("MIMPS Regulations"). Regulation 11 of the MIMPS Regulations inter alia prescribes certain obligations on the recognised stock exchanges pertaining to their shareholding including submission of a report to SEBI within 15 days from the end of each quarter. It has been observed that stock exchanges have been submitting the said report in different formats. Accordingly, it has been decided to standardize the format of reporting of shareholding pattern of the recognised stock exchange under MIMPS Regulations. The stock exchanges are therefore advised to ensure the submission of the report under MIMPS Regulations on a quarterly basis within the aforesaid prescribed time period, as per the format given at Annexure-A and enclosed to this Circular. The stock exchanges are directed to communicate to SEBI, the status of the implementation of the provisions of this circular in their monthly/quarterly development report.

SERVICE TAX

(Contributed by CA. Rajiv Luthia)

SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

Central Government Vide Notification No.48//2011-ST dated 19th October, 2011 made following amendment in Service Tax Rules, 1994:-

- Rule 4(1A) inserted whereby power is granted to CBEC to issue an order specifying the documents required to be submitted along with service tax registration application & the period within which such documents to be submitted
- Rule 7(4) inserted whereby power is granted to CBEC to issue an order extending the date of filing of service tax return under circumstances of special nature after specifying such nature.
- Amended Service Tax Return Form ST-3 so as to provide that in terms of the Point of Taxation Rules, 2011, the words "received/paid" used in form to be construed as "received or receivable/paid or payable".

CBEC vide Circular No.147/16/2011-ST dated 21st October, 2011 has clarified that the benefit of exemption from levy of service tax available to Works Contract service (WCS) in respect of construction of Dams, Tunnels, Road, Bridges etc. can be extended to sub contractors engaged by principal contractor in case the services provided by the sub-contractors to the main contractors are independently classifiable under Work Contract Service (WCS) & so long as they are in relation to the construction of Dams, Tunnels, Road, Bridges etc.

CBEC vide Order No.1/2011-ST dated 20th October, 2011 has extended the date of filing of half yearly service tax return for the period April to September, 2011 from 25th October, 2011 to 26th December, 2011.

CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)

Circulars:

Amendment in the constitution and system of Regional Advisory Committee (RAC)

RAC was constituted purely for giving advises to resolve procedural difficulties of general nature. RAC was formed separately for organized

sectors and small scale industries and the same was held at specific intervals for resolving such general queries faced by trade and industry. Now the structure of Regional Advisory Committee has been changed. Single RAC would be reconstituted for all the assesses by Zonal Chief Commissioner and the meeting would be held on a quarterly basis under the chairmanship of the Zonal Chief Commissioner subject to certain exceptions.

(Circular No. 953/14/2011-CX dated 12th September, 2011)

Filing of appeal in case of dispute with respect to rate of duty or value of goods

As per Section 35L (b) of Central Excise Act, 1944 read with Section 83 of Finance Act, 1994 and Section 130E (b) of Customs Act, 1962, appeal shall lie to the Supreme Court against a Tribunal order if the case involves determination of question in relation to the rate of duty or value of the goods. Accordingly, it has been instructed that the Commissioners should examine the issue involved in the dispute very carefully for deciding the appellate forum.

(F. No. 390/Misc./100/2010-JC dated 22nd September, 2011)

E-filing of Central Excise and Service Tax Returns and E-payment of Central Excise Duty and Service Tax

DG (Systems) has outlined comprehensive instructions with respect to the procedure for electronic filing of Central Excise duty and Service Tax returns and electronic payment of taxes under ACES.

(Circular No. 956/17/2011-CX dated 28th September, 2011)

GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)

Extension of Time Limit

Vide Public Circular No. GUJKA/VAT-15/2011-12/OTW.125/106 Dt. 25th Oct, 2011, Due date of 30-10-2011, for filing manual returns for tax period ending on 30-09-2011, has been extended up to 28-11-2011 for dealers opting for lump sum tax & up to 25-11-2011 for other dealers. It is further clarified that for the purpose of computing penalty, time limit will be considered as 30-11-2011.

Remission of Tax

Vide order No. (GHN-31)VAT-2011- S. 41(1)(14)-TH, remission of tax as under is granted U/s. 41(1) to the certified manufacturer, using Isabgul as raw material in its unit in the State.

- i) Purchase Tax payable under section 9(1) & 9(4) and additional tax U/s. 9(6) due to manufacture of "GOLA"
- ii) Tax payable due to non-admissibility of tax credit U/s.11(5)(h) on account of manufacture of "GOLA"

FEMA

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

External Commercial Borrowings (ECBs) – Rationalisation and Liberalisation A.P. (DIR Series) and Circular No.30 dated September 27, 2011

Considering the specific needs of the infrastructure sector, RBI has reviewed the existing ECB policy in consultation with the Government of India and it has allowed Indian companies in the infrastructure sector (as defined in the ECB Guidelines) to avail of ECBs in Renminbi (RMB), under the approval route, subject to an annual cap of USD 1 billion pending further review. The RBI approval will be valid for 3 months from the date of issue of the approval letter and the loan agreement should be executed within the validity period. The company may thereafter submit the completed Form 83 to the RBI for allotment of loan registration number (LRN) within 7 days (from the date of signing the loan agreement between the borrower and the lender). In case the borrower fails to obtain LRN within the above period, the RBI approval will stand cancelled. AD Category- I bank will be permitted to open Nostro accounts in Renminbi (RMB).

The designated AD - Category I bank shall monitor the end-use of funds and banks in India will not be permitted to provide any form of guarantees.

