



**The Malad
Chamber of
Tax
Consultants**



**Price ₹ 5/-
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MCTC Bulletin

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President's Communiqué



Dear Members

It gives me immense pleasure and honour in assuming the highest post of this esteemed Association which is a very powerful institutions in western suburban of Mumbai. I express my sincere gratitude to all the members of the Malad Chamber for electing me unanimously, the President of this prestigious Association.

I am aware of the responsibilities that this office carries and I will make every efforts to discharge it to the best of my abilities.

I am very much thankful to the outgoing President Shri Brijesh Cholera for shouldering excellently responsibility of our esteemed Chamber.

During my tenure, I intend to carry on various established activities of the Association such as holding regular Study Circle Meetings, Dr. Bharat Vasani Saraswati Sanman Samarambh, Public meeting on Union Budget, Seminar under the auspicious of Rajubhai J. Chokshi Oration Fund etc. and in addition I intend to hold the First International Study Tour of Malad Chamber of Tax Consultant.

As I taken on the charge as President and as promised to take this Chamber to a greater height, the month ahead will prove the beginning for the same. The First Inaugural Study Circle Meeting under the auspicious of Dr Bharat Vasani Inaugural Study Circle meeting is scheduled on **12th August, 2012** on the Topic "VAT on Builders and Developers" in view of recent Bombay High Court Judgement. The Second Study Circle Meeting is scheduled on **26th August, 2012** on the Topic "Intricate Issues in Revised Schedule VI" and Residential Refresher Course i.e., RRC is scheduled on **17th August to 20th August 2012**, at Dudhsagar Resort & Spa, Goa. We are also planning a Full Day Seminar on Recent Amendments in Service Tax in first week of October. You all are requested to attend the same and make it a grand success.

I hope with blessings and support of all our past presidents and with support of all my Managing Committee Members and all members of MCTC family, I can achieve all goals for my tenure.

With warm regards

Sachin Gandhi
President

For Query & Submission of forms for Membership/Seminar please contact any of the following Office Bearers

NAME	CONTACT NO.	E-MAIL ID
SACHIN R. GANDHI, PRESIDENT	9821482020	sachin23gandhi@yahoo.co.in
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JAYPRAKASH M. TIWARI, HON. SECRETARY	9820496297	j_m_tiwari@yahoo.co.in

Life Membership Fees ₹ 2,500 • Ordinary Membership Fees ₹ 1000 p.a.



SALES TAX UPDATE

By CA Nitin D. Kenia, CA Bharat K. Gosar

Circulars issued by the Commissioner under the M.V.A.T. Act, 2002

Trade Circular No. 8T of 2012 dated 21st June, 2012

The Commissioner has in detail explained the implication of judgement of the Hon'ble Bombay High Court in case of M/s. Mahalaxmi Cotton Ginning Pressing and Oil Industries, Kolhapur (Writ Petition No.33 of 2012 dated 11.05.2012). The Commissioner has explained position of allowing or disallowing Input tax credit keeping in mind interpretation of the said judgement. The Commissioner has further threatened that the action will be taken against defaulting dealer and has further prescribed procedure for allowing ITC if defaulting dealer has complied with requirements.

Trade Circular No. 9T of 2012 dated 30th June, 2012

The Commissioner has in detail explained the amendments to the schedule entries under the Maharashtra Value added Tax Act, 2002.

Trade Circular No. 10T of 2012 Dated 2nd July, 2012

The State Government *vide* Schedule Entry No. C-39 had notified list of intangible goods for levy of tax @ of 5%. Further, those intangible goods which were not covered in the notified list were exempted from payment of sales tax. However, many dealers were under the impression that all types of intangible goods liable to tax @ 5%. Tax was collected and paid in the Government treasury even on those goods which were exempt. *Vide* this Notification, the Commissioner has announced that all the tax so wrongly collected for the period 01/04/2005 to 31/12/2011 shall not be forfeited. At the same time it shall not be refunded to the seller. However, the purchaser will be granted set off on the basis of tax invoice as proof of tax paid.

Notification issued by the State Government under the Maharashtra State and Other allied laws:

VAT 1512/CR-62/Taxation-1 dated 30th May, 2012

The amendment is made to schedule entry A.59 Raisins and Currants will continue to be taxfree for a further period of one year i.e. up to 31st May, 2013.

Vide Notification No. PFT.1012/CR-29/Taxation-3 dated 14th June, 2012.

