



**The Malad
Chamber of
Tax
Consultants**

MNW/I75/2018-20

Total Pages 8

Price ₹ 5/-

40 Years

MCTC Bulletin

"Never Stop Learning, Never Stop Growing"

E-mail: maladchamber@gmail.com

Website : www.mctc.in

Regd. Office : B/6, Star Manor Apartment, 1st Floor, Anand Road Extn., Malad (W), Mumbai 400 064. Mobile : 7039006655
Admn. Office : C/o. Brijesh Cholerra : Shop No. 4, 2nd Floor, The Mall, Station Road, Malad (W), Mumbai-400 064

Vol. 1, No. 2

For members & private circulation only

August, 2018

President's Communiqué



Dear Members,

Happy Independence Day and a very warm Happy MCTC Day to all our Members. By the time all of you will receive this bulletin, you would have celebrated 72nd Independence Day. It is on this day 40 years ago our founding members had laid the foundation of 'The Malad Chambers of Tax Consultants' and has been serving the profession and the society relentlessly.

"Where the mind is without fear and the head is held high. Where knowledge is free. Where tireless striving stretches its arms towards perfection. Where the clear stream of reason has not lost its way into the deary desert sand of dead habit. Where the mind is led forward by thee into ever-widening thought and action into that heaven of freedom, my Father, let my country awake." This poem, written by Rabindranath Tagore and was dedicated to the nation before Independence, has relevance in today's time also and specially to us Professionals. We should not be stuck in the deary sand of dead habit and outdated techniques but should be ready to accept the required change and always strive tirelessly to achieve perfection in our activities. We are bound to succeed and be free in real sense.

As the Income Tax Return filing due date for all non-audit assesseees is nearing, all my Professional colleagues must be striving hard to meet the deadline. Tax Audits are to be completed simultaneously so also various GST returns, Advance Tax Planning, ROC returns and many other compliances. This is bound to cause stress and hardship to us as we all are facing constraint of time and resources. It may be difficult but not at all impossible to complete these assignments within the limited timeframe. I would request all of you to do proper planning and execution. Perservance and resilience on the part of our Professionals would be of utmost importance.

Sensing the need of the hour we had taken up the topic of Tax Audit and Recent Amendments in the 'Bharat D. Vasani Inaugural Study Circle on August 05, 2018 by CA Ketan Vajani. The Chief Guest for the occasion, CA M. G. Sanghvi, former Chairman of Syndicate Bank and currently Independent Director of the GIFT city, Gandhinagar in his speech to our members, encouraged and guided them. He explained the importance of cohesiveness of 'working of group' and how to achieve optimum output through group management. More than 125 members participated in the Study Circle and made it a grand success. We shall be undertaking several such initiatives and representation to support our Members.

Our journey in the quest of knowledge continues.

With Sincere Wishes,

CA Vaibhav D. Seth
President

For Queries & Submission of Forms for Membership/Seminar please contact any of the following Office Bearers:

Name	Designation	Contact Nos.	E-mail
Vaibhav D. Seth	President	9619721743	sethvaibhav@hotmail.com
Viresh Shah	Vice President	9820780070	vireshbshah9@gmail.com
Jaimin Trivedi	Hon. Treasurer	9892931325	ca.jstrivedi@gmail.com
Jignesh Savla	Hon. Secretary	9820260070	cajigneshsavla@gmail.com
Darshan Shah	Hon. Secretary	9821868254	darshanshahfca@gmail.com

Life Membership Fees ₹ 2,500 • Ordinary Membership Fees ₹ 1,000 p.a.

FORTHCOMING EVENT

'GST Reconciliation in perspective of Tax Audit'	
Day & Date	Sunday, 2nd September, 2018
Time	10.00 a.m. to 1.00 p.m.
Speaker	Eminent Speaker
Venue	SNDT College, Liberty Garden, Malad (W), Mumbai-400 064.

DIRECT TAXES – LAW UPDATE

Compiled by CA Haresh P. Kenia

Section 56 – Issuing share capital at excess premium not taxable in hand of eligible start-ups (255 Taxman, (st) 54)

The CBDT *vide* notification Nos. – 24/2018 - S0 2088(E) dated 24/05/2018, notified that the provisions of section 56(2) (viib) of the Income tax Act shall not apply to consideration received by a company for issue of share that exceeds the face value of such share, if the consideration has been received for issue of share from an investor in accordance with the approval granted by the inter-ministerial Board of Certification under para 4(3) (I) of the Notification No. 364 (E) dated 11/04/2018. This notification shall deemed to have come into effect retrospectively from 11th April 2018.

