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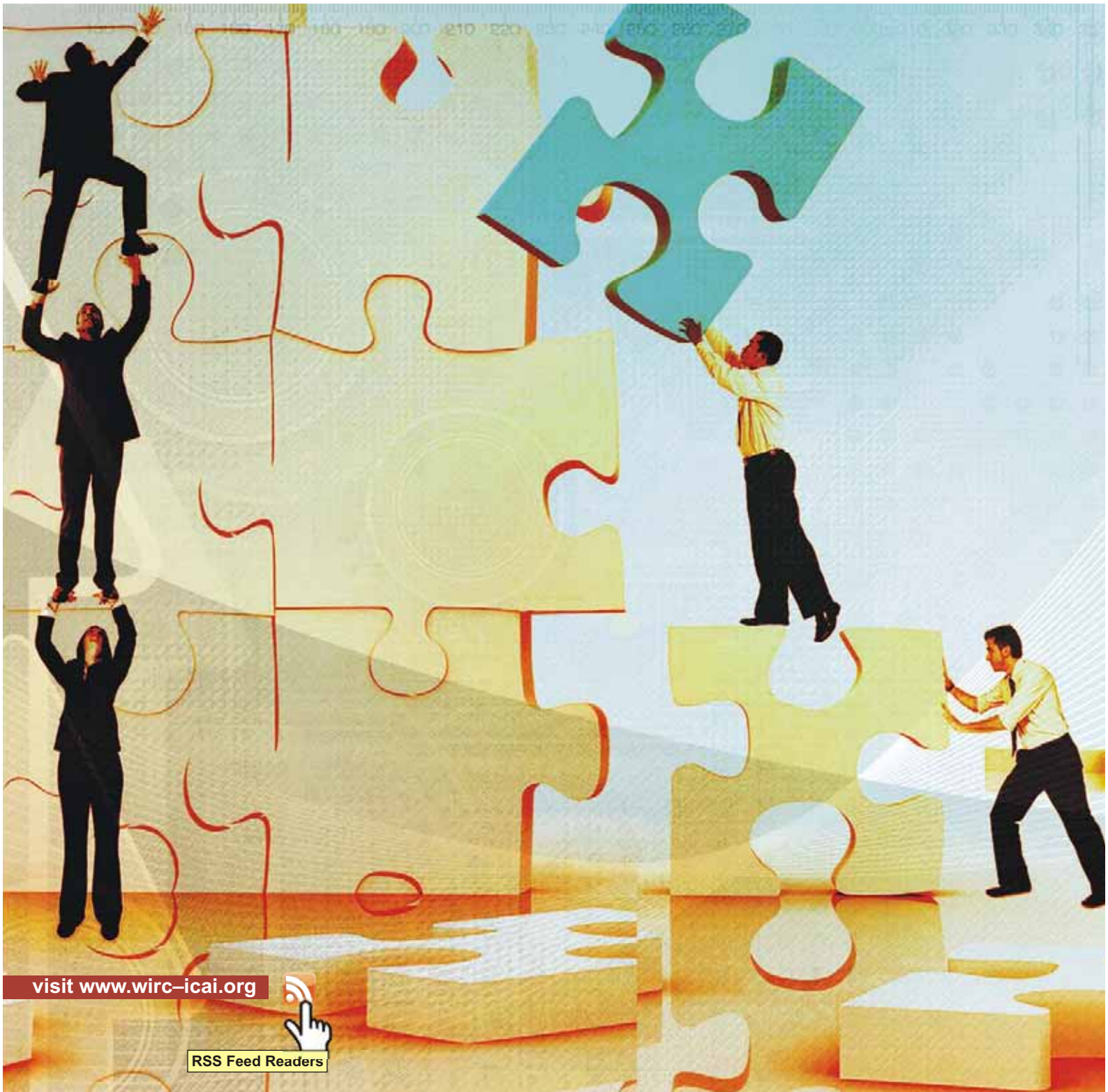


The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

WESTERN INDIA CHARTERED ACCOUNTANTS NEWSLETTER

Volume 36 | No. 4 | April, 2010

**Consolidation
for
Acceleration**



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Seminar on Statutory Audit of Bank Branches, on 13/03/2010.
(L-R): CA. Nitant Trilokekar, Faculty, CA. Sunil Patodia, RCM, CA. Neel Majithia, RCM, CA. Rakesh Gupta.

Other Speakers



CA. Abhay Kamat



CA. Anagha Thatte



CA. Vipul Choksi



Seminar on Statutory Audit of Bank Branches, on 20/03/2010.
(L-R): CA. Shardul Shah, RCM, CA. Shrinivas Joshi, RCM, CA. Ashutosh Pednekar, Faculty, CA. Aalok Mehta.

Other Speakers



CA. Ketan Saiya



CA. Sanjay Rane



Seminar on Statutory Audit of Bank Branches, on 20/03/2010.
(L-R): CA. Nilesh Dedhia, CA. Shruti Shah, RCM, CA. Parag Hangekar, Faculty, CA. Ashwin Shah.

Other Speakers



CA. I. B. Sonawalla



CA. Murtuza Vajahi



Seminar on Statutory Audit of Bank Branches, on 21/03/2010.
(L-R): CA. Jatin Ajmera, CA. Abhijit Sanzgiri, Faculty, CA. Durgesh Kabra, RCM, CA. Vipul Shah.

Other Speakers



CA. Niranjan Joshi



CA. Giriraj Soni



Seminar on Prevention of Money Laundering Act (PMLA), on 13/03/2010.
(L-R): CA. Shrinivas Joshi, RCM, CA. Dilip Shah, Faculty, CA. Shardul Shah, RCM, CA. Nikhil Damle.

Other Speakers



Shri Mayur Baya



Adv. Archana Rajaram



CA. Rashmin Sanghvi



Shri D. K. Sinha



Workshop on Finance Bill (Direct Tax Provision), on 13/03/2010.
(L to R): CA. Sanjeev Lalan, Chairman, WIRC, CA. Chetan Karia, Faculty, Shri K. Gopal, President, CTC, CA. Yatin Vyavaharkar.

Other Speakers



CA. M. P. Lohiya



CA. Yogesh Thar

Dear Professional Colleagues,

The new fiscal year 2010-11 has just begun, with governments – Central and States, having already presented their respective fiscal statements. By and large, from the budgets presented, at all levels, it seems that Central and State Governments have deemed it fit to maintain status-quo when the economy has just begun to stabilise. However, one worrying factor is the increase in VAT rates by some of the State Governments to shore up their revenues over and above the three rate structure earlier agreed upon. This increase in rates may not augur well for introduction of GST in the near future.

While on the economic front there may not be much, in so far as policy changes are concerned, the summer seems to have set in much earlier than normally expected, with increase in temperatures being three to four degrees celsius above normal. Hopefully, this may have positive impact on monsoon, thereby controlling food prices, which have remained painfully high for quite some time now.

The activities at the Region and Institute have begun at a hectic pace after the new term began. The Accounting Standards Board has already come out with as many as eight exposure drafts within a span of one and half months. All the exposure drafts have been hosted on the Institute's website for inviting comments from members. We at WIRC have also formed a study group to offer comments and suggestions on these exposure drafts. I also request members to study these drafts in detail and also offer their comments and suggestions before they become full-fledged standards.

Along with the season for mangoes the month of bank audits has also begun in full swing across the country. Various seminars were organised across the region and the same were well received. However, one fact that emerges from the allotment of bank audits is that due to reorganisation of businesses by the banks, the number of branches undergoing audit do not match with number of firms eligible for audit. This coupled with the fact that more and more banks may opt for appointing auditors independently, the gap may widen further in future.

We have organised various programmes for the benefit of members on variety of subjects. As mentioned in the previous Newsletter, the focus on education and CPE programmes will continue to be largely on Intensive Courses. The much sought after annual event DTRC is also announced in this Newsletter. I earnestly request members to take advantage of all programmes in right earnest, not only to complete the CPE requirement but also to utilise the somewhat lean period to sharpen their professional edge.

In the last month I was privileged to visit Ahmedabad, Anand, Bharuch, Pune and Vadodara branches. These visits provided me an opportunity to interact with the managing committees and members of these branches. The enthusiasm exhibited by the members of the branches and the ideas that were shared in the purposeful meetings with the committees also provided valuable inputs that can be implemented elsewhere in the Region. While in Gandhinagar, we had a fruitful discussion with the Minister of Finance, Gujarat, Shri Vajubhai Vala on matters concerning our profession and how we can contribute in various aspects of state administration. The interaction has given us good food for thought to take things forward.

One very important event that took place recently is the clearance of Right to Education Bill by the Union Cabinet. To quote **Aristotle**—

"All who have mediated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth".

The Bill seeks to guarantee right to free and compulsory education to every child aged between 6 and 14. The Bill assumes importance as it seeks to implement free and compulsory education, providing for school in every neighbourhood and School Monitoring Committees. The Bill also mandates that no child in the age group of 6-14 shall be employed. It seems that the vision that Mahatma Gandhi shared in 1937 is finally taking shape. The plea that was adopted in stonewalling universal education was mainly on the front of cost involved. It would not be out of place to quote **Abraham Flexner** here — "*Nations have recently been led to borrow billions for war; no nation has ever borrowed largely for education*". I am sure in the long run the nation shall reap rich benefits from this legislation, unless of course this leads only to literacy and not education in its real sense of the word.

It is equally important for us to think about our own well being. The **CA Benevolent Fund (CABF)** provides great relief to our own brethren and their families in times of unfortunate eventualities. I sincerely request you to make generous contributions to the same and make a difference.

The sweltering heat coincides with summer vacations in schools and colleges and I am sure many of you must be planning to cool off by taking a break before plunging back to work. Wishing you happy holidays!

With Warm Regards

Sanjeev Lalan

CA. Sanjeev Lalan



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EDITORIAL BOARD

EDITOR

CA. Sanjeev Lalan

JOINT EDITOR

CA. Neel Majithia

MEMBERS

CA. Anil Bhandari
CA. Atul Bheda
CA. Durgesh Kabra
CA. Hemant Parab
CA. Jay Chhaira
CA. Mangesh Kinare
CA. Narayan Pasari
CA. Rakesh Upadhyay
CA. Salil Lodha
CA. Shruti Shah

OFFICE BEARERS

CA. Sanjeev Lalan, Chairman
CA. Makarand Joshi, Vice Chairman
CA. Mangesh Kinare, Secretary
CA. Parag Raval, Treasurer

FORTHCOMING events



For Seminar registration, enquiry contact **3980 2923 / 922** or **6571 5690**. Cheques should be drawn in favour of **"WIRC OF ICAI"** and sent to WIRC Office, ICAI Bhawan, Cuffe Parade, Colaba, Mumbai-400 005

DATE	PROGRAMME	TIME	VENUE	FEES	CPE	PG.
17/04/2010	E-Filing and Controversies in TDS Returns	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	05
20/04/2010	New Members Meet and Felicitation of Rank Holders	4.00 p.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	—	—	05
24/04/2010	Seminar on Appellate Procedure	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	05
30/04/2010 & 01/05/2010	Two Days Conference on Mergers & Acquisitions	10.00 a.m. to 6.00 p.m.	Hotel Sahara Star, Near Domestic Airport, Vile Parle (E), Mumbai	3750	12	05
30/04/2010	Conference on Enhancing the Effectiveness of PSU Audits	10.00 a.m. to 6.00 p.m.	Rangswar Hall, Y. B. Chavan Center, Mumbai	1250	06	06
30/04/2010 to 02/05/2010	5th Advance GMCS Course	10.00 a.m. to 6.00 p.m.	Council Hall, ICAI Bhawan, WIRC	2500	18	06
03, 05, 07, 08, 10, 12, 14, 15/05/2010	Intensive Study Course on MVAT	5.30 p.m. to 8.30 p.m.	Dome Hall, SNTD College, Cama Lane, Ghatkopar (W), Mumbai	2750	24	07
03, 05, 07, 10, 12, 14, 17, 19, 21, 24, 26/05/2010	Intensive Study Course on Service Tax	5.30 p.m. to 8.30 p.m.	Mayor Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai	3750	33	07
22/05/2010	Seminar on Audit and Taxation of Charitable Organisations	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	06
24, 25, 26, 27, 28, 29, 30/05/2010	7 Days Intensive Workshop on IFRS	9.30 a.m. to 5.30 p.m.	Palms Hotel & Villas, Royal Palms, Goregaon (E), Mumbai	25,000	42	09
From 25/5/2010 — 6 Nights & 7 Days	International Study Tour to Italy	—	—	80000	10	08
29/05/2010	Seminar on Controversies in Capital Gains	10.00 a.m. to 6.00 p.m.	M. C. Ghia Hall, Nr. Jehangir Art Gallery, Kalaghoda, Mumbai	1000	06	08
29/05/2010	Seminar on Accounting Standard on Financial Instruments	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	08
05/06/2010	Seminar on TDS on Payment to Non-Residents	10.00 a.m. to 1.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	500	03	08
05, 12, 19, 26/06/2010 & 03/07/2010	Direct Tax Refresher Course (DTRC 2010)	2.00 p.m. to 6.00 p.m.	Birla Matushri Sabagraha, New Marine Lines, Churchgate	1250	15	09
12/06/2010	Seminar on E-Return under Various Acts	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	10
14, 15, 16, 18, 19, 21, 22, 23/06/2010	Intensive Study Course on Internal Audit	5.45 p.m. to 8.45 p.m.	Seminar Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai	4250	24	10
19/06/2010	Seminar on Recent Updates Under Various Acts	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	10
26/06/2010	Seminar on Search, Seizure Inspection Under Various Laws	10.00 a.m. to 6.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	1000	06	11
02/03/06/07/09/10/13/14/07/2010	Intensive Study Course on DTAA	5.30 p.m. to 8.30 p.m.	Mayor Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai	4500	24	11

SPECIAL PROGRAMME FOR YOUNG MEMBERS

25/06/2010	Special Programme for Young Members	5.30 p.m. to 8.30 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	300	03	09
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STUDENTS PROGRAMME

10/06/2010	Capital Gain & Depreciation	5.00 p.m. to 8.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	100	—	11
17/06/2010	Relevance of Standards in Auditing (SA)	5.00 p.m. to 8.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	100	—	11
24/06/2010	Income Tax Returns for Charitable Organisation	5.00 p.m. to 8.00 p.m.	J. S. Lodha Auditorium, ICAI Bhawan, WIRC	100	—	11



WIRC HAS SPECIAL TIE-UP FOR Executive Health Check-up for Members & their Spouses

- Kokilaben Dhirubhai Ambani Hospital, Andheri (W), Mumbai**
Tel: 3066 6666/3099 9999 at discounted price of Rs. 3250/- only
- Surana Hospital and Research Centre, Malad (W), Mumbai 400 064**
Tel: 022-2802 2121 / 22 / 23 / 24 or on at discounted price of Rs. 1400/- only
(Also for Students)

For further details contact 022-3980 2923
CA. Shardul Shah 9820287625
CA. Anil Bhandari 9821037605

**Regional
Council Members**





E-Filing and Controversies in TDS Returns



DAY & DATE		SATURDAY, 17TH APRIL, 2010	
Venue	J.S. Lodha Auditorium, ICAI Bhawan, WIRC		
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)		
Fees	Rs. 1,000/- for Members (inclusive of course material, lunch & refreshment) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)		
Chief Co-ordinators	CA. Shrinivas Joshi	9821096079	
	CA. Shruti Shah	9892407988	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Vinay Mulye	9820140710	
	CA. Kartik Badiani	9769978979	
	CA. Ramesh Mishra	9820419606	
TOPICS	SPEAKERS		
E-Filing of TDS Return	CA. Sanjay Gogate		
Controversial Issues in TDS	CA. Atul Suraiya		
Case Laws & Case Studies in TDS	Adv. Mandar Vaidya		
TDS Survey	CA. Mahendra Sanghvi		

Seminar on Appellate Procedure



DAY & DATE		SATURDAY, 24TH APRIL, 2010	
Venue	J.S. Lodha Auditorium, ICAI Bhawan, WIRC		
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)		
Fees	Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)		
Chief Co-ordinators	CA. Sunil Patodia	9820344085	
	CA. N. C. Hegde	9820423420	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Bhavesh Majithia	9322671692	
	CA. Ketan Mamania	9820343953	
	CA. Anil Thakrar	9821069878	
TOPICS	SPEAKERS		
Inaugural Session	Shri Pramod Kumar Hon. Member, ITAT		
Grounds of Appeal before CIT(A)	CA. Atul Suraiya		
Powers of CIT Appeals	CA. Reepal Tralshawala		
Proceedings before Tribunal	CA. Harish Motiwalla		
Art of Representation	CA. Milin Mehta		

New Members Meet and Felicitation of Rank Holders

DAY & DATE		TUESDAY, 20TH APRIL, 2010	
Venue	J.S. Lodha Auditorium, ICAI Bhawan, WIRC		
Time	4.00 p.m. to 6.00 p.m.		
Chief Co-ordinators	CA. Shardul Shah	9820287625	
	CA. Neel Majithia	9820327660	
	<i>(Regional Council Members)</i>		
Chief Guest	CA. Kamlesh Vikamsey, Past President, ICAI		
Guest of Honour	CA. Mitil Chokshi, Past Chairman, WIRC		
Those Students who have secured rank in November 2009 examination of CPT, PE-II, PCE, IPCE & CA Final, ISA (ICAI) from the Western Region shall be felicitated.			

