



# NEWSLETTER

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## NAGPUR BRANCH OF WIRC OF ICAI

APRIL  
2018



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### Chairman's Message



Dear Colleagues,

When I speak of passion, I mean the powerful feeling of enthusiasm we all have inside us. When we are enthusiastic and proud of the work we do, the better equipped we'll be to overcome the many obstacles that will surely arise in our lives.

Today we are in the age of information where we are bombarded by new information almost every second. However all information gathered is not knowledge. Knowledge is the essence of collective wisdom of the individuals with great understanding of their subjects. Ensuring proper knowledge is imparted from the Branch Forum; the Nagpur Branch of WIRC of ICAI continued its efforts in upgrading the skills of members in the new financial

year 2018-19. The branch once again organized number of knowledge based programs wherein members could get updated with respect to various professional topics of their interest.

**Bank Branch Audit Helpdesk :** We all know that Statutory Bank Branch Audits have been given a lot of focus by the Banking Sector as well as the Government in the recent past. Therefore looking at the need of the hour for proper on-site guidance for Bank Audits undertaken by our members, Nagpur Branch launched a unique Bank Branch Audit Helpdesk for Members comprising of 30 senior members from all over Vidarbha who were available for members 24\*7. I am glad that the response to this Helpdesk has been overwhelming with an estimated 500+ queries solved by the panelist. We wish to take forward this concept and launch helpdesk for other professional areas of practice in future too.

**Launch of Reading Room at MKH Sancheti School :** Nagpur Branch has been fortunate to have been receiving support from all sections of society regularly. We were once again happy to provide Reading Room Facility for Students completely free of cost at MKH Sancheti School, Wardha Road for our students to prepare well for the upcoming examinations.

**Felicitation of Dignitaries :** The branch had the fortune to felicitate Shri Subhash Chandra Goyal, Hon'ble Member of Parliament, Rajya Sabha & Promoter of Essel Group which employs more than 30000 people in the country. During our meet we briefed the Hon'ble member about the various initiatives the Branch is undertaking for the professional community as well as for general public at large. Further the Branch also felicitated Shri Jairaj Kalja, Principal Director Investigation, Vidarbha during the last month.

**Weekly Study Circle Meetings:** Study Circle Meetings have proved to be a good platform for members to learn and understand various tricky issues related to our profession. We were glad to restart the weekly Study Circle Meetings for the Members. With varied practice areas in coming days we plan to organize study circle meets of various professional interests.

**Seminars:** Although the month of April is categorized by Bank Branch Audit and closure of Books of Accounts of the preceding Financial Year, the Nagpur Branch continued its efforts in gearing up the members for future tasks, Seminar on Benami Transactions & Prevention of Money laundering Act was much appreciated by the members. Further Meet on Understanding and filling of new ITR Forms under the Income Tax Act has benefitted the members immensely. I thank speakers for their hard work and service to the members of our profession.

**Forthcoming Events:** Apart from regular Study Circle Meets and seminars in the Month of May, we are launching a unique 9 Session Practice Development Training Program - 'Super CA' - for Members which would surely benefit everyone professionally. We are also organizing Full Day Seminar on Companies Act 2013 on 26th May 2018 for members. I further wish a happy journey for members heading for Residential Refresher Course at Shimla Kullu Manali under the able guidance of our Regional Council Member.

Further, I believe, that we as an institution have a rich tradition of knowledge accumulation and dissemination through our initiatives, seminars and workshops. The way forward is by pooling our knowledge resources into a common depository. I therefore invite all the members for this beautiful city to contribute to the activities of the Branch in every possible manner and empower the entire professional community.

Yours Humbly,  
CA Umang V Agrawal  
Chairman

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### **Branch Newsletter**

#### **Sub Committee :**

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**Jt. Editor : CA. Ayush Agrawal**

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**CA Kishore Punyani**

**CA. Shwetali Thakare**



### Joint Editor's Message



Dear Professional Colleagues,

Beginning of a new Financial Year, on 1 April 2018, has a great significance for the entire nation especially for us Chartered Accountants. Let me take this opportunity to wish all our esteemed members a fruitful Financial Year 2018-19. As the days go by, this fiscal year also will provide us many avenues, professional opportunities, and challenges which we should turn into opportunities. Nagpur Branch, one of the vibrant branches of WIRC, is endeavoring to scale up and meet the growing needs of the profession. April was the month where many of our members get engaged in Bank Audit Assignments and I wish to congratulate them on discharging the onerous responsibility placed on them by the banking industry and various stakeholders. It is indeed our contribution that lubricates yet another wheel of the economy to ensure smoother and faster growth.

