



BEYOND THE HORIZON



THE INSTITUTE OF CHARTERED ACCOUNTANTS INDIA

Volume : 2022

APRIL



Navi Mumbai Branch Of WIRC of ICAI

Beginning of
New Financial Year



ICAI Navi Mumbai - Managing Committee 2022-2025



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**APRIL
2022**

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Communicate from Chairman and Vice Chairman of the Board of Studies (Academic)



CA. DAYANIWAS SHARMA
CHAIRMAN

BOS

ACADEMIC



CA. VISHAL DOSHI
VICE CHAIRMAN

Dear Team,

At the outset, we wish to congratulate all newly elected members of the Navi Mumbai Branch of WIRC of ICAI for the year 2022-23 and express our gratitude to provide us with an opportunity to communicate with all of you as Chairman and Vice-Chairman of the Board of Studies (Academic) through this edition of your Newsletter. We owe the task of carrying forward the initiatives taken by the Board in the previous year(s) and take more initiatives with utmost seriousness and commitment for the complete benefit of our student fraternity in the year 2022-23.

BoS(A) Relentless Activities

BoS(A) has been providing and promoting the effective use of its various academic resources and events to supplement the learning and preparation of its students for examinations.

- **Live Coaching Classes (LCC)**

Conducting Live Coaching Classes (LCC) free of cost, for all the subjects at all the three levels of the CA curriculum, has been a continual activity of BoS(A). Along with the 4th batch of LCC for Final level students relevant for November 2022 Examinations, the 5th batch of LCC has commenced from 15th March 2022 for students appearing in the Intermediate November 2022 examination. You are advised to join these classes through a web portal <https://live.icai.org/bos/vcc/> or ICAI – BoS Mobile App through Google/Apple play store and can also view them at ICAI CA Tube/YouTube Channel.

- **ICAI BoS Mobile App**

Since its launch on 1st July 2021, there has been an overwhelming response wherein 2,00,000+ students nationwide have installed the ICAI BoS mobile app, which is a one-stop solution for students to get all learning, education material such as BoS publication materials, live and recorded classes, online MCQ assessment, Quick referencer, download notes and assignments, important announcements via push notification etc. Through a distinct feature “Ask Your Query” in the Mobile app, an overwhelming response has been received with almost 4000+ subject-specific academic queries of students at all the levels of CA curriculum getting resolved by the Faculty of Board of Studies (A) within 72 hours. The App will further be enhanced through the inclusion of recorded videos of Heroes of the Profession, Online quizzes, motivational quotations etc. as a regular feature. You shall download the App and make the best use of it.

- **Mock Test Papers (MTPs)**

Before every examination, BoS(A) has been conducting two series of Mock Test Papers for its students at all levels of the CA curriculum to self-assess their level of preparation. For the forthcoming May 2022 examination, the first series of Mock Test Papers was conducted from 11th March 2022 for students at all levels of the CA curriculum and the second series from 18th April 2022 for the students appearing in CA Intermediate and Final levels. The Live Counselling Sessions after completion of the second series of MTP were further conducted by BoS(A) to resolve students' queries and provide specific guidance with respect to each paper at Intermediate and Final level examination. The 2nd series of MTPs is scheduled for May 2022 for students of the Foundation level.

- **Formation of Subject Expert Groups under CRET**

We have initiated a step to prepare ourselves to introduce our new scheme for education and training wherein emphasis would be more on the development of higher-order skills of application, analysis, and interpretation amongst our aspirers. The draft amendments in the Chartered Accountants Regulations, 1988 on account of the proposed scheme of education and training have been submitted to the Ministry of Corporate Affairs for their in-principle approval. Once the approval is received by MCA, the proposed scheme shall also be web-hosted in the public domain for recommendations on the same. Meanwhile, BoS(A) strategizes to conduct outreach meetings with its stakeholders for seeking their valuable suggestions on the proposed scheme.

- **Creation of WhatsApp group**

To disseminate the information regarding all the initiatives of BoS(A), we propose to create several WhatsApp groups for all Students' Associations.

BoS(A) Upcoming Plans

- To promote Research activities amongst its students by encouraging them to take up the research work in the contemporary areas during their articleship or post-articleship.
- To initiate the provisions of offering an Online Library for its students to assist them in enhancing their knowledge and taking up various research pursuits.

To stay connected with its students, BoS(A) comes out with a monthly publication "The Chartered Accountant Student" which is a guide to CA news, information and events and also contains subject-specific capsules at all the three levels that entail summarized content on a particular topic in a comprehensive visual format for students' quick revision.

Before concluding, I seek your active cooperation to take BoS(A) initiatives forward and encourage students to communicate with me their innovative thoughts for the larger benefit of our profession.

!! All the best for your future endeavours !!

Message from Chairman of Navi Mumbai branch of WIRC

My Professional Colleagues,

I wish you a very happy and healthy Financial Year 2022-23.

“Wherever you are is the entry point.”

– Kabir

The life gives us endless opportunities and one should make the most of it. You can start from the very moment and do your best! Our vision is oriented towards excellence of CA as a profession by committing towards hard work, open communication, strong emphasis on team work and a high level of responsibility.



CA Abhishek Shah

**Chairman of ICAI,
Navi Mumbai**

This visionary culture allows and emphasizes our CA professionals not only to accept the present-day challenges but also individual responsibilities towards the society and our nation at large.

My sincere thanks to the Hon'ble Chairman and Vice Chairman of the Board of Studies (Academic) for sharing their inspiring messages for Branch's newsletter.

I am sure that members are geared up for the busy season. To keep members at the forefront of subject knowledge, we are planning a number of Seminars and other programmes on relevant subjects and members are requested to attend the same. I truly believe that with your active participation and support, we shall together add a new chapter to the success story of our beloved institute.