Two Days Conference on Mergers & Acquisitions



DAYS & DATES		FRIDAY & SATURDAY, 30TH APRIL & 1ST MAY, 2010	
Venue	Hotel Sahara Star, Near Domestic Airport, Vile Parle (E), Mumbai		
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)		
Fees	Rs. 3,750/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)		
Chief Co-ordinators	CA. Shrinivas Joshi	9821096079	
	CA. Shruti Shah	9892407988	
	<i>(Regional Council Members)</i>		
Co-ordinators	CA. Paras Savla	9821657543	
	CA. Ujwal Landge	9820313352	
	CA. Sheela Chitlangia	9967015670	
	CA. Vidyt Jain	9892414386	
TOPICS	SPEAKERS		
Keynote Address	CA. Rajesh Kapadia		
Corporatisation of non-corporate entity	CA. Pradip Kapasi		
Transactions – Legal & Regulatory Challenges	Adv. Nitin Potdar		
Inbound & Outbound Acquisition	CA. T. P. Ostwal		
Transactions – Tax Challenges	CA. Hiten Kotak		
Stamp Duty	Adv. Sharad Abhyankar		
Valuation Methodologies	CA. Sujal Shah		
Accounting Issues	CA. Himanshu Kishnadwala		
Case Studies – Analysis of innovative M & A Deals	CA. Ambrish Shah		

FOUNDATION DAY CELEBRATION (1st July, 2010)

"5TH MILE SUR MERA TUMHARA"

Watch out for detailed announcement in forthcoming Newsletters. Interested participants are requested to send their concept of programmes, event for participation to wirc@icai.in. Right of selection is reserved with the Committee.





Conference on Enhancing the Effectiveness of PSU Audits



DAY & DATE	FRIDAY, 30TH APRIL, 2010	
Venue	Rangswar Hall, Y. B. Chavan Center, Mumbai	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 1,250/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Programme Director	CA. Pankaj Jain, Chairman, P.D. Committee of ICAI	
Chief Co-ordinator	CA. Sanjeev Lalan, Chairman, WIRC	
TOPICS	SPEAKERS	
Inaugural Address	Shri Sunil Varma Dy. C&AG (Commercial)	
Key Note Address	CA. Amarjeet Chopra President, ICAI	
Special Address	CA. G. Ramaswamy Vice-President, ICAI	
Expectation from Auditors – C&AG Perspective (with special reference to supplementary audit, Directions from C&AG)	Shri K. P. Sasidharan D.G. C&AG	
Preparing PSUs for adoption of IFRSs from 2011: Issues and Challenges due to differences between ASs and IFRSs	Dr. Avinash Chander Director, ICAI	
Specific Issues: Audit Planning – Co-ordination with Management and Reporting	Panel Discussion C&AG & ICAI	
Issues related to empanelment/Allotment and other significant issues	CA. Pankaj Jain Chairman, PDC	
Recent Developments in Auditing Standards – An Overview PSU Auditors: Implementing Standard on Quality Control	Shri Vijay Kapur Director, ICAI	
Recent Developments in Accounting Standards	Dr. Avinash Chander Director, ICAI	
Organised by Professional Development Committee of ICAI Hosted by Western India Regional Council of ICAI		

5th Advance GMCS Course



It is a well accepted fact that a CA possesses in-depth knowledge and keeps himself updated on all subjects of professional relevance. However, it is effective communication and presentation skills that enable a person to express and present their expert knowledge effectively. The art of self expression is necessary to create the required impact on the clients and society at large.

Since effective communication and presentation skills are very essential, GMCS was made a pre-membership condition around 5 years ago. It is now that the benefits of GMCS are being appreciated by the CAs as well as others concerned. This advance course is designed for interested members

DAYS & DATES	FRIDAY, SATURDAY & SUNDAY 30TH APRIL, 1ST MAY & 2ND MAY, 2010	
Venue	Council Hall, ICAI Bhawan, WIRC	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 2,500/- for Members (inclusive of course material, lunch, snacks & tea) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Mangesh Kinare, Secretary, WIRC	9869070539
	CA. Neel Majithia	9820327660
	CA. Ashok Jain	9833512888
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Shivrajsinh Chauhan	9699669482
	CA. Manoj Tanna	9323135520
	CA. Rakesh Soni	9820673833
TOPICS		
	■ Personality Analysis for greater Professional Effectiveness	
	■ Grooming & Business Etiquettes	
	■ Body Language for Impressive 'First Impressions'	
	■ Powerful Communication Skills for enhanced Client Interaction	
	■ Time Management for Effective Scheduling	
	■ High Impact Public Speaking & Presentation Skills	
	■ Excellence in Group Discussions	
	Training by Ms. Sneha Shah, Shri Shashank Gupta	
	ENROLMENT WILL BE RESTRICTED TO FIRST 30 PARTICIPANTS	

Seminar on Audit and Taxation of Charitable Organisations



DAY & DATE	SATURDAY, 22ND MAY, 2010	
Venue	J.S. Lodha Auditorium, ICAI Bhawan, WIRC	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Mangesh Kinare, Secretary, WIRC	9869070539
	CA. Dhiraj Khandelwal	9867642684
	<i>(Regional Council Member)</i>	

Co-ordinators	CA. Anand Desai	9820511417
	CA. Vivek Agarwal	9324422053
	CA. Chhaya More	022 42256355
TOPICS	SPEAKERS	
Accounting & Other Regulatory Aspects of Charitable Organisation	CA. Tushar Doctor	
Audit of Charitable Organisation under BPT Act / Income-tax Act & Others	CA. Vijay Joshi	
Registration & Related Issues under Income-tax Act	CA. Jitendra Shah	
Taxation of Charitable Organisation	CA. Anil Sathe	



Intensive Study Course on MVAT



DAYS & DATES

Mondays	03rd May 2010	10th May 2010
Wednesdays	05th May 2010	12th May 2010
Fridays	07th May 2010	14th May 2010
Saturdays	08th May 2010	15th May 2010
Venue	Dome Hall, SNDT College, Cama Lane, Ghatkopar (W), Mumbai	
Time	5.30 p.m. to 8.30 p.m.	
Fees	Rs. 2,750/- (inclusive of course material, refreshments and tea) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Shrinivas Joshi	9821096079
	CA. Sunil Patodia	9820344085
	CA. Ashok Jain	9833512888
	CA. Vishnu Agarwal	9324544607
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Mitesh Kataria	9833777556
	CA. Atul Mehta	9869084311
	CA. Hemant Mehta	9821261193
	CA. Jitendra Mehta	9321291991
	CA. Manish Pasad	9821343255
	CA. Sanjay Sardhara	9820515808

DAY	DATE	SUBJECTS	SPEAKERS
Monday	03/05/2010	Introduction of MVAT & Basic of CST Act	CA. C. B. Thakar
Wednesday	05/05/2010	Statutory Returns, Forms, Document, & penalty under MVAT & CST Acts	CA. Bharat Gosar
Friday	07/05/2010	Input tax credit & set off rules +practical computation for branch transfer & other retentions	CA. Vikram Mehta
Saturday	08/05/2010	Business Audit / refund audit – Procedure & its relevance in MVAT audit	CA. Kiran Garkar
Monday	10/05/2010	MVAT Audit – Preparation for the audit certification opinions - Audit report - Form 704 Part I	CA. Sujata Rangnekar
Wednesday	12/05/2010	MVAT Audit – Form 704 Part II & CST - Sale in transit / Branch transfer	CA. Rajat Talati
Friday	14/05/2010	Tax on Works Contract and Leasing with practicals computation	CA. Mayur Parekh
Saturday	15/05/2010	Practical aspects of conduct of VAT audit	CA. Deepak Thakkar

Jointly with Ghatkopar CPE Study Circle

Intensive Study Course on Service Tax



DAYS & DATES

Mondays	03/05/2010	10/05/2010	17/05/2010	24/05/2010
Wednesdays	05/05/2010	12/05/2010	19/05/2010	26/05/2010
Fridays	07/05/2010	14/05/2010	21/05/2010	
Venue	Mayor Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai			
Time	5.30 p.m. to 8.30 p.m.			
Fees	Rs. 3,750 (inclusive of course material, refreshments and tea) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)			
Chief Co-ordinators	CA. Shrinivas Joshi	9821096079		
	CA. Durgesh Kabra	9869015418		
	CA. Shruti Shah	9892407988		
	CA. Vishnu Agarwal	9324544607		
	<i>(Regional Council Members)</i>			
Co-ordinators	CA. Y. R. Desai	9820448365		
	CA. Ashok Manghnani	9820395195		
	CA. Ajit Thakkar	9324242916		
	CA. Kishore Joshi	9869186849		
	CA. Jayesh Shah	9892349788		
	CA. Devang Jimulia	9930618187		

DAY	DATE	SUBJECTS	SPEAKERS
Monday	03/05/2010	• Service Tax Overview • Preliminary legal provisions and important definitions – Sections 64, 65, 66 • General Exemptions • Classification – section 65A • Abatements	CA. A. R. Krishnan
Wednesday	05/05/2010	• Valuation of Taxable services • Banking and Financial Services	CA. Rajiv Luthia
Friday	07/05/2010	• Input Credit Mechanism	CA. Bharat Shemlani
Monday	10/05/2010	• Import of Services • Export of Services	CA. Girish Raman
Wednesday	12/05/2010	• Business Auxiliary Services including promotion of lottery and brand etc. • Management Services • Business Support Service	CA. Sunil Gabhawalla
Friday	14/05/2010	• Intellectual Property services including Copyright service • Information Technology Software Services	Eminent Faculty
Monday	17/05/2010	• Goods Transport by Road • Cargo Handling Services • Clearing & Forwarding Services • Custom House Agent Service • Health care services	CA. Jayesh Gogri
Wednesday	19/05/2010	• Construction services including Works Contract Services (Incl. spl services by builder) • Erection and Commissioning Services	CA. Naresh Sheth
Friday	21/05/2010	• Renting of immovable property services • Sale of space • Repairs & Maintenance • Supply of tangible good for use service	CA. Ashit Shah
Monday	24/05/2010	• Procedures • Registration • Payments • Returns • Refund • Applicability of Excise • Provisions to Service Tax • Interest and Penalties	CA. Manish Gadia
Wednesday	26/05/2010	• Adjudication & Appellate proceedings	Adv. Bharat Raichandani

Jointly with Andheri (W) CPE Study Circle





International Study Tour to Italy



FROM 25TH MAY, 2010 – 6 NIGHTS & 7 DAYS

Contribution for the programme per person:

For Adult : Rs. 80,000/-
(applicable for Children above 11 years also. Twin or Triple Sharing Basis)

For Child from 2 to 11 years : Rs. 70,000/-
(Twin or Triple Sharing Basis with Separate Bed)

For Child from 2 to 11 years : Rs. 60,000/- (without Bed)

For Child below 2 years : As per Airlines Rules

The Contribution is payable in two (2) installments Rs. 25,000/- before 1st April and balance by 15th April 2010.

The cheque should be drawn in favour of "Thane Branch of WIRC of ICAI"

The Package Cost includes :

- Return Economy Class Airfare • Airport Taxes • Tourist Visa for Italy
- 6 Nights Accommodation on Twin/Triple/Sharing Basis • Daily Breakfast, Lunch & Dinner • Private Transfers by Coach, Ferry or Gondola ride wherever applicable • Sightseeing including Entrance Tickets, Tour Escorts Guide and tips etc. • Medical Insurance Cost up to 59 years of age.

Sightseeing Spots:

The total Stay will be for 6 nights & 7 days. The group will be travelling to Rome, Vatican City, Capri Island, Naples, Colloseum, Florence, Leaning Tower of Pisa, Venice and many more.

Chief Co-ordinator:

CA. Ashok Jain 9833512888 (Regional Council Member)

Co-ordinators:

CA. Pankaj Parekh 98200 73229 CA. Anand Gharpure 98700 40030
CA. Navin Dedhia 98922 65624 CA. Vinod Karandikar 99303 09452

(For Technical Session Contact Co-ordinators)

Jointly with Thane Branch of WIRC

Seminar on Accounting Standard on Financial Instruments



DAY & DATE SATURDAY, 29TH MAY, 2010

Venue J.S. Lodha Auditorium, ICAI Bhavan, WIRC

Time 10.00 a.m. to 6.00 p.m.
(Registration 9.30 a.m. to 10.00 a.m.)

Fees Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)

Chief Co-ordinators CA. Shrinivas Joshi 9821096079
CA. Anil Bhandari 9821037605
(Regional Council Members)

Co-ordinators CA. Kunal Parikh 9892429993
CA. Pawan Kabra 9892583340
CA. Ramesha Shetty 9869504322

TOPICS

SPEAKERS

Presentation & Definition (AS-31) CA. Ashutosh Pednekar

Accounting of Financial Instruments CA. Jayesh Gandhi

Derivatives & Hedge Accounting CA. Jayesh Gandhi

Different Financial Instruments in Market Explained Dr. A. L. Saini

Seminar on Controversies in Capital Gains



DAY & DATE SATURDAY, 29TH MAY, 2010

Venue M.C. Ghia Hall, Nr. Jehangir Art Gallery, Kalaghoda, Mumbai

Time 10.00 a.m. to 6.00 p.m.
(Registration 9.30 a.m. to 10.00 a.m.)