Income Tax informants Rewards Scheme, 2018 (255 Taxman, (st) 5)

The CBDT has announced Income-tax Informant Rewards Scheme 2018. The Rewards scheme for informants named "Guideline for grant of rewards to Informants, 2007" as was issued in 2007 has been revised and "Income Tax Informants Rewards Scheme 2018" has been issued in supersession from date of issue. An Informant can get rewards up to ₹ five crore by giving specific information about evasions of Income tax on income and assets in India and abroad. Identity of the Informants will be kept confidential. The scheme provides for procedure of furnishing information by informants, Amount of reward, Its basis and stage of determination, grievance redressal, prohibition on rewards to Government servants etc.

Benami Transaction Informants Reward Scheme 2018 (255 Taxman, (st) 26)

The CBDT *vide* notification No. 299/31/2017 dated 23-04-2018 introduces the rewards scheme for Informants giving information of Benami property actionable under prohibition of Benami Property Transaction Act 1988.as amended by Benami Transaction (Prohibition) Amendment Act 2016. The scheme is introduced for regulation of grant and payment of reward to a person who is informants under this scheme. An informant can get rewards up to ₹ one crore for giving specification information of Benami property. Identification of Informants shall be kept confidential. The Scheme provides for secrecy of identity of informant and information, rewards, grievance redressal etc.

Section 48 of Income-tax Act 1961 – Capital gains – Computation of notified cost inflation index under section 48, explanation (v) – Financial year 2018-19 (255 Taxman, (st) 57)

The cost inflation index is notified by Central Board of Direct Taxes every year. It notified the cost inflation index for FY 2018-19 as 280.

Foreign Company said to be resident in India – section 115JH, read with section 6 of income tax Act (256 Taxman, (st) 1)

The Central Board of Direct Taxes issued final Notification under Section 115JH of the Income-tax Act, 1961 which provides tax consequences on a foreign company said to be resident in India due to its place of effective management being in India. This Notification is applicable from the financial year 2016-17

The Finance Act, 2015 amended the provisions dealing with the residential status of a company under section 6(3) of Income-tax Act, 1961. It provides that a company would be resident in India in any previous year if it is an Indian company or its Place of Effective Management (POEM) in that year is in India. In the context of the implementation of POEM based residence rule, certain issues relating to the applicability of current provisions of the Act to a company which is incorporated outside India and has not earlier been assessed to tax in India have arisen. In order to provide clarity in respect of the implementation of POEM based rule of residence and also to address concern of the stakeholders, provisions of section 115JH of the Act have been introduced with effect from Assessment Year 2017-18.

Special provisions in relation to foreign companies considered to be resident in India by virtue of the new POEM test were introduced in the ITA by way of the Finance Act, 2016 through insertion of a new Chapter XII-BC comprising Section 115JH in the ITA with effect from April 1, 2017.

In 2017, the Central Board of Direct-Taxes (CBDT) issued draft notification providing such exception, modification and adaptation for application of provisions of the Act Recently, CBDT has issued final notification dealing with special transitional provisions for foreign company said to be a Resident in India on Account of POEM. The notification deemed to come into force from 1 April 2017.

The notification seeks to lays down the manner and guidance on various issue such as Determination of Written Down Value and Brought Forward Loss, Foreign Tax Credits, Conflict Between Provisions, Transfer Pricing, Rate of Tax, Limitation on Setting off against India Sourced Income and Treatment in Subsequent assessment years etc. Detailed notification is available at above citation



ANALYSIS OF PENALTY PROVISIONS – PART II

Compiled by CA Bhavin Mehta

In May month article we have examined provisions of section 73 and 74 in respect of penalty. In this article penalty provision prescribed under section 122 of the CGST Act is analysed, as under:

Penalty for certain offences under Section 122

1. Offences committed by a **taxable person** under sub-section (1) of section 122 will attract penalty of
 - (i) ₹ 10,000, or
 - (ii) An amount equivalent to tax evaded, or
 - (iii) Input tax availed of or passed on or distributed irregularly, or
 - (iv) The refund claimed fraudulently.