Revision in Guidelines for appointment of Agents / Franchisees by Authorised Dealer (AD) Category-I, AD Category-II and Full Fledged Money Changers

A.P. (DIR Series) Circular No.31 dated October 03, 2011

In view of the growth in money changing activities undertaken by the agents / franchisees of AD Category-I banks / AD Category II / FFMCs and the issuance of Anti Money Laundering (AML) Guidelines on money changing activities and need to exercise adequate control over the franchisees by the franchisers, the RBI has amended certain instructions contained in the A.P. (DIR Series) Circular No. 57 [A.P. (FL/RL Series) Circular No. 04] dated March 9, 2009 in terms of which the Guidelines for appointment of Agents / Franchisees by Ads Category - I, Ads Category - II and FFMCs were prescribed.

For revised instructions, please refer the circular on RBI website at

<http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6743&Mode=0>

Consolidated Foreign Direct Investment (FDI) Policy – Circular 2 of 2011 effective from October 1, 2011

The Department of Industrial Policy and Promotion (DIPP) has, on September 30, 2011 issued updated Consolidated FDI Policy Circular 2 of 2011 which is effective from October 1, 2011. This circular subsumes and supersedes all Press Notes / Press Releases / Clarifications / Circulars issued by DIPP, which were in force as on September 30, 2011, and reflects the FDI Policy as on October 1, 2011.

The entire circular is available at DIPP website at:

http://dipp.nic.in/English/Policies/FDI_Circular_02_2011.pdf

Liberalised Remittance Scheme (LRS) for Resident Individuals – Revised Application cum Declaration Form

A.P. (DIR Series) Circular No.32 dated October 10, 2011

In terms of the A. P. (DIR Series) Circular Nos. 17 and 18 dated September 16, 2011, a resident individual has been permitted to make a gift / loan in rupees to a Non-Resident Indian / Person of Indian Origin close relative(s), subject to certain terms and conditions. One of the conditions is that the gift / loan amount should be within the overall limit of USD 200,000 per financial year as permitted under the LRS for a resident individual. Accordingly, the Application cum Declaration form for purchase of foreign exchange under the LRS is revised.

The revised form is annexed to the aforesaid circular available on RBI website at:

<http://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=6751&Mode=0>

Processing and Settlement of Export related receipts facilitated by Online Payment Gateways- Enhancement of the value of transaction

A.P. (DIR Series) Circular No.35 dated October 14, 2011

The RBI has decided to enhance the value per transaction from USD 500 to USD 3000 for export related remittances received through Online Payment Gateway Service Providers (OPGSPs). The revised directions will come into force with immediate effect.

Opening Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR(B)] account in any freely convertible currency

A.P. (DIR Series) Circular No.36 dated October 19, 2011

Presently, deposit of funds in the FCNR(B) accounts is permitted only in designated permissible currencies viz. Pound Sterling, US Dollar, Japanese Yen, Euro, Canadian Dollar and Australian Dollar.

Pursuant to the recommendations of the Committee constituted under the Chairmanship of Smt. K. J. Udeshi for review of procedures relating to foreign exchange facilities to individuals – Residents/ NRIs and PIOs, it has been decided to allow deposits in FCNR(B) account in any permitted currency. For this purpose, 'Permitted currency' would mean a foreign currency which is freely convertible as defined in terms of Regulation 2(v) of FEMA 14/2000-RB dated May 3, 2000, as amended from time to time.

Clarification on (i) Repatriation of income and sale proceeds of assets held abroad by NRIs who have returned to India for permanent settlement (ii) repatriation of income and sale proceeds of assets acquired abroad through remittances under LRS

A.P. (DIR Series) Circular No.37 dated October 19, 2011

The RBI has clarified that (a) in terms of sub-section 4 of Section (6) of Foreign Exchange Management Act, 1999, a person resident in India is free to hold, own, transfer or invest in foreign currency, foreign security or any immovable property situated outside India if such currency, security or property was acquired, held or owned by such person when he was resident outside India or inherited from a person who was resident outside India; (b) an investor can retain and reinvest the income earned on investments made under the LRS.

RECENT JUDGEMENTS

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

ss. 2(15) & 12AA Carrying on of business & 12AA Registration

Assessee association is vigorously pursuing transportation business by receiving freight charges on behalf of its members and there being no public utility, it was not entitled to registration under s. 12AA. [Commissioner of Income Tax vs. Truck Operators Association (2011) 243 CTR (P&H) 302]

ss. 2(24), 15, 17(1)(iv), 17(3)(ii), 192, 201(1) & 201(1A) Tips represent Salary Income liable for TDS

Once the tips are paid by the customer either in cash directly to the employees or by way of charge to the bills, the employee can be said to have gained additional income and therefore tips constitute salary within the meaning of s. 15 r/w s. 17(3); assessee employer was an, assessee -in-default for non-deduction of tax at source on account of banquet and restaurant tips collected and paid by it to its employees. [Commissioner of Income Tax vs. ITCLtd. (2011) 243 CTR (Del) 114]

s. 10A- Exemption entitlement.

Assessee Company established on 17th Dec., 2003 but secured STPI registration on 4th Aug., 2004 and also export having been commenced after 4th Aug. 2004, it was entitled to exemption under s. 10A for the asst. yr. 2005-2006. [Commissioner of Income Tax & Anr. Vs. Expert Outsource (P) Ltd. (2011) 243 CTR (Kar) 411]

ss.10(22) Establishment of SSI- not educational activity.

Exemption under s. 10(22) is available only if the assessee is running an educational institution solely for educational purposes and not for the purposes of profit; exemption under s. 10(22) is not allowable to the assessee as its objects include establishing small-scale industries of all kind and to aid and assist the poor, the grief-stricken, the destitute, and person and animals suffering from calamities. [Commissioner of Income Tax Act vs. Gurukul Ghatkeshwar Trust (2011) 243 CTR (AP) 154]

ss.11 & 11(4A) Subletting of tenanted accommodation does not amount to business

To enable the trust to carry out its charitable object in effective manner if rental income was received by way of subletting, for that reason, the exemption could not have been denied by the AO by invoking s. 11(4A) and also since in the past the assessee got the benefit of exemption in respect of the same rental income, there was no just reason for disallowing the relief claimed. [Director of Income Tax (Exemption) vs. Sahu Jain Trust (2011) 243 CTR (Cal) 131]

ss. 11(1)(a), 11(5), 13(1)(c) & 13(3) Loan to interested persons resulting in denial of exemption.