Recently, our Branch hosted first National seminar of Corporate Laws & Corporate Governance. As well as the Committee Organised a National Seminar on SCH III amendments, CSR & CARO 2022. We are thankful to the Chairperson and Vice Chairperson of the CL&CGC of ICAI for giving this opportunity.

We also conducted efficiency enhancement webinar series on Tally Prime and Advance Microsoft Excel which was attended by more than one hundred and fifty members and students.

During the previous month we have taken an initiative towards healthy lifestyle by launching an annual program "Health Studio Annual Program" for CA members, their family members and students. My sincere thanks to Chairman of WIRC, CA. Murtuza Kanchwala, our founder chairman CA. E A Patil and CA. D C Surana, Founder of Surana Group of Hospitals for inauguration of this event. The first event of Health Studio was started with Spiritual session on power of mind by our founder chairman CA. E A Patil and followed by free medical health check-up. Also, we are in discussion with top hospitals of Navi Mumbai to make an arrangement where our members and their immediate family members will get all the services at a concessional rate.

The Taxation committee of Navi Mumbai Branch has started weekly webinar on various topics related to direct and indirect taxation. Recently we have conducted webinar on "MVAT Amnesty Scheme" which was graced by a Joint commissioner and two Deputy commissioners of GST Department.

We have planned Virtual Training Program for Peer reviewers which will be organised by the Peer Review Board of ICAI and hosted by Navi Mumbai Branch of WIRC of ICAI. Members from all over India will participate in this virtual training program on Navi Mumbai Branch platform. We are thankful to the Chairperson and Vice Chairperson of the Peer Review Board of ICAI for providing this opportunity to Navi Mumbai Branch.

We have also planned "Shubharambh Ceremony" of Branch in May 2022 and It's our pleasure to invite you to the "Shubharambh Ceremony" of the new Branch office and ICAI Student Library. We are taking this initiative to provide better infrastructure to our members and Students. The new premises of Navi Mumbai Branch of WIRC is located at Sector 17, Vashi Navi Mumbai.

We have also planned a Nation program on "Work Shop on Standards on Auditing" at Vashi, Navi Mumbai which will be organised by Auditing & Assurance Standards Board of ICAI and hosted by our Branch.

I urge all of you to come forward to participate in the upcoming events, conferences, conventions, and other programs in large numbers and get the benefit of programs that are planned for students and members. This will surely broaden your horizon and will provide you with an enriching experience.

We are running an annual membership drive of the Navi Mumbai Branch and I urge all of you to kindly register and become a member of the Branch.

Special thanks to my colleague in committee and Convenor of the Newsletter committee CA Vishal Dagriya, because of whom this Newsletter gets delivered to you timely. Kudos to his efforts from getting everyone's messages to compiling everything. Kudos to the entire Newsletter Team including Tejal, Snehal, Kajal, and Kareena who are working tirelessly for the last few days.

I congratulate all the article writers and to all of those students who contributed to make this newsletter a worth reading journal.

Wishing you success in all endeavours in life.

With Warm Regards,

CA. Abhishek Shah

Chairman of Navi Mumbai Branch of WIRC of ICAI

Message from Vice Chairman & WICASA Chairman of Navi Mumbai branch of WIRC

My Dear Students,

"Be a student of success, learn everything you can from those who have been the most successful"

– Emerson Spartz

I begin my message by thanking our Board of Studies (Academic) Chairman, CA Dayaniwas Sharma and Vice Chairman, CA Vishal Doshi for sharing their inspiring messages for our students.

I would like to highlight that BOS has taken various initiatives for the complete benefit of our student fraternity and has been providing & promoting the effective use of its various academic resources like...



CA Harshel Ajmera

WICASA Chairman of Navi Mumbai

Live Coaching Classes, ICAI BoS Mobile App Mock Test Papers Formation of Subject Expert Groups under CRET, Creation of WhatsApp group etc. I request every student to read their message.

FORMATION OF MANAGING COMMITTEE OF WICASA OF NAVI MUMBAI BRANCH

We are forming a New Committee of Navi Mumbai WICASA for this year and like every year, we need you to run the show. I hope you all know that we are just the faces. Students who want to be part of Navi Mumbai WICASA's new committee or want to be volunteers are requested to fill out this form at <https://forms.gle/dYhjai8WjTBevAdKA>. The motto of WICASA is to help students in every manner and it is

- **FOR THE STUDENT**
- **BY THE STUDENT**
- **OF THE STUDENT**

I really pray and hope to see you all volunteering and participating in all our upcoming events.

BEYOND THE HORIZON

- In my previous newsletter, I mentioned that the Navi Mumbai branch has a new theme for the year 2022-23 – “BEYOND THE HORIZON” wherein we would like to break the barrier of traditional areas and move ahead in a direction of new professional opportunities. Hence, we at WICASA have aligned with the same and work towards the betterment of the students. The Navi Mumbai branch of WICASA has actively organized the following programs/ activities for its student's overall development in the month of April/ May 2022:
 - Seminar on Bank Audit
 - Seminar on Companies Act
 - Special Webinar on Tally Prime & Advance Excel for Efficiency Enhancement
 - Mock Test for exam participants
 - Revision courses jointly with other branches WICASA
 - Screening of Movie
 - Branch Level Elocution Competition 2022
- As a part of “BEYOND THE HORIZON”, we have taken an initiative towards a healthy lifestyle by launching an annual program "Health Studio Annual Program" for students. My sincere thanks to the Chairman of WIRC, CA. Murtuza Kanchwala, our founder chairman CA. E A Patil and CA DC Surana, Founder of Surana Group of Hospitals for the inauguration of this event.