Whichever is higher.

If the taxable person has committed offence of tax not deducted or short deducted or deducted but not paid to the Government (TDS has not become operational), penalty shall be

- (i) ₹ 10,000, or
- (ii) Amount of tax not deducted or short deducted or deducted but not paid to the Government.

Whichever is higher.

In case of e-commerce operator who has committed the offence of tax not collected or short collected or collected but not paid to the Government (TCS has not become operational), penalty shall be

- (i) ₹ 10,000, or
- (ii) Tax not collected or short collected or collected but not paid to the Government.

Whichever is higher.

Now let us examine each of the clauses prescribed in sub-section (1) of section 122 of the Act, which is applicable to a taxable person. As per section 2(107) "taxable person" means a person who is registered or liable to be registered under section 22 or section 24.

Offences under section 122 are listed below:

- (i) **Supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply**

Comments: Invoice shall contain particulars specified in Rule 46 of CGST Rules, 2017. In case of omission of any of the specified particular in the invoice, it cannot be considered as incorrect invoice for the purpose of section 122. Clause (i) lists specific class of persons, who either do not issue the invoice or issue invoice which is prejudicial to the interest of revenue. Mere omission of some of the particulars listed in Rule 46 cannot be considered as incorrect invoice.

- (ii) **Issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder**

Comments: Issue of hawala bills would attract penalty equivalent to tax evaded in addition to prosecution.

- (iii) **Collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due**

Comments: In case where a taxable person is unable to make payment of tax to the Government within specified period of three months for reason/s other than evasion, penalty of ₹ 10,000 would be applicable and not equivalent amount of tax so remain unpaid. Non-payment due to financial hardship does not tantamount to evasion. Therefore in all such cases it cannot be considered as "tax evaded", which is used in the language of section 122(1).

- (iv) **Collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due**

Comments:

(a) Let us say taxable person wrongly collects higher amount of tax say ₹ 150 from customer instead of actual tax of Rs.100. On realising the mistake he refunds the excess amount of ₹ 50 to customer. The word "collected" means 'collected and kept as his'. In the given example because he has refunded the excess amount to the customer it cannot be considered as contravention under above clause (iv).

(b) Let us suppose due to taxability dispute the taxable person has collect the sum by way of tax @ 18% on sale of particular goods, pays 12% tax in Government treasury and keeps 6% tax component in the suspense account. Whether he has contravened the provisions of this Act by not depositing 6% tax component? If the taxable person merely gathered the sum by way of tax and kept it in suspense account because of dispute about taxability or was ready to return it if eventually it was not taxable, it was not collected. Reference may be made to Bombay High Court decision in the case *Niranjan Mills Ltd. vs. State of Maharashtra* delivered on 3-2-1995.

- (v) **Fails to deduct the tax in accordance with the provisions of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;**

- (vi) **Fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects and amount which is less than the amount to pay to the Government the amount collected as tax under sub-section (3) of section 52.**

Comments: Both TDS under section 51 and TCS under section 52 are not made operational.

- (vii) **Takes or utilises input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder.**

Comments: Section 16(2) stipulates no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless he has received the goods or services or both. Tax is leviable on advances received by supplier. However with respect to advance received against goods same has been removed with effect from 15-11-2017 for all

suppliers. Whether credit availed by the recipient of service against invoice issued against such advance would lead to contravention? The answer appears to be NO. Section 13 provides time of supply of services. It is deeming fiction, artificially creating time of supply of service. Supplier and recipient cannot have different time of supply. Such artificial time of supply may be considered as "actual" supply and receipt of service by provider and receiver respectively.

(viii) Fraudulently obtains refund of tax under this Act.

Comments: Fraudulently obtaining refund would not only invite penalty equivalent to such refund but would also lead to prosecution. The revenue cannot in every wrong refund charge the taxable person to have obtained fraudulently. Here the onus to establish he has obtained the refund of tax fraudulently shall be on revenue. The provisions under sub-section (1) shall not be applicable to non-taxable person.

(ix) Takes or distributes input tax credit in contravention of section 20, or the rules made thereunder

Comments: Unless the distribution of credit by Input Service Distributor is to defraud the revenue, the levy of penalty will be restricted to ₹ 10,000.

(x) Falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act

Comments: Here again the onus to establish that taxable person has produced fake accounts or documents or have furnished false information, etc. is on revenue.

