



The Malad
Chamber of
Tax
Consultants



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MCTC Bulletin

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President's Communiqué



Dear Members,

When we look back to India's greatest freedom fighters, one name that definitely stands out is that of Netaji Subhash Chandra Bose who was born on 23rd January, 1897, the founder of the Indian National Army. He was one of the most prominent leaders of the Indian Independence Movement against the British Raj. He believed in equal distribution of wealth and destruction of communalism. His slogan "Jai Hind" still acts as a great binding force today. Let us tribute him on his 115th Birth Anniversary.

Again on 26th January, 2012, we are celebrating our 63rd Republic Day, which all Indian heart loads with devoted passion and immense worship for homeland. Republic Day marks India's adoption of a republic constitution on January 26, 1950, after gaining of independence from British rule in 1947. Understandably, this makes it an occasion that's close to the hearts of all Indians.

In December, 2011 News Bulletin, there was an announcement of a full day seminar on 12th February, 2012, Sunday which has been now postponed to 19th February, 2012 Sunday and instead of Full day, now it is a half day seminar on Works Contract & Service tax under auspicious of Rajubhai J. Chokshi Oration Fund. All are requested to enroll for the same at earliest.

Dates for our annual event, that is, Public Meeting on Union Budget 2012-13 is not yet decided as the date of Budget has not been yet finalized due to the Assembly election in five States. It may be in the mid of March, 2012.

Wishing you all a Happy Republic Day and Happy New Year.

With warm regards,

Brijesh Cholera
President

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

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Life Membership Fees ₹ 1,500 • Ordinary Membership Fees ₹ 300 p.a. • Admission Fees : ₹ 100



SALES TAX UPDATE

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

Circulars issued by the Commissioner under the M.V.A.T. Act, 2002 and other allied Acts.

Circular No. 1T of 20112 dated 11-1-2012

Vide this Circular, the Commissioner has announced that the facility of electronic payment under the Profession Tax Act is started. This facility is available to both Profession Tax registration certificate holders as well as enrollment certificate holders. Presently, e-payment is optional. It may be made mandatory to certain class of persons in near future. The Commissioner has further explained the step wise procedure to make e-payment.

Notification issued by the State Government under the M.V.A.T. Act, 2002.

Notification No. VAT-1511/CR-138/ Taxation-1 dated 5-12-2011

The State Government has carried out amendments to The Maharashtra Value added Tax Rules, 2005. The amendments are effective from 1-4-2012.

Rule 17(4)(a)(ii): At present, deemed dealers whose tax liability during the previous year is ₹ 1 crore or less are able to upload returns on yearly basis, subject to permission of Joint Commissioner. Now, such dealers will be required to upload returns on six monthly basis within 30 days from the end of six monthly period. By inserting 2nd proviso, now such dealers will also be required to furnish details of customerwise sales and supplierwise purchases for entire year in Annexures J-1, J-2 and details of VAT TDS in Annexures C & D. These annexures are to be furnished along with second half yearly return within 90 days from the end of financial year.

Rule 17(4)(d): By inserting proviso to this Rule, dealers who are not covered under Section 61 relating to VAT audit will now be required to furnish the details of customerwise sales and supplierwise purchases for **entire year** in Annexures J-1 & J-2 and also details relating to declaration forms prescribed under C.S.T. Act in Annexures G, H & I. These annexures are to be furnished along with last monthly, quarterly or six monthly returns as the case may be within 90 days from the end of financial year.

However, restaurant, eating house, bakery, retailers, second hand motor vehicle dealers, who are covered under composition schemes are not covered under this amendments. Hence, they are not required to furnish such details.

Rules 18(1) & (2): In both the sub-rules, a provision is added. Furnishing of details as explained in amendment to Rule 17(4)(d) is also applicable in the first year of registration where dealer has obtained registration but VAT audit is not applicable to him and similarly in case of cancellation of TIN, furnishing of such details is applicable for last year in which registration certificate is cancelled.

Rule 41: A proviso is added to Rule 41. After amendments carried out to Rules 17(4)(a)(ii), 17(4)(d), 18(1) and 18(2), all the dealers covered under these amendments will be required to file last return within 90 days from the end of financial year. However **payment of tax** will be required to be made within 21 days in case of monthly or quarterly return and within 30 days in case dealers are required to file returns on half yearly basis.