Online payment of profession tax, interest, penalty through electronic mode is made compulsory for employer holding profession tax registration number. Amendment is effective from 01.07.2012.

DIRECT TAX UPDATE

By CA Haresh P. Kenia

□ RECONSTITUTION OF ADVISORY GROUP FOR INTERNATIONAL TRANSACTION & TRANSFER PRICING IN DEPARTMENT OF REVENUE, MINISTRY OF FINANCE {206 TAXMANN (ST.) 156}

The office memorandum (F.No.500/54/2012 FTS-1) dated 03/05/2012 gives the list of members which would comprise for "the advisory group for international taxation and transfer pricing" with the approval of competent authority.

- i. Revenue Secretary to the Government of India - Head of Advisory Group
- ii. Chairman, Central Board of Direct Taxes, Department of Revenue - Member
- iii. Director General of Income Tax (International Taxation), New Delhi - Member
- iv. Joint Secretary (FT&TR-I), Department of Revenue - Member Secretary
- v. Joint Secretary (FT&TR-II), Department of Revenue - Member
- vi. Joint Secretary (TPL-I), Department of Revenue - Member
- vii. Shri Som Mittal, NASSCOM, Member
- viii. Shri P.Y Gurav, CII, Member





- ix. Shri Dinesh Kanabar, FICCI, Member
- x. Mr. Ved Jain, ASSOCHAM, Member
- xi. Shri Mahesh P. Sarda, ICAI, Member
- xii. Shri T.P. Ostwal, IFA India, Member
- xiii. Shri Mukesh Butani, ICC India, Member.

□ **RATE OF INTEREST ON PUBLIC PROVIDENT FUND ACCOUNT {206 TAXMANN (ST.) 159}**

The Central Government *vide* Notification No. S.O.904(E) dated 25/04/2012 notifies that the subscription made to the fund on or after 1st April, 2012 and the balance at the credit of the Subscriber will bear the interest @ 8.8% p.a. in pursuance of section 5 of the Public Provident Fund Act, 1968.

□ **FINANCE ACT 2011 {207 TAXMANN (ST.) 103}**

The CBDT *vide* Circular No. 02/2012 (F.No. 142/01/2012/S.O(TPL)) dated 22/05/2012 gives the explanatory notes to the provision of the Finance Act 2011 along with amendments at glance. The Finance Act 2011 as passed by the Parliament, received the assent of the President on 8th April, 2011 and has been enacted as Act No. 08 of 2011. This circular explains the substance of the provision of the Act relating to Direct Taxes.

□ **PROCESSING OF RETURNS OF ASSESSMENT YEAR 2011-12 – Section 143 OF THE INCOME TAX ACT, 1961 – ASSESSMENT – STEPS TO CLEAR BACKLOG {207 TAXMANN (ST.) 102}**

The CBDT *vide* Instruction No. 04/2012 (F.No. 225/34/2011-ITA. II) dated 25/05/2012 has decided to withdraw its earlier Instruction No. 01/2012 issued on 2nd February, 2012 – with immediate effect.

The following decisions has been taken in this regard :-

- i. In all returns (ITR-1 to ITR-6), where the difference between the TDS claim and matching TDS amount reported in AS-26 data does not exceed ₹ Five Thousand, the TDS claim may be accepted without verification.
- ii. Where there is Zero TDS matching, TDS credit shall be allowed only after due verification.
- iii. Where there are TDS claims with invalid TAN, the TDS credit for such claims is not to be allowed.
- iv. In all other cases TDS credit shall be allowed after due verification.

□ **CLARIFICATION REGARDING REOPENING OF COMPLETED ASSESSMENT {207 TAXMANN (ST.) 129}**

The CBDT *vide* Letter (F.No.500/111/2009-FTD-1 (PT)) dated 29/05/2012 has issued certain clarification in the view of the Finance Act 2012 introduced certain clarificatory amendments in section 2 clause (14), section 2 clause (47), section 9 and section 195 of the Income Tax Act, 1961 with retrospective effect from 01/04/1962 or 01/04/1976 whereby the meaning of various terms used in this sections have been clarified in order to remove any doubt regarding there interpretation.

The Board has clarified and directed that in case the assessment proceedings have been completed u/s 143(3) of the Act before 1st day of April, 2012 and no notice for reassessment has been issued prior to that date, then such cases shall not be reopened u/s 147/148 of the Act on account of the above mentioned clarificatory amendment introduced by the Finance Act, 2012.

It is also clarified that the assessment or any other order which stand validated due to the said clarificatory amendment in the Finance Act 2012 would of course be enforced.