Nagpur Branch has various Study Circle Meetings lined up for the month of May 2018, inviting participation in maximum numbers for the same.

From this month onwards we have introduced 2 new sections in the Newsletter.

**CA Connect** – To bridge the gap between members will to share assignments and members seeking to do professional work on assignment basis, the Newsletter Committee have started a WORK SHARING section, where members can post work sharing assignments and assignment seekers can also put in their details.

Happy learning and keep sharing.

For any suggestions and comments, please note that I am just an email away.

**CA. Prateek Rajesh Gupta**

**Joint Editor**

**Nagpur Branch of ICAI.**



Respected seniors and Dear Friends,

Continuing the rich old tradition, with presentation of Union Budget for the financial year 2018-19, Nagpur Branch initiated discussion and lectures on Direct taxes and indirect taxes by eminent speakers covering fine prints of budget proposal. The month concluded with many seminars on various topics of contemporary professional interest.

It is popular saying that a good beginning is an indication for a great journey!!! With Implementation of GST, the most important change in indirect tax policy of our country since independence, I am sure, in coming months it will open up newer opportunities for younger generation of our profession.

In the forthcoming edition of this newsletter, we will be including Puzzles based on professional knowledge to refurbish our skill sets along with fun and members will also be rewarded for the same in the following seminars. Also the members enriching other professional colleagues with their articles will also be rewarded. Further, with a vision to create platform for sharing professional opportunities amongst our members, we will be adding a section where members of our branch can share work amongst themselves on need cum assignment basis. I request all the members to take utmost benefit of the same.

At last, I would like to end with a simple thought: Nothing Great can be achieved in this world without Sincerity, Hard Work & Innovation. I hope that by adhering & catering to these three virtues, younger generation, like me, can bring value addition to ourselves and to the profession.

**CA. Aayush Sanjay Agrawal**

**Joint Editor**

**Nagpur Branch of ICAI**



## Understanding the Basic Concepts of a WILL

### **Introduction:**

There are some funny sayings:

- 1) Where there is a Will, there is a Greedy Relative.
- 2) Whenever one makes a Will, it is late.



**CA. Dhanashree Phatak**

### **What is a Will?**

As per Section 2(h) of the Indian Succession Act, 1925 -

Will means legal declaration of a Testator (Person making a will) with respect to his property which he desires to be carried out into effect after his Death.

### **Practical Value Addition Tip for Practicing Chartered Accountants:**

It should be advised to the clients as soon as they attain the Age of 60 Years to prepare a Will, so that there should not be any legal dispute regarding the Successor(s) of his Property.

### **Some Important Points:**

- a) Every Competent Individual reserves the right to dispose and distribute his properties after Death. The manner of such disposal and distribution depends on the Fact that the deceased has made a Will or not.
- b) Making a Will is optional and can be modified any number of times and only the last Will takes effect.
- c) Stamp Duty is not payable in a Will and it can be prepared even on a Plain Paper.
- d) If a person dies without making a Will, his property is governed by the relevant law of succession i.e. Hindu Succession Act, Shurriyat Law, the Indian Succession Act, etc.

Following is a Draft of a Will which is in Favour of various Family members.

### **WILL**

**THIS WILL** is made on Thursday the 5th Day of April, 2018 by Shri. ABC, son of late XYZ, aged about 61 years and resident of Flat no 1, First Floor, Galaxy Plaza, Dhantoli, Nagpur-440012.

WHEREAS I am married to Smt. KLM since 35 years and blessed with one son namely Shri. DEF and one daughter namely Smt. GHI and both of them are married and well settled in their lives.

AND WHEREAS I have acquired and hold of 20,000 Sq.Ft of Land situated at Laxmi Nagar in the City of Nagpur. Besides I have properties in the shape of Shares of Companies, Fixed Deposits with Banks, National Savings Certificates, Saving Bank Accounts, Jewellery and Ornaments, etc.

AND WHEREAS I have become 61 Years old and not keeping a good health due to Cancer.

