



**The Malad
Chamber of
Tax
Consultants**



**Price ₹ 5/-
(For Members Only)**

MCTC Bulletin

Duty • Determination • Dedication.....leads to Success

Regd. Office : B/6, Star Manor Apartment, 1st Floor, Anand Road Extn., Malad (W), Mumbai 400 064 E-mail: maladchamber@gmail.com
Admn. Office : C/o. Hiten Shah : Office No. 1, Ekveera Apartment, 32, Underai Road, Malad (W), Mumbai – 400 064. Tel. No. 022-2880 3123

Vol. I, No. 6

For private circulation only

September, 2011



President's Communiqué



Dear Members,

During the last month that is in August, we had organized our first Study Circle meeting which was inaugurated by MLA Shri Yogeshbhai Sagar followed by learned speaker CA Jayant Gokhale. The meeting was very successful as large numbers of participants had attended and benefited by the knowledge of both the speakers.

A Public Meeting was organized by The Chamber Of Tax Consultants ,Bombay Chartered accountants Society ,All India Federation of Tax Practitioners and Sales Tax Practioners' Association Of Maharashtra on Crusade against corruption way forward..... At KC College Churchgate and The Malad Chamber of Tax Consultants had privilage to join hands & associated with the above organizations and we had attended the public meeting on 8th September. Meeting was addressed by Padma Bhushan Shri Julio Rebeiro, Honorable Justice Shri Vijay C.Daga (Retd.) Shri Mayank Gandhi (Mumbai Coordinator of India against Corruption) and Padmashri Sucheta Dalal.

E-filing of Service Tax Returns is made compulsory for every assessee w.e.f. 1-10-2011, so to update ourselves on that subject we have arranged a Study Circle meeting on 9th October, 2011, Sunday on Practical aspects on E-Filing of Service Tax Returns. You are requested to attend it and make it a grand success.

On 13th November we are having Diwali Get-together & Saraswati Sanman Samarambh in which we will be awarding the Sixth Dr. Bhart D. Vasani Saraswati Sanman Trophies to the children of MCTC members for their outstanding performances in passing exams of SSC/HSC with 75% marks and above and students who cleared post graduation professional exams like CA, C.S., C.W.A., MBBS, MBA, Engineers.

I would request to the members that any one who is not receiving Email & sms can mail on maladchamber@gmail.com his email Id and Mobile Number along with Address so that we can update the same.

With warm regards,

Brijesh Cholera
President

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

NAME	CONTACT NO.	E-MAIL ID
BRIJESH M. CHOLERA , PRESIDENT	9821405200	brijeshcholera@gmail.com
SACHIN R. GANDHI , VICE PRESIDENT	9821482020	sachin23gandhi@yahoo.co.in
VISHAL J. SHAH , HON. TREASURER	9869147065	vishalshahassociates@yahoo.com
KISHOR HAPANI , HON. SECRETARY	9820438125	kishor_hapani@rediffmail.com
VIPUL M. SOMAIYA , HON. SECRETARY	9223418790	vipulsomaiya@gmail.com

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. 12T of 2011 dated 3-8-2011

vide this Circular, the Commissioner has clarified that there is no employer-employee relationship between "Mathadi Workers' Association" and workers working under this Association in Maharashtra. Further, work done by worker is of temporary nature. Hence Mathadi Workers' Association is not liable for registration under Profession Tax Act.

Circular No. 13T of 2011 dated 30-8-2011

As per earlier Circular No. 33T of 2007 dated 18-4-2007, administrative relief is being granted to the dealers who have remained unregistered. Relief is granted subject to certain terms and conditions. However, relief is not granted to dealers who have remained unregistered for a period exceeding 5 years. As per this Circular, unregistered dealer will be entitled to administrative relief even if he remained unregistered for a period exceeding 5 years. This will be subject to conditions as specified in this Circular.

SERVICE TAX UPDATE

By CA Rajkamal Shah

1. e-filing of service tax returns made compulsory

Every assessee is required to submit half yearly returns electronically w.e.f. 1-10-2011.