□ **DETERMINATION OF ARM'S LENGTH PRICE – INSERTION OF NEW RULE 10AB {207 TAXMANN (ST.) 102}**

The CBDT in accordance with power conferred by section 295 of the Income Tax Act, 1961 *vide* Notification No.18/2012 dated 23/5/2012 insert the rule 10AB and amends rule 10B of the Income Tax Rule, 1962.

It inserts rule 10AB being other method of determination of Arm's Length Price. It amends rule 10B which is in relation to determination of Arm's Length Price u/s 92C of the Income Tax Act, 1961. It amends rule 10B by inserting clause (f) in sub rule (1).

The clause (f) is as under "(f) any other method as provided in rule 10AB".





SERVICE TAX UPDATE

By CA Rajkamal Shah

- i. Accounting codes for payment of Service tax under Negative list approach effective from 1st July, 2012 – [Cir. No. 161/12/2012 – ST dated 6th July, 2012]

Name of Services	Accounting codes			
	Tax collection	Other Receipts	Penalties	Deduct refunds
All Taxable Services	00441089	00441090	00441093	00441094

NOTE: (i) Service specific accounting codes will also continue to operate, side by side, for accounting of service tax pertaining to the past period (meaning, for the period prior to 1st July, 2012); (ii) Primary Education Cess on all taxable services will be booked under 00440298 and Secondary and Higher Education Cess on all taxable services will be booked under 00440426; (iii) a new sub-head has been created for payment of “penalty”; the sub-head “other receipts” is meant only for payment of interest etc. leviable on delayed payment of service tax; (iv) the sub-head “deduct refunds” is not to be used by the assessee, as it is meant for use by the Revenue/Commissionerates while allowing refund of tax.

- ii. The Ministry of Finance has issued Order No. 2/2012 dated 29th June, 2012 effectuating levy of Education Cess and Secondary & Higher Education Cess from 1st July, 2012.
- iii. **The following notifications are issued by the Central Government consequent upon the applicability of Service tax from 1st July, 2012**

- NN. 26/2012 – ST dated 20th June, 2012 - Abatements
- NN. 28/2012 – ST dated 20th June, 2012 - Place of Provision of Service
- NN. 29/2012 – ST dated 20th June, 2012 - Deduction of Property tax in relation to renting of immovable property
- NN. 35/2012 – ST dated 20th June, 2012 - Works Contract Composition Scheme rescinded
- NN. 36/2012 – ST dated 20th June, 2012 - Service Tax Rules amended
- NN. 39/2012 – ST dated 20th June, 2012 - Rebate of Service Tax used in providing Export of Service
- NN. 40/2012 – ST dated 20th June, 2012 - Exemption to service received by a unit located in SEZ or developer of SEZ
- NN. 41/2012 – ST dated 29th June, 2012 - Refund of ST to Merchant Exporters replacing NN. 17/2011 dated 1st March, 2011
- NN. 42/2012 – ST dated 29th June, 2012 - Service provided by Commission agent in relation to export of sale of goods exempted
- NN. 43/2012 – ST dated 2nd July, 2012 - Transport of passengers and goods in railways exempted till 30th September, 2012

- iv. **The following Circulars are issued by CBEC**

- Cir. No. 160/11/2012 – ST dated 29th June, 2012 - Applicability of Education Cess and Secondary & Higher Education Cess
- Cir. No. 162/13/2012 – ST dated 6th July, 2012 - Clarification of Point of Taxation Rules
- Cir. No. 163/14/2012 – ST dated 10th July, 2012 - Clarification of Service Tax on remittance





FORTHCOMING EVENT

DR. BHARAT D. VASANI INAUGURAL STUDY CIRCLE MEETING

Day & Date	Sunday, 12th August, 2012
Time	10.00 a.m to 12.30 p.m.
Speaker	CA Sujata Rangnekar
Subject	VAT on Builders and Developers in view of Recent Bombay High Court Judgment.
Venue	SNDT College, Liberty Garden, Malad (West), Mumbai 400 064

SECOND STUDY CIRCLE MEETING.

Day & Date	Sunday, 26th August, 2012
Time	10.00 a.m to 12.30 p.m.
Speaker	Eminent Faculty
Subject	Intricate issues in Revised Schedule VI
Venue	SNDT College, Liberty Garden, Malad (West), Mumbai 400 064

10TH RESIDENTIAL REFRESHER COURSE

10th RRC is scheduled at Dudhsagar Resort and Spa, GOA From 17th August 2012 to 20th August 2012

Dudhsagar is one of the world's most exquisite falls that lies in India. The falls lie high up in the Mandovi River's watershed and so are not particularly spectacular during the dry season.