Therefore, I execute this as my last Will out of my free will in the sound state of mind and body without any coercion or under pressure and pass all my properties- moveable and immovable, tangible and intangible- to



## Understanding the Basic Concepts of a WILL

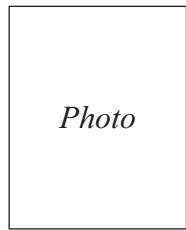
my heirs in the manner as mentioned below:-

1. That I do hereby pass my entire interest in the Land as mentioned above to my wife Smt. KLM.
2. That I do hereby pass the Fixed Deposits of Rs. 20, 00,000/- (Rs. Twenty Lacs Only) with Bank of India to my Daughter Smt. GHI. (Married to Shri. AAA and her name has already been added as a nominee by me)
3. That I do hereby pass my Gold Jewellery and Ornaments weighing approx. 2000gms to my Daughter in Law Smt. BBC.
4. That I do hereby pass my National Savings Certificates having face value of Rs. 10,00,000/- (Rs. Ten Lacs Only) to my only grandson Master. SSS son of Shri. DEF.
5. That I do hereby pass all the remaining properties to my Wife Smt. KLM.
6. To the best of my knowledge and belief, I have not made any Will and by this Will, I do hereby revoke all my previous Wills if any.
7. I appoint my son Shri. DEF to be the executor of my Will.

IN WITNESS WHEREOF I have executed this last Will and put my hands on the 5th Day of April, 2018 in presence of the witnesses.

WITNESSES

1.

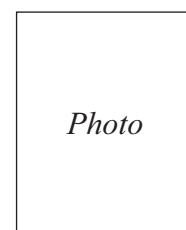


Shri DDD.

Sd/-

ADDRESS

TESTATOR



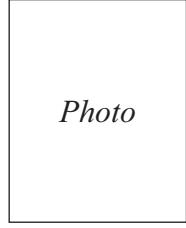
Photo

Shri DDD.

Sd/-

ADDRESS

2.



Photo

Shri DDD.

Sd/-

ADDRESS

**DATE: 5th April, 2018**

**PLACE: NAGPUR**



### **Recent Judicial precedents – Direct Tax**

#### **A. Hon'ble Supreme Court**

##### **1. Skylight Hospitality LLP vs. ACIT (Supreme Court)**

*(SLP Civil No. 7409/2018)*

*S. 292-B: A s. 148 notice issued in the name of a company which does not exist upon its conversion into a LLP is valid if there is material to show that the issue in the name of the company was a clerical mistake. The object and purpose behind s. 292-B is to ensure that technical pleas on the ground of mistake, defect or omission should not invalidate the assessment proceedings, when no confusion or prejudice is caused due to non-observance of technical formalities*

##### **2. (Maxopp Investment Ltd vs. CIT (Supreme Court) Civil Appeal No. 104-109 of 2015)**

*S. 14A/ Rule 8D - Applicability to shares held for controlling interest or as stock-in-trade: The argument that S. 14A & Rule 8D will not apply if the "dominant intention" of the assessee was not to earn dividends but to gain control of the company or to hold as stock-in-trade is not acceptable. S. 14A applies irrespective of whether the shares are held to gain control or as stock-in-trade. However, where the shares are held as stock-in-trade, the expenditure incurred for earning business profits will have to be apportioned and allowed as a deduction. Only that expenditure which is "in relation to" earning dividends can be disallowed u/s 14A & Rule 8D. The AO has to record proper satisfaction on why the claim of the assessee as to the quantum of suo moto disallowance is not correct*

##### **3. ITO vs. Venkatesh Premises Co-op Society Ltd (Supreme Court) (Civil Appeal No. 2706 of 2018)**

*Principles of Mutuality: Receipts by housing co-operative societies such as non-occupancy charges, transfer charges, common amenity fund charges and certain other charges from their members are exempt from income-tax based on the doctrine of mutuality. The fact that the receipts are in excess of the limits prescribed by the State Government does not mean that the Societies have rendered services for profit attracting an element of commerciality and thus was taxable*

##### **4. ITO vs. Dharam Narain (Supreme Court) (Civil Appeal No. 2262 of 2018)**

*S. 143(2) service of notice: If the assessee is not available to take service of the s. 143(2) notice, service on the authorized representative is sufficient to draw inference of deemed service of notice on the assessee. The fact that the authorized representative is disowned by the assessee is irrelevant*

##### **5. Industrial Infrastructure Development Corporation (Gwalior) M.P. Ltd vs. CIT (Supreme Court) (Civil Appeal No. 6262 of 2010)**

*S. 12A: The CIT has no power to cancel/withdraw/recall the registration certificate granted u/s 12A until express power to do so was granted by s. 12AA(3). Though the grant of certificate is a quasi judicial function, s. 21 of the General Clauses Act cannot be applied to support the order of cancellation of the registration certificate*