2. Monetary limit to file Appeal by the department

With a view to reduce the Government litigation, the monetary limit for appeals to be filed by the department before CESTAT, High Court and Supreme Court is increased from 1-9-2011. The new monetary limits are as follows:

Appellate Forum	Monetary Limit
CESTAT	₹ 5,00,000/-
High Courts	₹ 10,00,000/-
Supreme Court	₹ 25,00,000/-

The above monetary limit applies to the duty or tax under dispute under the Central Excise, Service Tax & Customs Act. Similarly this limit will also apply in case the subject matter of dispute is only interest or penalty.

3. Service Tax on fees charged by Chambers of Commerce for Issuance of Country of Origin Certificate (COOC) under Technical Inspection or Certification Service as per CBEC Circular.

4. Negative List for Taxable Services

The Government has issued a concept paper on negative list of services which also provide a proposed definition of "service". The negative list is published on the website of CBEC. Any suggestion, comment or opinion may be given in this respect to Shobhit Jain, OSD (TRU) at shobhit.jain@nic.in by 30th September, 2011.

DIRECT TAX-LAW UPDATE

By CA Haresh P. Kenia

□ SECTION 281 OF THE INCOME-TAX ACT, 1961 - CERTAIN TRANSFERS TO BE VOID – GUIDELINES FOR PRIOR PERMISSION UNDER SECTION 281 TO CREATE A CHARGE ON THE ASSETS OF BUSINESS {200 TAXMANN 31 (ST.)}

CIRCULAR NO. 4/2011 [F. NO. 402/69/2010-ITCC] DATED 19-7-2011

The Board has decided that:

1. The taxpayers should apply in the prescribed form annexed hereto titled "Application u/s 281 of the IT Act, 1961" which would be available on the departmental website, as well as with the Assessing Officers.
2. The taxpayer would have to file the form at least thirty days prior to the proposed date of transaction.
3. The circumstances under which prior permission u/s 281 should be granted by the Assessing Officers are as follows:
 - (i) If there is no demand outstanding and there is no likelihood of demand arising in the next six months, then the permission should be granted.
 - (ii) If undisputed demand is outstanding and there is no likelihood of demand arising in next 6 months, then the taxpayer should pay the same along with interest due thereon and then permission should be granted.
 - (iii) If there is disputed demand outstanding, then the taxpayer should obtain stay for the same and indemnify the outstanding demand by way of bank guarantee or sufficient assets or by Department retaining the first charge on the assets proposed to be transferred or on which such charge is being created, to the extent of such demand. Thereafter, the permission u/s 281 would be granted by the A.O.
 - (iv) If demand is likely to arise in the next six months, then the A.O. should explore the possibility of action prescribed u/s 281B.
4. There would be only one level of intervention i.e., at the level of the range head for granting permission. The cases in which A.O. would require such approval would be where:—
 - (a) value of assets being transferred or on which charge is being created, or





- (b) the amount of charge being created is ₹ en crores or more.
5. The timelines for granting/refusing permission u/s 281 by the A.O. are as follows:
- If there is no demand outstanding and there is no likelihood of demand arising in the next six months, then the A.O. should grant the permission within ten working days of the receipt of the application.
 - If undisputed demand is outstanding and there is no likelihood of demand arising in next 6 months, then the A.O. should grant permission within ten working days of payment as in para 3(ii) above.
 - If there is disputed demand outstanding and the taxpayer has obtained stay and indemnified the demand, then the A.O. should grant the permission within ten working days of the indemnification of the demand.
 - If demand is likely to arise in the next six months and the A.O. is considering actions prescribed u/s 281B for the assets excluding the asset under consideration, then the A.O. should grant the permission within fifteen working days of the receipt of the application.
 - If the taxpayer does not pay the undisputed outstanding demand or his application for stay of disputed demand is rejected or he is unable to indemnify the outstanding demand, the application shall be disposed of within a period of ten working days. In case the permission is not being granted, a speaking and reasoned order conveying refusal would be issued with the approval of the Range head within ten working days of expiry of time given to the taxpayer to pay the undisputed demand or rejection of his stay application, as the case may be.

These time limits should be followed scrupulously by the A.Os.