(xi) Is liable to be registered under this Act but fails to obtain registration.

Comments: An unregistered person is not entitled to collect the tax. So there is remote possibility that such unregistered person has wilfully not obtained registration for the purpose of evasion of tax because he is not entitled to collect the tax. Penalty in such case shall be restricted to ₹ 10,000.

(xii) Furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;

Comments: Unless the submission of information has any tax impact the penalty will be restricted to ₹ 10,000. Unintentional mistake or errors while obtaining registration would not lead to false information.

(xiii) Obstructs or prevents any officer in discharge of his duties under this Act.

Comments: Unless the purpose of obstruction or prevention is to evade the tax, penalty shall be ₹ 10,000.

(xiv) Transports any taxable goods without the cover of documents as may be specified in this behalf;

Comments: LR or any such documents substantiating transport of taxable goods is required. E-Way bill has become mandatory for transportation of goods exceeding specified value (inter-state limit is ₹ 50,000 and ₹ 1,00,000 for intra-state within Maharashtra). Recently M. P. High Court upheld the levy of penalty of ₹ 1.32 crore on Gati Kintetsu Express Pvt. Ltd. for not filing part B of the e-way bill. This would discourage the taxable person from treating the e-Way bills as just a 'procedural' obligation as the penalties imposed are fastened to the tax payable on the goods

(xv) Suppresses his turnover leading to evasion of tax under this Act.

Comments: In addition to penalty equivalent to tax such person could also be prosecuted – Clause (e) of section 132(1).

(xvi) Fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder

Comments: Unless the intention is to evade the tax penalty shall be restricted to ₹ 10,000

(xvii) Fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or rules made thereunder or furnishes false information or documents during any proceedings under this Act.

Comments: Non-furnishing of the information is for reason/s other than evasion of tax penalty shall be restricted to ₹ 10,000.

(xviii) Supplies, transport or stores any goods which he has reasons to believe are liable to confiscation under this Act.

Comments: Section 130 provides powers to confiscate goods or conveyances in specified circumstances. Levy of penalty under this clause shall be in addition to fine imposed under section 130.

(xix) Issues any invoice or document by using the registration number of another registered person.

Comments: This would amount to clear case of fraud unless taxable person is able to prove typographical/printing error.

(xx) Tamper with, or destroys any material evidence or document.

Comments: Section 36 provides every registered person shall retain the books of account or other records for six years from the due date of filing of annual return of that year. Therefore effectively for the period July 2017 to March 2018, where due date of filing annual return is prescribed as 31-12-2018, taxable person would be required to retain the books of account and records till 31st December, 2024. Where such records are not kept, it is possible department may allege that taxable person has destroyed the records.

(xxi) Disposes off or tampers with any goods that have been detained, seized, or attached under this Act.

Comments: The goods seized or attached at the premises of assessee are sealed by the revenue officer. Assessee should under no circumstances break/open the seal.

2. Under sub-section (2) of section 122 "Any **registered person** who supplies any goods or services or both on which any tax has not been paid or short paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilized:
- (a) For reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to penalty of ₹ ten thousand or ten per cent of the tax due from such person, whichever is higher.
 - (b) For reason of fraud of any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher."

Comments: Sub-section (2) of section 122 talks about non-payment and short payment of tax, it does not apply to delay in payment of tax. It would be advisable to make timely payment of tax but under no circumstances same should be paid before issue of notice under section 73 or 74 of the Act, else above provision can be invoked.

3. Sub-section (3) of section 122 provides "Any person who –
- (a) Aids or abets any of the offences specified in clause (i) to clauses (xxi) of sub-section (1).
 - (b) Acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or rules made thereunder.
 - (c) Receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder.
 - (d) Fails to appear before the officer of Central tax, when issued with a summons for appearance to give evidence or produce a document in an inquiry.
 - (e) Fails to issue invoice in accordance with the provisions of this Act or the rules made thereunder or fails to account for an invoice in his books of account.

Shall be liable to a penalty which may extend to twenty five thousand rupees.

Comments: Any person who assist or supports any of the offences mentioned under sub-section (1) above, shall be liable to penalty of ₹ 25,000. There are chances that along with taxable person, revenue may level the allegation of aiding and abetting in the offence/s on the employee/s of such person.



