



ICAI MANGALORE

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Bulletin Board

e- Bulletin



Volume III | April 2018

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Thought for the Month:

*Yesterday is not ours
to recover, but
tomorrow is ours to
win or lose*

-Lyndon B Johnson



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Chairman's Message



CA B Shivananda Pai
Chairman
Mangalore Branch of SIRC of ICAI



30.04.2018

Dear Members,

Greetings of the season.

Curtains raised for the financial year 2018-19. I guess, this financial year to be a bit more challenging year to our profession, as few more due dates for compliances being added by the new laws. This year also has in its treasure, great professional opportunities for us. By the time this bulletin reaches , most of us would have also completed our first professional assignment of the new year.

To equip ourselves to handle new avenues we are planning to conduct a series of programs for members and students. The Professional Development Committee of the Institute has sanctioned a National Conference to our branch, to be held on 29th and 30th of June 2018 at prestigious venue of Mangalore. We wish to have deliberations at the Conference on subjects of emerging opportunities for the members, along with the traditional areas of our practice. Speakers of National repute have consented to take part in the conference as the Resource persons. Please block your dates for the conference. I also request you to spread words about the conference amongst your associates who are away from Mangalore, and prevail upon them to attend the conference.

A half a day seminar on Imports under Customs, FTP and FEMA was held on 23rd April 2018. Good deliberation and very interactive sessions were conducted by Mr. Ajit Shah, Mumbai

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Chairman's Message



Our branch has also associated with YOGA PRACTITIONER'S ASSOCIATION OF INDIA(R),MANGALORE, in holding a National conference on YOGA and HEALTH on 29th April 2018, which I feel benefited our members, who have attended.

Students appearing for exams in May, would have finished their preparations by now. Students, Please relax, do not come under exam stress, do well in your exams.

With Best regards

CA Shivananda Pai B.

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Branch Activities April 2018



Sl No	Date	Activities at Branch for Members	CPE Hours/ Number of Participants
1	23.04.2018	Half day CPE Seminar On Topic: Exports & Imports under Customs, FTP and FEMA Speaker: Mr. Ajit Shah, Mumbai	Members: 31 Students: 3 Others: 8 CPE Credit: 3 Hours
2	24.04.2018	Live Webcast On Topic: E and Others Issues in TDS & TCS Compliances Speaker: CA. Avinash Rawani CA Gautham Nayak	Members: 5 CPE Credit: 2 Hours
3	24.04.2018	Live Webcast On Topic: Understanding and Filing new Forms of Income Tax Returns. Speaker: CA. Avinash Rawani CA Amit Patel	Members: 5 CPE Credit: 2 Hours
4	29.04.2018	National Seminar on Yoga and Health Conducted by Yoga Practitioner's Association of India (R), Mangalore in association with Mangalore Branch of SIRC of ICAI	Members: 5





Sl No	Date	Activities at Branch for the Students	Number of Participants
1	2.04.2018	Mock Test April 2018 Examination Subject: Advanced Auditing & Professional Ethics (old syllabus)	Students: 2
2	3.04.2018	Mock Test April 2018 Examination Subject: Corporate & Allied Laws (old syllabus)	Students: 4
3	4.04.2018	Mock Test April 2018 Examination Subject: Advanced Management Accounting (old syllabus)	Students: 9
4	5.04.2018	Mock Test April 2018 Examination Subject: Information System Control & Audit (old syllabus) Subject: Direct Tax (new syllabus)	Students:7 Student:1
5	6.04.2018	Mock Test April 2018 Examination Subject: Direct Tax (old syllabus)	Students: 10
6	7.04.2018	Mock Test April 2018 Examination Subject: Indirect Tax(new syllabus) Subject: Indirect Tax (old syllabus)	Student: 1 Students: 10
7	08.04.2018 To 12.04.2018	Crash Course April 2018 examination Subject: Cost & Financial Management (old) Subject: Cost & Financial Management (new) Faculty: CA Hariharan	Students: 23 Students: 12 Total: 35





News and Updates

GST Updates

Press Release

23rd April, 2018

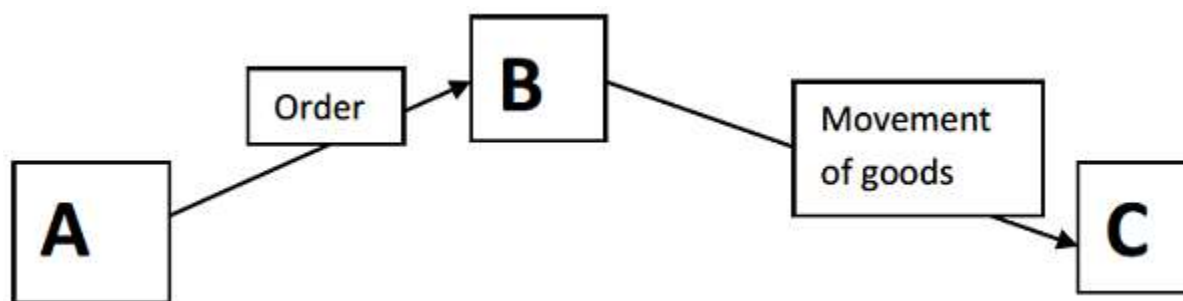
Issues regarding “Bill To Ship To”_for e-Way Bill under CGST Rules, 2017

A number of representations have been received seeking clarifications in relation to requirement of e-Way Bill for “Bill To Ship To” model of supplies. In a typical “Bill To Ship To” model of supply, there are three persons involved in a transaction, namely:

‘A’ is the person who has ordered ‘B’ to send goods directly to ‘C’.