**Abhay Agrawal CA. LLB.**



## ***Recent Judicial precedents – Direct Tax***

### **6. *National Travel Service vs. CIT (Supreme Court) (Civil Appeal No. 2068-2071 of 2012)***

*S. 2(22)(e) Deemed Dividend: The term “shareholder”, post amendment, has only to be a person who is the beneficial owner of shares. One cannot be a registered owner and beneficial owner in the sense of a beneficiary of a trust or otherwise at the same time. The moment there is a shareholder, who need not necessarily be a member of the Company on its register, who is the beneficial owner of shares, the Section gets attracted without more. To state that two conditions have to be satisfied, namely, that the shareholder must first be a registered shareholder and thereafter, also be a beneficial owner is not only mutually contradictory but is plainly incorrect. Prima facie, Ankitech/ Madhur Housing is wrongly decided and should be reconsidered by larger bench*

### **7. *CIT vs. Rajasthan And Gujarati Charitable Foundation Poona (Supreme Court) (Civil Appeal No. 7186 of 2014)***

*S. 11(1)(a) vs. 32: Even if the entire expenditure incurred for acquisition of a capital asset is treated as application of income for charitable purposes u/s 11(1)(a) of the Act, the assessee is also entitled to depreciation u/s 32. The argument that the grant of depreciation amounts to giving double benefit to the assessee is not acceptable. S. 11(6) which bars depreciation on expenditure applied for charitable purposes is prospective and applies only from AY 2015-16*

### **8. *CIT vs. Chaphalkar Brothers Pune (Supreme Court) (Civil Appeal No. 6513-6514 of 2012)***

*Taxability of subsidies: A subsidy granted by the Govt to achieve the objects of acceleration of industrial development and generation of employment is capital in nature and not revenue. The fact that the incentives are not available unless and until commercial production has started, and that the incentives are not given to the assessee expressly for the purpose of purchasing capital assets or for the purpose of purchasing machinery is irrelevant. The object has to be seen and not the form in which it is granted*

### **9. *Bhushan Steel vs. CIT (Supreme Court) (SLP Civil No. 30728-30732/2017)***

*Taxability of subsidies: Supreme Court stays judgement of the Delhi High Court in CIT vs. Bhushan Steels And Strips which held that if the recipient has the flexibility of using it for any purpose and is not confined to using it for capital purposes, the subsidy is revenue in nature and is taxable as profits*

### **10. *DCIT vs. Ace Multi Axes Systems Ltd (Supreme Court) (Civil Appeal No. 20854 of 2017)***

*S. 80-IB: The incentive meant for small scale industrial undertakings cannot be availed by undertakings which do not continue as small scale industrial undertakings during the relevant period. Each assessment year is a different assessment year. The fact that the object of legislature is to encourage industrial expansion does not mean that the incentive should remain applicable even where on account of industrial expansion, the small scale industrial undertakings ceases to be small scale industrial undertakings. The fact that in the initial year eligibility was satisfied is irrelevant*



### **Recent Judicial precedents – Direct Tax**

#### **11. CIT vs. Modipon Limited (Supreme Court) (Civil Appeal No. 19763 of 2017)**

*S. 43B: Advance deposit of central excise duty in the Personal Ledger Account (PLA) constitutes actual payment of duty within the meaning of s. 43B and the assessee is entitled to the benefit of deduction of the said amount*

#### **B. Hon'ble High Courts**

#### **12. Pr. CIT vs. Veedhata Tower Pvt. Ltd (Bombay High Court) (ITANo. 819 of 2015)**

*S. 68 Bogus loans: The assessee is not required to explain the "source of source" prior to insertion of the proviso to s. 68. If the assessee has discharged the primary onus placed upon it u/s 68 by filing confirmation letters, the Affidavits, the full address and pan numbers of the creditors, the Revenue has to proceed against the persons whose source of funds are alleged to be not genuine*

#### **13. Pr CIT vs. Prem Pal Gandhi (P&H High Court) (ITANo. 95 of 2017)**

*Bogus capital gains from Penny stocks: The fact that the appreciation in the value of the shares is high does not justify the transactions being treated as fictitious and the capital gains being assessed as undisclosed income if (a) the shares are traded on the Stock Exchange, (b) the payments and receipts are routed through the bank, (c) there is no evidence to indicate it is a closely held company and (d) the trading on the Stock Exchange was manipulated in any manner*