Assessee-trust having advanced certain amount by way of loan on interest to a firm in which the president of the trust was interested, and also given loan to the founder's widow who was one of trustees of the assessee-trust, it has violated the provision of ss. 11(5) and 13(1)(c) and therefore, it is not entitled to exemption under s. 11. [Commissioner of Income Tax Act vs. Gurukul Ghatkeshwar Trust (2011) 243 CTR (AP) 154]

ss. 31(1) (ii), first proviso & 43(3) Single unit not having functional value not entitled to 100% depreciation.

Each item of shuttering material cannot be treated as one whole shuttering material forming one plant eligible for 100 per depreciation under the first proviso to 31(1)(ii). [Commissioner of Income tax vs. Vijaya Enterprises (2011) 243 CTR (AP) 488]

ss. 31(1) & (1) Heart is not "plant" hence related expenditure is personal expenditure.

Expenditure incurred by the assessee advocate on the coronary by-pass surgery cannot be allowed either under s. 31 or under 37(1). [Shanti Bhushan vs. Commissioner of Income Tax (2011) 242 CTR (Del) 375]

ss. 32(1)(ii), 32(2) Set-off of b/f depreciation.

Once the assessee company is in existence, it is entitled to depreciation though it has discontinued its business.

Provision of s. 32(2) as amended w. e. f. 1st April, 1997 permit set off of brought forward unabsorbed depreciation firstly against the business profit and then against income under any other head in asst. yr. 1997-98 and subsequent assessment years for a period of eight years. [Commissioner of Income Tax vs. Kirti Resorts (P) Ltd. (2011) 243 CTR (HP) 341]

s. 32A Medical equipments entitled to Investment Allowance Reserve.

X-ray, gamma camera system, ultrasound and ECG which are used to obtain images of the patients and prints and graphs of the pulses of various organs produce things as contemplated in s.32 A and therefore assessee engaged in running a hospital as commercial activity is entitled to investment allowance on the said instrument installed in its premises. [Commissioner of Income Tax vs. Apollo Hospital Enterprises (2011) 242 CTR (Mad) 229]

ss. 35AB, 41(1)& 143(1)(a).-Income-tax paid abroad is part of know-how.

Income-tax paid by the assessee in respect of liability of foreign collaborator under the agreement for supply of technical know-how; is part of the "consideration"

and assessee would be entitled to deduction thereof in terms of s. 35AB,

As prima facie adjustment is permissible only respect of claims, the incorrectness of which is apparent from any information in the return and debatable claims are not liable to such prima facie adjustment, AO was not justified in making prima facie adjustment in respect of the deduction claimed under s. 35AB towards income -tax paid by the assessee as part of the lump sum consideration for acquiring the know-how. [Tata Yadogawa Ltd. vs. Commissioner of Income Tax (2011) 243 CTR (Jharkhand) 263]

ss. 37(1) & 92 Payment of Royalty is allowable business expenditure.

Payment of royalty by assessee company to its US based holding company is not hit by the provisions of s. 92 in the absence of any comparable case on record to determine the ordinary profit in similar business and the price fixed has been accepted as ALP by the TPO; payment of royalty being a business expenditure which was incurred wholly and exclusively for the purposes of business of the assessee, it is to be allowed in toto as business expenditure. [Commissioner of Income Tax vs. Oracle India (P) LTD. (2011) 243 CTR (Del) 103]

ss. 37(1) & 43B (b) Provision for Pension not hit by S. 43B

Provision for pension payable to employees is not covered by s. 43B(b) and same is allowable as deduction. [Commissioner of Income Tax vs. Ranbaxy Laboratories Ltd. (2011) 243 CTR (Del) 242]

s. 37(1) Allowability of ransom money.

In the absence of any provision that payment of ransom is prohibited by any law, Explanation to sub-s (1) of s. 37 is not applicable to payment of ransom money and, therefore, ransom money paid by the assessee company to the kidnappers to secure release of its director who was kidnapped when he was on tour in connection with the business of the assessee company is allowable as business expenditure. [Commissioner of Income Tax vs. Khemchand Motilal Jain Tobacco Products (P) Ltd. (2011) 243 CTR (MP) 270]

ss. 37(1) . 92C. Capital vs. Revenue and Arms length price.

Finding of the Tribunal that the advertisement expenses incurred on purchases of signboards is revenue expenditure being finding of fact which has not been shown to be erroneous in any manner and based on appreciation of material on record, no interference is called for.

In the absence of any perversity in the finding of the Tribunal in the selection of a different set of comparable for determination of ALP and re-computation of ratio of operating profit/total cost at 21.97 per cent as against 35.26 per cent adopted by the TPO, no interference is warranted.

There being no illegality in the finding of the Tribunal allowing depreciation on administrative assets for determining the operating profit while computing ALP, no interference is warranted. [Commissioner of Income Tax vs. Rakhra Technologies (P) Ltd. (2011) 243 CTR (P&H) 505]

s. 37(1) Provision for Warranty

Additional provision for warranty on the basis of actuarial valuation in respect of machines sold was allowable as business expenditure. [Commissioner of Income Tax vs. Whirlpool of India Ltd. (2011) 242 CTR (Del) 245]

s. 40A (2) Disallowance of payment to interested party.

CIT (A) and the Tribunal having arrived at a specific finding of fact on consideration of material produced by assessee that raw material were imported by assessee from its foreign holding company at reasonable/competitive rates which are neither excessive nor unreasonable, the question of applicability of s. 40A (2) (b) would not arise at all. [Commissioner of Income Tax vs. Samsung India Electronics Ltd. (2011) 243 CTR (Del) 235]

s. 80-IB Assembly of Windmill amounts to manufacture.

