



ICAI MANGALORE
INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The
Bulletin Board

e- Bulletin



Volume VI July 2018

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Thought for the Month:

*Surround yourself
with positive people
and you will be a
positive person.*

-Kellie Pickler



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Chairman's Message



CA B Shivananda Pai
Chairman
Mangalore Branch of SIRC of ICAI



31.07.2018

Dear Professional Colleagues,

July being the month of lots of activity for everyone. For us at the Branch also was an eventful month, as the branch hosted a National conference of the members.

CA day was celebrated at the branch. CA Prakash N Basri hoisted the Institute flag and addressed the members and students. During this occasion, Swachh bharath , Vanamahotsava was held. An address on Stress management was also held.

Our profession needs a lot of introspection, as the expectation gap is keeping on increasing. The negative publicity is finding place in media, without verifying the veracity of the same. The stakeholders are raising their eyebrows about the integrity and ethics of the profession, which has been practiced by the members for decades. In this background, we at Mangalore Branch organised Two days National conference '**SWADHYAYA**' **in pursuit of Professional Excellence**.

It is my pleasure to inform you all that with the participation and support of all members, we could successfully organize '**SWADHYAYA**' the Two Days National Conference. The conference was attended by 729 delegates. CA. Ranjeeth Kumar Agarawal, Chairman, Professional Development Committee, delivered the inaugural address of the conference. The resource persons from different parts of the country deliberated on various subjects of professional interest at the conference. The cultural extravaganza displayed by CA pariwar was amazing and appreciated by all. I am sure that the conference has enriched our members in their knowledge in the respective professional sphere.

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Chairman's Message



During the month we have organised a Live Webcast on Understanding & E-Filing the New Income Tax Return Forms by CA. TarunJamnadhasGhai.

In the coming month the committee is planning to have a one day CPE seminar on Tax Audits under Income Tax Act & a Half Day seminar on Audits under Goods & Services Act.

With Best regards

CA Shivananda Pai B.

Branch Activities

July 2018



Sl No	Date	Activities at Branch for Members	CPE Hours/ Number of Participants
1	06.07.2018	<p>Two Days National Conference - SWADHYAYA On 6th& 7th July 2018 Inauguration by an Eminent Personality Keynote Address by CA. Ranjeet Kumar Agarwal, CCM, Chairman PDC Technical Session I CA. R.Vittal Raj Chennai Topic: Transforming from The CA to Cyber CA Technical Session II CA. Madhukar N Hiregange, CCM, Chairman IDT Committee Topic: Major Issues in ITC - GST Audit Technical Session III CA. Debashis Mitra, Kolkata Topic: Recent Developments under Companies Act- Accounts, Audit, Directors and Pvt. Ltd. Companies Technical Session IV CA. N.C Hegde, Mumbai Topic: FEMA & Taxation of Foreign Remittance</p>	Members: 415 Students: 308 Others: 6 CPE Credit: 12 Hours
2	07.07.2018	<p>Technical Session V CA. P.V.S.S Prasad, Hyderabad Topic: Taxation of Non Residents Technical Session VI CA. Babu Abraham Kallivayalil, Kochi, CCM Topic: Common Deficiencies in Audited Financial Statements and Code of Conduct Technical Session VII CA. Gaurav Gupta, Delhi Topic: GST audit- Important Focus Areas Technical Session VIII CA. H PadamchandKhincha, Bengaluru Topic: Taxability Gifts u/s 56(2)(x) of Income Tax Act</p>	
3	23.07.2018	<p>Live Webcast On Topic: Understanding & E-Filing the New Income Tax Return Forms Speaker: CA TarunJamnadas Ghia</p>	Members: 8 CPE Credit: 2 Hours



Sl No	Date	Activities at Branch for the Students	Number of Participants
1	09.07.2018	16 th Batch of ITT Course	Students: 26
2	09.07.2018	17 th Batch of ITT Course	Students: 27
3	18.07.2018	11 th Batch Of ICITSS - Orientation Course	Students: 40





News and Updates

Central Excise

Instructions issued by the Central Government

- CBIC has issued an instruction raising the monetary limits for filing of appeals before CESTAT, HCs and SC in central excise and service tax matters as under:
CESTAT : 2 MILLION, HC: 5 MILLION, SC: 10 MILLION

This instruction will apply to pending cases as well. Following earlier process and instructions, the cases in above formula will be withdrawn, subject to terms and conditions of earlier instructions. Issues involving substantial questions of law as described in earlier instruction dated 17 August 2011 would be contested irrespective of prescribed monetary limits.

(Instruction F.No.390/Misc./116/2017-JC dated 11 July 2018)

Case laws

- In *TS-347-CESTAT-2018-EXC*, Delhi bench of the Tribunal allowed deduction of VAT subsidy from assessable value of manufactured goods for discharge of excise duty following the decision of the Tribunal in *TS-345-CESTAT-2018-EXC*, wherein it was held that payment of VAT using 37B Challans (subsidy challans used for payment of tax) is as good as payment of tax.
- In *2018-TIOL-2217-CESTAT-MAD*, Madras bench of the Tribunal allowed CENVAT credit of tax paid on standard fire insurance policy taken by the assessee to cover the risk of fire and burglary with regard to premises, machinery, stock and stationery.