#### **14. CIT vs. Bengal Finance & Investments Pvt. Ltd (Bombay High Court) (ITANo. 337 of 2013)**

*S. 14A/ 115JB: Amount disallowed u/s 14A of the Act cannot be added to arrive at book profit for purposes of section 115JB of the Act*

#### **15. Mahadev Balai vs. ITO (Rajasthan High Court) (ITANo. 136 of 2017)**

*S. 54B Exemption: The fact that the investment and document is registered is made in the name of the spouse (wife) is not a ground for disallowing exemption from capital gains u/s 54B if the funds utilized for the investment belong to the assessee. Contra view in Kalya 251 CTR 174 (Raj) not followed*

#### **16. Kalpana ShantilalHaria vs. ACIT (Bombay High Court) (WPNo.3063 of 2017)**

*S. 147/ 292B: Sanction for issuing a reopening notice cannot be mechanical but has to be on due application of mind. Sanction accorded despite mention of non-existent section in the notice is *prima facie* evidence of non application of mind on the part of the sanctioning authority. S. 292B cannot cure such defect*

#### **17. CIT vs. Dr. Arvind S. Phake (Bombay High Court) (ITANo. 139 of 2015)**

*S. 2(47)(v): Immovable property can be regarded to have been transferred on the date of execution of the Development Agreement and irrevocable General Power of Attorney only if the terms indicate that complete control is given to the developer. If the entire consideration is not received by the assessee and*



## ***Recent Judicial precedents – Direct Tax***

*physical possession of the property is not parted with, there is no transfer u/s 2(47)(v)*

### **18. *Pr CIT vs. Baisetty Revathi (Andhra Pradesh High Court) (ITA No. 684 of 2016)***

*S. 271(1)(c) penalty can be levied only where the charge is unequivocal and unambiguous. The AO must specify whether the charge is of concealment of particulars of income or furnishing of inaccurate particulars thereof and which one of the two is sought to be pressed into service. He is not permitted to club both by interjecting an 'or' between the two. The ambiguity in the show-cause notice compounded by the confused finding of the AO that he was satisfied that the assessee was guilty of both renders the proceedings void (K. P. Madhusudhanan 251 ITR 99 (SC) & MAK Data 358 ITR 593 (SC) distinguished*

### **19. *Pr CIT vs. Paradise Inland Shipping Pvt. Ltd (Bombay High Court) (ITA No. 66 of 2016)***

*S. 68 Bogus share capital: Companies which invest share capital cannot be treated as bogus if they are registered and have been assessed. Once the assessee has produced documentary evidence to establish the existence of such companies, the burden shifts to the Revenue to establish their case. Reliance on statements of third parties who have not been subjected to cross examination is not permissible. Voluminous documents produced by the assessee cannot be discarded merely on the basis of statements of individuals contrary to such public documents*

## **C. Hon'ble Tribunals**

### **20. *Minda SM Technocast Pvt. Ltd vs. ACIT (ITAT Delhi) (ITA No 6964/Del/2017)***

*S. 56(2)(viia)/ Rule 11UA: The "fair market value" of shares acquired has to be determined by the taking the book values of the underlying assets and not their market values*

### **21. *Meta Plast Engineering P. Ltd. vs. ITO (ITAT Delhi) (ITA No 5780/Del/2014)***

*S. 147 Reopening: Passing the reassessment order before the expiry of 4 weeks of passing the order of objections renders the reassessment order void. Also, if the reasons state "bogus accommodation entries were provided/taken" and it is not clear whether the assessee has received or provided accommodation entries, it means there is no application of mind by the AO while recording reasons*

### **22. *AmodShivlal Shah vs. ACIT (ITAT Mumbai) (ITA No 795/Mum/2015)***

*S. 133A: An admission of estimated income made during survey has no evidentiary value and is not binding on the assessee. The income has to be assessed as per the return of income and books of account. Hiralal Maganlal 97 TTJ Mum 377 distinguished. CBDT Circular No. 286/2/2003 (Inv.) II dated 10.03.2003 referred*



### **Recent Judicial precedents – Direct Tax**

#### **23. DCIT vs. Alcon Biosciences PLtd (ITAT Mumbai) (ITA No 1946/Mum/2016)**

*S. 68 Bogus share capital: The fact that a pvt. ltd co issued shares at an exorbitant premium is irrelevant if the assessee has proved the genuineness of the transaction. If the assessee has furnished necessary evidence to prove the identity of the share applicants and their PAN details, the department is free to proceed to reopen the individual assessments of the share applicants but it cannot be regarded as undisclosed income of the assessee*