Different parts of windmill when assembled get transformed into an ultimate product which is commercially known as "windmill" which amounts to manufacture or production within the meaning of s. 80-IB (2) (iii). [Commissioner of Income Tax vs. Chiranjeevi Wind Energy Ltd. (2011) 243 CTR (Mad) 195]

ss. 115(b), 115D, 115E & 115H Transfer or conversion applies only to specified assets like shares and not to bank deposits.

So long as the original source of the deposit is convertible foreign exchange, the transfer of such foreign exchange asset, namely the deposit from one bank to another will not affect its identity as foreign exchange asset; assessee was therefore entitled to concessional rate of tax on the interest earned from NRRR deposit under s. 115H r/w s. 115E. [Commissioner of Income Tax vs. M.C George (2011) 243 CTR (Ker) 404]

s. 115JB Set-off of b/f loss under MAT

While computing book profit under s. 115JB, under cl (iii) of Explanation, brought forward loss on the last date of the immediately preceding year which is to be brought forward to the financial year in question is to be reduced; what happens during the course of the year is not relevant, Tribunal was therefore justified in upholding the claim of deduction of brought forward loss as per books as on 31st March, 2001 even if during the current year such loss was wiped off due to reduction of share capital. [Commissioner of Income Tax vs. Sumi Motherson Innovative Engineering Ltd. (2011) 243 CTR (Del) 442]

INTERNATIONAL TAXATION

(Contributed by CA. Hinesh Doshi,
CA. Vishal Gada, CA. Dolly Waghela)

DRESSER-RAND INDIA PVT LTD Vs. ADDITIONAL COMMISSIONER OF INCOME TAX RANGE-6(2), MUMBAI (ITA No.8753/Mum/2010) dated: September 7, 2011

Facts:

The assessee, Dresser-Rand India Pvt. Ltd., entered into a 'cost contribution agreement' with its parent company pursuant to which it paid a sum of Rs. 10.55 crores as its share of the costs.

The TPO, AO & DRP disallowed the expenditure on the ground that:

- the ALP was 'Nil' as no real services had been availed by the assessee and the arrangement was not genuine
- the cost sharing could not be on the basis of head count but on the basis of actual services availed by the assessee,
- the expenditure was "excessive & unreasonable" u/s 40A(2) and
- as there was no TDS, the disallowance had to be made u/s 40(a)(i).
- The assessee also rendered field services to its associated enterprises where it granted a discount of 10% over the price charged to third parties on the basis that such discount was a part of reciprocal global policy. It was held that the ALP had to be computed by ignoring the discount.

Issue:

Whether TPO, AO & DRP's contention is correct in law?

Held:

On appeal by the assessee, it is held that:

- The TPO was not entitled to determine the ALP under the cost contribution agreement at "Nil" on the basis that the assessee did not need the services at all as how to conduct business is entirely an assessee's prerogative and questioning the commercial wisdom of the assessee's decision to take benefit of its parent company's expertise is beyond the powers of TPO.
- Further, the TPO's argument that the assessee did not benefit from the services is irrelevant because whether there is benefit or not has no bearing on the ALP of the services. The fact that similar services may have been granted in the past on gratuitous basis is also irrelevant in determining the ALP. Matter remanded to the AO to determine actual rendering of services
- A cost contribution arrangement has to be consistent with the arm's length principle. The assessee's share of overall contribution to costs must be consistent with the benefits expected to be received, as an independent enterprise would have assigned to the contribution in hypothetically similar situation. The TPO's objection that the cost should be shared in the ratio of actual use of services and should be charged as per Indian employee costs is not acceptable because such an allocation will deal with some hypothetical pricing whereas the allocations are to be done for the actual costs incurred;
- The disallowance of payment under the 'cost contribution agreement' u/s 37(1) & 40A(2) is not justified because the payment did not involve mark-up and was at arms length price. The services were for furtherance of the assessee's business interests;
- The disallowance of payment u/s 40(a)(i) for want of TDS is not justified because the payment was not taxable in the AE's hands under Article 5 & 12 of the India-USA DTAA as the AE did not have a PE and the services did not constitute "fees for included services".
- The TPO's argument for charging of the services rendered to the AE, at 10% discount is not tenable because the assessee had followed the TNMM for determination of ALP which had not been disputed as the appropriate method, secondly, even under CUP, all sales need not be at the same price and there can be variations of prices for the same product or services on grounds such as quantum of business, risk factors, etc. Discount is a normal occurrence even in independent business situations. The material factor is whether the 10% discount is an arm's length discount and there was nothing on record to suggest that it is not so.

M/s CARLTON OVERSEAS PVT LTD (2011-TII-100-ITAT-DEL-TP) ITA No.3204/ Del. 2010 dated : 16th September, 2011

Facts:

M/s Carlton Overseas Pvt. Ltd. is engaged in the business of Manufacturing and Export of Leather Footwear. Since August 2003 the company also started business in purchase and sale of shoes in the showrooms leased out by it. The assessee operates two business segments, namely, 'Export Business' and 'Retail Business'.

During the year the assessee had undertaken international transactions with associated enterprises/concerns to the tune of Rs.14,73,04,527. The TPO called for the segmental accounts and having found that the same were not audited and in view of certain discrepancies, made an upward adjustment to the transaction value to the extent of Rs. 1,94,06,594/-.

The assessee objected to the adjustment pointing out that the TPO:

- Has passed the order without considering the facts, circumstances and past history of the assessee company.
- That the 'segment accounts' for 'export business' and 'retail business' were maintained and necessary evidence in proof thereof and separate books of accounts for retail business segment of the assessee were submitted.
- That the assessee had worked out ALP as in past.
- That the TPO made assessment by benchmarking international transactions at

'entity level'.

The DRP held that TPO had objected to segmentation of expenses as the allocation keys were not clear. While the assessee argued that expenses were segmented on turnover basis, the TPO discussed in detail the results of his scrutiny of segmented accounts. Therefore, the DRP did not find any reason to give any further directions regarding this selection of new comparables by TPO.