NAVI MUMBAI BRANCH BLOCKBUSTER EVENT - CA STUDENTS TALENT SEARCH - ELOCUTION COMPETITION

- Elocution Competition was one of the earliest physical events of the current year which was held at NMSA, Vashi. There were 17 PARTICIPANTS and the event went for 4 hours. I would like to congratulate each and every participant as they have broken the barriers of stage fear. Kudos to all the participants for coming forward and participating with such great enthusiasm & making this event a huge success.
- I express my sincere gratitude to our Judges CA M V Mahashabde, CA B P Mantri and CA Abhay Maniyar for giving their precious time and meticulously & diligently choosing the winners of the competition who will represent the Navi Mumbai Branch at the Regional Level.

- The Winners of the competition are Varad Kulkarni and Abhijeet Kumar who are going to represent Navi Mumbai Branch at Regional Level (WIRC). All the best to both of them.

CA Exams are approaching in May 2022. To assist students and prepare them for exams, Mock tests were conducted at the Branch. I am sure students have got the benefit I wish all the students good luck with the exams. I wish you all perform well and clear the exams with flying colours.

We have also planned the "Shubharam Ceremony" for our new Branch Premises and ICAI Student Library in May 2022 and It's our pleasure to invite you all to the "Shubharam Ceremony". We are taking this initiative to provide better infrastructure to our members and Students which is located at Sector 17, Vashi Navi Mumbai.

As we are aware that there is scorching heat outside and extreme heatwave is sweeping across India, I request every one to take precautions especially students who are going to appear before exams.

At last, a big thank you my managing committee member CA Vishal Dagriya, because of whom this Newsletter gets delivered to you timely. Kudos to her every effort from Compiling everything and to getting everyone's messages. Kudos to the entire Newsletter Team include Tejal, Snehal, Kajal and Kareena who are working tirelessly since last few days. I congratulate all the article writers and to all of those students who contributed to make these newsletter a worth reading journal. Lastly lots of Love to entire WICASA Family. Signing off till my next message.

Looking forward for your continued support for all activities of WICASA.

Wishing you success in all endeavours in life.

With Warm Regards,
CA Harshel Ajmera
WICASA Chairman of Navi Mumbai Branch of WIRC of ICAI

GALAXY OF PAST CHAIRMEN OF ICAI NAVI MUMBAI



CA. Eknath A. Patil
Founder Chairman
2006-07



CA. Satish Shanbhag
2007-08



CA. Jayant Adhyapak
2008-09



CA. Ashok Kumar Shetty
2009-10



CA. Madhav Mahashabde
2010-11



CA. Shankar Teckchandani
2011-12



CA. Narendra Mangal
2012-13



CA. Sreekumar Nair
2013-14



CA. Sameer Gavli
2014-15



CA. Shrikant Limaye
2015-16



CA. Suresh Ameria
2016-17



CA. Manoj Pandey
2017-18



CA. Sanjay Nikam
2018-19
Present Branch Nominee



CA. Jaywant Tandel
2019-20



CA. Santosh Sharma
2020-21



CA. Sanjay Bhujbal
2021-22

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ARTICLES FROM MEMBERS

INCOME TAX UPDATES

CA Satishchandra
Chandak



→ SUPREME COURT JUDGEMENT

NAME OF THE CASE	<u>State Of U.P vs. Sudhir Kumar Singh (Supreme Court)</u>
SUBJECT MATTER:	Principles of Natural Justice
Date of Judgement	16 th October 2020
Brief of Judgement	The principles of natural justice have undergone a sea change. The earlier view that even a small violation would result in the order being rendered a nullity is not correct. Some real prejudice must be caused to the complainant by the refusal to follow natural justice. The prejudice must not merely be the apprehension of a litigant. No prejudice is caused to the person complaining of the breach of natural justice where such person does not dispute the case against him or it. There is a clear distinction between cases where there was no hearing at all and the cases where there was mere technical infringement of the principle
	Natural justice is a flexible tool in the hands of the judiciary to reach out in fit cases to remedy injustice. The breach of the audi alteram partem rule cannot by itself, without more, lead to the conclusion that prejudice is thereby caused.
	Where procedural and/or substantive provisions of law embody the principles of natural justice, their infraction per se does not lead to invalidity of the orders passed. Here again, prejudice must be caused to the litigant, except in the case of a mandatory provision of law which is conceived not only in individual interest, but also in public interest
	No prejudice is caused to the person complaining of the breach of natural justice where such person does not dispute the case against him or it. This can happen by reason of estoppel, acquiescence, waiver and by way of non-challenge or non-denial or admission of facts, in cases in which the Court finds on facts that no real prejudice can therefore be said to have been caused to the person complaining of the breach of natural justice.
	In cases where facts can be stated to be admitted or indisputable, and only one conclusion is possible, the Court does not pass futile orders of setting aside or remand when there is, in fact, no prejudice caused. This conclusion must be drawn by the Court on an appraisal of the facts of a case, and not by the authority who denies natural justice to a person.
	The "prejudice" exception must be more than a mere apprehension or even a reasonable suspicion of a litigant. It should exist as a matter of fact, or be based upon a definite inference of likelihood of prejudice flowing from the non-observance of natural justice.



HIGH COURT JUDGEMENT

NAME OF THE CASE	<u>PCIT vs. Vaman International Pvt. Ltd (Bombay High Court)</u>
SUBJECT MATTER:	Bogus Purchases, Bogus Sales, Unexplained Expenditure
Date of Judgement	29 th January 2020
Brief of Judgement	<p>(i) The onus is on the revenue to prove that the income really belongs to the assessee</p> <p>(ii) The assessee has filed copies of purchase/ sale invoices, challan cum tax invoices, stock ledger showing entry/exit of materials purchased, bank statements to show payment for purchases were made through banking channels, etc., to establish genuineness of purchases</p> <p>(iii) The AO has not brought on record any material evidence to show that the purchases were bogus</p> <p>(iv) Mere reliance by the AO on information obtained from Sales Tax Department or statements of persons made before the Sales Tax Department is not sufficient to treat the purchases as bogus</p> <p>(v) If the AO doubts the genuineness of the purchases, he has to do further enquiries and give an opportunity to the assessee to examine/cross-examine the parties vis-a-vis the statements made by them before the Sales Tax Department. Without causing such further enquiries in respect of the purchases, it is not open to the AO to make addition u/s 69C</p>