SERVICE TAX UPDATE

By CA Rajkamal Shah

Statute Update – January, 2012

1. Refund of Input Service Tax to Merchandise/Manufacturer Exporters

The Merchandise/Manufacturer Exporters were entitled to refund of Service Tax on specified Input Services under Notification No. 17/2009 — Service Tax, dated 7th July, 2009 till 2nd January, 2012. The said notification is now superseded by new notification w.e.f. 3rd January, 2012

The Merchandise/Manufacturer Exporters will now be eligible to refund under new notification w.e.f. 3rd January, 2012. This notification now gives an option of claiming refund either on the basis of rates specified in the schedule annexed to the said notification as in case of the refund of Duty Drawback or claiming the refund of actual input service tax paid on specified services used for export of goods based on verification of documents as prevailing now. The new notification prescribes the forms and procedures to be followed for claiming refund.

(Notification No. 52/2011 – ST dated 30th December, 2011)

2. Service Tax Registration Procedure and Documentation

Central Board of Excise and Customs has specified that the submission of following documents is mandatory for persons applying for Service Tax Registration under Rule 4(1) of the Rules:

(a) Copy of Permanent Account Number (PAN)





- (b) Proof of Residence
- (c) Constitution of the Applicant
- (d) Power of Attorney in respect of authorized person (s).

Above referred documents should be submitted to the concerned authority within a period of 15 days from the date of filing of the application for registration. Failure to do so would lead to rejection of the registration application.

DIRECT TAXES – LAW UPDATE

By CA Haresh P. Kenia

- **Revised instruction for filing Form 49A and Form 49AA {203 TAXMANN 40 (ST.)}**

Recently, CBDT has notified new forms for making PAN application. The Form 49A is prescribed for individuals who are citizen of India, HUF and other entities which are registered or formed in India. The Form 49AA is prescribed for Individuals who are not Citizen of India and other entities formed or registered outside India.

The revised instruction for filling up Form 49A and Form 49AA has been issued by the CBDT and are available at above magazine.

- **MEMORANDUM**

- Suggestions for prescribing a proforma for obtaining information relating to Transfer Pricing and in other cases {203 TAXMANN 1 (ST.)}

The CBDT issued the office memorandum (F. No. 504/31/2010-FTD-I) dated 21-11-2011 giving suggestions for proforma for obtaining information relating to Transfer Pricing and Other Cases.

Presently, the information on tax matters sought by the field officers of the Income Tax Department from countries with which India has Double Tax Avoidance Agreement (DTAA) or Tax Information Exchange Agreement (TIEA) under the relevant 'Exchange Information' article of DTAA / TIEA, are obtained in a prescribed checklist / proforma named "Exchange Information proforma / checklist". There is a separate proforma prescribed by the UK tax authorities for obtaining banking information.

The CBDT considering the development at international forums including the Model Proforma for the exchange of information being developed by the OECD, it is proposed to change the existing proforma. Further, it is proposed to have separate proforma for obtaining any information relating to Transfer pricing and prescription of a separate proforma for the same.

In view of the above, the CBDT has requested for a comments and views for the following to the Foreign Tax and Tax division CBDT.

- (a) for developing separate proforma (T. P.) for Transfer Pricing cases.
- (b) for any improvement required to be made to the present Proforma prescribed for obtaining information from countries with which India has DTAA / TIEA.
- (c) Any other suggestion relating to the above.

The CBDT has also prescribed the guidelines in this matter.

- **Special provision for payment of tax by certain Limited Liability Partnership (203 TAXMANN 20 {ST.})**

The CBDT *vide* Notification No. 60/2011 dated 1-12-2011 gives the Income Tax (Ninth Amendment) Rules, 2011. It came into force from 1-4-2012. It inserted Rule 40BA. The Rule 40BA prescribed the "Form 29C" being the report of an accountant which is required to be furnished by the assessee under section 115JC(3) of the Income-tax Act.





THE MALAD CHAMBER OF TAX CONSULTANTS

HALF DAY SEMINAR ON

“WORKS CONTRACT & SERVICE TAX”

UNDER THE AUSPICIOUS OF RAJUBHAI J. CHOKSHI ORATION FUND

Subject	Speakers
1) Works Contract	Shri C B Thakar, Advocate
2) Service Tax	CA. Sunil Gabhawalla

Chief Guest : Shri V. H. Patil, Advocate

ENROLLMENT FORM

Day & Date : Sunday, 19th February, 2012.
 Time : 9.30 A.M. to 1.30 P.M.
 Venue : N. L. College, S. V. Road, Malad (West), Mumbai-400064.
 Enrolment : ₹ 200/-
 Name : Mr. / Mrs. / Miss _____
 Telephone : (O) _____ (R) _____ Mob No. _____
 E-mail ID _____

Note : Please draw the cheque in favour of “**The Malad Chamber of Tax Consultants**” and handover with Enrolment Form to

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