The assessee has suggested that there should be adjustments for foreign exchange loss, capacity utilizations etc, but there was no clear cut methodology suggested and as the procedure of adjustments sought by the assessee were not clear, the DRP declined to interfere in the adjustments ordered by TPO.

Aggrieved, the assessee appealed to the Tribunal and argued that:

- That the reasons given by the TPO for not accepting the segment accounts are based on surmises which are contrary to the facts on record and have been given without calling upon the assessee to explain the so-called discrepancies.
- The TPO has not allowed adjustment while working out the ALP of the assessee in respect of under utilization of capacity and risk for environment in which export business was carried out as compared to the companies chosen as comparables.
- that the assessee was issued a show cause notice by TPO on 04.08.2008 and assessee submitted the reply for the same. Thereafter, no show cause notice was issued to the assessee; even when it was mandatory to issue a show cause notice as required u/s 92C(3) in the matters decided against the assessee.
- that the Accounting Standard-17 comes into play when the turnover is more than Rs.50 crores. Since AS-17 was not applicable to the assessee's case as the turnover was not exceeding the threshold of Rs.50 crores during the relevant period segment accounts were not audited.
- That the benefit of 5% +/- was also not allowed to the assessee

The assessee also pleaded that the DRP had mechanically given the direction for the proposed order of the AO without application of mind and dealing with assessee's objections. It was finally prayed that the matter may be restored back to DRP.

Issues:

Whether when the DRP does not discuss all the issues raised by the assessee, the order of the DRP has to be held as not being a speaking order?

Held:

The Department based on the arguments put forth by assessee did not object to the order being sent back to DRP.

The Department after careful perusal of the order of DRP, held that the order was not speaking order and ordered to restore the issue to the file of DRP.

Hence, assessee's appeal was partly allowed.

SERVICE TAX

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

Banking & Other Financial Services

"Interchange income" received by an 'issuing bank' of credit card [i.e. the bank that issues credit cards to the customers for buying goods and services in merchant establishments (ME) on credit] from the 'acquiring bank' (i.e. the bank that has a contract with the MEs for settlement of dues incurred by the cardholders at the MEs for a consideration called 'ME discount') which is paid by the 'acquiring bank' out of the ME discount earned is liable for service tax under the category of "Banking and other financial services" w.e.f. 16.7.2001 [more particularly, under the erstwhile Clause (ii) of section 65(12)(a) 'credit and services'] since the issuing bank had issued the credit cards to its customers and the use of the card by the cardholder (customer) at the MEs gave rise to the share of Interchange fee from the acquiring bank [ABN Amro Bank v. CCE (2011) 23 STR 529 (Tri.-Del)].

Business Auxiliary Services

Where a company NBCC contracted to render site formation services to NTPC and in turn sub-contracted the work to two companies – SAC & APR, the Tribunal held-

- (i) NBCC's supervision of their own sub-contracted job to SAC & APR cannot be considered as rendering 'business auxiliary services' to SAC & APR (provision of service to NTPC on behalf of SAC & APR) and the margin retained by them cannot be treated as consideration notionally received from SAC & APR towards the said 'business auxiliary services'.
- (ii) SAC & APR also cannot be regarded as rendering business auxiliary services to NBCC (provision of service to NTPC on behalf of NBCC) since the services are essentially provided by them to NBCC and not to NTPC. The sub-contracted service is also in the nature of site formation services provided to main contractor NBCC. Further, the tax was not paid by SAC & APR on the basis of Board's clarification dated 14-9-97 (that sub-contracted services are not liable for service tax if the main contractor has paid the same) and if the tax was paid by the sub-contractors the same was available as credit to NBCC and therefore, it is a case of revenue neutrality. Therefore, no tax is demandable from the sub-contractors – SAC & APR.

[National Building Construction Corporation Ltd v. CCE & ST 2011 (23) STR 593 (Tri. Kol.).]

Business auxiliary services / Storage and warehousing services

Where on facts it was found by the Tribunal that the assessee purchased liquor from various distilleries and sold it to retail outlets as its 'own property', and did not act as

RECENT JUDGEMENTS

an agent of the distilleries, it was held that since the goods (liquor) belonged to the appellant, it cannot be said that the appellant provided services –

- (i) to promote the sale of goods (liquor) belonging to its client (distilleries) and accordingly would not be liable for service tax under the category of business auxiliary services; or
- (ii) of storage and warehousing of goods (liquor) to another person and accordingly would not be liable for service tax under the category of storage and warehousing services.

[Kerala State Beverages (Mfrg. & Mktg.) Corpn. v. CCE 2011 (23) STR 640 (Tri-Bang.)]

Construction of Residential Complex Services

Where the respondent Co-op. Housing Society had availed the services of Contractor for constructing the residential units for its members it was held by the High Court relying upon the High Court judgment in the case of *M/s Sujal Developers* that the housing society is not liable to pay service tax since the society cannot be said to have supplied any services to its members (it being a service to oneself). Further, the explanation inserted in sub-clause (zzzb) of section 65(105) of Finance Act, 1994 w.e.f. 1.7.2010 would also not be applicable since it was introduced in the statute book long after the taxing event in the present case had arisen and there was no indication in the amendment to make it retrospective or clarificatory in nature. [CST v. *Shrinandnagar – IV Co-op Housing Society Ltd.* (2011) 23 STR 439 (Guj)].

Consulting Engineer Service

On facts, where the assessee supplied manpower to its client which worked under the instructions of the client for successful completion of pre-commissioning, commissioning, operation and maintenance of plant it was held that such services are not liable for service tax under the category of 'Consulting Engineer Service' since the assessee cannot qualify as a 'Consulting Engineer' and the activities undertaken by the assessee cannot be considered as 'advice', 'consultancy' or 'technical assistance' in nature [Reliance Industries Ltd. vs. CCE (2011) 23 STR 555 (Tri-Ahmd.)]

