



**The Malad
Chamber of
Tax
Consultants**

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MCTC Bulletin

"Every Passing Minute is Another Chance to Turn it Around"

E-mail: maladchamber@gmail.com

Website : www.mctc.in

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December, 2021



President's Communique

Dear Members

The 15th Dr. Bharat D. Vasani Saraswati Sanman Samarambh was held virtually on 21st November 2021 wherein deserving eligible students were awarded awards. The students got guidance on goal settings by a prominent life coach Mr. Srikumar Jaluka during the event. The chamber is grateful to Dr. Vasani for initiating this noble cause.

The auditing and return filing season this year is clubbed with wedding and new year festivities. The seasoned lengthened this year due to the pandemic and glitches in new income tax website. We are sure that the finance ministry is working hard towards the resolution of issues – while most of them have been ironed out, few glitches are still being worked upon. Let's hope that things are sorted out quickly.

I request you to kindly take advantage of the opportunity of joining the three study circles formed by the chamber – one each on direct tax, indirect tax and capital market.

I also request you to kindly participate in the 'Gift a Membership' drive of the chamber and help spread the benefits of the chamber to as many tax professionals as possible.

Also humble request to please donate eyes and inspire people to donate eyes – it changes lives!

तुरंत दान महाकल्याण, नेत्रदान सर्वश्रेष्ठ दान।

Friends, the pandemic has changed its form once again – Omicron though milder, spreads faster. Request you to please finish your vaccination as quickly as possible if not yet finished and yes, please follow covid protocols to the 'T'. We have to contain the spread.

THE GREATEST WEALTH IS HEALTH – ITS WORTH IS KNOWN WHEN SICKNESS COMES

Happy Auditing!

Regards

CA Jignesh Savla
President

Do you know?



All donor eyes are acceptable irrespective of the donor's age, including eyes of premature/ still-born babies.

Request: Members please send your Mobile No & Email ID to update list of life members.
Please send message on 7039006655 or email to maladchamber@gmail.com

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

Name	Designation	Contact Nos.	E-mail
Jignesh Savla	President	9820260070	cajigneshsavla@gmail.com
Ujwal Thakrar	Vice President	9819946379	ujwalthakrar@gmail.com
Khyati Vasani	Hon. Treasurer	9833288584	khyativasani@yahoo.com
Jitendra Fulia	Hon. Secretary	9820997205	jitendrafulia@rediffmail.com
Rajen Vora	Hon. Secretary	9819807824	vora.rajen@rediffmail.com

Life Membership Fees ₹ 2,500



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MEMBERSHIP FORM

Date:..... /..... /.....

To,

The Hon. Joint Secretaries,
The Malad Chamber of Tax Consultants, Mumbai.

Dear Sirs,

Being eligible to practice under the Direct and/or Indirect Taxes Laws, I hereby apply for admission as a member of *The Malad Chamber of Tax Consultants with the following particulars:*

1. NAME OF MEMBER MR./MRS./MISS:
2. FATHER'S/HUSBAND'S NAME:
3. QUALIFICATIONS:
4. MEMBERSHIP NO., if any (with name of the association):
5. PERSONAL DATA:
DATE OF BIRTH: / / BLOOD GROUP:
- SPOUSE'S NAME: SPOUSE'S DATE OF BIRTH / /
- MARRIAGE ANNIVERSARY: / /
- PROFESSION: ADVOCATE CA ITP ICWAI ICSI GSTP/STP
6. OFFICE NAME:
- OFFICE ADDRESS:
- PIN CODE: STATE: TEL. NO: FAX NO:
- MOBILE NO: EMAIL ID:
7. RESIDENTIAL ADDRESS:
- PIN CODE: STATE:
- TEL. NO: FAX NO: MOBILE NO:
8. COMMUNICATION TO BE SENT TO: OFFICE / RESIDENCE
The amount of ₹ 2,500/- by Cheque/Draft No. dated / /
drawn on
9. Bank Detail for Online Payment
Beneficiary Name: The Malad Chamber of Tax Consultants.
Bank Name: HDFC Bank Ltd. Marve Road, Malad West Branch,
Account No.: 00471000136285; **IFS Code:** HDFC0000047.