#### **24. Meenu Goel vs. ITO (ITAT Delhi) ITA No 6235/Del/2017**

*Bogus Capital gains from penny stocks: Capital gains from penny stocks cannot be assessed as unexplained cash credit u/s 68 if the assessee has produced documentary evidence to prove the source, identity and genuineness of the transaction and the AO has not found any fault with it. The fact that the investigation dept has alleged that there is a modus operandi of bogus LTCG scheme is not relevant if the same is not substantiated*

#### **25. Prafful Industries (P) Ltd vs. DCIT (ITAT Delhi) (ITA No 4023/Del/2016)**

*S. 271(1)(c) Penalty: The primary burden of proof is on the Revenue to show that the assessee is guilty of concealment/ furnishing inaccurate particulars. Making an incorrect claim does not tantamount to furnishing inaccurate particulars by any stretch of imagination. Wrong claim of depreciation by crediting capital subsidy to reserves instead of reducing from actual cost/ WDV does not attract s. 271(1)(c) penalty*

#### **26. ITO vs. NVS Builders Pvt. Ltd (ITAT Delhi) (ITA No 3729/Del/2012)**

*S. 143(2) Notice: The issue of a s. 143(2) notice by an AO not having jurisdiction over the assessee is irrelevant. If the proper AO does not issue the notice within the time limit, the assessment is null and void. The argument that the non-jurisdictional AO issued the s. 143(2) notice as per PAN or computerized system or internal procedure is not relevant as it violates the law*

#### **27. Prabhat Gupta vs. ITO (ITAT Mumbai) (ITA No 277/Mum/2017)**

*Bogus Purchases: The fact that s. 133(6) notices could not be served upon the alleged vendors and they were not physically available at the given addresses does not falsify the claim of the assessee that the purchases are genuine if the assessee has produced other evidence and made payments through banking channels*

#### **28. ITO vs. Virat Credit & Holdings Pvt.Ltd (ITAT Delhi) (ITA No 89/Del/2012)**

*S. 147 Reopening: The grant of approval by the CIT with the words “Yes. I am satisfied” proves that the sanction is merely mechanical and he has not applied independent mind while according sanction as there is not an iota of material on record as to what documents he had perused and what were the reasons for his being satisfied to accord the sanction to initiate the reopening of assessment u/s 148 of the Act*



## Recent Judicial precedents – Direct Tax

### **29. *Umbrella Projects Pvt. Ltd vs. ITO (ITAT Delhi) (ITA No 5955/Del/2014)***

*S. 68 Bogus share capital: If the assessee has discharged the initial onus regarding the identity, creditworthiness and genuineness, the onus shifts to the AO to bring material or evidence to discredit the same. The fact that the shareholders did not respond to s. 133(6) summons is not sufficient to draw an adverse inference. There must be material to implicate the assessee in a collusive arrangement with person who are accommodation entry providers*

### **30. *Seema Sabharwal vs. ITO (ITAT Chandigarh) (ITA No 272/Chd/2017)***

*S. 54: If agreement for purchase of new residential house is made and entire purchase price is paid within three years from the date of transfer of the old asset, exemption u/s 54 is available. It is not required that the house must be completed within 3 years. The requirement in s. 54(2) that the capital gains should be deposited in the CGAS scheme is merely an enabling provision. If the assessee shows during assessment proceedings that the capital gains have been reinvested in the new residential house, exemption cannot be denied merely the amount was not deposited in the CGAS*

### **31. *Rajat B Mehta vs. ITO (ITAT Ahmedabad) (ITA No 19/Ahd/2016)***

*S. 54: The expression “cost of the residential house so purchased” in s. 54 is not confined to the cost of civil construction but includes furniture and fixtures if they are an integral part of the purchase. The fact that the assessee did not make the claim is no reason to deny the claim if he is otherwise entitled to it (Scope of Srinivas R Desai 155 TTJ 743 (Ahd) expanded)*

### **32. *Pankaj Kumar Gupta vs. ITO (ITAT Lucknow) (ITA No 486/Lkw/2016)***

*S. 271(1)(c) penalty: Though capital gains was not disclosed in the return, if tax on the same is paid after the s. 147 assessment order is passed, there is no loss to the Revenue and it also shows the bona fides of the assessee and penalty cannot be levied. The fact that if the s. 148 notice was not issued, the assessee would have got away with tax evasion does not mean that his action was not bonafid*