Franchise service

Where the appellant conducted 'computer software courses' not by himself but by franchisees all over India and received a one time fee on execution of the agreement (on which Service Tax was paid) and also a 'royalty' of 25% of the course fees paid by each participant (on which no tax was paid) the Tribunal held that the 25% royalty is liable for service tax under the category of "Franchise" services. [CMC Ltd v. CCE 2011 (23) S.T.R. 586 (Tri-Bang.)]

Market Research Agency's service

'Product promotion service' and 'market development service' under 'Market Assistance Agreement' provided by the assessee to their clients whereby the assessee developed prospective customers, provided growth plans for its client's products, assisted in formulating market strategies, customer service and pricing policies etc. could not have been accomplished without 'market research' and therefore the amount collected by the appellant under the agreement is liable under 'Market Research Agency's service'. [Kopran Ltd v CCE, 2011 (23) S.T.R. 627 (Tri-Mumbai)]

Renting of immovable property

The Bombay High Court upheld the constitutionality of service tax on renting of immovable properties and held as follows:

- (i) The Parliament by virtue of entry 97 of List 1 of the Seventh Schedule has the legislative competence to impose service tax on renting of immovable property and this tax does not fall within the legislative competence of the States under Entry 49 of List II of the Seventh Schedule to the Constitution as being a tax on land and buildings. To be a tax on lands and buildings under Entry 49 of List II, the tax must be directly a tax on lands and buildings. That is not a true character of an impost on taxable service. The service tax that has been legislated upon by Parliament is not a tax on land.
- (ii) The legislative basis that has been adopted by Parliament in subjecting taxable services involved in the renting of property to the charge of service tax cannot be questioned on the ground that 'renting' does not involve any element of service. The assumption by a legislative body that an element of service is involved in the renting of immovable property is certainly not an assumption which can be regarded by the Court as being so manifestly absurd or perverse as to lead to an inference that Parliament had treated as a service, an item which in no rational sense could be regarded as involving service. Further, even if the Court were to proceed on the basis that no element of service is involved, that would not make the legislation beyond the legislative competence of Parliaments. So long as the legislation does not trench upon a field which has been reserved to the State legislatures, the only conclusion that can be drawn is that the law must be treated as valid and within the purview of the field set apart for Parliament. In this regard the court noted the observations of the Supreme Court in *Tamil Nadu Kalyana Mandapam Association vs. UOI* (2006) 3 STR 260 (SC) that levy of service tax on a particular kind of service cannot be stuck down on the ground that it does not conform to common understanding of the word 'service' as long it does not transgress a specific restriction contained in the constitution and hence held that the validity of legislation does not depend upon determination of fact by the court that a service is provided in the transaction which is brought to tax.
- (iii) The levy of a service tax on renting of immovable property with retrospective

effect from 1 June 2007 by the Finance Act, 2010 is constitutional - the object of the amendment, brought about with retrospective effect, is to expressly bring legislative provisions in conformity with the original parliamentary intent.

[Retailers Association of India and Ors. Vs. Uol & Ors 2011 (23) STR 561 (Bom.)]

Scientific or technical consultancy

Agreements for transfer of brandnames/trademarks and knowhow by the appellant for a consideration are not liable for service tax under the category of 'Scientific or technical consultancy' services. These transactions involve permanent transfer of intellectual property and are covered under 'intellectual property service', which was not taxable during the period of dispute. [Kopran Ltd v CCE 2011 (23) S.T.R. 627 (Tri-Mumbai)]

Telecommunication Services

In this case the Supreme Court held –

- (i) The amount received by the cellular telephone company from its subscribers towards SIM card forms part of the taxable value of services for levy of service tax since –
 - (a) they are part and parcel of the services provided and the dominant position of the transaction is to provide services and not to sell the material i.e. SIM card as goods independent from services provided which on its own but without the service would hardly have any value at all;
 - (b) the value of SIM card forms part of the activation charges as no activation is possible without a valid functioning of SIM card;
 - (c) there is no element of sale (of SIM card) involved in the transaction.
- (ii) Even if sales tax is wrongly remitted on the value of SIM card it would not absolve the parties from paying service tax on the same if service tax is otherwise found payable and a liability accrues on the assessee.

[Idea Mobile Communication Ltd vs. CCE (2011) 23 STR 433 (SC)]

Turnkey Contracts

On facts, where the contract between the assessee and its client was for –

- (i) Design;
- (ii) Manufacture and supply; and
- (iii) Erection, testing and commissioning of train control, signalling and telecommunication system with milestone payments specified for each component (viz., design, supply and erection), the Tribunal held that –
 - (a) The contract was a composite (divisible) contract for –
 - (i) Supply of goods [supply portion]; and
 - (ii) Provision of services [i.e. design and erection components] and not an indivisible works contract;
 - (b) The design portion is liable under 'consulting engineer' services and the erection portion is liable under "erection, installation and commissioning" services.
 - (c) Since the definition of "work contract" is only for the purpose of clause 65(105)(zzzza) which came into force w.e.f. 1-6-07, it is valid only for the period w.e.f. 1-6-07 and for the types of contracts mentioned in it. Therefore, for the period prior to 1-6-07, the meaning of 'Works Contract' as commonly understood i.e. a contract for work and labour and in other words, a service contract has to be adopted, and it would not be correct to treat a works contract as something different from a service contract. If such a work contract is an indivisible service contract, whether or not involving use of goods which get consumed or get passed on to service receiver either as such or in changed form, and that service is taxable, the works contract will attract service tax and if the work contract is a composite contract involving sale of goods and one or more services and those service are taxable, the service tax will be chargeable on the value of these services. Thus a contract for erection, installation and commissioning, even if involving transfer of property in goods on which state VAT/Sales Tax is paid, would attract service tax even for the period prior to 1-6-07. Similarly a divisible contract involving consulting Engineer's service (preparation of drawings/designs, preparation of operation manuals, or other technical assistance), procurement of goods, erection, installation and commissioning would attract Service Tax on Engineering Consultancy component and erection installation and commissioning component even prior to 1-6-07. This is so since there is nothing in Sec. 65(105) and Section 66 of the Finance Act, 1994 from which it can be inferred that the taxable services defined in various clauses of Section 65(105) have to be standalone services and will not attract tax, if they are provided along with other services or providing of the service involves supply/use of goods on which VAT or Sales Tax is payable. Hence the appellant's contention that the service of designing erection, installation & commissioning alongwith supply of goods, provided as a turnkey works contract could be subjected to tax only w.e.f. 1-6-07 under Section 65(105)(zzzza) of the Finance Act, 1994, read with Rule 2A of the Service Tax (Determination of Value) Rules, 2006 as "Work Contract Service" and this being a new entry, during the period prior to 1-6-07 no service tax could be charged in respect of such contracts, is incorrect.