ITAI JUDGEMENT

NAME OF THE CASE	<u>Maria Fernandes Cheryl vs. ITO (ITAT Mumbai)</u>
SUBJECT MATTER:	Section 50C – Capital Gain , Stamp Duty Valuation
Date of Judgement	15 th January 2021
Brief of Judgement	<p>S. 50C: The 3rd Proviso to s. 50C, inserted by the Finance Act 2018, provides that s. 50C will not apply if the difference between the stamp duty valuation and the actual consideration does not exceed 5%.</p> <p>This tolerance band was increased to 10% by the Finance Act 2020.</p> <p>Though the amendments are stated to be prospective, they are curative in nature and must be held to relate back to the date when Section 50C was inserted, i.e. 1st April 2003.</p> <p>Accordingly, if the valuation of a property, for the purpose of stamp duty valuation, is 10% more than the stated sale consideration, the stated sale consideration will be accepted at the face value and the anti-avoidance provisions under section 50C will not be invoked</p>

NAME OF THE CASE	Sukhvinder Pal Singh v. ITO (-SMC -Delhi ITAT)
CITATION	191 ITD715, 206DTR109/ 213 TTJ 880
SUBJECT MATTER:	Right of Being Heard
Date of Judgement	14-9-2021
Brief of Judgement	<p>The Delhi Tribunal has quashed the argument of revenue that it should be treated that assessee had waived off right to be heard if he has made available written submissions to First Appellate Authority.</p> <p>The Delhi Tribunal held that if an adjudicating authority finds the written submissions are not sufficient and complete, it should put this deficiency to the notice of the assessee. Without any specific communication to this effect, it cannot be said that an adequate opportunity of being heard has been granted to the assessee.</p> <p>Once it is seen that the submissions were without supporting documentary evidence, then in an adequate representation, such an opportunity necessarily needs to be provided. In the instant case, no such effort appeared to have been made. It is well settled that mere making available of the written submissions by an assessee cannot be unilaterally so interpreted to mean that right to be heard has been waived off.</p> <p>The onus to ensure that the waiver was made with full and conscious knowledge of the existence of this sacrosanct right rests on the shoulders of the adjudicating authority to ensure that the assessee stays informed of his rights and consequent duties. There is nothing on record to show that the First Appellate Authority can be justifiably held to form the view in the facts of the present case that the assessee was so informed of its rights and still chose to waive them.</p>

ARTICLES FROM MEMBERS

Crypto Currency – Investability, Legality and Taxability

- Ever since its inception, cryptocurrencies have always been a subject matter of discussion. Right from its early days when they were touted to be like just another Ponzi scheme, to now, where we see countries accepting it as a legal tender; the journey so far has been quite adventurous & interesting.
- The technology behind cryptos is known as 'blockchain'. It is a decentralised technology which can be used for multiple purposes such as land records, medical records, banking, insurance etc. Crypto transactions are just one small application of the technology which is much larger and can be used for multiple other applications.



CA Vivek Shah

- The matter related to cryptocurrencies in India was first discussed on the floor of the house of the parliament, when the then finance minister late Shri Arun Jaitley famously remarked "India does not accept cryptocurrencies as a form of legal tender, however, the benefits of blockchain technology shall be used for the development of our country.". At this stage it was not mentioned whether cryptocurrencies were legal or illegal. back then there was no clarification whether cryptocurrencies were to be considered as a separate asset class or not. moving forward now the question was asked to the RBI about the legality of cryptocurrencies, however, it only mentioned that it does not consider any cryptocurrency as a legal tender and hence it was not under their jurisdiction. as the market matured, there are a greater number of people getting associated with crypto transactions. At this juncture the RBI decided to impose a ban on all banks from providing services to crypto exchanges. this led to even greater confusion among those who were trading in cryptos. Subsequently the matter about registration & regulation of crypto exchanges was raised to SEBI. Sebi concluded that cryptos are neither securities nor commodities nor currencies, and in that case they would not have jurisdiction over these crypto exchanges. this makes us ponder over another question that how did these exchanges get recognised as exchanges. if one takes a liberal view, it is prudent to say these so-called crypto exchanges are self-regulated, self-assumed and self-governed. There is absolutely no regulatory authority, agency or department which governs the transactions taking place on these so-called crypto exchanges. On analysing the above given facts and the sequence of events, one wonders whether this was a collective failure of the system at large.