UNDERTAKING

I, do hereby declare that whatever stated herein above is true to the best of my knowledge and belief. I also undertake to abide by the Rules, Regulation and Constitution of the Association, as amended from time to time.

.....
(Signature)



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FOR OFFICE USE ONLY FOR MEMBERSHIP APPLICATION

Issued Acknowledgement Slip No. Dated / /

Accepted by the Managing Committee in the Meeting held on//

Cheque No. Dated / / for ₹ 2,500/- Bank

NOTES

1. Please attach educational qualification certificate for eligibility to practice tax laws.
2. Please write / type in CAPITAL LETTERS.
3. Cheques should be drawn in favour of "The Malad Chamber of Tax Consultants".
4. Outstation remittance should be by Demand Draft payable at Mumbai only.
5. Please tick (✓) wherever applicable.
6. The form should be completed in all aspects.
7. The membership application is subject to acceptance by the Managing Council.

For Query and Submission of forms for Membership please contact any of the following office bearers.

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CA JIGNESH SAVLA	President	9820260070	cajigneshsavla@gmail.com
CA UJWAL THAKRAR	Vice President	9819946379	ujwalthakrar@gmail.com
CA KHYATI VASANI	Hon. Treasurer	9833288584	khyativasani@yahoo.com
SHRI JITENDRA FULIA	Hon. Secretary	9820997205	jitendradfulia@rediffmail.com
SHRI RAJEN VORA	Hon. Secretary	9819807824	vora.rajen@gmail.com

Please send the completed application form to the following address:

The Malad Chamber of Tax Consultants
C/o. Brijesh Cholera & Co.
Chartered Accountants Shop No. 4,
2nd Floor, The Mall,
Station Road, Malad (West),
Mumbai 400097



Gift a membership



THE MALAD CHAMBER OF TAX CONSULTANTS

presents a wonderful opportunity to

Give the gift of **MCTC membership** and introduce a friend or colleague to a network of dedicated professionals committed to promoting the profession.

Benefits of MCTC Membership:

- Life Membership
- Access to knowledgeable and insightful Study Circle meetings on Direct Tax, Indirect Tax and Allied Laws
- Access to joint workshops on various topics held with WIRC, GSTPAM, CTC, and other associations.
- Access to RRC, IRRC, Sports tournaments and other social and cultural events.
- Access to monthly Bulletins having insights about various case laws and regular events of MCTC.
- Networking Opportunities with like minded members

Gift is the perfect way to mark a special event, milestone or achievement.

CA Kishor Thakrar | CA Pratik Satyuga
Convenors

Membership & Public Relation Committee

CA Jignesh Savla
President



Contact us: maladchamber@gmail.com

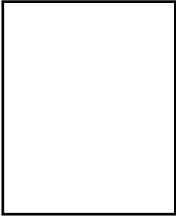


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Chartered Accountants Shop No. 4,
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Station Road, Malad (West), Mumbai 400097

DIRECT TAX CASE LAWS

Compiled by CA Rupal Shah
(Partner at RHDB & Co LLP)



Pr. CIT vs. Deccan Jewellera (P.) Ltd.

Citation: [2021] 132 taxmann.com 73, Andhra Pradesh HC, 2 August 2021

**Excess stock found during search –
Subject matter of revision u/s. 263**

Facts:

Assessee was engaged in business of gold and diamond jewellery and silver articles - Search and seizure operation under section 132 was conducted in case of assessee and group concern and excess stock was declared in the course of search.

In response to notice u/s. 142(1) during assessment proceedings, AO called for explanation of the assessee as to why additional income admitted by the assessee should not be treated as undisclosed investment u/s. 69 and charged at special rate as per provision of section 115BBE.

The Assessee filed following explanation:

"We submit that the excess stock found during the search operation is not separately and clearly identifiable but is part of mixed lots of stock found at the premises which included declared stock as per books and also the excess stock as computed by the Authorized Officers during the search operation at the premise. Since excess stock is a result of suppression of profit from business over the years and has not been kept identifiable separately but is the part of overall physical stock found, the provisions of section 69 cannot be made applicable as primary condition for invoking the provisions of the section is that the asset should be separately identifiable and it should have independent physical existence of its own. Since excess stock is result of suppression of profit from business over the years and has not been kept identifiable separately but i.e., the part of overall physical stock found and therefore the investment in the excess stock has to be treated as business income."