[Alstom Projects India Ltd. vs. CST (2011) 23 STR 489 (Tri-Del)]



AHMEDABAD : Two Day Conference on “An insight on the concepts applicable to Autonomous Bodies” on 03 & 04/10/2011. L to R: CA. Purushottam Khandelwal, CA. Devang Doctor, Branch Chairman, CA. Sunil Talati, Past President, ICAI, Shri K. P. Sasidharan, Faculty, CA. Anuj Goyal, CCM, Dr. P. Mukharji, CA. Dhinal Shah, CCM, CA Aniket Talati.



AHMEDNAGAR : Inaugural of ICAI Bhawan Ahmednagar Branch. seen in photo: CA. Ramesh Phirodia, CA. Sanjeev Lalan, RCM, CA. Mohan Barmecha, CA. Milind Jangada, CA. Shrinivas Joshi, Chairman, WIRC, CA. Sanjay Deshmukh, CA. S. B. Zaware, CCM, CA. G. Ramaswamy, President, ICAI, CA. Jaydeep Shah Vice President, ICAI, CA. Vijay Marda, Branch, Chairman, CA. Vishnu Agarwal, RCM, CA. Ashok Pagaria, CA. Dhiraj Khandelwal, RCM, CA. Vijaykant Kulkarni, Pune, Branch Chairman.



BARODA : ICAI National Convention on Corporate Laws on 22/10/2011. Inauguration of the Convention by Lighting of Lamp by Chief Guest, Shri S. N. Misra, ROC, A'bad



GOA: Shri Sanjay Kumar Gupta, Registrar of Companies, Goa, Daman & Diu, addressing the Seminar on “XBRL” held on 08/10/2011. L to R : CA. P. Ramchandra Hegde, Branch Chairman, CA. Shashikant Shenoy, Faculty, CA. Akash Loonia, Faculty, CA. Virendra Prabhudesai.



NAGPUR: Shri M.D. Kabra, Chief Commissioner of Income Tax inaugurating the TDS Awareness Programme on 13/10/2011. L to R: Shri A.K. Srivastava, CIT, CA. Satish Sarda, Branch Chairman, CA. Shrinivas Joshi, Chairman WIRC, CA. Kirti Agrawal and other dignitaries.



NASHIK : Full day CPE Workshop on Capacity Building held on 15/10/2011. CA. Ujwal Navsarikar, CA. Ulhas Borse, CA. Niranjan Joshi Faculty.



PUNE : Seminar on “Revised Schedule - VI & Related Party Transactions Under Companies Act” held on 06/09/2011. L to R :- CA. S. B. Zaware, CCM, ICAI, CA. Amarjit Chopra, Past President, ICAI, CS. Vinayak Khanwalkar, CA. Vijaykant Kulkarni, Branch Chairman.



SOLAPUR: CA. Jaydeep Shah, Vice President, ICAI inaugurating Renovated Branch Premises of Solapur Branch on 21/10/2011. L to R : CA. Pandurang Mantri, Branch Chairman, CA. S. B. Zaware, CCM, ICAI, and CA. Arvind Shankur, CA. S. H. Risbud



SURAT : Full day Workshop on Capacity Building measures of practitioners and CA firms held on 15/10/2011 L to R: CA. Nishith Mehta, CA. Atul Bheda, CCM, CA. H. Tosniwal, Branch Chairman, CA. C. N. Vaze, Faculty, CA. Jay Chhaira, RCM, CA. Dharmesh Tamakuwala.



VASAI : Seminar on Co-operative Societies Issues held on 16th October, 2011. L to R : Shri Yashwant Kangane, Adv. T. K. Mohile, Adv. Sunil Ramani, Faculty, CA. Unmesh Narvekar, Branch Chairman, CA. Ramanand Gupta.

IMAGES

Seminar on Practical Issues In Assessments held on 8th October, 2011



CA. Mandar Bhate, CA. Malay Kalavadia, Faculty, CA. Vishnu Agarwal, RCM, CA. Jignesh Nagda.

Other Speakers



CA. Sharad Shah



CA. Ketan Ved



CA. Digesh Rambhia

Speakers at the All Regions Diamond Jubilee Conference held on 14th & 15th October, 2011 at Nagpur



CA. Ashok Batra



CA. B. Sekkizhar



CA. Padamchand Khincha



CA. Hemal Kothari



CA. Gurunandan Savnal



CA. Debashis Mitra

Seminar on LLP held on 29th October, 2011



CA. Nikhil Damle, CA. Shrinivas Joshi, Chairman, WIRC, CS. Makarand Joshi, Faculty, CA. Vikas Vishwasrao.