Fees Rs. 1000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)

Chief Co-ordinators CA. Dhiraj Khandelwal 9867642684
CA. Shardul Shah 9820287625
(Regional Council Members)

Co-ordinators CA. Rishikesh Wandrekar 9892919239
CA. Ajit Thakkar 9324242916
CA. Soniya Jaiswal 9819938927

TOPICS

SPEAKERS

Capital Gains Issues Relating to Partnership & LLP (incl. conversion) CA. Praful Poladia

Issues in Capital Gain with reference to sections 50, 50 C & Exemption Sections Adv. Mandar Vaidya

Taxation of Share & Securities with special reference to Capital Gain vs. Business Income CA. Gautam Nayak

Taxation of Real Estate Transaction including development rights CA. Nihar Jambusaria

Seminar on TDS on Payment to Non-Residents



DAY & DATE SATURDAY, 5TH JUNE, 2010

Venue J.S. Lodha Auditorium, ICAI Bhavan, WIRC

Time 10.00 a.m. to 1.00 p.m.
(Registration 9.30 a.m. to 10.00 a.m.)

Fees Rs. 500/- for Members (inclusive of course material & refreshment) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)

Chief Co-ordinators CA. Shardul Shah 9820287625
CA. Sunil Patodia 9820344085
(Regional Council Members)

Co-ordinators CA. Amit Ganpule 9819447385
CA. Pranay Khochar 9819846198
CA. Rajkumar Jagetia 9619392444

TOPICS

SPEAKERS

Overview & practical aspects of Sec. 195 CA. Vishal Gada

Case Study & Issues in E-Filing CA. Sushil Lakhani





7 Days Intensive Workshop on IFRS



The IFRS Committee of WIRC is organising the first of its kind Workshop on Knowledge Building in IFRS. The objective of this workshop is to build a strong team of trainers and speakers on this topic.

Venue Palms Hotel & Villas, Royal Palms, Goregaon (E), Mumbai

Time 9.30 a.m. to 5.30 p.m.

Fees Rs. 25,000/- per Participant on residential basis (inclusive of stay on twin Sharing basis course material, all meals & taxes) • Rs. 15,000/- per Participant on non-residential basis (excluding dinner & stay) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)

(Does not include point to point transfer & gratuities)

Chief Co-ordinators CA. Parag Raval, Treasurer, WIRC 9824339200
CA. Rajesh Shah 9825041142
CA. Shrinivas Joshi 9821096079
CA. N. C. Hegde 9820423420
CA. Shardul Shah 9820287625
CA. Anil Bhandari 9821037605
(Regional Council Members)

DAY	DATE	SUBJECTS
Monday	24/5/2010	IFRS – An Overview - Applicability - Issues related with Indian Conversion • Roadmap of IFRS Implementation - Scheduling of implementations • A Brief on exposure drafts • The Discussion and Clarifications about MCA Circular • IAS 1 (Presentation of financial statements) and IAS - 7, 8, 10, 33, 34
Tuesday	25/5/2010	IFRS 3 (Business combinations) – Indepth • Consolidation and Joint Venture (IAS 27, 28, 31)
Wednesday	26/5/2010	IAS 16 (Property, Plant and Equipment) incl FV • IAS 40 (Investment Property) • IAS 17 (Leases) • IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) • IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) • IAS 23 (Borrowing Costs) • IAS 36 (Impairment of Assets) • IAS 38 (Intangible Assets)
Thursday	27/5/2010	IFRS 4 (Insurance contracts) IFRS 6 (Mineral resources) • IAS 29 (Financial Reporting in Hyperinflationary Economies) IAS 41 (Agriculture) • IAS 26 (Accounting & Reporting by Retirement Benefit Plans) • IAS 12 (Income Tax) • IAS 21 (The Effects of Changes in Foreign Exchange Rates) • IFRS 8 (Operating Segments) • IAS 2 (Inventories) • IAS 11 (Construction Contracts) • IFRS 2 (Share based payments) • IAS 19 (Employee Benefits)
Friday	28/5/2010	(IFRS 7, IAS 32, IAS 39/IFRS 9) - Indepth
Saturday	29/5/2010	IAS 18 (Revenue) • IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) • IAS 24 (Related Party Disclosures) • IFRS - 1: optional exemptions and mandatory exceptions • The Aspects of Presentation in IFRS training • The Logistics and tools to be used for conducting training • Methods of Explanation along with examples
Sunday	30/5/2010	FAQs and answers • Industry specific conversion & actual implementation • Case Study and Group discussion on standards covered on each day • Answers to group discussion, Q & A and windup

Enrollment will be restricted to first 30 participants for residential basis and to first 20 participants on non-residential basis.

For detail programme please visit: www.wirc-icai.org

Direct Tax Refresher Course (DTRC 2010)



DTRC is the most awaited annual programme of WIRC of ICAI. It is helpful to members to refresh and sharpen their knowledge and skills. Most prominent faculties will address the participants on relevant topics. We at WIRC earnestly solicit your participation in this Continuing Professional Education Programme.

DAYS & DATES SATURDAY, 5TH, 12TH, 19TH, 26TH JUNE & 3RD JULY, 2010

Venue	Birla Matushri Sabagraha, New Marine Lines, Churchgate
Time	2.00 p.m. to 6.00 p.m. (Registration 1.30 p.m. to 2.00 p.m.)
Fees	Rs. 1,250/- (inclusive of course material, tea and refreshment) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)
Chief Co-ordinators	CA. Mangesh Kinare (Secretary, WIRC) 9869070539 CA. Shrinivas Joshi 9821096079 CA. Dinesh Gandhi 9822547432 CA. Bhailal Patel 9825033927 CA. Durgesh Kabra 9869015418 (Regional Council Members)

TOPICS	SPEAKERS
5th June, 2010	
Inauguration	Shri S.S. N. Moorthy, Chairman, CBDT
Recent Important Judicial Decisions	CA. Rajan Vora
Accounting Standards & Taxation Issues	CA. Nihar Jambusaria
12th June, 2010	
Issues in Taxation on Conversion to LLP	CA. Yogesh Thar
Important Development in Business Deductions & Incentives	CA. Pradip Kapasi
19th June, 2010	
Concealment Penalty	CA. Chetan Karia
Taxability of Receipts (Gifts) u/s 56/2(vi)(vii)(viii)	CA. Sunil Talati
26th June, 2010	
Income deemed to accrue or arise in India – Section 9 with special emphasis to substitution of “Explanation” by Finance Act, 2010 – Its impact)	CA. T. P. Ostwal
Set off & Carry Forward of Losses	Eminent Faculty
3rd July, 2010	
Taxation of AOP (including Joint Ventures)	CA. Shefali Garodia
Taxation of Salaries with Special Reference to Perquisite Valuation Rules & Exemptions	Eminent Faculty

Special Programme for Young Members



DAY & DATE FRIDAY, 25TH JUNE, 2010

Venue J. S. Lodha Auditorium, ICAI Bhawan, WIRC.

Time 5.30 p.m. to 8.30 p.m.

Fees Rs. 300/- for Members (inclusive of course material & refreshment)

Chief Co-ordinators CA. Ashok Jain 9833512888
CA. N.C. Hegde 9820423420
(Regional Council Members)

TOPIC LLP – Formation, Conversation, Taxation & Issues

SPEAKER

CA. Satish Shanbag



Seminar on E-Return Under Various Acts



DAY & DATE SATURDAY, 12TH JUNE, 2010

Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Dhiraj Khandelwal CA. Vishnu Agarwal (Regional Council Members)	9867642684 9833310916
Co-ordinators	CA. Punit Singhvi CA. Amit Mundra CA. Sudhir Chirania	9323023817 9820108015 9322213962

TOPICS	SPEAKERS
Issues in E-Filing and Online Incorporation of Company across India with Case Studies (with special reference to Foreign Promoter/Director applications)	Shri Kaushik Jhaveri
E-Filing of various forms and return under MVAT	CA. Govind Goyal
E-Filing of various forms and returns under Income-tax Act	CA. Avinash Rawani
E-Filing under Service tax	CA. Vishal Seth

Intensive Study Course on Internal Audit



DAYS & DATES **Monday to Wednesday**
14/06/2010 to 16/06/2010
21/06/2010 to 23/06/2010
Friday to Saturday
18/06/2010 to 19/06/2010

Venue	Seminar Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai	
Time	5.45 p.m. to 8.45 p.m. (Registration 5.15 p.m. to 5.45 p.m.)	
Fees	Rs. 4,250/- for Members (inclusive of course material & Refreshments) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Durgesh Kabra CA. Sunil Patodia CA. Anil Bhandari CA. Shruti Shah (Regional Council Members)	9869015418 9820344085 9821037605 9892407988
Co-ordinators	CA. Jayesh Shah CA. Sanjay Bansal CA. Amar Bafna CA. Navratan Jain CA. Manoj Agarwal CA. Mukesh Gilda	9819043921 9821125955 9869201186 9869030997 9820392252 9930406677

DATE	TOPICS	SPEAKERS
14/06/2010	Key Note Address	CA. Naren Aneja
	Fundamentals of Controls in New Age	CA. Deepjee Singal
15/06/2010	Relevance of Internal Audit	Shri Hardik Dhruva
	Evolution of Internal Audit	CA. Nagesh Pinge
16/06/2010	Concepts of Risks	Shri Prem Chopla
	Enterprise Risk Management	CA. Dipak Ghose
18/06/2010	Risk Based Internal Audit	CA. Porus Doctor
	Internal Audit – Standards, Relevance of Regulatory Framework	CA. Nita Shah
19/06/2010	Case Study – Banking	CA. Smita Gune
	Case Study – Software	CA. Jyotin Mehta
21/06/2010	Case Study – Manufacturing	CA. C. N. Rushi
	Case Study – Retail	CA. Satish Shenoy
22/06/2010	Use of Technology in Internal Audit	CA. Nishith Seth
	Report Writing	CA. Ravi Iyer
23/06/2010	Importance of Soft Skills for Internal Auditor	CA. Narayan Mantri
	Emerging Opportunities for Practising CAs	CA. Rajkumar Adukia

Jointly with J.B. Nagar CPE Study Circle

Seminar on Recent Updates Under Various Acts



DAY & DATE SATURDAY, 19TH JUNE, 2010

Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Shardul Shah CA. Shruti Shah (Regional Council Members)	9820287625 9892407988
Co-ordinators	CA. Vikas Vishwasrao CA. Pravin Jain CA. Sandip Ajmera	9892915272 9820042263 9324426134

TOPICS	SPEAKERS
Service Tax	CA. Bharat Shemlani
Income Tax	CA. Shailesh Doshi
MVAT Act	CA. C. B. Thakar
Companies Act	CA. Alok Saxena

Seminar on Search, Seizure Inspection Under Various Laws



DAY & DATE	SATURDAY, 26TH JUNE, 2010	
Venue	J.S. Lodha Auditorium, ICAI Bhavan, WIRC	
Time	10.00 a.m. to 6.00 p.m. (Registration 9.30 a.m. to 10.00 a.m.)	
Fees	Rs. 1,000/- for Members (inclusive of course material, breakfast & lunch) (Please add Rs. 100/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. Durgesh Kabra	9869015418
	CA. Neel Majithia	9820327660
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Santosh Jain	9820435688
	CA. Yashesh Jakhethia	9967586811
	CA. Jayesh Kala	9820010113
	CA. Sandip Jain	9819768099
TOPICS	SPEAKERS	
Income-tax Act	Shri Rajnish Vohra, ACIT	
Companies Act	CA. J. N. Tikku, Joint Regional Director	
MVAT Act	CA. Janak Vaghani	
Service Tax Act	CA. Vipin Jain	

STUDENTS PROGRAMME

Venue for All	J. S. Lodha Auditorium, ICAI Bhawan, WIRC.
Time for All	5.00 p.m. to 8.00 p.m.
Fees	Rs. 100/- for Student per programme (inclusive of course material & refreshment)

DAY & DATE	THURSDAY, 10TH JUNE, 2010	
Chief Co-ordinator	CA. Sunil Patodia	9820344085
	<i>(Regional Council Member)</i>	
TOPIC	SPEAKER	
Capital Gain & Depreciation	CA. Satish Chandak	

DAY & DATE	THURSDAY, 17TH JUNE, 2010	
Chief Co-ordinator	CA. Shardul Shah	9820287625
	<i>(Regional Council Member)</i>	
TOPIC	SPEAKER	
Relevance of Standards in Auditing (SA)	Eminent Faculty	

DAY & DATE	THURSDAY, 24TH JUNE, 2010	
Chief Co-ordinator	CA. Neel Majithia	9820327660
	<i>(Regional Council Member)</i>	
TOPIC	SPEAKER	
Income Tax Returns for Charitable Organisation	CA. Tansukh Chheda	

Intensive Study Course on DTAA



Venue	Mayor Hall, All India Local Self Government Institute, Juhu Lane, Andheri (W), Mumbai	
Time	5.30 p.m. to 8.30 p.m.	
Fees	Rs. 4,500/- (inclusive of course material & refreshments) (Please add Rs. 250/- towards CA Benevolent Fund as Voluntary Contribution)	
Chief Co-ordinators	CA. N. C. Hegde	9820423420
	CA. Anil Bhandari	9821037605
	CA. Vishnu Agarwal	9324544607
	<i>(Regional Council Members)</i>	
Co-ordinators	CA. Jayesh Shah	9819043921
	CA. Haridas Bhatt	9820089427
	CA. Mahavir Jain	9821050238

DAY	DATE	SUBJECTS
Friday	2-Jul-10	Introduction to Tax Treaties OECD Model Commentary • UN Model Commentary Tax Residency under Tax Treaties Explaining the provisions of tax residency • Tie Breaker Rules • Advance Rulings in case of Natwest/AIG/AR Rafiq/GE Pension Trust • CBDT Circular on Mauritius entities
Saturday	3-Jul-10	Permanent Establishment Fixed place PE and Service PE • Construction/Installation PE and Agency PE
Tuesday	6-Jul-10	Income from Interest/Dividend/Capital Gains Understanding the concepts, definitions and differences between Treaty and Act • Capital Gains provisions under Mauritius, Singapore, Netherlands, Cyprus Treaties Royalties: Concept of Royalty in Treaty vs Act • Taxability of Software payments/Knowhow/Live Feed • Use of equipment clause absent in certain Treaties • Explanation of Second Source Rule especially India - US tax treaty
Wednesday	7-Jul-10	Fees for Technical Services: Concept of FTS in Treaty and Act • Concept of make available in certain Tax Treaties • Judicial precedents on make available • Taxability of transponder payments Shipping and Airline Companies: Taxability under the Act and Treaty • Definition of International traffic • Charter hire arrangements, slot arrangements, feeder vessels • Judicial precedents such as the decision in case of Delta Airlines, Fedex, Balaji Shipping
Friday	9-Jul-10	Dependent and Independent Personal Services: Concept and conditions for availing benefits • Taxability of ESOPs • Taxability of Social Security Contribution Taxability of Artists/Sportsman: Taxability under the Act and Treaty • Concept of Star Companies • Taxability of Endorsements/Articles in Journals/Royalties
Saturday	10-Jul-10	Non Discrimination Clause: Concept and Applicability of NDC • AAR /Tribunal Decisions on the subject • Pune Tribunal Decision in case of Daimler Chrysler • Delhi Tribunal Decision in case of Herbalife Transfer Pricing: Introduction to TP • Various methods of computing arm's length price • Recent Judicial Precedents on TP
Tuesday	13-Jul-10	International tax issues facing the Financial Services Industry: Taxability of interest paid and received from Head office • Head office deduction • Taxability of interest on Nostro accounts • Marketing fees paid to overseas/Head office • Taxability of derivative and swap transactions International tax issues facing the Oil and Gas Industry : Introduction to Section 44BB • Sale of equipment covered within Section 44BB • FTS vs Section 44BB (Budget proposal)
Wednesday	14-Jul-10	International tax issues facing EPC Contractors: Taxability of offshore supply of equipments • Sale of designs and drawings vs right to use designs and drawings • Taxability of onshore supply and services International tax issues facing Media companies : Agency PE and attribution of Profits • Arm's length price extinguishes attribution • Taxability of transponder payments
Jointly with J. B. Nagar CPE Study Circle		