News and Updates

- In *2018-TIOL-2178-CESTAT-Mum*, Mumbai bench of the Tribunal held that CENVAT credit of service tax paid on GTA (Goods Transport Agency) service used for transportation of coal to the assessee's power plant and central excise duty paid on inputs and capital goods procured and supplied to the power plant shall be available as the power plant is within the factory premises of the assessee and the power generated is used by the assessee for manufacture of excisable goods.
- In *2018-TIOL-2256-CESTAT-Hyd*, Hyderabad bench of the Tribunal upheld inadmissibility of CENVAT credit of works contract services exclusively utilised for setting up assessee's research & development unit as post 01 April 2011, the definition of input services excludes credit of tax paid on works contract services.
- In *2018-TIOL-2220-CESTAT-DEL*, Delhi bench of the Tribunal reiterated that the duty to prove clandestine manufacture and removal of goods is on the revenue and set aside duty demanded on the ground that Revenue failed to establish such clandestine removal of goods.
- In *TS-344-HC-2018 (KAR)-ST*, Karnataka HC condoned delay of 152 days in filing appeal before Commissioner (Appeals) involving CENVAT credit eligibility where the departmental communication never reached the accounts department of the petitioner as substantial justice should prevail over non-deliberate delay.

News and Updates



Service Tax

- In *TS-330-SC-2018-ST*, the SC affirmed Delhi Tribunal's order granting exemption from payment of service tax under Notification No. 24/2004-ST in respect of 'course fee' for imparting training in aviation, hospitality and travel management observing that the said exemption is not dependent on trainee's capability of engaging in self-employment after the completion of course
- In *TS-315-CESTAT-2018-ST*, Mumbai bench of the Tribunal has confirmed non-taxability of overseas freight and reimbursable charges in respect of logistic support provided by assessee to customers for importation of goods as the freight element met by assessee's correspondent abroad was charged separately on final invoice raised upon customer and did not form part of the fee on which service tax liability was discharged.
- In *TS-338-CESTAT-2018-ST*, Delhi bench of the Tribunal held that international inbound roaming services rendered to subscribers of assessee's customers while in India will qualify as export as (i) the assessee had no contract/ agreement with the subscribers and (ii) the assessee's customer abroad is the actual service recipient.
- In *TS-354-CESTAT-2018-ST*, Allahabad bench of the Tribunal set aside demand of service tax under 'outdoor catering service' on service of food in the premises of Noida Golf Course (Club) as the assessee had taken the premises on rent from the club and maintained menu card, fixed prices for every item and there was no personal interaction with service recipient.
- In *TS-352-CESTAT-2018-ST*, Delhi bench of the Tribunal upheld service tax liability on commission paid by assessee to parent company abroad in lieu of corporate guarantee executed in favour of Indian banks for facilitating lending of funds to assessee under 'Business Auxiliary

News and Updates



CONT..

- In *TS-337-HC-2018(Del)-ST*, Delhi HC held that reimbursements made by clients in respect of fees paid to senior counsel by assessee for representation in courts could not be included in the value of services rendered by assessee following the decision of Delhi HC Division bench in *TS-4-HC-2010(DEL)-ST*.
- In *TS-348-CESTAT-2018-ST*, Delhi bench of the Tribunal set aside the service tax demand towards non-reversal of CENVAT credit equal to 6% of value of exempted services rendered during April, 2009 to June, 2010 under rule 6(3)(i) of the CCR Rules, 2004 where the appellant opted to pay under rule 6(3)(ii) thereof as rule 6(3) provides only an 'option' to follow either clause (i) or (ii).

VAT/Sales Tax/Entry Tax Case Laws

- In *TS-343-HC-2018- (Tel & AP)-VAT*, Andhra Pradesh HC stayed recovery of VAT on STBs provided by DTH operators to their operators in the light of interim orders granted by the HC in similar cases, subject to deposit of 25% of duty demanded.
- In *TS-349-HC-2018 (MAD)-VAT*, Madras HC upheld disallowance of ITC claimed on capital goods when such claim was made after the time stipulated under the TNVAT Act and rejected the contention that the time limit for claiming credit does not apply to capital goods covered by a different provision.
- In *TS-304-HC-2018-DEL-VAT*, Delhi HC allowed assessee's refund claim of excess credit which was inadvertently reflected as 'carry forward' in the next tax return period instead of 'refund' for subsequent period under DVAT Act by holding that the fact that excess credit amount was wrongly shown does not preclude assessee's refund claim and revenue cannot withhold money which does not bear the character of a valid levy.



Managing Committee 2018-19



Managing Committee

CA Shivanand Pai, Chairman
CA Ananthapadmanabha, Vice-chairman
CA Raviraj B, Secretary
CA K Subramanya Kamath, Treasurer
CA Abdur Rehman Musba, Chairman
Mangaluru SICASA
CA Aravinda Krishna, Member
CA Edyll D;silva, Member
CA Bhargav Tantri, Immediate Past
Chairman

from Left to Right- CA. Aravinda Krishna (Member), CA. Abdur Rahman Musba (chairman SICASA, Mangalore), CA. K. Subramanya Kamath (Treasurer), CA. Ananthapadmanabha(Vice Chairman), CA. Shivanand Pai (Chairman), CA. Keshava Ballakuraya (Past chairman), CA. Raviraj B (Secretary), CA. Edyll D'Silva(Member) , CA. Bhargava Tantri (Immediate Past Chairman)

The Managing Committee of Mangalore Branch of SIRC of ICAI invites articles, write-ups and other similar materials in the areas of Accounting, taxation or any other subject of professional interest for publishing in its e-bulletin. The articles submitted for consideration of publication should be of 2,000- 4,000 words typed double space on A4 size paper with 1 inch margin all around. Soft copy of the article may be sent to icaiebulletin@gmail.com.

Feedback on this e-bulletin can be sent to the editorial team @ icaiebulletin@gmail.com

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