Other Speakers



CA. Paras Savla



CA. Vijay Kewalramani



CA. Divyesh Mehta

Seminar on Recent Amendments & Developments In Various Acts held on 15th October, 2011



CA. Neel Majithia, RCM, CA. Jayesh Thakur, Faculty, CA. Rakesh Oswal

Other Speakers



Shri Lakshman Gugulothu



CA. Dara Kalyaniwala



Ms. Amritha Ahuja

Seminar on Service Tax Returns held on 8th October, 2011



CA. Sanjay Bhat, CA. Mangesh Kinare, RCM, CA. Jayesh Gogri, Faculty, CA. Ramesh Mishra.

Other Speakers



CA. Manish Gadia



CA. Parag Mehta

Interactive Meeting of Commissioners of Service Tax held on 12/10/2011



CA. Shruti Shah, RCM, CA. Mangesh Kinare, RCM, CA. Shardul Shah, Secretary, WIRC, Shri. W. Hansing, Commissioner Service Tax-II, Shri Sushil Solanki, Commissioner, Service Tax-I, Mumbai, CA. Shrinivas Joshi, Chairman, WIRC.

New Members Meet & Felicitation of Rank Holders held on 18th October, 2011



CA. Group Photographs of Rank Holders with CA. Uttam Prakash Agarwal, Past President, ICAI, CA. Vipul Choksi, Past Chairman, WIRC, CA. Shrinivas Joshi, Chairman, WIRC, CA. Durgesh Kabra, RCM, & CA. Shruti Shah, RCM.

Seminar on Customs and Transfer Pricing held on 22nd October, 2011



CA. Jignesh Nagda, CA. Julfesh Shah, Treasurer, WIRC, CA. Ajit Tolani, Faculty, CA. Udayan Choksi, Faculty, CA. Jitu Lulla.

Lecture Meeting on Stress Management held on 22nd October, 2011



Ms. B. K. Lajwanti, Mr. B. K. Swaminathan, Faculty, Ms. B. K. Godawari and CA. Bipeen Munde

Effective Governance In Banks – Role of Independent Directors held on 18th October, 2011



CA. Sumantra Guha, Vice Chairman, PDC, ICAI, CA. G. Ramaswamy, President, ICAI, Shri T.M. Bhasin, Chairman, Indian Bank Chief Guest, CA. Jaydeep Shah, Vice President, ICAI, CA. Amarjit Chopra, Chairman, PDC, ICAI, CA. Shardul Shah, Secretary, WIRC.

Other Speakers



CA. S. Ravi



CA. S. Santhanakrishnan



CA. Nilesh Vikamsey

Diamond Jubilee Conference of WIRC in the Honour of The Past Presidents of ICAI held on 7th & 8th October, 2011



Inauguration: CA. Shardul Shah, Secretary, WIRC, CA. Julfesh Shah, Treasurer, WIRC, CA. Shrinivas Joshi, Chairman, WIRC, CA. G. Ramaswamy, President, ICAI, Chief Guest CA.V. B. Haribhakti, Past President, ICAI, CA. Jaydeep Shah, Vice President, ICAI, CA. Bhaikal Patel, Vice Chairman, WIRC.

ICAI All Regions Diamond Jubilee Conference held at Nagpur on 14th & 15th October, 2011



Chief Guest, Shri Anil Deshmukh, Minister of Food, Drugs & Civil Supplies, Maharashtra State inaugurating the Conference. CA. Shruti Shah, RCM, CA. R. S. Temurnikar, CA. Kirti Agrawal, CA. Swapnil Agrawal, CA. Ashwini Agrawal, CA. Julfesh Shah, Treasurer, WIRC, CA. K. Shanmukha Sundaram, Chairman, SIRC, CA. Shrinivas Joshi, Chairman, WIRC, CA. Satish Sarda, Chairman, Nagpur Branch, CA. Sushil Kumar Goyal, Chairman, EIRC, CA. Shardul Shah, Secretary, WIRC, CA. Rajesh Sharma, Chairman, NIRC, CA. Vishnu Agrawal, RCM, CA. Makarand Joshi, RCM, CA. Sunil Patodia, RCM

Price Rs. 15 per copy

Associate Membership Fees Rs. 600 and Fellow Membership Fees Rs. 1800 (including subscription to WICA Newsletter)

Printed and published by Shri M.A. Razak on behalf of Western India Regional Council of The Institute of Chartered Accountants of India and printed at Finesse Graphics & Prints (Pvt) Ltd., 309, Parvati Industrial Estate, Sunmill Compound, Lower Parel, Mumbai – 400 013. and published at Western India Regional Council of the Institute of Chartered Accountants of India, ICAI Bhawan, 27, Cuffe Parade, Colaba, Mumbai - 400 005. **Editor: CA. Shrinivas Joshi**
The views and opinions expressed or implied in Western Indian Chartered Accountant Newsletter are those of the authors or contribution and do not necessarily reflect those of WIRC. Unsolicited articles and transparencies are sent in at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of WIRC.
DISCLAIMER: The WIRC is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Newsletter. The members, however, may bear in mind the provision of the Code of Ethics while responding to the advertisements.

To

Branches : Ahmedabad • Ahmednagar • Akola • Amravati • Anand • Aurangabad • Baroda • Bharuch • Bhavnagar • Gandhidham • Goa • Jalgaon • Jamnagar • Kolhapur • Latur • Nagpur • Nashik • Navi Mumbai • Pimpri Chinchwad • Pune • Rajkot • Sangli • Solapur • Surat • Thane • Vasai • Vapi

Posted at Mumbai Patrika Channel Sorting Office, Mumbai – 400 001

If undelivered, please return to:
ICAI Bhawan, 27, Cuffe Parade, P.B. No. 6081, Colaba, Mumbai 400 005

Address : ICAI Bhawan, 27, Cuffe Parade, P.B. No. 6081, Colaba, Mumbai 400 005. **WIRC Website :** <http://www.wirc-icai.org> **ICAI Website :** <http://www.icai.org> • **Phone :** 39893989 • **Fax :** 39802954/39802953 **E-Mail :** WIRC : wirc@icai.in | Mumbai : wro@icai.in | New Delhi : icaiho@icai.org