COMPUTER CPE TRAINING PROGRAMMES

S.No.	Date	Time	CPE Hrs.	Topic	Fees (Rs.)
1.	17th to 21st May, 2010	9.00 a.m. to 12.00 noon	15	Introduction to Word, Excel and Internet (For senior citizens)	1000
2.	17th to 21st May, 2010	1.00 p.m. to 5.00 p.m.	15	Workshop on Advance Excel	2000
3.	17th to 21st May, 2010	6.00 p.m. to 9.00 p.m.	15	Workshop on Tally ERP	2000
4.	22nd & 23rd May, 2010	9.00 a.m. to 6.00 p.m.	12	Mastering Excel – Excel as an Audit Tool	2000
5.	24th to 30th May, 2010	10.00 a.m. to 6.00 p.m.	30	SAP - FICO & MM	10000
6.	31st May to 6th June, 2010	10.00 a.m. to 6.00 p.m.	30	Auditing in SAP Environment	10000
7.	7th to 11th June, 2010	10.00 a.m. to 1.00 p.m.	15	Core Banking Software	2000
8.	7th to 11th June, 2010	5.00 p.m. to 8.00 p.m.	15	Introduction to Word, Excel and Internet (For senior citizens)	1000

Venue for the Above Programmes: **Computer Academy** 426 Savla School, Shraddhanand Road, Opp. Shraddhanand Mahila Ashram, King's Circle, Matunga Central Railway, Mumbai

For registration contact 3980 2923/922 and information contact Mrs. S Kapoor -Tel. No. 3980 2911 e-mail : kapoor@icai.in


Chief Co-ordinator: CA. Shruti Shah, Regional Council Member (M): 9892407988

Cheques should be drawn in favour of "WIRC OF ICAI" payable at Mumbai.


Note: Enrolment limited for only 15 Participants, first-come first-serve basis, so register early to avoid disappointment.

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DATE & DAY	TIME	SUBJECTS	SPEAKER(S)	VENUE	ORGANISED BY / CONVENOR / TEL. NO.
17/04/2010 Saturday	6.00 p.m.	Annual Day (Members of Study Circle)		Jolly Gymkhana, Opp. Fatima High School, Vidhya Vihar, Ghatkopar (West), Mumbai.	Ghatkopar CPE Study Circle CA Mitesh Katira (M): 9833777556
18/04/2010 Sunday	9.00 a.m.	Updates on TDS E-Filing of TDS	CA. N. C. Hegde CA. Sanjay Gogate	Conference Hall, Thakur Polytechnic, 90 Feet Road, Thakur Complex, Kandivli (East), Mumbai.	Borivali Kandivali (East) CPE Study Circle of WIRC CA. Vidhyut Jain (M): 9892414386
18/04/2010 Sunday	8.45 a.m.	Taxation of Salary & Perquisites – Typical Issues MVAT – Budget Analysis & Updates	CA. Hiten Shah CA. Deepak Thakkar	Hotel Kohinoor Continental, J B Nagar, Andheri (East), Mumbai.	J.B. Nagar CPE Study Circle CA. Haridas Bhat (M): 9820089427
22/04/2010 Thursday	5.30 p.m.	IFRS – To begin with.....	CA. Chintan Patel	Basement, Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad	Ellisbridge CPE Study Circle CA. Rohit Choksi (M): 9879796807
24/04/2010 Saturday	5.45 p.m.	Study Group Meeting 1. Taxation 2. Accounting 3. Audit	Various Group Leader	A-52, AIPMA House, Street No. 1, Nr. Tunga International, MIDC, Andheri (E), Mumbai	J.B. Nagar CPE Study CA. Pramod Agrawal (M): 9820067430
25/04/2010 Sunday	9.30 a.m.	Recent Amendments and Updates under MVAT and CST Act	CA. Deepak Thakkar CA. Janak Vaghani	Subhangan, Landmark Building, Ganjawala Road, Next to Bharat Petroleum, Borivali (W), Mumbai	Borivali (Central) CPE Study Circle CA. Jatin K. Ajmera (M): 9321013060
26/04/2010 Monday	5.30 p.m.	Analysis of Sec. 14-A [Focus : Rule 8-D] of the Income-tax Act	CA. Pradeep Shah	Basement, Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad	Ellisbridge CPE Study Circle CA. Rohit Choksi (M): 9879796807
02/05/2010 Sunday	9.00 a.m.	Income -tax New Amendments WRT A.Y. 2010-11 & TDS Provisions	CA. Uday Gandhi & CA. Ashok Manghnani	RVG CA Students Hostel, Lallubhai Park, Andheri West, Mumbai	Andheri West CPE Study Circle CA. Y. R. Desai (M): 9820448365
02/05/2010 Sunday	9.30 a.m.	Recent Developments on Tax Deducted at Source AGM of Study Circle	CA. Mahendra Sanghvi Members BCSC	Subhangan, Landmark Building, Ganjawala Road, Next to Bharat Petroleum, Borivali (W), Mumbai	Borivali (Central) CPE Study Circle CA. Jatin K. Ajmera (M): 9321013060
08/05/2010 Saturday	6.00 p.m.	Stock, Receivable and Credit Audit of Bank Diligence Reporting of Borrower of a Bank	CA. Rajkumar Adukia	Subhangan, Landmark Building, Ganjawala Road, Next to Bharat Petroleum, Borivali (W), Mumbai	Borivali (Central) CPE Study Circle CA. Jatin K. Ajmera (M): 9321013060
22/05/2010 Saturday	6.00 p.m.	Basic Concepts & Issues in FEMA and FDI	CA. Satish Sohoni	2, Science, Ruparel College, Matunga, Mumbai.	Shivaji Park Study Circle CA. Milind Dixit (M): 9820267302
29/05/2010 Saturday	6.00 p.m.	Issues on Capital Gains	CA. Navin Gandhi	SNDT Dome, Cama Lane, Ghatkopar (West), Mumbai	Ghatkopar CPE Study Circle CA Mitesh Katira (M): 9833777556

Note: All Convenors are requested to send their forthcoming programmes only on e-mail wircerevents@yahoo.com at the end of the preceding month positively.

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FOR THE BRANCHES

forthcoming meetings



DATE	TIME	SUBJECTS	SPEAKERS	VENUE
AMRAVATI				
27/04/2010	5.00 p.m.	E.Procedure & latest amendment in Service Tax	Eminent Faculty	Branch Premises
BARODA				
17/04/2010	4.00 p.m.	Taxation of Real Estate Transactions	CA. Bharat Popat	Conference Hall, ICAI Bhawan, Baroda
17/04/2010	4.00 p.m.	Microsoft Excel for Chartered Accountants	CA. Bhavin Shah	Branch Premises
20/04/2010	6.00 p.m.	Finalization of Financial Statements for F.Y. 2009-10 – Accounting Issues and Impact of Recent Taxation Issues	CA. Manish Baxi	Conference Hall, ICAI Bhawan, Baroda
24/04/2010	6.00 p.m.	E-Filing and Controversies in TDS Return	CA. Manish Shah	Conference Hall, ICAI Bhawan, Baroda
27/04/2010	6.00 p.m.	Recent Issues in International Taxation	CA. Abhishek Nagori	Conference Hall, ICAI Bhawan, Baroda
24/04/2010	4.00 p.m.	International Taxation Road Map to GST	CA. Mahesh Sarda CA. Maulik Dattani	
BHAVNAGAR				
17/04/2010	9.15 a.m.	Full day seminar on Taxation	Adv. Manish J. Shah CA. Sanjay Shah	Hotel Blue Hill, Nr. Pill Garden, Bhavnagar
GOA				
24/04/2010	9.30 a.m.	Statutory Audit under Companies Act, 1956 – For CA. Students	CA. Kiran Kharangate	Goa Branch Premises
30/04/2010	3.30 p.m.	Goa VAT Amendments in State Budget	Commissioner of Commercial Taxes	Goa Branch Premises
JAMNAGAR				
17/04/2010	4.00 p.m.	Microsoft Excel for Chartered Accountants	CA. Bhavin Shah	Branch Premises
24/04/2010	4.00 p.m.	International Taxation Road Map to GST	CA. Mahesh Sarda, CCM CA. Maulik Dattani	Branch Premises
NAGPUR				
17/04/2010	9.30 a.m.	Half day Seminar on e-filing of Service Tax	Eminent Speakers	ICAI Bhawan
24/04/2010	9.30 a.m.	All Maharashtra Tax Convention	Eminent Speakers	Rajwada Palace
NAVI MUMBAI				
22/04/2010	9.30 a.m.	Seminar on Private Equity	Eminent Speakers	Conformation Hall, Navi Mumbai, Sports Association. Sector-1A, Near Vashi Police Station, Vashi, Navi Mumbai
PIMPRI CHINCHWAD				
29/04/2010	–	Personality Development	Shri S. R. Rao	Hotel Kundan Palace
27/05/2010	–	Cyber Crime	Eminent Faculty	To be decided
24/06/2010	–	Service Tax	Eminent Faculty	To be decided
RAJKOT				
24/04/2010	5.00 p.m.	LLP	CA. Deepak Ridnani	Branch Premises
SURAT				
17/04/2010	5.00 p.m.	E-Filing of returns in the Electronic era and use of Technology in profession	CA. Pragnesh Jagasheth	Branch Conference Hall
24/04/2010	5.00 p.m.	TDS Provision and Procedures	CA. Dharmesh Tamakuwala	Branch Conference Hall
VASAI				
14/17/21/24/04/2010 23–25/04/2010	5.45 p.m.	Intensive Course AS & IFRS Comparison "Meeting Outside Mumbai at Matheran (Jointly with Committee for Capacity Building of CA firms & Small and Medium Practitioners Matheran)"	Eminent Speakers Eminent Speakers	Poddar School Hall, Bhayandar (W) Byke Resort, Matheran
16/05/2010	5.00 p.m.	Seminar for Doctors and Advocates	Eminent Speakers	GCC, Mira Road (E)

Note: All Convenors are requested to send their forthcoming programmes only on e-mail Id wircevents@yahoo.com at the end of the preceding month positively.

WORK DISPOSAL POSITION

The position of disposal of various matters relating to members and students of WIRC as on 31/3/2010

Particulars	Date	Particulars	Date
Members Section		Articles Section	
Proprietary Firm Registration	31/03/2010	Industrial Training Registration	22/02/2010
Partnership Firm Registration – Constitution	12/03/2010	Re-registration	19/03/2010
Reconstitution	04/03/2010	Termination	02/02/2010
Grant of Certificate of Practice	29/03/2010	Completion	18/03/2010
Fellow Admission	29/03/2010	Permission to study	22/03/2010
Change of Address	26/03/2010	Supplementary Registration	25/03/2010
New Enrolment	31/03/2010	Change of Address	26/03/2010
Restoration	26/03/2010		
Permission for other engagement	29/03/2010		

In case, any member or student finds that the matter is delayed abnormally or beyond the dates mentioned hereinabove, please write to the concerned sections of the Institute.



WIRC WEBSITE GETS INTEGRATED WITH RSS

RSS is a notification system used to alert subscribers to changes made to their favourite websites, blogs, music sites, etc. By just clicking the orange rectangular button that is labelled with either RSS on the page.

An RSS feed is a text-based headline with a link, and usually a short summary, that is shot over to you as soon as it leaves your favourite news site's clutches. If you're interested in reading the whole article, just click on the RSS feed link, and you will be directed to the full article, simply and efficiently. It's just like all updates delivered to you, as opposed to you reaching out to find it.

So next time you need any info to be delivered to your mail box, just subscribe to RSS.

GRIEVANCE CELL

Members and Students are informed hereby that a grievance cell has been formed to address issues of Members and Students related to administrative matters. Members can send the issues by e-mail to grievance@wirc-icai.org or in writing to WIRC. The members of the Grievance cell are Chairman, Secretary, Shruti Shah, Neel Majithia, (RCM) and Students Counsellor.

ICAI Committees 2010-11 – Council Members from Western Region

- CA. Atul C. Bheda:** Accounting Standards Board, Board of Studies, Disciplinary, Expert Advisory, Information Technology (Vice Chairman), Internal Audit Standards, International Taxation, Public Finance & Government Accounting, Research
- CA. Bhavna G. Doshi :** Accounting Standards for Local Bodies, Audit, Continuing Professional Education, Ethical Standards Board, Expert Advisory, Indirect Taxes (Chairperson), Members in Industry, Research (Chairperson), Vision & Perspective Planning
- CA. Dhinal A. Shah:** Accounting Standards Board, Accounting Standards for Local Bodies, Capacity Building of CA Firms & Small and Medium Practitioner, Examination, Expert Advisory, Indirect Taxes, Information Technology, International Taxation (Vice Chairman), Vision & Perspective Planning
- CA. Jayant P. Gokhale:** Auditing & Assurance Standards Board, Capacity Building of CA Firms & Small and Medium Practitioner, Corporate Laws & Corporate Governance, Direct Taxes (Chairman), Expert Advisory, Professional Development, Research, Vision & Perspective Planning
- CA. Jaydeep N. Shah:** Auditing & Assurance Standards Board, Capacity Building of CA Firms & Small and Medium Practitioner (Vice Chairman), Continuing Professional Education, Editorial Board, Ethical Standards Board (Chairman), Financial Markets and Investors' Protection, Financial Reporting Review Board (Chairman), ICAI-ICWAI-ICSI Co-ordination, Professional Development
- CA. Mahesh P. Sarda:** Audit, Board of Studies, Direct Taxes, Economic, Commercial Laws & WTO, Ethical Standards Board, Financial Reporting Review Board, Indirect Taxes, International Taxation (Chairman), Professional Development
- CA. Nilesh S. Vikamsey:** Accounting Standards Board, Banking, Insurance and Pension, Continuing Professional Education, Examination, Financial Reporting Review Board, Information Technology, Internal Audit Standards Board (Vice Chairman), International Taxation, Peer Review Board, Public Finance & Government Accounting
- CA. Pankaj I. Jain:** Accounting Standards Board, Banking, Insurance and Pension, Economic, Commercial Laws & WTO, Financial Markets and Investors' Protection (Vice Chairman), Information Technology, Members in Industry, Peer Review Board (Chairman), Professional Development (Chairman), Research
- CA. Rajkumar S. Adukia:** Auditing & Assurance Standards Board (Vice Chairman), Banking, Insurance and Pension, Corporate Laws & Corporate Governance, Economic, Commercial Laws & WTO (Chairman), Financial Markets and Investors' Protection, Indirect Taxes, Internal Audit Standards Board (Chairman), International Affairs, Peer Review Board, Public Finance & Government Accounting
- CA. Sanjeev K. Maheshwari:** Auditing & Assurance Standards Board, Banking, Insurance and Pension (Vice Chairman), Board of Discipline (u/s 21A), Board of Studies, Capacity Building of CA Firms & Small and Medium Practitioner (Chairman), Direct Taxes, Expert Advisory (Chairman), Indirect Taxes
- CA. Shivaji B. Zaware:** Accounting Standards Board, Corporate Laws & Corporate Governance (Vice Chairman), Direct Taxes, Economic, Commercial Laws & WTO, Editorial Board, Ethical Standards Board, Finance, Members in Industry

EXPOSURE DRAFTS

The Accounting Standards Board of the Institute has put up the Exposure Drafts for Comments on the ICAI Website. We request you to kindly send in your comments and suggestions for consideration of the Board before the Standards are finalized.