The Assessing Officer duly considered and accepted such explanation and taxed the additional income as 'business income' @ 30%, which was approved by the Joint Commissioner, Income Tax, Central Range under section 153D of the Act.

Thereafter Pr. CIT invoked section 263 on the ground that the decision of the assessing officer was erroneous and prejudicial to the interest of the revenue and the assessment orders were set aside with a direction to review the assessment orders as per law.

The said orders were appealed before ITAT, which set aside the orders of Pr CIT holding the decision of AO was a possible view on the matter and could not have been revised under section 263 of the Act.

The revenue filed further writ before the High Court, where:

Held:

The Hon'ble High court affirmed to the contentions of the assessee and held that explanations had been given by the assessee about the additional income, which were considered and duly accepted by the Assessing Officer.

As per Section 69 "Where in the financial year immediately preceding the assessment year the assessee has made investments which are not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of the investments or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the value of the investments may be deemed to be the income of the assessee of such financial year."

In the present case, AO had issued show-cause notices calling for explanations from the assessee whether excess stock be not treated as 'undisclosed investment' u/s. 69 of the Act. In response to the notices, elaborate explanations were offered by the assessee, which were fortifiable by consistent views by various Benches of the Tribunal as well as the High Courts. AO, upon consideration, accepted the explanation and taxed the additional income as 'business income' @ 30% instead of 60% as per section 115BBE of the Act.

Thus, there is no question of law and the appeals are dismissed.

Decisions relied upon:

Chokshi Hiralal Moganlal v. Dy. CIT [2011] 9 taxmann.com 300 (Ahd. - Trib.)

Kim Pharma (P.) Ltd. v. CIT [2013] 35 taxmann.com 456 (Punj. & Har. HC)

Spectra Shares & Scrips (P.) Ltd. v. CIT [2013] 36 taxmann.com 348 (AP HC)

Pr. CIT vs. Rediff.com India Ltd.

Citation: [2021] 132 taxmann.com 71, Bombay HC, 29 September 2021

Capital WIP written off – Whether allowed as business expenditure.**Facts:**

During the relevant assessment year, the Company had claimed a deduction of Rs.8,16,67,747/- on account of capital work-in-progress written off in its computation of income. The expenditure incurred were salary, professional fees, etc. which were revenue in nature and did not bring into existence any new asset.

During the course of assessment proceedings AO held that by parking such expenditure under the head "capital work-in-progress", respondent itself has admitted that those expenses were capital in nature. Thus, reduction in capital asset on account of abandoned projects is a capital loss and cannot be offset against business income. AO thus disallowed the capital WIP written off.

On first appeal before CIT(A), assessee's plea was rejected and order of the AO was upheld by CIT(A).

On second appeal before ITAT, The ITAT held that the expenses incurred were in connection with the existing business and admittedly were of routine nature like salary, professional fees, etc., and these expenses are otherwise clearly of revenue in nature.

Held:

If an expenditure is incurred for doing the business in a more convenient and profitable manner and has not resulted in bringing any new asset into existence, then, such expenditure is allowable business expenditure.

The High Court placed reliance on *CIT vs. Idea Cellular Ltd.*, where the Court held that where new cellular towers were constructed by cellular operator in addition to existing tower and no new business was set up, if project was abandoned, expenditure so far incurred would be allowed as business expenditure.

The High Court was of the opinion that since there was no dispute regarding the facts and circumstances and they are properly analysed, there is no substantial question of law and thus the appeal is dismissed.



STUDENTS' CORNER

80TTA VS 80TTB

Compiled by Neel Randeria



	80TTA	80TTB
Assessee	1. Individual 2. HUF	Resident Senior Citizen
Income	Interest on savings account i.e no FD/RD.	Interest on all kinds of deposits i.e even FD/RD.
Amount of Deduction	10,000	50,000

Common Confusions-

- Can senior citizen opt for both sections?
No. He can opt any one from the two- 80TTA or 80TTB.
- Interest from account with post office is covered in these sections?
Yes. It is covered in both sections.