SYNOPSIS OF GST NOTIFICATION AND CIRCULARS

Compiled by CA Brijesh M. Cholera

NOTIFICATION

29/2018-CENTRAL TAX Dt. 6-7-2018

Amendments made in Central Goods and Services Tax Rules w.e.f. 12-6-2018 in Rules 125, 129, 130(2), 131, 132(1) and 133 the words "Directorate General of Safeguards" substituted by "Directorate General of Anti-profiteering".

30/2018-CENTRAL TAX Dt. 30-7-2018

The Commissioner hereby extends the time limit for furnishing the return by an Input Service Distributor in FORM GSTR-6 for the month of July, 2017 to August, 2018 till 30-9-2018.

13/2018-Central Tax (Rate), 14/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

By notification changes are made in GST rates in Heading No. 9963 (Accommodation, food and beverage services), Heading No. 9965 (Goods transport services), Heading 9984 (Telecommunications, broadcasting and information supply services).

14/2018-Central Tax (Rate), 15/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

Notification issued to exempt certain services as recommended by GST Council.

15/2018-Central Tax (Rate), 16/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

One more category of service inserted on which tax will be payable under reverse charge mechanism under section 9(3) of the CGST Act, 2017 & u/sec. 5(3) of the IGST Act, 2017.

Services supplied by Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs) located in taxable territory.

16/2018-Central Tax (Rate), 17/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

By this notification w.e.f. 27-7-2018 activities or transactions undertaken by the Central Government or State Government or Union Territory or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:

"Services by way of any activity in relation to a function entrusted to a Panchayat under Article 243G of the Constitution or to a Municipality under Article 243W of the Constitution

17/2018-Central Tax (Rate), 18/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

GST Rates on Supply of services Explanation added in Heading No. 9954 Construction Services that:

For the purposes of this item, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.

18/2018-Central Tax (Rate), 19/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

Changes are made in the rate of Central Tax Schedule and Integrated Tax schedule to give effect to GST council recommendation.

19/2018-Central Tax (Rate), 20/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

More goods included in exempt goods category.

20/2018-Central Tax (Rate), 21/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

Notification allows refund of ITC on account of inverted rate structure on specified goods (Certain Fabrics) where ITC has been availed from 1-8-2018 onwards. For the period up to 31-7-2018, such accumulated ITC shall lapse.

21/2018-Central Tax (Rate), 22/2018-Integrated Tax (Rate), 1 Dt. 26-7-2018

Exemption notification issued u/sec. 11 of The CGST Act, 2017 and u/sec. 6 of the IGST Act, 2017 exempt specified handicrafts goods from tax in excess of 2.5% and 6% CGST and 5% and 12% IGST w.e.f. 27-7-2018

2/2018-Compensation Cess (Rate) Dt. 26-7-2018

Goods exempted from Compensation cess w.e.f. 27-7-2018

Coal rejects supplied by a coal washery, arising out of coal on which compensation cess has been paid and input tax credit thereof has not been availed by any person.(HSN-27) and fuel cell motor vehicles (HSN-87).

CIRCULAR

Circular No. 50/24/2018-GST Dt. 31-7-2018

Clarification Circular No. 28/02/2018-GST dated 8-1-2018 on GST rate on supply of food and/or drinks by the Indian Railways or Indian Railways Catering and Tourism Corporation Ltd. or their licensees, in trains or at platforms (static units) withdrawn as it is incorporated in Notification No.13/2018 Dt. 26-7-2018

Circular No. 51/25/2018-GST Dt. 31-7-2018

Clarification given for Applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM).



JUDICIAL JUDGMENTS

Compiled by CA Rupal Shah

Yatin Prakash Telang vs. ITO, ITAT Mumbai, ITA No. 1136/Mum/2018, 4th July, 2018

Utilisation of sale proceeds of original capital asset not necessary for claiming Sec. 54 Exemption

Facts of the case:

The assessee sold an immovable property for ₹ 1.11 crore in Feb. 2012 and earned long term capital gains of ₹ 83 lakh. A residential flat was purchased of ₹ 1.25 crore in April 2011. The assessee stated that, to the extent of his 70% share, he has invested a sum of ₹ 91.20 lakhs – ₹ 24 Lakh from savings and ₹ 64 Lakh from bank loans.

The assessee submitted that in view of the provisions of section 54 of the Act, the assessee is entitled for claim of exemption on the investment/ purchase of new residential house within a period of one year before or two years after the date on which the transfer took place.