THE CHARTERED ACCOUNTANTS' BENEVOLENT FUND

C/O THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
ICAI BHAWAN, I.P. MARG, P.O. BOX NO 7100,
NEW DELHI – 110 002.

APEAL

The Chartered Accountants' Benevolent Fund (CABF) was established in December, 1962 with object of providing financial assistance for maintenance, and other similar purposes to needy persons being members of our Institute, their wives, widows, children and dependent relatives. The income from the Fund is utilized in giving financial assistance to members and their families in distress. The resources of the Fund need to be augmented.

A small contribution with a big heart from each member would facilitate grant of financial assistance to the needy and suffering members/dependents of members of the profession. It is, therefore, necessary that all members of the Institute enroll themselves as Life Members of CABF so as to enhance the corpus of the Fund, for rendering financial help to more beneficiaries and mitigate their hardship.

Your subscription to the Life Membership of the Fund and voluntary contribution to the Fund will certainly strengthen the noble cause to provide much needed assistance to the beneficiaries of the Fund. Your contribution is also eligible for exemption under section 80G of the I.T. Act, 1961.

Please remit voluntary contribution in the form of local cheque/DD in favour of 'CABF' and send it to Head Office at Delhi or in favour of 'Secretary, ICAI' payable at decentralized office at Mumbai. The contributors donating Rs. 25,000/- shall be recognized by Publication of Photograph in Newsletter and by publishing the names of those contributing Rs. 5,000/- or more in the WIRC Newsletter.

Let's be a part of this Noble Mission of extending helping hand to our brethren in need.

Dear Sir,

I hereby apply for admission as a Subscriber Member of The Chartered Accountants' Benevolent Fund. I am remitting herewith Rs. 2,500/- towards my subscription as Life Member / I am already a member of CABF and would like to voluntarily contribute Rs. _____ towards the corpus of the CABF *. I have read out the Rules & Regulations of the fund and I agree to abide by them, and also by the Rules that may be made thereafter. I give below the necessary particulars.

- Full Name : _____
- Membership No. : _____
- Date of Enrolment : _____
- Whether Fellow or Associate : _____
- Address for communication : _____
- Name of dependents and relationship :

S. NO.	NAME	AGE	RELATIONSHIP
1.			
2.			
3.			
4.			

Life Membership Fee Rs. 2,500/-/ Voluntarily Contribution Rs. _____

SIGNATURE OF MEMBER

DECLARATION

I hereby declare that the amount of Rs.2,500/- as life membership fee contributed by me / I am already a member of CABF and would like to voluntarily contribute Rs. _____ and same * shall form part of the corpus of the CABF. The amount is being paid through Local Cheque / Demand Draft No.

Datedof

Place

Date.....

CABF Life Membership No.....
(To be filled by officials)

Signature of official

S.O./E.O./A.S.

Head of Region

* Strike out whichever is not applicable.

Yours faithfully,
Signature,
Name,
M. No.....
PAN



DIRECT TAX

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

Finance Bill, 2010 {188 Taxman (St.) 1}

The finance bill 2010, speech of Shri Pranab Mukherjee, Minister of Finance on February 26, 2010, notes on clause and memorandum explaining the provisions contained in Finance Bill in 2010 are available at 188 Taxman Part-1.

Contribution to pension scheme of Central Government-Deduction u/s. 80 CCD of the Income-Tax Act. {188 Taxman (St.) 5 }

The CBDT *vide* Circular No. 275/192/2009- IT (B) dated 9-2-2010 clarified that where the central government or any other employer makes any contribution to the account of the employee for the pension scheme, the assessee should also be allowed a deduction u/s. 80CCD in the computation of total income of the whole of the amount contributed by the central government or any other employer as does not exceed the 10% of the salary in the previous year.

Section 80CCD permits deduction in respect of contribution made by individual in the previous year to his account under the pension scheme notified is allowed in the computation of total income.

- (A) In case of employee, 10% of the salary in previous year and
- (B) In any other case, 10% of his gross total income in the previous year.

It is further clarified that aggregate limit of deduction u/s. 80CCD along with section 80C, 80CCC shall not in any case exceed Rs. 1 lakh.

Substitution of rules relating to TDS, 30, 31, 31A, 37CA and 37D – Insertion of new rules 31AA, 37A. Substitution of Form 16, 16A and 27 D - New Form 16AA and omission of Form No. 17 and 24C. {188 Taxman (St.) 115}

The CBDT *vide* Circular No. 9/2010 dated 18-2-2010 gives Income-tax (First Amendment) Rules 2010. The rule comes in to force from 1-4-2009. It substitutes rule 30, 31, 31A, 37CA and 37D. It inserts Form no. 16, 16A and 27D. It inserts new Form no. 16AA. It omits Form no. 17 and 24C. It also amends form no. 24Q, 26Q, 27Q and 27EQ.

The existing Rule 30, 31, 31A, 37CA and 37D were resubstituted by the Income-tax (Eighth amendments) Rules 2009. The amendments were applicable with effect from 1-4-2009. However, vide press release no. 402/92/2006-MC (14 of 2009), dated 13th June, 2009 the enforcement of the Income tax (Eighth Amendment) Rules 2009 was kept in abeyance. These rules were not operative in view of the press note dated 30th June, 2009. Accordingly, the rules prevailing prior to amendment are once again prescribed with effect from 1-4-2009. The form nos. 16, 16A and 27D are reintroduced. It also omits Form nos. 17 and 24 C which were introduced by the Income-tax (Eight Amendment) Rules 2009.

The newly substituted rule 30 provides for time and mode of payment to government account of tax deducted at source or tax paid u/s. 192 (1A) of the Income-tax Act.

The newly substituted Rule 31 prescribes the form of certificate, tax deducted at source or paid u/s. 192(1A) of the Act.

The newly substituted Rule 31A and 31AA, prescribed for the requirement of furnishing the quarterly statement of deduction of tax u/s. 200(3) of the Act and the requirement of furnishing the quarterly collected tax u/s 206C(3) of the Act.

The newly interested Rule 37A provides for requirement of furnishing return regarding tax deducted at source in case of non residents.

The newly substituted rule 37CA prescribes for time and mode of payment to government account of tax collected at source u/s. 206C of the Act.

The newly substituted rule 37D prescribes for the form of certificate for tax collected source u/s. 206C of the Income-tax Act.

All the substituted/inserted rules contains the same provision as existed prior to amendment.

The newly substitute form 16, 16A, 27D and newly inserted form 16AA contains the same form and contain as existed prior to amendment.

The certain amendment is also made in form nos. 24Q, 26Q, 27Q and 27EQ.

Dispute Resolution Panel (DRP) {188 Taxman (St.) 142}

The CBDT *vide* order no. 1/FT & TR/2010 dated 10-2-2010, in exercised of the power u/s 144C of the act constitutes the Dispute Resolution Panel (DRP) comprising of the Commissioner of Income-tax/Director of Income-tax as members of DRP with immediate effect at Ahmedabad, Pune, Mumbai, Chennai, Kolkata, Delhi, and Hyderabad. The order is issued with the approval of Chairman, CBDT.

The order nos. 2/ST & TR/2010 dated 17-2-2010 issued constituting DRP at Bangalore. It also amends the members of the DRP at Kolkata.

TDS on interest other than interest security. {188 Taxman (St.) 145}.

The CBDT *vide* Circular No. 3/2010 dated 2-3-2010 gives clarification regarding tax deduction at source u/s. 194A on payment of interest on time deposits by bank following Core Branch Banking Solution (CBS) Software.

In this regard, the board has clarified that explanation to section 194A was introduced with effect from 1-4-1987 by the Finance Act 1987 to plug the loophole of avoiding deduction of tax at source by crediting interest in the books of account under accounting heads 'interest payable account' / 'suspense account' instead of to the depositor's / payee's account. Therefore, the 'explanation' is not meant to apply in cases of banks where credit is made to provisioning account on daily / monthly basis for the purpose of macro monitoring only by the use of CBS software.

In view of the above position, it is clarified that since no constructive credit to the depositor's / Payee's account takes place while calculating interest on time deposits on daily or monthly basis in the CBS software used by banks, tax need not be deducted at source on such provisioning of interest by banks for the purpose of macro monitoring only. In such cases, tax shall be deducted at source on accrual of interest at the end of financial year or at periodic intervals as per practice of the bank or as per the depositor's / payee's requirement or on maturity or on encashment of time deposits; whichever event takes place earlier; whenever the aggregate of amounts of interest income credited or paid or likely to be credited or paid during the financial year by the bank exceeds the limits specified in section 194A.

MAHARASHTRA VAT

(Contributed by CA. C.B. Thakar)

Maharashtra Value Added Tax Act, 2002

Ordinance II of 2010 dated 18-2-2010

The Governor of Maharashtra has promulgated above Ordinance whereby proviso to section 9(1) of the MVAT Act, 2002 is deleted. The effect is that the Government will be able to issue Notification increasing the rate of tax without any time limit.

Notification u/s. 10(5) dated 5-2-2010



By issue of this notification the powers given to Shri P. R. Gangamwar, Joint Commissioner of Sales Tax (Legal) under section 56 are withdrawn.

Notification u/s. 9

- a) The Government has issued notification u/s. 9(1) dated 10-3-2010 and Corrigendum dated 17-3-2010. By this notification the rate of tax for goods contained in Schedule C, except declared goods, has been increased from 4% to 5% effective from 1-4-2010.
- b) By one more notification u/s. 9(1) dated 30-3-2010, the entries in Schedule A and Schedule C are amended. The amendments are basically to extend the exemption/concessional rate on certain items like cereals and pulses etc. to continue upto 31-3-2011.

Notifications u/s. 42

A notification dated 17-3-2010 is issued for amendment of composition scheme for second hand motor vehicles.

Notification under entry C-81(b)

A notification dated 30-3-2010 is issued to amend the notification under entry C-81(b) to delete the items (11) and (13) from the said notification.

Notification under entries C-101(a) & C-101(b)

A notification dated 17-3-2010 is issued under entry C-101(a) whereby the schedule of items for the said entry has been provided. By another notification dated 17-3-2010 the present entry C-101 has been changed to C-101(b) from 1-4-2010 and certain changes are effected in the same for deletion of the items.

CST Act, 1956

In the Union Budget 2010-11, the Union Finance Minister has proposed various changes in the CST Act, 1956. They are basically to streamline the provisions relating to Central Sales Tax Appellate Authority and provision of section 6A about Consignment transfers.

Circulars

- i) The Commissioner of Sales Tax has issued Circular No. 9T of 2010 dt. 12-3-2010 by which the time limit for application of declaration forms under CST Act, 1956 for the period prior to 1-4-2008 is extended upto 30-4-2010.
- ii) The Commissioner of Sales Tax has issued Circular No. 10T of 2010 dt. 15-3-2010 by which the E-payment facility introduced by Sales Tax Department is explained.
- iii) The Commissioner of Sales Tax has issued Circular No. 11T of 2010 dt. 17-3-2010. By this circular it is clarified that in spite of increase in rate of tax in Schedule C etc. from 1-4-2010, the fabrics and sugar will remain tax free even after 1-4-2010, as per the position as on 31-3-2010.
- iv) The Commissioner of Sales Tax has issued Circular No. 12T of 2010 dt. 22-3-2010. By this circular it is clarified that the earlier circular no. 2T of 2010 dt. 11-1-2010 (requiring the dealers to obtain F forms even for job transfer / goods returns) will be effective prospectively i.e. from 11-1-2010.
- v) The Commissioner of Sales Tax has issued circular no. 13T of 2010 dt. 31-3-2010 whereby the last date for filing VAT Audit report in Form 704 is extended up to 30th April, 2010.
- vi) The Commissioner of Sales Tax has issued circular no. 14T of 2010 dated 31-3-2010 in which the amendments to rates of taxes as applicable from 1-4-2010 are explained.

CORPORATE LAWS

(Contributed by CA. Jayesh Thakur)

1. MASTER CIRCULAR ON OVERSIGHT OF MEMBERS

The SEBI has issued Circular No. SEBI/MIRSD/MasterCir-

04/2010 dtd. 17-3-2010 which is a master circular consolidating and updating the requirements / obligations with regard to oversight of members (Inspection by Stock Exchanges / Clearing Corporations, Internal Audit and Default) prescribed by the various past circulars. The circular lists out in detail the common irregularities observed in the stock brokers / trading members books which comprise and are, (a) Relating to KYC, (b) relating to contract notes, (c) relating to investor services, (d) relating to funds and securities, and (e) relating to terminals. The master circular consolidates the requirements of seven past circulars which were scattered and issued between 1993 till 2008.

2. SEBI BOARD MEETING – PUBLIC ISSUES DECISIONS

The SEBI has issued Press Release No. 59/2010 dtd. 6-3-2010 in relation to decisions taken at the SEBI Board meeting which *inter alia* relates to, (a) margin requirement in public issues in relation to which it has been decided that with effect from 1st May 2010, all types of investors would be required to bring in 100% of the application money as margin along with the application for securities in public issues so as to avoid inflated demand in public issues and provide level playing field to all investors subscribing for securities, (b) Reservation for employees in public / rights issues in relation to which the SEBI has decided that the reservation for employees in public / rights issues would be available to employees of subsidiaries and material associates of the issuer whose financial statements are consolidated with the issuer's financial statements, and, (c) on reforms in derivatives market, the SEBI has decided to allow the Stock Exchanges to introduce equity derivatives contracts with tenures upto 5 years, derivative contracts on volatility indexes which have suitable track record and physical settlement of equity derivatives.