During the monsoon season however, the falls are transformed into one of the most powerful falls in India.

Dudhsagar Falls is listed as India's 5th tallest waterfall, and is 227th in the world.

Delegates Fees shall be ₹ 5,250/- Including Travelling by AC Bus and 2 Nights accomodation in AC Room and all Meals ₹ 3,000/- for Direct Joining Delegates.

Interested Members are requested to immediately contact :-

Sachin Gandhi	<i>President</i>	9821482020
Raj Shah	<i>Convenor</i>	9867368285

The members can also contact any of the office bearers.

Association News :

At the 33rd Annual General Meeting held on 8th July, 2012, Annual Report and Audited Accounts were presented which were unanimously approved by all the members present.

At the Annual General Meeting President Shri Brijesh Cholera announced the name of Shri Jayprakash Tiwari as Best Committee Member for the year 2011-12 and Shri Adarsh Parekh as Best Convenor for the year 2011-12. All the members present appreciated the efforts of both young and enthusiastic member.

Election Committee Report :

At the 33rd Annual General Meeting, Election officer Shri S.S.Kelwadi and Shri J. D. Rawal informed that since the required number of valid nominations were received for the post of managing committee and only one valid nomination was received for the post of President there was no election for the year 2012-13. They announced the names of elected members as under :

1) Sachin Gandhi	: President	7) Kishor Hapani	: Member
2) Adarsh Parekh	: Member	8) Raj Shah	: Member
3) Bakul Bhatia	: Member	9) Shyam Saboo	: Member
4) Dharmen Shah	: Member	10) Tejas Shah	: Member
5) Jayprakash Tiwari	: Member	11) Vipul Somiya	: Member
6) Ketan Soneji	: Member	12) Vishal Shah	: Member
		13) Utpal Patel	: Member

Managing Committee Meeting for the year 2012-13

The First Managing Committee Meeting for the year 2012-13 was held on 14th July, 2012 and following members were appointed as the office bearers for the year 2012-13.

1) Vishal Shah	:	Vice President
2) Kishor Hapani	:	Hon Treasurer
3) Vipul Somaiya	:	Hon Jt. Secretary
4) Jayprakash Tiwari	:	Hon Jt. Secretary

Also at the First Managing Committee Meeting Shri Kishor Vanjara was appointed as Editor of MCTC Bulletin and various Committees were formed and appointed Chairman for each Committee.

THE MALAD CHAMBER OF TAX CONSULTANTS

Managing Committee : 2012-13

Name	Telephone No.		Fax No./	Mobile No.	E-mail
	Office	Residence	Telefax		
President Sachin R. Gandhi	23432306	28820640	23432306	9821482020	sachin23gandhi@yahoo.co.in
Vice President Vishal J. Shah	28982763 28993264	—	28995554	9869147065	vishalshahassociates@yahoo.com
Hon. Treasurer Kishor J. Hapani	28881568 28890845	—	—	9820438125	kishor_hapani@rediffmail.com
Hon. Secretaries Vipul M. Somaiya	28723888 28775581	— —	— —	9223418790	vipulsomaiya@gmail.com
Jayprakash M. Tiwari	—	—	—	9820496297	j_m_tiwari@yahoo.co.in
Imm. Past President Brijesh M. Cholera	28895161	28897849	28895161	9821405200	brijeshcholera@gmail.com
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Dharmen R. Shah	28643917	2806611	—	9820348100	ca.dharmeen5@gmail.com
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Tejas V. Shah	28884422	28022219	—	9820963123	ca.tejasvshah@gmail.com
Utpal V. Patel	28071408	28078986	28071408	9892099551	utpal_pats@hotmail.com
CO-OPTED MEMBERS					
Shri Janak D. Rawal	66311268	—	28631014	9324339014	—
Shri Yatin P. Rangwala	28883608	28813036	28883608	9820150280	yprco@vsnl.com
Shri Pravin R. Shah	26174845 26153729	26153729	26161440	9821476817	shahpravindr@indiatimes.com
Shri Manish R. Chokshi	28759997 28780065	—	28623289 28661130	9820268122	manishchokshi@hotmail.com
Shri Kishor D. Vanjara	22023370 22041858	28621883	22041858	9820186480	kvanjara51@gmail.com
SPECIAL INVITEES					
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Shri Atul P. Ruparelia	66990015	66990015	28060169	9820132016	apruparelia@gmail.com
Shri Janak K. Vaghani	22044170 22821978	—	28680306	9869081906 9324680306	janakvaghani2004@yahoo.com janak.vaghani@gmail.com
Shri Hiten S. Shah	26743351 26745374	—	28822517	9867759489	hitenca@gmail.com
Shri Dilip V. Parekh	28281485 28280352 28960018	— — 28480785	28281485 28280352	9324640352	dilipvparekh@yahoo.co.in