‘B’ is the person who is sending goods directly to ‘C’ on behalf of ‘A’.

‘C’ is the recipient of goods.



2. In this complete scenario two supplies are involved and accordingly two tax invoices are required to be issued:

Invoice -1, which would be issued by ‘B’ to ‘A’.

Invoice -2 which would be issued by ‘A’ to ‘C’.

3. Queries have been raised as to who would generate the e-Way Bill for the movement of goods which is taking place from ‘B’ to ‘C’ on behalf of ‘A’. It is clarified that as per the **CGST Rules, 2017** either ‘A’ or ‘B’ can generate the e-Way Bill but it may be noted that only one e-Way Bill is required to be generated as per the following procedure:

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News and Updates

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Case -1: Where e-Way Bill is generated by 'B', the following fields shall be filled in Part A of GST FORM EWB-01:

1.	Bill From:	In this field details of 'B' are supposed to be filled.
2.	Dispatch From:	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of 'B'.
3.	Bill To:	In this field details of 'A' are supposed to be filled.
4.	Ship to:	In this field address of 'C' is supposed to be filled.
5.	Invoice Details:	Details of Invoice-1 are supposed to be filled

Case -2: Where e-Way Bill is generated by 'A', the following fields shall be filled in Part A of GST FORM EWB-01:

1.	Bill From:	In this field details of 'A' are supposed to be filled.
2.	Dispatch From:	This is the place from where goods are actually dispatched. It may be the principal or additional place of business of 'B'.
3.	Bill To:	In this field details of 'C' are supposed to be filled.
4.	Ship to:	In this field address of 'C' is supposed to be filled.
5.	Invoice Details:	Details of Invoice-2 are supposed to be filled.

News and Updates



Direct taxes

Radharaman Jew Trust Fund v. ITO

Decision: In assessee's favour.

Assessment--Intimation under section 143(1)--Validity of change of assessee's status--Power of AO to do so while processing of return in section 143(1)

Facts:

Question arose for consideration was whether action of AO while issuing intimation under section 143(1) by changing the status of assessee which consequently enhanced the tax liability, was permissible.

Held:

It is clear from bare reading of section 143(1) that change of status as done by AO does not fall within any of the clauses thereof. Also, it could not be said that change of status of assessee fell within the meaning of expression 'an incorrect claim apparent from any information in the return' as laid down in Explanation (a) to section 143(1). Accordingly, intimation issued under section 143(1) changing the status of assessee was not in accordance with law and AO was, therefore, directed to modify the intimation accepting the return of income as it was.

Elite International (P.) Ltd. v. Asstt. CIT

Decision: Against the assessee.

Business deduction under section 36(1)(vii)--Bad debts--Provision for doubtful advances

Facts:

Assessee, for the purpose of export, procured raw material and got them processed from third parties on contractual basis. However, since ratio of wastage was very high during processing, the assessee raised debit notes against those parties who, in turn, refused to pay the outstanding amount. Assessee had raised these debit notes between assessment years 2003-04 to 2008-09 against various suppliers and made provisions against doubtful advances for certain amounts during impugned assessment year and claimed same by way of debit to profit and loss account. It was disallowed by AO treating as mere provision for certain doubtful debts under section 36(1)(vii). CIT(A) confirmed disallowance.

Held:

There was strength in argument of revenue that issue under dispute was not at all covered by the provisions of section 36(1)(vii) as this section dealt with 'bad debts written off by the assessee qua sundry debtors, which was not the case here. In the instant case, the assessee was claiming expenditure against debit notes raised by him against various suppliers, which, in his opinion, had become doubtful

News and Updates



Direct taxes

Spectrum Coal & Power Ltd. v. ACIT

Decision: In assessee's favour.

Depreciation--Actual cost--Invocation of Explanation 10 to section 43(1)--Receipt of grant from US Aid through bank in India--Purpose, to create institutional environment for technological invocations

Facts:

Assessee had received a sum Rs. 1 crore from US Aid through ICICI under the Program for Acceleration of Commercial Energy Research (PACER). The amount was adjusted against the investment in plant and machinery made during the year. AO took the view that amount of the grant received under PACER amounted to cost met by US aid on the purchase of plant and machinery by assessee as per explanation 10 to section 43(1) and accordingly, AO's reduced cost of plant and machinery to that extent while calculating V for the purpose of determining depreciation.

Held:

From reading of Explanation 10 to section 43(1) it is explicitly clear that if a portion of cost of an asset as acquired, had been met directly or indirectly by Central Government or State Government or any authority established under any law or by any other person in the form of a subsidy or a grant or reimbursement, said subsidy grant or reimbursement as was relatable to the asset would be reduced out of the actual cost of the asset to assessee. In the instant case, it was apparent from the terms of agreement between assessee and ICICI that the grant was to create an institutional environment for was made by ICICI. Such grant even if considered as subsidy as alleged by AO, however, the same was not for a specific plant and machinery. Also, sovereign could not be regarded as Central Government for State Government or any authority established by any law in India or any other person, even financial assistance given by ICICI could not be taken as cost met directly or indirectly by any other person. Accordingly, explanation 10 to section 43(1) did not get attracted and AO was directed to allow depreciation without deducting the amount of the conditional grant received by assessee from the actual cost/WDV of plant and machinery.



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 Bhargava 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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