Investability

- Investments in cryptos are not only subject to market risks, but also regulatory risk, geopolitical risks & social media risks. It is emphasised over here that social media plays a major role in fluctuating the price of certain cryptos. In the past it has been observed that the price of a particular crypto increases if an entrepreneur / billionaire tweets that they will accept crypto for selling their electric vehicles. Similarly, after a couple of weeks when the same entrepreneur / billionaire tweets that they will no longer accept cryptos for selling their electric vehicles the prices of cryptos started crashing. Though the prices of cryptos are determined by the market forces, one cannot overlook the fact that inherently, cryptos are extremely volatile in nature.
- Before one plans to invest in cryptos there are multiple factors which should be considered and analysed. It is important to understand that as of now there are more than 9500 cryptos which are recognised, there could be even more cryptos than this figure which are not yet recognised. This number is constantly increasing as you read this article. For all you know, the number could have crossed 10,000 by the time this article is published. Before investing there are multiple factors which need to be analysed such as the price, the total circulating supply, the total mined quantity, the total volume of transactions, exchanges on which a particular crypto can be traded, its team, their vision & finally, is it a business or just a currency. Quite a few cryptos claim that in order to avail their service they need to be paid in their own crypto. In such cases, these cryptos are not just a currency but also a business. If the number of people wanting to avail their services are large, then in that case it is observed that the price of that particular crypto may increase overtime. Some cryptos claim that a particular process can be simplified or expedited using their blockchain.
- In order to invest in cryptos in India, the easiest way is to open an account with one of these so called self-assumed, self-regulated & self-governed crypto exchanges. One needs to verify their KYC documents and load money through banking channels to start investing in cryptos. Charges and Commission on some of these exchanges are not transparent and they can range from anywhere between 0.25% to 7% of the transaction value.
- Cryptos have been classified as a separate asset class in India, they are now considered as virtual digital assets (VDA). Another evolving area in the crypto world is of non fungible tokens they are also referred to as NFTs. NFTs are form of digital art which can be bought and sold just like a traditional piece of art. The creator of this digital art or NFT can decide its price, rarity and percentage of royalty on every subsequent sale. NFTs establish ownership of the digital art on blockchain. There are music NFTs, video NFTs & image NFTs as of now. Any person can create its own NFT and put it up for sale on an open platform. Recent trends have shown that celebrities, sports persons and entrepreneurs have started launching their own NFT collections on various platforms. Globally, the demand for NFTs is extremely huge and India shall also witness a demand in digital art from good content creators in the years to come.

- Some NFTs also come with real world benefits, such as seeking advice from an entrepreneur, or meeting your favourite celebrity for 15 minutes, or a video call with a sports person. Though the art is digital, but to create value for a prospective buyer, some real world benefits can also be added to the NFT.
- We are living in interesting and dynamic times, where investment shall not only be limited to cryptos or NFTs. Corporations are selling virtual land in the Metaverse as a digital asset. What is even more interesting to know is that there is more demand than supply for such digital assets.
- Whether one should invest in cryptos, NFTs or digital land, totally depends on the risk appetite of the individual. A lot of people follow the policy of investing only an amount which they can afford to lose. Traditionally, fiat currencies have been backed with some asset, in the case of cryptos, there is no asset backing and hence, there is no intrinsic value which one can derive. However, nothing contained herein shall be construed to be financial or investment advice. Each person must exercise caution before investing in any asset class including cryptos.

Legality

- Whether cryptos are legal or illegal is determined by the law of the land. As of now, in India, there are no law which regulates it or legalises it. At the same time, there is no law which prohibits it either. So, in the absence of any specific law or regulation, the decision of a person lies on the interpretation of the facts and circumstances of the case.
- To understand the legal position, one must look at precedents and the global scenario to determine whether holding, trading & mining of cryptos would be a legal or illegal activity. Let's take an example of marijuana – a prohibited substance under the Narcotic Drugs & Psychotropic Substances Act in India. There is a law and that law declares it illegal to possess, consume or deal with such substances. However, the same substance, it legal for consumption in some states in USA, because the law allows people to consume that substance. So the question of legality can only be answered if there is a law present. Realistically, cryptos enable people to move their wealth from one country to another, without reporting it to anyone and with no restrictions whatsoever. The icing on top is that there is complete anonymity, and the beneficial owner cannot be tracked. This has led to a lot of illicit wealth being parked in cryptos. Based on the present law, this would amount to a clear violation of Foreign Exchange Management Act & Prevention of Money Laundering Act in India.
- However, globally some countries have recognised cryptos as a separate asset class. In some countries such as El Salvador, it is a legal tender, which is to say that one can pay taxes to the government in crypto. In times of economic crisis and sanctions, cryptos are gaining more adoptability and popularity. In China, it is illegal to deal with cryptos.

- Due to regulatory hurdles and uncertainty in the crypto policy in India, a lot of companies have shifted to other countries where they can officially create, distribute, deal and trade in cryptos. Some popular countries which are crypto friendly are British Virgin Islands, St. Vincent & the Grenadines, Curacao & Panama. Many have also selected Singapore as their destination primarily because cryptos are regulated and there is clarity in the legislation which regulates it. Companies prefer floating 2 entities at the time of creating their own crypto – first a trust or a foundation which holds the cryptos and the second one is a marketing or distributing arm which conducts all activities and enters in contracts with others. This structure is preferred so that the founders can safeguard the crypto in case of any eventuality or an adverse regulatory condition.
- About legality of cryptos, a major concern which looms is whether issuing any currency is a 'sovereign right' or whether any person or corporation can also enjoy this right. Countries have had the right to issue their own currency, regulate and monitor it. Also, currencies are issued by Central Banks and not by the governments in power at the time of its issuance. So essentially, there is separation of control and power in fiat currencies. This maintains the value of a currency to a large extent. In cryptos, none of this is possible due to the inherent nature of blockchain technology. At the same time, some also argue that cryptos are necessary to break the monopoly of certain governments which keep printing additional currency without any fundamental justification.

Taxability

- The Finance Budget of India has proposed to tax income from crypto transactions at a flat rate of 30%, without claiming any deduction and no set-off of any losses against any income. In addition to it, there is also 1% TDS on every transaction which shall become applicable. This implies that any cost incurred such as brokerage, commission & trading costs cannot be deducted from the gains. In any other business, various deductions such as rent, office expenses, staff salary etc are allowed as a business deduction, however, in crypto trading no such deductions shall be allowed.
- The Finance Ministry has recently clarified in the Rajya Sabha (the Upper House), that gains from one crypto cannot be set off against losses of another crypto. It seems the government has taken a strict view considering that there have been some instances in the past where manipulation of stock prices could be done in some listed companies to book losses against actual profits and that would reduce the overall tax liability of the assessee. It seems that government has taken a correct and a fair stand on this matter, since cryptos are not regulated and there could be some deliberate attempts by some sections of the society to specifically manipulate the price of cryptos to book losses and make adjustments so that there would not be any tax liability. There is highly possible in cryptos since they are not regulated. At this stage, there is no clarity on the matter whether profits arising from crypto trade can be set off against losses arising from the same crypto in another trade. In my personal opinion, it seems that the government has taken an approach to "nationalise profits and privatise losses" arising from cryptos.