### **33. *Vidyadayani Shiksha Samiti vs. CIT (ITAT Delhi) (ITA No 309/Del/2016)***

*S. 12A: CIT is not justified in rejecting registration on the ground that the non-production of books and vouchers means that the genuineness of the charitable activities cannot be verified. The CIT is entitled only to examine the objects of the trust at the stage of registration and not the books of account*



### Glimpse of Past Events

#### *Just Before Bank Branch Audit*



#### *Seminar on Understanding new ITR's*



*CA. Rajpal Sanghaji*



## Glimpse of Past Events

### *Seminar on PMLA & Benami Transactions*



*Shri Jairaj Kajla, Director of Investigation, inaugurating Seminar on Benami & PMLA*



*CA. Kailash Jogani*



*Shri Jairaj Kajla*



*CA. Sudhir Baheti*



## Glimpse of Past Events

### *Study Circle Meeting - CA Abhay Agrawal*



### **INVITATION FOR ARTICLES FOR NEWSLETTER**

*"The pen is mightier than the sword"*  
by Glancey Jonathan

*The Newsletter Committee of Nagpur Branch of WIRC of ICAI is inviting articles for its Newsletter for May, 2018 and subsequent Issues.*

**Submission Guidelines:** The articles have to be submitted by the 5th of the month to the following email-id : [ [nagpur@icai.org](mailto:nagpur@icai.org) ]. There is a strict plagiarism check and the articles which are not adhering to the prescribed standards are not published in the newsletter. Illustrations are strongly encouraged to illustrate and emphasize your message. Article can be written by one person or jointly but not more than 2 on a single article. A passport size picture of the writer/writers should be attached with the article along with their Name and Email ID.

*Awards:-*

*THE BEST ARTICLES WILL RECEIVE APPRECIATION AT NAGPUR BRANCH CONFERENCES AND SEMINARS.*

*We welcome your efforts and hope you would make the best use of the open platform.*



### CA Connect

*Nagpur Branch of WIRC of ICAI acknowledges the contribution being extended by the members of the city for continuous activities for the benefit of members. However we are also aware that it is the responsibility of the Branch to mediate the gap amongst the members and create a platform for networking amongst the members so that sharing of work can be done effectively. Hence we are starting with a dedicated section in the monthly newsletter wherein members who are in need of any professional assignment may put in their request whereas the members who are in need of professionals for various assignment may also give details of their requirements so that members at large can be benefited. Requesting the members to be a part of 'CA Connect' networking platform and take maximum benefit of the same.*

*Those who wish to outsource assignments on part time basis may kindly mail the details of their Firm and a brief of the Work they wish to outsource to Nagpur Branch [nagpur@icai.org] in the below mentioned format :*

Firm Name	Description of Assignment	Name of Contact person	Contact Details	
			Email	Mobile

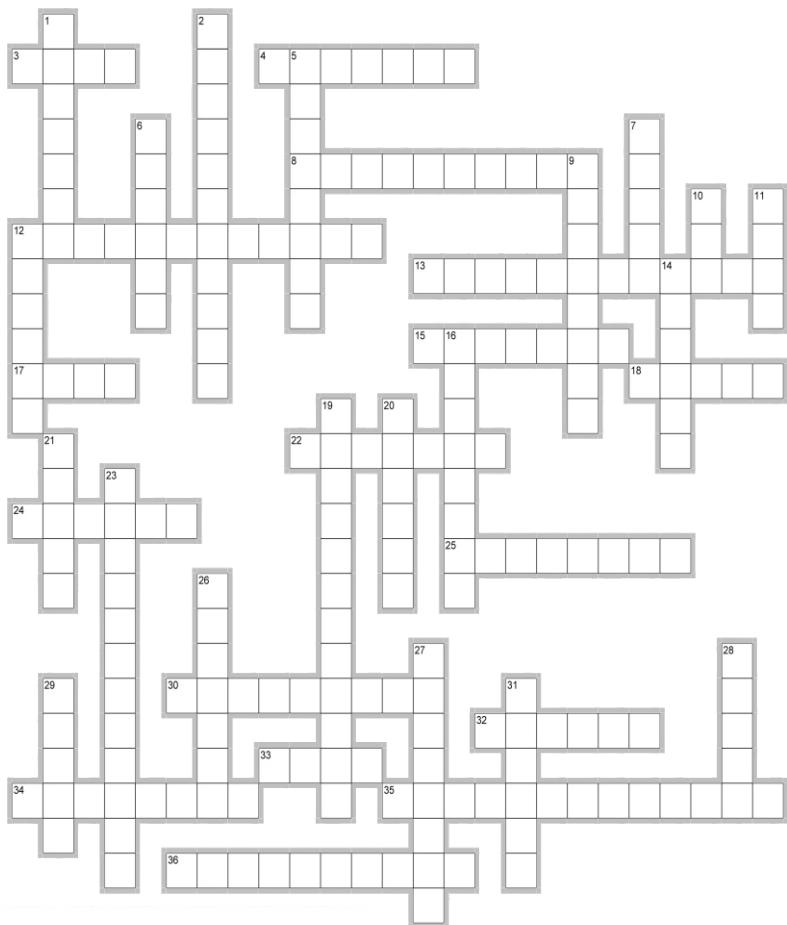
*Those who seek assignments on part time basis may kindly mail the details of their details to Nagpur Branch [nagpur@icai.org] in the below mentioned format :*