3. GUIDELINES FOR ACCOUNTING OF REPO / REVERSE REPO TRANSACTIONS

The RBI has issued Circular No. IDMD/4135/11.08.43/2009-10 dtd. 23-3-2010 in relation to the earlier guidelines on the subject which captured the character of repo / reverse repo transaction as outright sale and outright purchase as per the market convention prevailing then. Thereafter, in 2006, the RBI provided a legal definition of 'repo' and 'reverse repo' as an instrument for borrowing (lending) funds by selling (purchasing) securities with an agreement to repurchase (resell) the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed (lent). Accordingly, to bring such transactions onto the balance sheet in their true economic sense and enhance transparency, the accounting guidelines have been reviewed and the draft guidelines were put in the public domain and these guidelines are now revised in light of the feedback received in relation to matters relating to, (a) applicability of the accounting guidelines to market repo transactions in government securities and corporate debt securities, (b) investments in nature of held for trading, available for sale and held to maturity, (c) accounting principles to be followed while accounting for repo / reverse repo transactions in relation to coupon / discount, repo interest income / expenditure, marking to market, (d) accounting methodology, (e) classification of accounts, and, (f) disclosure.

4. GUIDELINES ON LICENSING OF CORPORATE AGENTS

The IRDA has issued Circular No. IRDA-CAGTS-CIR-LCE-48-03-2010 dtd. 10-3-2010 in order to streamline the system of licensing of corporate agents in groups already engaged in insurance business, the IRDA has, in addition to the Regulations and Guidelines already in force, decided to issue the following instructions for compliance by the insurance companies while issuing license to the corporate agents and that the applications for corporate agency licence from such a person or group of persons who is / are already engaged in any insurance business shall be dealt with specifically as stated hereafter : (a) all such



applications and renewal applications shall be referred to IRDA by the designated person concerned and the licenses shall be issued by designated persons, only after approval by the Authority, (b) persons from any group which is having a broking license shall not be eligible for corporate agency, (c) any of the persons which are regulated by RBI within the group may apply and obtain a corporate agency license provided they have "substantial client base of their own or access to data which would facilitate identification of prospects", and, (d) persons who are not regulated by RBI, shall not be eligible for corporate agency license, unless they have "a substantial client base of their own or access to data to identify the prospective policyholders" and have a turnover, assets or income of at least Rs. 15 crores.

5. NO PROPOSAL FOR ANY UPPER CAP ON THE NUMBER OF INDEPENDENT DIRECTORS

The Ministry of Corporate Affairs has issued Press Release dtd. 10-3-2010 in relation to there being no proposal for any upper cap on the number of independent directors in the Companies Bill, 2009 and there is no proposal of any upper cap on the number of independent directors, but clause 132(3) of the Companies Bill, 2009 provides that at least one-third of total directors shall be independent directors to be appointed in every listed company having certain amount of paid up capital to be prescribed by the Central Government. Giving this information in written reply to a question in the Lok Sabha, Shri Salman Khurshid, Minister of Corporate Affairs, informed the House that clause 132 further provides that the Central Government may also prescribe the minimum number of independent directors in case of other public companies and subsidiary(s) of a public company.

GUJARAT VAT

(Contributed by CA. Kishor R. Gheewala)

Last date for E-Filing returns & for Claiming Statutory "C", "F", "H" etc. forms for F.Y. 2008-09 has been extended up to 30-4-2010.

CENTRAL EXCISE

(Contributed by CA. Jayesh Gogri)

CIRCULARS

Leviability of cess on tractors under Tractor Cess Rules, 1992

In a judgment, in case of Indo Farm Tractors & Motors Ltd., Hon'ble High Court had held that Automobile Cess Rules are not applicable for imposition of Cess on Tractors. Taking cognizance of the said decision some tractor dealers had stopped paying Tractor Cess. The board has now clarified that all the tractor manufacturers are chargeable to tractor cess as per Tractor Cess Rules, 1992. The cess is levied at the rate of 1/8% ad valorem on value of tractors.

(Circular No. 916/06/2010 dated 4-3-2010)

Empowering the Customs & Central Excise Officers for implementation of the provisions of COTP Act, 2003:

The officers of the Customs & Central Excise department are empowered for entry, search and seizure at the premises under the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTP Act, 2003). The board has now clarified that officers are empowered to enter, search & seize only premises registered with Customs & Central Excise department.

(Circular No. 918/08/2010 dated 04/03/2010)

Procedure for e-filing of Central Excise and Service Tax returns and e-payment of excise duty and service tax

The department vide Notification No. 01/2010 dated 19th Feb, 2010, has made it mandatory for certain categories of assesseees w.e.f 1st April, 2010 to make both e-payment and e-filing of returns under Central Excise & Service Tax. For this purpose, any person who has paid service tax including utilization of CENVAT Credit, of more than Rs. 10 Lakhs in the preceding year will get covered. Manual filing of service tax returns by such assesseees would attract penalties for non filing of returns.

New procedure for e-filing

The procedure for e-filing includes following steps:

One time procedures:

- i) File a User Id (TPIN) request with the Service Tax Department.
- ii) Get the unique User Id (TPIN) and Password

Regular Procedures

- i) Assessee has option to
 - (a) File the return online directly, or
 - (b) Download the off-line return utilities which can be filled-in off-line, validated and later uploaded through the internet

The e-returns have to be uploaded on <http://www.aces.gov.in>

The detailed procedure for e-filing of returns and making e-payment is mentioned in Circular

(Circular No. 919/09/2010 dated 23rd March 2010)

SERVICE TAX

(Contributed by CA. Rajiv Luthia)

SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

Central Government vide Circular No.919/09/2010-CX dated 23rd March, 2010 has notified the detailed procedure for electronic filing & electronic payment of Service Tax made mandatory vide Notification No.01/2010-ST dated 19th February,2010 where the assessee has paid total service tax of Rs. 10 Lacs or more (including amount paid by way of utilization of CENVAT Credit) in the preceding financial year.

FEMA

(Contributed by CA. Manoj Shah & CA. Hinesh Joshi)

SUMMARY OF IMPORTANT RBI - A.P. (DIR Series) Circulars

RBI/2009-10/333

A. P. (DIR Series) Circular No.38

March 2, 2010

External Commercial Borrowings (ECB) Policy

According to announcement made in Union Budget 2010-11, definition of infrastructure project for the purpose of availing of ECB has been expanded to include "cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat"

Accordingly, the infrastructure sector would henceforth include (i) power, (ii) telecommunication, (iii) railways, (iv) road including bridges, (v) sea port and airport, (vi) industrial parks, (vii) urban infrastructure (water supply, sanitation and sewage projects), (viii) mining, exploration and refining and (ix) cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat.

All other aspects of the ECB policy, such as, USD 500 million limits



per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB, reporting arrangements and terms and conditions shall remain unchanged.

RBI/2009-10/334

A. P. (DIR Series) Circular No. 39 **March 2, 2010**
External Commercial Borrowings (ECB) Policy

(Ref - A.P. (DIR Series) Circular No. 5 dated August 1, 2005, A.P. (DIR Series) Circular No. 46 dated January 2, 2009, A.P. (DIR Series) Circular No. 71 dated June 30, 2009 and para 2 (iv) of A.P. (DIR Series) Circular No. 19 dated December 9, 2009)

As per the extant ECB policy, Non-Banking Finance Companies (NBFCs), which are exclusively engaged in financing of infrastructure sector, are permitted to avail of ECB from the recognized lender category including international banks, under the approval route, for on-lending to the infrastructure sector, as defined in the extant ECB policy.

A separate category of NBFCs viz. Infrastructure Finance Companies (IFCs) has been introduced in terms of the guidelines contained in circular DNBS.PD.CC No. 168/03.02.089/2009-10 dated February 12, 2010. Accordingly, proposals for ECBs by the IFCs, which have been classified as such by the Reserve Bank, for on-lending to the infrastructure sector, as defined in the extant ECB policy may be considered under the approval route, subject to their complying with the following conditions:

1. compliance with the norms prescribed in the aforesaid DNBS Circular dated February 12, 2010;
2. hedging of the currency risk in full; and
3. the total outstanding ECBs including the proposed ECB not exceeding 50 per cent of the Owned Funds.

The AD Category-I bank should certify the compliance with the above conditions by the IFCs.

All other aspects of ECB policy such as USD 500 million limits per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB, reporting arrangements and terms and conditions shall remain unchanged.

RBI/2009-10/335

A. P. (DIR Series) Circular No. 40 **March 5, 2010**
External Commercial Borrowings (ECB) Policy – Structured Obligations

(Ref - Notification No. FEMA 29 / 2000-RB dated September 26, 2000, A.P. (DIR Series) Circular No. 28 dated March 30, 2001 and A.P. (DIR Series) Circular No. 5 dated August 1, 2005)

Borrowing and lending of Indian Rupees between two persons resident in India does not attract the provisions of the Foreign Exchange Management Act, 1999. In case where a Rupee loan is granted against the guarantee provided by a person resident outside India, there is no transaction involving foreign exchange until the guarantee is invoked and the non-resident guarantor is required to meet the liability under the guarantee. The Reserve Bank vide Notification No. FEMA 29/2000-RB dated September 26, 2000 has granted general permission to a person resident in India, being a principal debtor, to make payment to a person resident outside India, who has met the liability under a guarantee.

As per the extant policy, domestic Rupee denominated structured obligations has been permitted to be credit enhanced by non-resident entities under the approval route. In view of the

growing needs of funds in the infrastructure sector, a comprehensive policy framework on credit enhancement to domestic debt has been introduced.

The facility of credit enhancement by eligible non-resident entities may be extended to domestic debt raised through issue of capital market instruments, such as debentures and bonds, by Indian companies engaged exclusively in the development of infrastructure and by the Infrastructure Finance Companies (IFCs), which have been classified as such by the Reserve Bank in terms of the guidelines contained in the circular DNBS.PD. CC No. 168 / 03.02.089 / 2009-10 dated February 12, 2010, subject to the following conditions:

1. credit enhancement will be permitted to be provided by multilateral / regional financial institutions and Government owned development financial institutions;
2. the underlying debt instrument should have a minimum average maturity of seven years;
3. prepayment and call / put options would not be permissible for such capital market instruments up to an average maturity period of 7 years;
4. guarantee fee and other costs in connection with credit enhancement will be restricted to a maximum 2 per cent of the principal amount involved;
5. on invocation of the credit enhancement, if the guarantor meets the liability and if the same is permissible to be repaid in foreign currency to the eligible non-resident entity, the all-in-cost ceilings, as applicable to the relevant maturity period of the Trade Credit / ECBs, would apply to the novated loan. Presently, the all-in-cost ceilings, depending on the average maturity period, are applicable as follows:

Average maturity period of the loan on invocation	All-in-cost ceilings over 6 month Libor*
Up to 3 years	200 basis points
Three years and up to five years	300 basis points
More than five years	500 basis points

6. In case of default and if the loan is serviced in Indian Rupees, the applicable rate of interest would be the coupon of the bonds or 250 bps over the prevailing secondary market yield of 5 years Government of India security, as on the date of novation, whichever is higher;
7. IFCs proposing to avail of the credit enhancement facility should comply with the eligibility criteria and prudential norms laid down in the circular DNBS.PD.CC No.168 / 03.02.089 / 2009-10 dated February 12, 2010 and in case the novated loan is designated in foreign currency, the IFC should hedge the entire foreign currency exposure; and
8. The reporting arrangements as applicable to the ECBs would be applicable to the novated loans.

RBI/2009-10/341

A. P. (DIR Series) Circular No. 41 **March 5, 2010**
Exim Bank's Line of Credit of USD 15 million to the Government of the Republic of Benin

RBI/2009-10/358

A. P. (DIR Series) Circular No. 42 **March 25, 2010**
Exim Bank's Line of Credit of USD 50 million to the Government of the Republic of Zambia



DIRECT TAX

(Contributed by CA. Kiran Nisar, CA. Lalchand Chaudhary)

E*Trade Mauritius Limited, [AAR No. 826 of 2009] dated 23rd March, 2010 [2010 – TIOL – 20-ARA]

Capital gain tax under India Mauritius treaty: Relying on the Supreme Court's decision in Azadi Bachao Andolan and CBDT Circular No. 789 dated 13th April, 2000, AAR held that the gain arising to Applicant, a Mauritian resident, from transfer of shares of an Indian Company is not taxable in India under India Mauritius Tax Treaty. AAR observed that corporate personality and separate legal entity status in the case of parent-subsidary relationship should not be over looked, unless it is a case of dubious and dishonest method adopted by parties. The fact that holding company exercises control over its subsidiary does in absence of compelling reasons dilute the separate legal identity of subsidiary. AAR also held that the concept of 'beneficial ownership' which is used in the treaty in connection with interest and dividend is irrelevant for determining taxability of capital gains.

KSPG Netherland Holding B.V. in Re., [2010 – TIOL – 09 – ARA]

Capital gain – Beneficial ownership under treaty: Applicant is a company incorporated in Netherland and is subsidiary of German company and parent of an Indian company. It approached AAR for seeking ruling whether it will be liable to tax in India on the capital gains that may arise if it transfers shares of Indian company to another non-resident or when Indian company does buy back its shares. The revenue contended that the beneficial owner of capital gains would be ultimate holding company which is German company and as per the treaty between India and Germany capital gains can be taxed in India. AAR ruled that the concept of beneficial ownership is not present in capital gain article unlike dividend or interest article. AAR further ruled that there is no factual or legal basis to hold that German company is the real beneficial owner of the shares and capital gains that would accrue. Applicant, though a subsidiary, is a separate distinct legal entity having its own board of director and management systems. Applicant has made a significant investment in Indian company. The beneficial ownership in the gain cannot be held to be vested with the ultimate holding company. Hence provisions of India Netherland treaty would be applicable and capital gain cannot be taxed in India.

CIT vs. Reliance Petro Products Private Limited, 2010 – TIOL – 21 (SC)

S. 271(1)(c)– No penalty merely on the ground of rejection of claim: A.Y. 2001-02 : Assessee, an Investment Company had filed its return of income declaring loss of Rs. 2.6 millions. In the return, assessee has claimed deduction for interest expenditure of Rs. 2.8 millions incurred on loan borrowed for investing in shares. AO disallowed interest u/s. 14A on the ground that expenditure was incurred for earning dividend income which is exempt. Accordingly AO levied penalty on the ground of furnishing inaccurate particulars of income by claiming interest expenses. The Supreme Court held that existence of conditions prescribed u/s. 271(1)(c) is must for initiating penalty proceedings. It is not disputed that information provided in the return of income was correct or accurate. Merely because the taxpayer has claimed expenditure which was not accepted by tax by itself would not attract penalty. By any stretch of imagination, making an incorrect claim in law cannot tantamount to furnishing inaccurate particulars. The Court has referred its earlier decision in the case of Dilip N. Shroff and Dharmendra Textile and held that the decision in the case of Dharmendra Textile has overruled the decision in the case of Dilip N. Shroff only to the extent of inference that mens rea was essential ingredient for levy of penalty. There was no fault found with reference to meaning of terms 'conceal' and 'inaccurate' as explained in Dilip N. Shroff.

Seagate Singapore International Headquarters Pvt. Ltd. In re, [2010 – TIOL – 08 – ARA]

Warehouse service provider can constitute Permanent Establishment: Applicant, a non resident company, is engaged in the business of manufacture and sale of Hard Disk Drives. Applicant has been supplying disk to Original Equipment Manufacturers (OEM) in India. To minimize delay in procurements, OEM proposed a new Vendor Management Inventory (VMI) model under which applicant would enter into agreement with independent service provide to stock disks in India on behalf of applicant and to deliver them to OEM on a 'just-in-time' basis. AAR analyzed the agreement between applicant and service provider and based on facts ruled that applicant has fixed PE in India as demarcated place in warehouse of the service provider would constitute fixed place of business. According to AAR the fact that fixed place of business was owned or possessed by the service provider does not detract the position that the applicant has a distinct, earmarked and identified place which cater to its business.