- Some people argue that taxing cryptos makes it a legal activity to deal in. It is pertinent to note that the present Hon'ble Finance Minister Smt. Nirmala Sitharaman has clarified that taxing a transaction is the right of the government, but the issue of legality will be decided only after consulting all stakeholders and the process would take time to reach its finality.
- In recent times, the matter of indirect taxes on crypto transactions has also erupted. Transactions which take place on crypto exchanges are subject to GST. Major crypto exchanges have paid tax on the commission or brokerage charged on transactions. However, as of now, there is no GST on trading of the full value of the cryptos, but only on the brokerage element in the transaction.
- GST is also applicable on sale of NFTs by celebrities, sportspersons and artists which transact in India in Indian currency. However, it is observed that many NFT platforms are registered in jurisdictions outside India. In such a case, the NFTs are listed for sale or auction on the platform of the service provider which is situated outside India. The point of sale for such transactions is outside India. The sale consideration is also paid in crypto and not in fiat currency to a wallet which is situated outside India. Due to the nature of transactions, many exchanges and / or NFT creators deem this transaction to be 'export of services' and hence there is no taxability in India with respect to GST. For such transactions, one may argue that the ultimate buyer could be situated in India, however, there is no way as of now, to identify the location of the buyer from its wallet address.

Regards
CA Vivek Shah

ARTICLES FROM MEMBERS

SECTION 148A – PROCEDURAL ASPECTS FOR ISSUE OF NOTICE U/S 148 FOR RE-ASSESSMENT- SIMPLIFIED.

Under the New Regime of Income Tax Act, 1961 Section 148A has been inserted w.e.f. 01/04/2021 requiring AO to follow Specified Procedure before issuance of Notice u/s 148 for *“assessment or re assessment of Income Escaping Assessment”* u/s 147.



CA Kaustubh Joshi

In order to understand the essence of Section 148A, Firstly we need to understand the provisions for *“assessment or re-assessment of income escaping assessment”* u/s 147 prevailing prior to 01/04/2021. Section 147 of Income Tax Act 1961, empowers Income Tax Department to “assess or reassess income escaping assessment” subject to issuance of notice u/s 148 with prior approval of Proper Officer i.e. PCIT or ,CIT within the period stipulated u/s 149. This Notice u/s 148 was required to be issued by AO where he has **“Reason to Believe”** that income has escaped assessment. The AO would record his reason in writing and sent the notice u/s 148. In many instances this “Reason to Believe” laid to litigations between the department and the assessee.

‘Reason to believe’ taken care of adopting new procedure u/s 148A.

Under the New Regime, this requirement of recording **“Reason to Believe”** on part of the AO before issuance of notice u/s 148 has been taken care of. Now the AO is required to comply only with procedure u/s 148A.

Section 148A –

Notice u/s 148A provides Assessee with an opportunity to explain his case when revenue requires it to be reopened. The relevant Provisions are as under:

- a) 148(A) (a) – AO to conduct inquiry if required with prior approval;
- b) 148(A)(b)– Opportunity of being heard to be given to assessee, with prior approval;
- c) 148(A)(c) – AO to consider reply of assessee;
- d) 148(A)(d) – Order to be passed by AO as to whether it is a fit case for issuance of notice u/s 148 with prior approval;

Relevant Provisions regarding Section 148A in Nutshell:

1. AO has Information with him regarding Income Escaping Assessment, he issues notice u/s 148A providing assessee Opportunity of being heard as to why Notice for Reassessment u/s 148 not be issued to him.
2. If assessee submits his reply AO has to consider the same and pass an appropriate Order.
3. Minimum 7 days and Maximum of 30 days period to be given to respond to Notice from Date of Notice, This period can further be extended for Proper Reasons.
4. AO shall pass Order within 1 Month from the end of the month in which the reply u/s 148A(c) is received by AO. Where no reply is furnished by Assessee, within 1 Month form the end of the month in which time or extended time allowed to furnish a reply u/s 148A (b) expires.
5. It is pertinent to note that there is a requirement to seek Approval at every stage. Approval has to be obtained from the PCIT or CIT of the concerned Jurisdiction.
6. Provisions of Section 148A do not apply in following cases on or after 01/04/2021:
 - a)Where any Search u/s 132 is initiated in the case of the assessee;
 - b)Requisition u/s 132A for Books of accounts, Other Documents or any Assets are made in case of the assessee;
 - c)Assets seized or Requisitioned during search relates to another Assessee;
 - d)Documents seized or requisitioned during search relates to another Assessee;
 - e)Cases which comes to the notice of the AO during the course of reassessment Proceedings;

In Short, Section 148A provides the Assessee with an Opportunity to explain his case where Department has Information wherein they feel that Income has escaped Assessment.

Authors Notes with Relevant Provisions: -

1. Where any person receives notice u/s 148A, he shall immediately take action and respond to such notice on immediate basis.

2. As per Union Budget 2021, Time limit to re-open assessment cases has been reduced to 3 years from 6 Years. Also in case of serious tax evasion, the assessment can be reopened until 10 years, only when concealment of income is more than 50 Lakhs.

3. Procedural Aspect in case of Notice u/s 148-

- a) Under the new regime issue of seeking reason for issue of Notice is already taken away.
- b) Firstly file return of Income in response to Notice u/s 148 declaring all the relevant details. In case return is already filed, send copy of the same to the AO.
- c) If you believe that notice isn't served validly then you could challenge the validity of such notice before the AO or Higher authorities.
- d) In case you win your case, The Court would half your assessment Proceedings. However in case the decisions doesn't go in your favour, then the AO could Proceed with the Reassessment.