THE MALAD CHAMBER OF TAX CONSULTANTS

Sub-Committees for the year 2012-13

Committee	Publications & Public Meeting	Law & Representation	RRC & Picnic	International Study Tour	Seminar/Workshop & Intensive Study Circle Meetings	Membership & Public Relation	Website Committee
Chairman	Yatin Rangwala	Kishor Vanjara (Direct Tax)	Janak Rawal	Dhanesh Parikh	Pravin Shah	Dilip Parekh	Manish Chokshi
Co-Chairman	Manish Chokshi	Ashwin Tanna (Indirect Tax)	Hiten Shah	Bharat Vasani	Hareesh Kenia	Manilal Simaria	Brijesh Cholera
Editors	Atul Ruparelia Hareesh Kenia Reepal Traishwala						
Convenors	Utpal Patel	Shyam Saboo	Raj Shah	Raj Shah	Dharmeen Shah Bakul Bhatia	Adarsh Parekh	Utpal Patel Tejas Shah
Past Presidents	Kishor Vanjara Janak Vaghani Hiten Shah Dilip Parekh	Ashwin Acharya Dilip Parekh Janak Vaghani Manilal Simaria	Ramesh Gandhi Dhanesh Parikh Pravin Shah Atul Ruparelia	Kishor Vanjara Ramesh Gandhi Yatin Rangwala Pravin Shah Manish Chokshi	Ashwin Acharya Yatin Rangwala Dilip Parekh Manilal Simaria	Kishor Vanjara Pravin Shah Ashwin Acharya Ashwin Tanna	Yatin Rangwala Atul Ruparelia Ashwin Tanna
Ex-Officio	Sachin Gandhi	Sachin Gandhi	Sachin Gandhi	Sachin Gandhi	Sachin Gandhi	Sachin Gandhi	Sachin Gandhi
Office Bearer	Kishor Hapani	Vipul Somaiya	Vipul Somaiya	Vishal Shah	Jayprakash Tiwari	Vishal Shah	Jayprakash Tiwari
Members	Adarsh Parekh Hiren Raja Tejas Shah Shyam Saboo Ketan Soneji	Rajkamal Shah Sanjay Mehta Utpal Patel Ketan Soneji Dinesh Choudhary	Ketan Soneji Tejas Shah Dharmeen Shah Pratik Doshi	Dharmeen Shah Bakul Bhatia Shyam Saboo Raju Shah	Bakul Bhatia Tejas Shah Shyam Saboo Hasmukh Kamdar Pratik Doshi	Ketan Jatania Tejas Shah Utpal Patel Bakul Bhatia Dinesh Choudhary	Adarsh Parekh Ketan Jatania Ketan Soneji Nimish Dedhia Raj Shah



MANAGING COMMITTEE - 2012-13



Left to Right : Seated : Janak Vaghani, Ramesh Gandhi, Janak Rawal, Kishor Vanjara, Sachin Gandhi (President), Hiten Shah, Pravin Shah, Atul Ruparelia.

Standing : Jayprakash Tiwari (Hon. Jt Secretary), Kishor Hapani (Hon. Treasurer), Vipul Somaiya (Hon. Jt Secretary), Tejas Shah, Ketan Soneji, Adarsh Parekh, Vishal Shah (Vice President), Bakul Bhatia, Dharmen Shah, Raj Shah, Yatin Rangwala, Manish Chokshi, Dilip Parekh, Shyam Saboo, Brijesh Cholera. (Not In Picture: Utpal Patel)

OFFICE BEARERS - 2012-13



Left to Right : Kishor Hapani (Hon Treasurer), Vishal Shah (Vice President), Sachin Gandhi (President), Jayprakash Tiwari (Hon. Jt Secretary), Vipul Somaiya (Hon. Jt Secretary)



Incoming President Shri Sachin Gandhi felicitating outgoing President Shri Brijesh Cholera for Completing Successful Tenure as President for the year 2011-12.

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