Van Oord SCZ India P. Ltd., 2010 – TIOL – 187 HC Delhi

Ss. 40(a)(i), 195(2)- Withholding tax obligation only when non-resident recipient is subject to tax in India: Assessee, a wholly owned subsidiary of VOAMC, a Netherland entity, was engaged in the business of dredging, contracting, reclamation and marine activity. It entered into a dredging contract with an Indian company. Assessee reimbursed mobilization and demobilization cost to VOAMC for services provided. It filed an application for NIL withholding certificate on the ground that there is no income element in reimbursement of expenses. The AO directed assessee to deduct tax at the rate of 11%. However, the taxes were not deducted on the entire amount. The AO disallowed the reimbursement expenditure u/s. 40(a)(i). Delhi High Court, after analyzing the Supreme Court's decision in the case of Transmission Corporation, has held that liability to deduct tax at source arises only when sum paid to non-resident is chargeable to tax in India. High Court observed that when in the assessment proceedings of recipient the tax authority has taken a view that tax is not payable at all on amount so received, provision of s. 195 would not be attracted. Court did not agree with some of the observations of Karnataka High Court in the decision of Samsung Electronic Company. With reference to the Order u/s. 195(2), the Court has observed that the Order u/s. 195(2) is tentative in nature. However, when in the assessment proceeding of the recipient if it is ultimately held that sum received was not chargeable to tax, then assessee should not be treated as in default and would be absolved from all the consequences arising for non deduction of tax at source.

Royal Bank of Canada In re [AAR No. 816 of 2009] dated 22nd March, 2010 [www.aar.gov.in]

FII not taxable in absence of PE in India, profit (loss) on derivative transactions is business income: Applicant, Royal Bank of Canada (RBC) was registered as FII with SEBI in India. Applicant was dealing in derivative segment of Indian stock exchange. The derivative transactions were carried out at regular frequency and volumes were substantial. It also proposes to under take purchase and sales of equity shares and other securities for the purpose of earning trading profits. It claimed that shares and securities will not be held on long-term basis and primary purpose would not be to earn dividend. AAR has considered its earlier decision in the case of Morgan Stanley wherein it was ruled that income from exchange traded derivative was business income. Further, AAR observed that derivatives have a short life of about 3 months and do not earn any income like dividend and hence investment of money with a view to derive any income is not feasible. They are held only as stock in trade. As per FEMA regulations FII are permitted to trade in exchange traded derivatives. On the basis of these facts, AAR ruled that profits



(loss) from futures and options were in the nature of business income. In absence of PE in India under the tax treaty such business income is not taxable in India.

Rallis India vs. ACIT, [2010 – TIOL – 173 – HC- Mum]

Reopening – law prevalent on the date of issue of notice u/s. 148: For A.Y. 2004-05, assessee filed its tax return declaring loss after claiming deduction for bad debts. The assessee also computed book loss u/s. 115JB. During the course of assessment a query was raised with regard to allowability of bad debts under the normal computation and also under section 115JB. While passing the assessment order, AO disallowed part of the bad debts which was later allowed by the CIT(A). Appeal, cross appeals are pending before ITAT. Meanwhile a notice u/s. 148 was issued stating the reasons that assessee had not written off debts by debiting to P&L accounts and while computing book profits u/s. 115JB assessee has not considered the provisions for doubtful debts, provision for doubtful advances and provisions for diminution in value of investment. Aggrieved by this a writ petition was filed before the High Court. Bombay High Court has observed that during the assessment proceedings the AO has specifically applied his mind to the bad debts claimed. Hence reopening is merely a case of change of opinion without any tangible material. The Court has reiterated that the assessment cannot be reopened without any tangible material as laid down by Supreme Court in *Kelvinator of India Ltd.*, 320 ITR 561. Further, there is no requirement in s. 36(1)(vii) that bad debts should be debited to P&L account. Court also held that for the purpose of reopening, the Law as it exists on the date of issuing notice u/s. 148 would be relevant. Since on the date of issue of notice for reopening, the legislative amendment by insertion of clause (i) to Explanation (1) to s. 115JB had not been brought into force, the same cannot be considered as ground for reopening. In other words the validity of reopening should be determined on the basis of the law prevailing on the date of issue of notice and not retrospectively amended law.

Climate System India Limited vs. CIT, 185 Taxman 139 (Delhi)

Royalty based on turnover – revenue expenditure: Assessee company was in the business of manufacturing and selling radiators. It had entered into a technical collaboration agreement with a US company to upgrade and manufacture radiators using technology owned by US Company. Over and above lump sum payment, assessee was required to pay royalty as a percentage of turnovers. It was observed that royalty payment was directly related to sale of radiators and hence the same was not for transfer of technology but for provision of services. Accordingly Court held that payment of royalty is a continuous process and should be allowed as revenue expenditure.

CIT vs. ITC Hotels Limited [2009 – TIOL 678 – HC – Kar]

Expenditure relating to convertible debentures: Assessee engaged in the hotel business had issued convertible and non convertible debentures and claimed debenture issue expenses as revenue expenditures. The High Court, following Supreme Courts decision in *CIT vs. Secure Meters Ltd.*, has held that expenditure incurred on convertible debentures is to be treated as revenue expenditures even when debentures were to be converted into shares at a later date.

INTERNATIONAL TAXATION

(Contributed by Mr. Hiten Shah and Mr. Hinesh Doshi)

Real Resourcing Limited Vs. Director of Income-tax (International Taxation) A.A.R. NO. 828/2009 dated 5th March, 2010 .

The applicant is a company incorporated in the UK and is a tax

resident of the UK. The applicant provides recruitment services where it places a candidate with an Indian company and referral services where it refers potential Indian clients to a third party based in India. The applicant has a virtual office wherein the applicant has rented use of the address and telephone numbers in New Delhi without any actual office space. The applicant has no physical presence in India. The contention of the applicant are:

- payments received in respect of the above services are not chargeable to tax in India as it does not have a permanent establishment in India.
- Further, such services are not in the nature of fees for technical services as provided in the India-UK tax treaty.
- Reliance was placed on the ruling given by the AAR in *Cushman & Wakefield Ltd.*

In response to this, the Revenue contended that :

- the provisions of the India-UK tax treaty dealing with fees for technical services will apply as database maintained by the applicant for providing information of suitable candidates for recruitment is a consultancy service and the applicant is making available the experience and skill of the candidates who seek recruitment.
- The virtual office of the applicant in New Delhi is indicative of the presence of the permanent establishment of the applicant in India.

The Ruling of Authority are :

- Collecting data, analyzing it and making a database for providing information on suitable candidates for recruitment is in the nature of consultancy services but it cannot be considered to be ancillary and subsidiary to the enjoyment / application of the right or information referred to in the India-UK tax treaty
- Consideration for providing information concerning industrial, commercial or scientific experience basically involves the sharing of technical know-how and experience which is not the present case
- Taking steps to make available the experience and skill of candidates available for recruitment does not at all fall within the ambit of making available the technical knowledge and experience of the service provider.
- If the payments received by the applicant are not in the nature of royalties or FTS, they can be subjected to Indian income tax in terms of Article 7 of the India-UK tax treaty only if the income results from a business activity carried on through a PE situated in India.
- On the facts of the case, it cannot be said that the applicant operates through a PE in India. Catering to the function of referring potential Indian candidates to the Indian based recruitment company without creating any commitment to recruit them does not, without anything more, give rise to an inference of PE.
- The address in New Delhi is basically a virtual office and is given so as to serve as a contact point and for routine work of an inconsequential nature.

Hence the receipts in the nature of referral fee from the Indian based recruitment company cannot be subjected to tax as business profits in view of the provisions of the tax treaty. The ruling would apply only to referral services.

Royal Bank of Canada Vs. Director of Income-tax (International Taxation) A.A.R. NO. 816/2009 dated 22nd March, 2010 .

The applicant, a public company incorporated under the Bank Act



of Canada, is engaged in the business of banking and other financial services. It also trades in securities (including derivatives) in various parts of the world including India. In India, the applicant is registered as a FII with the SEBI and is mainly dealing in the derivatives segment of the Indian Stock Exchanges, where stock / index futures and stock / index options are traded. The applicant contended that the derivative transactions undertaken by it are part of its trading activity. The profits or loss arising from derivative transactions will be reflected as business profits in the financial statements and it will be taxed in Canada accordingly. Accordingly, the profits earned/or loss from derivative transactions should be characterised as business profits or loss. Further, the applicant did not have fixed place of business in India. Therefore, the applicant claimed that it does not have PE in India. Hence, in view of Article 7 of the tax treaty, the business income earned by the applicant from trading in derivatives is not taxable in India.

In response to this, the Revenue contended that in terms of SEBI and FEMA Regulations, the applicant is only allowed to make 'investments' in the capital market in India. Therefore, the trading of derivatives on stock exchanges would also amount to an investment activity and the income earned from such activity would be in the nature of 'Capital gains'. It further contended that that the applicant's income from dealing in derivatives has necessarily to be brought within the purview of section 115AD of the Act which is a self contained code applicable to the FIIs.

AAR pronounced the ruling as under :

- the issue of the character of income relating to exchange traded derivative contracts having a maximum of three months trading cycle had been considered by the AAR in the case of Morgan Stanley & Co. In this case, the AAR held that the income earned by a UK company from exchange traded derivatives in India was to be regarded as 'business profits' as per the provisions of India-UK tax treaty and it cannot be regarded as income in the nature of capital gains.
- The AAR held that the purpose and purport of section 115AD of the Act is to provide for special or concessional rate of taxation in relation to securities received or arising from the income of FIIs. The contention of the tax department that for FIIs there cannot be any income outside section 115AD is not sustainable.
- Accordingly, after considering the decision of its own in the case of Fidelity North Star Fund3, the AAR held that income arising from the 'derivative transactions' is to be regarded as 'business income' and in the absence of PE in India of the applicant such 'business income' was held not liable to be taxed in India as per Article 7(1) of the tax treaty.

CIT, Chennai. Vs. M/s Franco Tossi Ingegneria (Chennai) ITA No.654/Mds/97.

Franco Tossi Ingegneria, an Italian company (FTI) having Project office at Chennai, India, entered into contract Neyveli Lignite Corporation for unloading, erection, testing and commissioning of three numbers of steam turbine generators with ancillaries in connection with a turnkey power project.

Section 44 BBB of the Act was applicable and the income can be taxed on 10% of gross receipts. FTI received a sum of Rs.4,90,45,132/- during 1987-88 to 1994-95. By applying Rule 10 of the Income-tax Rules, 1962, the Assessing Officer was of the view that income for the assessment years would be ascertained and assessed on completion of entire contract work and therefore, the earlier assessments were closed as "NA"(No assessment) or no loss or no income basis. Issue arose whether income can be assessed for the A.Y. 1994-95. FTI argued that to invoke the said provision there should be amount paid or payable during the accounting year.

For the A.Ys. 1988-1989 and 1989-1990, the assessments have

been completed accepting the loss returned by the assessee in these two years. The said returns were processed under Section 143 (1)(a) of the Act and also they reached finality. The assessee has filed a return of loss and the same was accepted by the Department. Held that – it is clear that unless and until the amount is paid or payable to the assessee during the year, the revenue cannot levy 10% on the gross amount. In this case, the finding given by the authorities is that nothing was paid or payable during the accounting year. Therefore, the assessing officer is wrong in taking the consolidated amount of Rs.4,90,45,132/-, which was paid by the NLC to the assessee over the period of assessment years 1987-1988 to 1991-1992. The said consolidated amount cannot be the basis for levying 10% on the amount under Section 44 BBB of the Act. Unless and until the conditions stipulated in the deeming provision are satisfied, the revenue cannot invoke Section 44 BBB of the Act.

DIT Vs. SAHARA INDIA FINANCIAL CORPORATION LTD (DELHI) Appeal No. – 1064/2007

Sahara India Financial Corporation Ltd. an Indian company (SIFCL), had entered into an agreement, subject to ICC regulations, the title sponsorship benefits included the right that all the matches and the tournaments would be referred to as "Sahara Cup". It also provided for incorporation of the Sahara name and logo as the official tournament logo. The said Sahara name and logo was to be prominently displayed at either ends of the cricket ground on the outfield as also prominently displayed on the stumps and the score boards. SIFCL paid a sum of US \$ 9,24,500/-, as per the agreement dated 10-7-1996, to IMG Canada through IMC India. Question arose whether the payment was a royalty payment under Article 13(3)(c) of the DTAA between India and Canada. Court held that before any payment could be termed as a "royalty" under Article 13(3)(c), it would have to be either as consideration for the copyright or for the right to use a copyright in any of the four categories of works mentioned therein, namely, (i) literary; (ii) artistic; (iii) scientific work; and (iv) cinematographic films and films or tapes for radio or television broadcasting. There was no transfer of a copyright or the right to use the copyright flowing from IMG Canada to the SIFCL and, therefore, any payment made by the SIFCL to IMG Canada would not fall within Article 13(3)(c) of the said DTAA. The reference in Article 13(3)(c) is to "any copyright" and it is not a reference to "any right".

Shri Anurag Chaudhary, AUTHORITY FOR ADVANCE RULINGS Appeal No. – 839 of 2009

Shri Anurag Chaudhary left India for USA for employment purposes on 31st March, 2008 and came back on 29th November, 2008 i.e. he was in India for 122 days (243 days outside India) in the previous year 2008-09.

Whether the income earned by the applicant by way of salary from his employment in USA in the previous year 2008-09 (assessment year 2009-10) is liable to be taxed under section 5(1)(c) or any other provision of the Income-tax Act, 1961 on the basis that the applicant's status was that of a 'resident' during that year? AAR ruled that if the applicant is held to be a 'resident' of India during the Financial year 2008-09, then, his salary income from employment in USA would be taxable under the Income-tax Act, 1961. Section 6 sub-section (1), which determines the residential status of an individual, requires that either the applicant should have been in India for 182 days [vide clause (a)] or for 60 days or more, if he was in India for 365 days or more in four preceding years [(vide clause (c))] to be resident in India. The explanation to this sub-section provides that a citizen of India who leaves India for the purpose of employment outside India can be considered as resident of India if he satisfies clause (a) or clause (c) of section 6(1) during the relevant period. Considering this position AAR ruled that Applicant was a 'non-resident' during the relevant period. Consequently his income that accrued outside India in USA by reason of his employment there cannot form part of the total income taxable in India.