Regards

CA KAUSTUBH JOSHI

ARTICLES FROM MEMBERS

Incentives for Green Building policy (Certification) for Builders & Developers and Housing Societies in Maharashtra.

India is currently witnessing tremendous growth in the construction sector. With the decision of including affordable housing as a part of the infrastructure sector, the sector is expected to grow even more rapidly. However, this growth comes with huge environmental impacts, and the building and construction sector need to ensure that these impacts are kept in check and that they play their part in helping meet the aforementioned targets for the reduction of global warming



CA Vikas Kamra

A Green building is the one, which uses less water, optimises energy efficiency, conserves natural resources, generates less waste and provides healthier spaces for occupants as compared to a conventional building.

Scope: This policy shall apply to all upcoming commercial buildings as well as residential buildings in the state of Maharashtra. Commercial buildings refer to offices, IT parks, banks, shopping malls, hotels, hospitals, airports, stadiums, convention centres, educational institutions (colleges, universities), libraries, museums, etc.

Vision:

We envision an urban Maharashtra with a thriving construction sector as a backbone for economic progress while balancing environmental concerns and setting new benchmarks for sustainability.

Mission:

- i) To ensure that all new commercial and residential spaces are developed as green buildings
- ii) To incentivize both developers and buyers to invest in green buildings
- iii) To alleviate all impediments to green building in Maharashtra

Empowered Agencies:

The Government of Maharashtra (GOM) will sign an MOU with TERI –GRIHA (Green Rating for Integrated Habitat Assessment) & GBCI-LEED (Leadership in Energy & Environmental Design) to certify the buildings as green buildings. Further, it will work with the agency to establish clear and unambiguous benchmarks and processes for the certification.

a. **TERI – GRIHA (Green RATING FOR Integrated Habitat Assessment)**

GRIHA Council, Is mandated to promote the development of buildings and habitats in India through GRIHA. GRIHA Council is an independent platform for the interaction on scientific and administrative issues related to sustainable habitats in the Indian subcontinent. It was founded by TERI (The Energy and Resources Institute, New Delhi) with support from MNRE (Ministry of New and Renewable Energy, Government of India) along with a handful of experts in the sustainability of built environment from across the country.

GRIHA is an acronym for Green Rating for Integrated Habitat Assessment. GRIHA is a rating tool that helps people assess the performance of their building against certain nationally acceptable benchmarks. It evaluates the environmental performance of a building holistically over its entire life cycle, thereby providing a definitive standard for what constitutes a 'green building'. The rating system, based on accepted energy and environmental principles, will seek to strike a balance between the established practices and emerging concepts, both national and international.

b. **GBCI-LEED (Leadership in energy & environmental design)**

Green Business Certification Inc.(GBCI) is an American organization that provides third-party credentialing and verification for several rating systems relating to the built environment. It was established as the Green Building Certification Institute in January 2008 with the support of the U.S. Green Building Council to provide independent oversight of the Leadership in Energy and Environmental Design (LEED) project certification and professional credentialing processes.

LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world. Available for virtually all building, community and home project types, LEED provides a framework to create healthy, highly efficient and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement.

Incentives

Making a building green leads to a marginal increase in the cost of construction. The Government takes cognizance of the same and offers incentives to developers to ensure that the extra cost is not passed down to the consumer. Consumers on the other hand are also given incentives to nudge them towards green developments vis-à-vis regular buildings.

While there is a marginal increase in the cost of construction for making a green building, the benefits which accrue in terms of reduced operational costs continue perpetually.

While this policy applies to all of Maharashtra the department must take cognizance of the difference in scale and volume of the construction industry in Mumbai and the rest of Maharashtra. In order to ensure a just and reasonable policy the department finds it pertinent to differentiate the incentives along these lines:

Incentive for Developers

1) REBATE Development Charges:

The Government will provide rebates on Development Charges to the developers securing a green building certification from empowered agencies in accordance to the rating secured by them as follows:

TERI-GRIHA

GBCI -LEED

Ratings	Rebate	Ratings	Rebate
Three stars	2.50%	Silver	2.50%
Four stars	5.00%	Gold	5.00%
Five stars	7.50%	Platinum	7.50%

Incentive for Consumers

The consumers will be entitled to a property tax rebate for a period of five years from securing an Occupancy Certificate (OC) based on the green building rating of the property secured from the empowered agencies as follows:

TERI-GRIHA

Ratings	Rebate
Three stars	5.00%
Four stars	7.50%
Five stars	10.00%

GBCI -LEED

Ratings	Rebate
Silver	5.00%
Gold	7.50%
Platinum	10.00%

The municipal corporation can choose to award any additional incentives at their level over and above the incentives mentioned above

Process for Certification of Green Building

For Developers

1. Planning Stage

At this stage, the developer makes an expression of intent to construct a green building. The builder must submit his plans to the empowered agency and fulfil all the criteria for pre-certification. The agency then monitors the construction process as per pre established parameters and makes recommendations toward sustainable construction practices. The pre-certification documents must then be submitted to the relevant Municipal Corporation along with a self-attested undertaking by the developer and the architect declaring their intention of constructing a green building with the requisite rating as mentioned in the policy to start availing the benefits. The application for rebates based on expression of intent must be co-signed by the architect.

2. Completion

On completion, the empowered agency shall issue a green rating certificate that specifies the rating actually obtained. In case, the final certificate is not issued, the provisional certificate shall be considered for award of incentives till a year after obtaining the Occupation Certificate (OC), after which the final certificate would be required to be produced for continuation of incentives.

3. Post Completion

Once the Developer submits a copy of the certificate to the Municipal authority, If the rating matches the original declaration that the developer made, he will be granted the OC provided all other obligations for the OC have been fulfilled. If the project has a rating lower than what was originally mentioned in the declaration the builder will have to deposit the. The difference in rebate as well as a 200% penalty to secure the oc.