AO rejected the contentions on grounds that the investment was made from borrowed funds and not from the sale proceeds of the residential funds for which the exemption is sought. CIT(A) also upheld the same view and disallowed the exemption.

On further appeal ITAT observed that:

The appellant purchased a residential house within one year of the sale of a residential house within the time limits prescribed u/s. 54(I) and payments for purchase of new house had been paid prior to the due date of filing of IT return u/s. 139(1).

No provision has been made by the statute that in order to avail benefit of section 54F of the Act, the assessee has to utilise the amount received by him on sale of original capital asset for the purposes of meeting the cost of the new asset.

Thus the appeal of the assessee was allowed.

CIT(A) vs. Shaji Thomas, Kerala High Court, ITA No. 61 of 2014, 16 July, 2018

Water logged land comprised within backwaters held agricultural land when sold along with adjacent agricultural land

Facts of the case:

The assessee sold 130.73 acres of land, out of which 33.13 acres being backwaters (Kayal). The Assessing Officer found that 97.60 Ares of land was agricultural land. However, for balance 33.13 Ares, he did not classify as agricultural land and capital gains were sought to be assessed on that portion of land.

On appeal, ITAT found that the contention of the assessee that the Kayal portion was used for irrigating the other portion was acceptable. It was found that the Kayal land has acquired the character of a water tank, used for the irrigation of the other land.

Hon'ble High Court upheld the Tribunals view adding that:

AO had accepted the fact that 97.60 acres of land sold is agricultural land. There was also proof of specific agricultural operations having been undertaken in the said land. The adjacent land which is lying as Kayal land and water-logged, would only have made the adjacent land more fertile and admittedly it was not used for any other purpose.

Thus, the same could be deemed to be only agricultural land. The appeal was dismissed, upholding assessee's contentions.



Dr. Bharat D. Vasani Inaugural Study Circle held on 5th August 2018



Deep Prajwalan by Chief Guest CA M. G. Sanghvi



Deep Prajwalan by Speaker CA Ketan Vajani and Past President Shri J. D. Rawal



Deep Prajwalan by President CA Vaibhav Seth



Deep Prajwalan by Past Presidents CA Yatin Rangwala, CA Manish Chokshi and CA Manilal Simaria



President CA Vaibhav Seth addressing the Members



Vice-President CA Viresh Shah introducing Chief Guest to the Members



Chief Guest CA M. G. Sanghvi addressing the Members



Jt. Secretary CA Jignesh Savla proposing Vote of thanks to the Chief Guest CA M. G. Sanghvi



Jt. Secretary Shri Darshan Shah giving introduction of the Speaker CA Ketan Vajani



Member Participants at the first inaugural Study Circle Meeting



Speaker CA Ketan Vajani addressing the Members



Treasurer CA Jaimin Trivedi proposing Vote of Thanks to the Speaker CA Ketan Vajani

Disclaimer : Though utmost care is taken about the accuracy of the matter contained herein, the Chamber and/or any of its functionaries are not liable for any inadvertent error. The views expressed herein are not necessarily those of the Chamber. For full details the readers are advised to refer to the relevant Acts, Rules and relevant Statutes.

Printed by Kishor Dwarkadas Vanjara published by Kishor Dwarkadas Vanjara, on behalf of The Malad Chamber of Tax Consultants, and Printed at Finesse Graphics & Prints Pvt. Ltd., 309, Parvati Industrial Premises, Sun Mill Compound, Lower Parel, Mumbai-400 013. Tel. Nos.: 2496 1685/2496 1605 Fax No.: 24962297 and published at The Malad Chamber of Tax Consultants B/6, Star Manor Apartment, 1st Floor, Anand Road Extn., Malad (W), Mumbai-400 064. Adm. Off. Tel. 022-2889 5161

• Editor : Shri Kishor Vanjara

Associate Editor of MCTC Bulletin : Shri Brijesh M. Cholera

Posted at Malad ND (W) Post Office, Mumbai-400 064

Date of Publishing 3rd Week of Every Month
Date of Posting : 20th & 21st August, 2018

To

If undelivered, please return to :

The Malad Chamber of Tax Consultants,
B/6, Star Manor Apartment, 1st Floor,
Anand Road Extn., Malad (W),
Mumbai-400 064.