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SERVICE TAX

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

Clearing & Forwarding Agent services

- Where the assessee procured customers for its principal (Maruti Udyog Ltd.) for purchase of cars on commission basis and in that connection arranged documentary requirements; liaised with the customers for timely delivery; delivered vehicles; sent provisional receipts and inspection notes from consignee to the principal and arranged various permits required for dispatch of the vehicles etc, the High Court held that the assessee's main work was to sell cars on behalf of its principal and carrying out the above work in that connection would not make them a 'Clearing & Forwarding Agent'. [CCE vs. Amitdeep Motors (2010) 17 STR 514 (All.)]
- Where the appellants were neither involved in clearing activity nor in forwarding activity but merely received, stored and sold goods on behalf of their principals for a commission, they would not be liable for service tax under the category of clearing and forwarding agent services [V.S.Distributors vs. CCE. (2010) 17 STR 530 (Tri-Del) – Per Rakesh Kumar – Member(T)]

Management, Maintenance or repair services

The assessee's activities of maintenance of green belt (Horticulture and Landscaping) which comprised of activities like growing of grass, plants, trees or fruits, vegetables, regular mowing of lawns, pruning and trimming of shrubs and cleaning of garden etc. was held not liable for service tax under the category of maintenance of immovable property for the following reasons –

- (i) The CBEC Circular no. B1/6/2005 – TRU dated 27.7.2005 refers to maintenance of civil/electrical and construction work of park and green belt and not maintenance of grass, plants trees or shrubs;
- (ii) Services in relation to 'horticulture' is specifically kept outside the purview of 'cleaning services', a separate service;
- (iii) The expression "immovable property" as defined under section 3 of the Transfer of Property Act, 1882 does not include standing timber, growing crops or grass.

[CCE vs. ANS Constructions Ltd. (2010) 17 STR 549 (Tri-Del.)]

Works contract services vs. Commercial or Industrial construction / Construction of complex services

Where the appellant was registered as works contractor under the state sales tax law and paid sales tax on the construction contracts executed by it, the Tribunal held that the services of the appellant would be liable for service tax only w.e.f. 1.6.2007 under the category of "works contract services" and not under commercial or industrial construction / construction of complex services prior to that date [CEMEX Engineers vs. CST (2010) 17 STR 534 (Tri-Bang.)].

Valuation

In respect of commercial or industrial construction services and construction of complex services an abatement of 67% of the "gross amount charged" is available [Notification Nos. 15/2004 dated 10.9.2004; 18/2005 dated 16.6.2005 and 1/2006 dated 1.3.2006]. The notification provided that the term 'gross amount charged' shall include value of goods and materials supplied or provided or used by the provider of the construction service for providing such service. The revenue included the value of materials supplied by the client for determining the 'gross amount charged'. On appeal, the Tribunal held that value of goods supplied by the client cannot be included for the purpose of calculating gross amount [CEMEX Engineers vs. CST (2010) 17 STR 534 (Tri-Bang.)].

Demand

- Recovery of demand from the partners of a firm, in respect of service tax payable by the firm, is not permissible merely by

marking a copy of the SCN to the partners of the firm [G. Govindaraj vs. CCE (2010) 17 STR 529 (Tri-Chennai)].

- Where the SCN did not identify the documents based on which it raised the demand, the Tribunal held that there was a violation of principles of natural justice and accordingly the demand is not sustainable [V. S. Distributors vs. CCE. (2010) 17 STR 530 (Tri-Del) – Per D. N. Panda – Member (J)].
- The respondents provided Pandal or Shamiana services which was liable for service tax w.e.f. 10.9.2004. They declared certain undisclosed incomes which they stated pertained prior to 10.9.2004 during a survey conducted by the Income tax Department on 6.1.2006. The Service tax department sought to tax the entire undisclosed income. On appeal the Tribunal held that the demand cannot be sustained without enquiry as to whether the undisclosed income is earned post 10.9.2004. [CCE vs. Bindra Tent Service (2010) 17 STR 470 (Tri-Del.)]

Limitation

Where the department had knowledge of the fact that one of the partners of the firm rendering rent-a-cabs services had neither obtained service tax registration nor paid the service tax liability thereon way back in December, 2001, the Tribunal held that demand raised by show cause notice issued in October 2005 for the period 2000-01 to 2003-04 was barred by limitation [G. Govindaraj vs. CCE (2010) 17 STR 529 (Tri-Chennai)].

Penalty

- Mere failure to apply for registration and failure payment of tax and file the returns cannot be construed as suppression with intent to evade payment of duty [CCE vs. Star Crane Service (2010) 17 STR 576 (Tri-Ahmd.)].

Cenvat Credit

- Where the Head office of the assessee company paid for certain input services consumed in unit 'A' it was held that the Head Office can validly distribute the credit on such services even to unit 'B' in absence of a specific prohibition in rule 7 of the Cenvat Credit Rules, 2004 [ECOF Industries Pvt. Ltd. vs. CCE (2010) 17 STR 515 (Tri-Bang.)].
- Cenvat credit of service tax paid on Goods Transport Agency services used for transportation from the factory of inputs / capital goods removed as such is not reversible though the credit of duty paid on such inputs/ capital goods is reversible under rule 3(5) of the Cenvat Credit Rules, 2004 [J.S.Khalsa Steels (P) Ltd. vs. CCE (2010) 17 STR 517 (Tri-Del.)] relying on Chitrakoot Steel and Power Pvt. Ltd. vs. CCE (2008) 10 STR 118 (Tribunal) where the Tribunal held that credit of service tax on inward transportation of inputs/ capital goods removed as such is not reversible].

Personal Column

Work required on assignment/retainership basis
Mumbai, Kandivali (W) based Chartered Accountant, FCA age 38 years having 12 years of post qualification experience in service/practice, interested in work on assignment/retainership basis for tax audit, statutory audit, internal audit and taxation work etc. Contact: 9321097639. E-mail:- srjvianiandco@gmail.com

19 years experience in representation of Income Tax matters upto ITAT level, CA is looking forward to work with CA firm. Contact (m) : 9870229618, E-mail id : smosantosh@rediffmail.com

Obituary



CA. Mahesh Vinayak Bhave, M. No. 39171, left for heavenly abode on 28th January, 2010. May the departed soul rest in peace.



AHMEDABAD: Felicitation function of WIRC office bearers, held on 27/03/2010. (L to R): CA. Purushottam Khandelwal, CA. Parag Raval, Treasurer, WIRC, CA. Sanjeev Lalan, Chairman, WIRC, CA. Niren Nagri, Branch Chairman, CA. Mangesh Kinare, Secretary, WIRC, CA. Jainik Vakil, CA. Tushar Shah.



BHARUCH: Photograph taken during the visit of WIRC office bearers on 21/03/2010. CA. Sanjeev Lalan, Chairman, WIRC, CA. Mangesh Kinare, Secretary, WIRC, CA. Parag Raval, Treasurer, WIRC.



GANDHIDHAM: (L to R): CA. Mayur Swadia, Faculty, CA. Manish Baxi, Faculty, CA. F. A. Hiranandani, Branch Chairman, CA. Parag Raval, Treasurer, WIRC, CA. Rajiv Singh, Faculty, during the Full Day Seminar on the Bank Branch Audit, held on 19/03/2010.



GOA: Seminar of the Bank Branch Audit, held on 20/03/2010. (L to R): CA. Virendra Prabhudesai, CA. Ashish Prabhu Verlekar, Branch Chairman, CA. Niranjana Joshi, Faculty, CA. Anup Borkar.



JALGAON: CA. Kirit Somaiya, Ex-MP, Maharashtra, lighting the lamp & inaugurate the Investment Awareness Programme.



KOLHAPUR: Shri S. K. Natraj, Zonal Manager of Bank of India, lighting the lamp during Seminar on Bank Branch Audit, held on 20/03/2010. L to R: CA. Girish Mulye, CA. Sunil Nagaonkar, CA. Sanjay Sane, Branch Chairman, CA. Shrirang Kulkarni, CA. Dhananjay Gokhale, Faculty.



NAGPUR: Seminar on Finance Bill 2010 held on 11/03/2010. (L to R): CA. Abhijit Kelkar, CA. Julfesh Shah, RCM, CA. Jaydeep Shah, CCM, CA. G. Ramaswamy, Vice-President, ICAI, CA. Kavita Loya, Branch Chairperson, Shri M. D. Kabra, Chief Commissioner of Income Tax, CA. Makarand Joshi, RCM, CA. Satish Sarda, CA. Sharadha Suresh.



NASHIK: CA. M. Y. Sarode, Branch Chairman, addressing seminar on Bank Branch Audit, held on 13/03/2010. (L to R): CA. Sanjeev Mutha, CA. Uday Sathaye, Faculty.



PUNE: Release of "The Union Budget 2010-2011-Analysis". (L to R): CA. Neelesh Khandelwal, CA. S. B. Zaware, CCM, CA. Sagar Shah, CA. Narendra Agarwal, Branch Chairman.



SOLAPUR: Seminar on Bank Branch Audit, held on 21/03/2010. L to R: CA. M. M. Nadaf, CA. G. M. Pawle, Branch Chairman, Shri S. R. Meena, Zonal Manager, Bank of India, CA. Chandrashekar L. S., Faculty, CA. R. A. Shah.



THANE: CA. Pankaj Parekh, Branch Chairman, addressing the Seminar on Investor Awareness Programme, held on 27/03/2010. (L to R): CA. Navin Dedhia, CA. Vinith Nair, Faculty, CA. Shardul Shah, RCM, CA. Ashok Jain, RCM, CA. Jaideep Sahasrabudhe.



VASAI: L to R: CA. Unmesh Narvekar, CA. Ramesha Shetty, CA. Lalit Bajaj, Branch Chairman, CA. Nilesh Vikamsey, CCM, during the Seminar on Statutory Audit of Bank Branch.



Outgrowth of Ethics applied to professions

by CA. Y.M. Kale, Past President, ICAI

Group President – Corporate Governance & Development, Hinduja Group, India.

In the preceding issue, my earlier article dealt with *Ethics Etymology, Western & Indian*. This sequel now deals with the evolution of professional Ethics.

The application of Ethics in ways informal, and later formal, to Callings and Professions came about naturally as an outgrowth of the development of the professions themselves. As human societies progressed from primordial slime, towards the comforts of modern plumbing, Crafts, Callings, and Specialisms acquired processes and systems, and Practitioners arose when skills became too complex for lay persons to understand and apply. The Right to Practice was limited to those possessing requisite skills eventually accredited by qualifications, and consciousness grew of the need to develop self-imposed ethics.

The sum total of restraints placed comprised self-imposed standards, often framed by Guilds, being forerunners of Professional Associations. Written codes were initially not regarded as essential. Codes made ethically obligatory, and readily available, the principles that had become evident to the practitioners at large through their practices. The difficulty though was, that no code could foresee every ethical problem that may arise.

Gradually, such Ethics, also began to reflect basic assumptions, premises and methods of each profession and calling. In common, two basic aspects came to the fore – firstly, that professionals were employed by clients to serve and represent their interest, and secondly there was the dimension of participating in important Societal functions, quite independent of client interest. Certain predominant features were seen to apply to professional ethics across the board, such as – that chief object is to service the client, promoting own income is secondary; acting as agent of client, yet retaining a large measure of independent judgment as to the proper course to pursue. Special rules would however apply when the interests of clients and society were in conflict.

Thus, the next phase in the development of professional ethics, centred round considerations of *conflict of interest* situations, as individual practices grew ever larger. To further the interests of one client, must he forego advancing the interests of another? Could he accept a subsequent assignment, if it involves use of confidential information gained from an earlier assignment, or from another client? Could client consent suffice in some cases, or was conflict of interest prohibition absolute? Would client consent suffice if there was a possibility of public interest being adversely affected? Can clients enlist professionals' support to secure favourable decisions from regulators with whom professionals have other relationships? Should the duty to disclose confidential client matters when required by law, be interpreted to mean - only under examination as a witness in a court of law, or can disclosure also mean, - to an inspector from the Police, or other Authority.

Codes of Ethics until mid 70s, were directed largely to the general practitioner serving individual clients. Until 1977, the broad consensus in all English speaking countries was that, prohibition re advertising and solicitation must be complete. Now, we may come across Firms, that are essentially marketing organizations which just happen to operate in the realm of accounting and auditing. Nevertheless, to allege deficiency in Ethics, on this score alone, would be an exercise in misinformation and prejudice.

In many jurisdictions, contingent fees were generally not permitted. But fees that are contingent on successful outcome of litigation or settlement are widely used in US, thus becoming a common demand by clients internationally, and increasingly acquiesced to, by professionals, particularly in M & A work. Traditionally, the clever argument in favour of contingent fees was the obligation to serve poor clients without compensation, in case the outcome desired by the aggrieved weaker sections was not achieved. What may further bestow ethicality on such arrangements, is the professional assuming the risk of losing the fee, where the outcome of a matter is difficult to predict.

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Workshop on Finance Bill (Indirect Taxes Provisions), on 13/03/2010.
(L-R): CA. O. D. Bihani, CA. Mangesh Kinare, Secretary, WIRC, CA. A. R. Krishnan, Faculty, CA. Mohan Phadke.

Other Speaker



CA. S. S. Gupta



Seminar on Private Equity, on 28/03/2010.
(L-R): CA. Sunil Goyal, Faculty, CA. S. L. Jain, CA. Neel Majithia, RCM, CA. Vandana Dodhia.

Other Speakers



CA. Sushrut Chitale



CA. Premal Doshi



CA. Sujal Shah



Conference on Hotel & Tourism Industry, on 19 & 20/03/2010.
(L-R): CA. Neel Majithia, RCM, CA. Dhiraj Khandelwal, RCM, CA. Jayesh Thakur, Faculty, CA. Narendra Mehta.

Other Speakers



Shri B. M. Gupta



CA. Zubin Billimoria



CA. Homi Aibara



CA. Jigar Shah



CA. Mazyar Kotwal



CA. S. S. Gupta



CA. Parind Mehta



Shri Sachin Menon



Seminar on Audit & Compliance of Stock Brokers, on 27 & 28/03/2010.
(L-R): CA. Durgesh Kabra, RCM, CA. Bhavesh Vora, Faculty, CA. Hiren Mehta, Faculty, CA. Ankit Kapadia.

Other Speakers



Adv. Prachi Pandey



CA. Vinayak Pai



CA. Kinjal Shah



CA. Manish Gadia



CA. Nihar Jambusaria



Adv. Prakash Shah

Speakers at Students Programme



Ms. Kavita Shukla
03/03/2010



CA. Pratik Singhi
14/03/2010



Shri Jignesh Sangnani
19/03/2010



CA. Aankit Jain
21/03/2010



Lecture Meeting on Bank Audit in CBS Environment, on 26/03/2010. (L-R): CA. Shrinivas Joshi, RCM, CA. Mangesh Kinare, Secretary, WIRC, Shri S. Venkatkrishna, Faculty, Shri Prashant Pande, Faculty, CA. Ashok Jain, RCM.



Meeting with Finance Minister of Gujarat Hon'ble Shri Vajubhai Vala, held on 27/03/2010. (L to R): CA. Mangesh Kinare, Secretary, WIRC, CA. Sanjeev Lalan, Chairman, WIRC, CA, Niren Nagri, Chairman, Ahmedabad Branch of WIRC, CA. Dilip V. Shah, CA. Bhailal Patel, RCM.

CA. S. P. Tulsian, Faculty, addressing the Lecture Meeting on Overview on Capital Market – Post Budget Scenario, held on 29/03/2010. (L to R): CA. Mangesh Kinare, Secretary, WIRC, CA. Sanjeev Lalan, Chairman, WIRC, CA. Durgesh Kabra, RCM.



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