Name	Contact Details		Type of Assignment Sought
	Email	Mobile	

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### Accounting Basics - Crossword Puzzle



#### Across

3. The basis or method of accounting that is less effective than the accrual basis in measuring profitability.
4. The basis or method of accounting where expenses are reported as they are incurred rather than when they are paid.
8. When a company provides a service and allows the customer to pay in 30 days, the account to be debited is Accounts \_\_\_\_\_.
12. The systematic allocation of the cost of equipment and buildings used in a business from the balance sheet to the income statement over the useful life of the asset.
13. Accounting software facilitates recording business \_\_\_\_\_.
15. The title of the asset account that reports the unexpired cost of insurance premiums that have already been paid is \_\_\_\_\_ Insurance.
17. This component of Property, Plant & Equipment is not depreciated.
18. The balance sheet reports amounts that apply at a particular \_\_\_\_\_ in time.
22. Known as the book of original entry, it lists transactions in order by date.
24. The net income of a company is sometimes referred to as the \_\_\_\_\_ line (of the income statement).
25. A major element of the income statement that reports the costs that have been used in order to obtain revenues during the accounting period.
30. Depreciation is an allocation technique; it is not a \_\_\_\_\_ technique.
32. The 'books' of the company that contains all of the accounts is the general \_\_\_\_\_.
33. The accounting guideline that prevents assets from being reported at amounts greater than their cost is the \_\_\_\_\_ principle.
34. A major element of the income statement that reports fees earned and sales of products.
35. The accrual basis of accounting is more effective than the cash basis in reporting the \_\_\_\_\_ of a business.
36. Generally accepted accounting guidelines are referred to as \_\_\_\_\_.

#### Down

1. The financial statement that reports the financial position of a company as of an instant or point in time is the \_\_\_\_\_ sheet.
2. The balance sheet classification that reports the obligations of the company.
5. The book value of an asset or liability is also known as the \_\_\_\_\_ amount.
6. Resources owned by a company.
7. An entry to the left-side of an account.
9. The basic accounting \_\_\_\_\_ is Assets = Liabilities + Owner's Equity.
10. Every transaction that gets recorded in the general ledger involves \_\_\_\_\_ or more accounts.
11. Some people refer to the income statement as the profit and \_\_\_\_\_ statement.
12. Because the accounting system used in the U.S. requires at least one debit and one credit, we refer to the accounting system as \_\_\_\_\_-entry.
14. The financial statement that reports the revenues and expenses of a company for a period of time is the \_\_\_\_\_ statement.
16. One part of stockholders' equity is \_\_\_\_\_ earnings.
19. In the case of two acceptable alternatives, this guideline directs the accountant to select the alternative that results in less profit and less asset (or more liability).
20. An entry to the right-side of an account.
21. The required financial statements include the balance sheet, the income statement, and the statement of cash \_\_\_\_\_.
23. The owner's equity section of a corporation's balance sheet is known as shareholders equity or \_\_\_\_\_ equity.
26. Most liability accounts have this word as part of their title.
27. The title of the liability account that reports amounts that were received by the company before they were earned is Deferred Revenues or \_\_\_\_\_ Revenues.
28. A listing of all of the accounts available in the general ledger is a \_\_\_\_\_ of accounts.
29. Sometimes inventory is reported at an amount that is \_\_\_\_\_ than cost.
31. The income statement and the statement of cash flows report amounts covering a \_\_\_\_\_ of time.

# NEWSLETTER

NAGPUR BRANCH OF WIRC OF ICAI



APRIL  
2018



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