6. The validity of the letter granting permission u/s 281 would be:
- One hundred and eighty days from the date of issue of approval, or
 - Service of order of attachment u/s 281B whichever is earlier.
7. Once the asset is transferred or charge is created, the taxpayer should submit the documents, in this regard, to the A.O. for his record.
8. This circular shall come into force with immediate effect.

□ **SECTION 139 OF THE INCOME-TAX ACT, 1961 – RETURN OF INCOME – EXEMPTION FROM REQUIREMENT OF FURNISHING RETURN OF INCOME FOR ASSESSMENT YEAR 2011-12 WHERE INCOME DOES NOT EXCEED ₹ 5 LAKHS – ASSESSEE HAS OPTION TO AVAIL SAID EXEMPTION {200 TAXMANN 41 (ST.)}**

ORDER [F. NO. 142/09/2011-SO(TPL)], DATED 25-7-2011

The Central Board of Direct Taxes had exempted a certain class of persons from the requirement of furnishing a Return of income under section 139(1) of the Income-tax Act, 1961 for the assessment year 2011-12, *vide* Notification SO No. 1439 (E) dated 23-6-2011, subject to the conditions specified in the Notification. It has come to the notice of the Board that in some Income-tax offices, Returns of Income are not being received by the staff on the ground that an individual with less than ₹ 5 lakhs of income is not required to furnish his return of income. Necessary instructions have been issued to the officers and staff concerned to accept Returns of Income from those taxpayers who wish to file their Return of income even if they satisfy the conditions of the above-mentioned notification.



FORTHCOMING EVENTS

2ND STUDY CIRCLE MEETING

Day & Date	Sunday, 9th October, 2011
Time	10.00 a.m. to 12.30 p.m.
Venue	SNDT College, Liberty Garden, Malad-West, Mumbai-400 064
Speaker	CA Parag Mehta
Subject	Practical Aspects on E-filing of Service Tax Returns

"DIWALI GET-TOGETHER & SARASWATI SANMAN SAMARAMBH"

Day & Date	Sunday, 13th November, 2011
Time	10.00 a.m. to 12.30 p.m.
Venue	SNDT College, Liberty Garden, Malad-West, Mumbai-400 064

Note :— Along with Diwali Get-together we have Saraswati Sanman Samarambh in which we will be awarding Sixth Dr. Bhart D. Vasani Saraswati Sanman Trophies to the children of MCTC member for outstanding performance in passing exams of SSC/HSC with 75% marks and above and students who cleared post graduation professional exams like CA, C.S., C.W.A., MBBS, MBA, Engineers. All members are requested to send the certified marks sheets to Brijesh M. Cholera at following address alongwith following details OR Scan copy of marks sheet and details can mail to maladchamber@gmail.com before 31st October, 2011

Details Required :— Member's Full Name, Email Id, Mob.No., Student's Full Name, Gender, Age, Name of Exam Cleared, Year of Exam, Percentage, Name of School/College/Institution

At Brijesh Cholera & Co., Shop No. 4, 2nd Floor, The Mall, Station Road, Malad-West, Mumbai-400094. Tel No. 28895161

After Sending The Details please confirm with Mr.Brijesh Cholera





Address by Chief Guest MLA Shri Yogeshbhai Sagar



Learned Speaker CA Jayant Gokhale addressing to the participants



Attentive participants

Printed by Kishor Dwarkadas Vanjara published by Kishor Dwarkadas Vanjara, on behalf of The Malad Chamber of Tax Consultants, (name of owner) and Printed at Finesse Graphics & Prints Pvt. Ltd., 309, Parvati Industrial Premises, Sun Mill Compound, Lower Parel, Mumbai-400 013. Tel. Nos.: 24961685/24961605 Fax No.: 24962297 (name of printing press) and published at The Malad Chamber of Tax Consultants B/6, Star Manor Apartment, 1st Floor, Anand Road Extn., Malad (W), Mumbai-400 064. Tel. No. 022-2880 3123. (full address of the place of publication) • Editor : Shri Kishor Vanjara

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

Date of Posting : 20th & 21st September, 2011

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.