The explanation of the above sections is quite lucid. It is evident that a person cannot go for both sections. But, what will happen in case of section 10(15)?

Clarity regarding 10(15)-

As per this section, interest from savings A/C with post office is exempt till maximum Rs.3500/- But this limit becomes double in case of joint accounts.

Important Question is- Can we claim exemption as well as deduction? Yes.

Illustration-

Interest from Bank Savings A/C	8,000
Interest from PO Savings A/C	5,000

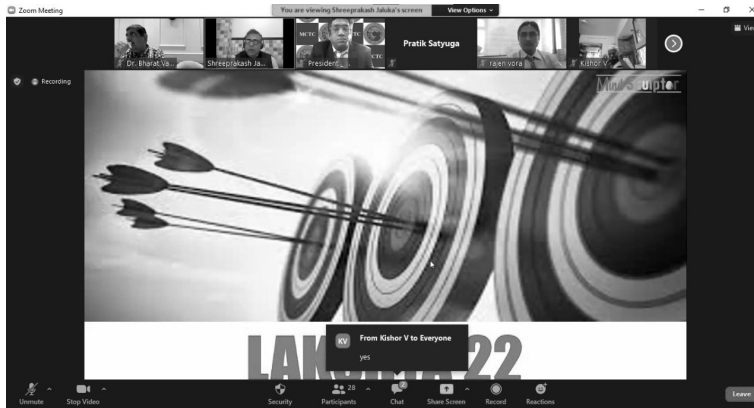
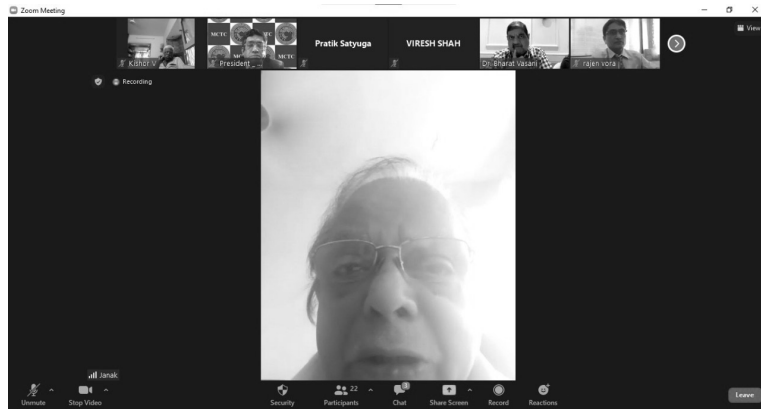
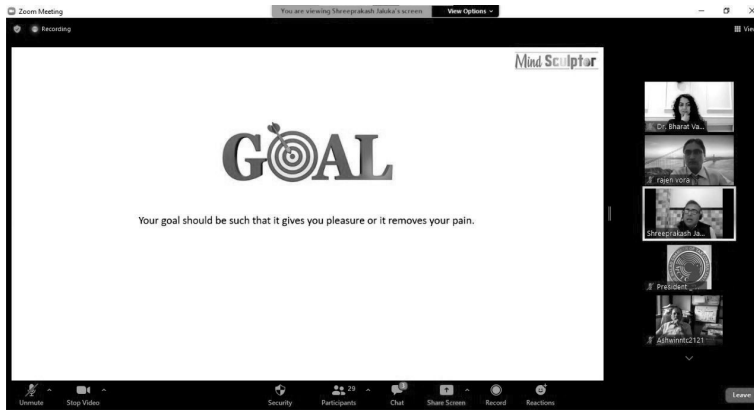
Then, assuming he is not a senior citizen;

Total Interest Income in IFOS	13,000
Less: exemption u/s 10(15)	(3,500)
Gross Total Income	9,500
Less: deduction u/s 80TTA	10,000

In this way, his interest income will not be taxed at all.



Glimpses of Saraswati Sanman Samarambh



Glimpses of Saraswati Sanman Samarambh



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.

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