Municipal Corporation

The Municipal Corporation must modify its Standard operating procedure for building permissions to reflect the changes mentioned in the policy. The developer may apply for a refund of the development charges after submission of the final certificate post-completion. The corporation must maintain the list of green buildings to ensure that the property tax rebate that the residents of the building are entitled to be reflected directly in the tax invoice generated.

Consumer

No separate procedure is required to avail of the benefits of this policy. The rebate will reflect directly in their tax receipts. However, when the consumer avails of the tax benefit they undertake to enter the pre – determined set of data points into a database set up by the Urban Development Department.

Monitoring

The Urban Development Department will review the policy every year and proposes any amendments if necessary for the successful implementation of the policy.

➤ Further, as per UNIFIED DEVELOPMENT CONTROL AND PROMOTION REGULATIONS FOR MAHARASHTRA STATE (UDCPR-2020)

The Authority shall strive to promote green building concepts within the municipal area. In order to do so, it may empanel agencies of repute as listed/ recognised by the State/ Central Government.

The following incentives shall be provided for green-rated buildings.

- i) Green buildings shall be entitled for incentive FSI as below.
- GRIHA Three-star/ IGBC Silver / LEED silver or equivalent rating - 3% incentive FSI on basic FSI.
 - GRIHA Four-star/IGBC Gold/LEED Gold or equivalent rating - 5% incentive FSI on basic FSI.
 - GRIHA Five star/ IGBC Platinum/ LEED Platinum or equivalent rating - 7% incentive FSI on basic FSI.

Provided, achieving minimum GRIHA Three-star/ IGBC Silver / LEED silver or equivalent rating for construction projects shall be mandatory for all buildings belonging to Government, Semi-Government, local bodies and public sector undertakings.

ii) Incentive FSI will be awarded after pre-certification from the empanelled agency. This FSI shall be exclusive of the limits specified in this UDCPR.

iii) In case the developer fails to achieve committed rating as per pre-certification at the time of final occupancy, a penalty shall be imposed at the rate 2 times of the land cost as per ASR for the incentive FSI for the rating not achieved.

Hence, the Green buildings need to be in consensus with climate change and its increased cost is incentivized by the government further, it's the corporate social responsibility of the real estate sector to be more environment friendly rather than merely profit driven.

Regards
CA Vikas Kamra

Past Events

ICAI NAVI MUMBAI RELEASED IT'S 1ST FLIP BOOK NEWS LETTER VOL. MARCH 2022.



FLIP BOOK



GLIMPSES OF S. VAIDYANATH AIYER MEMORIAL LECTURE ON BANK BRANCH AUDIT BY ICAI NAVI MUMBAI



26 March 2022

BRANCH AUDIT ICAI

Past Events

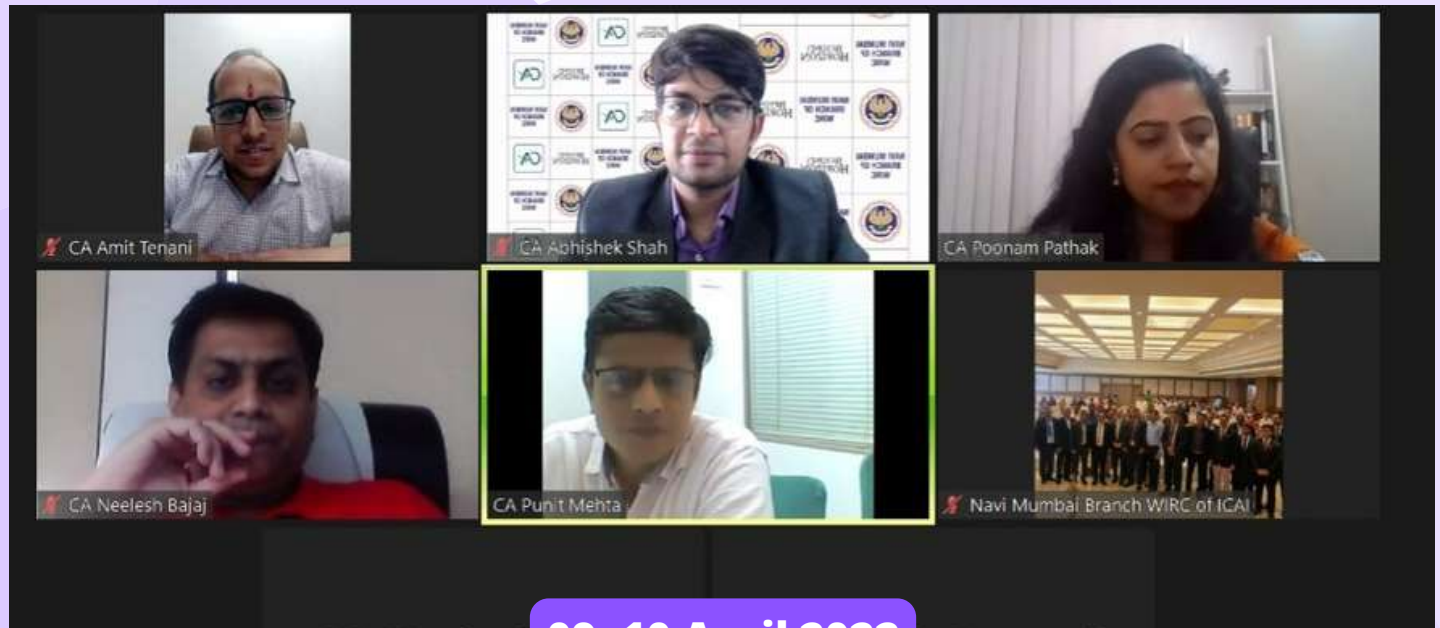
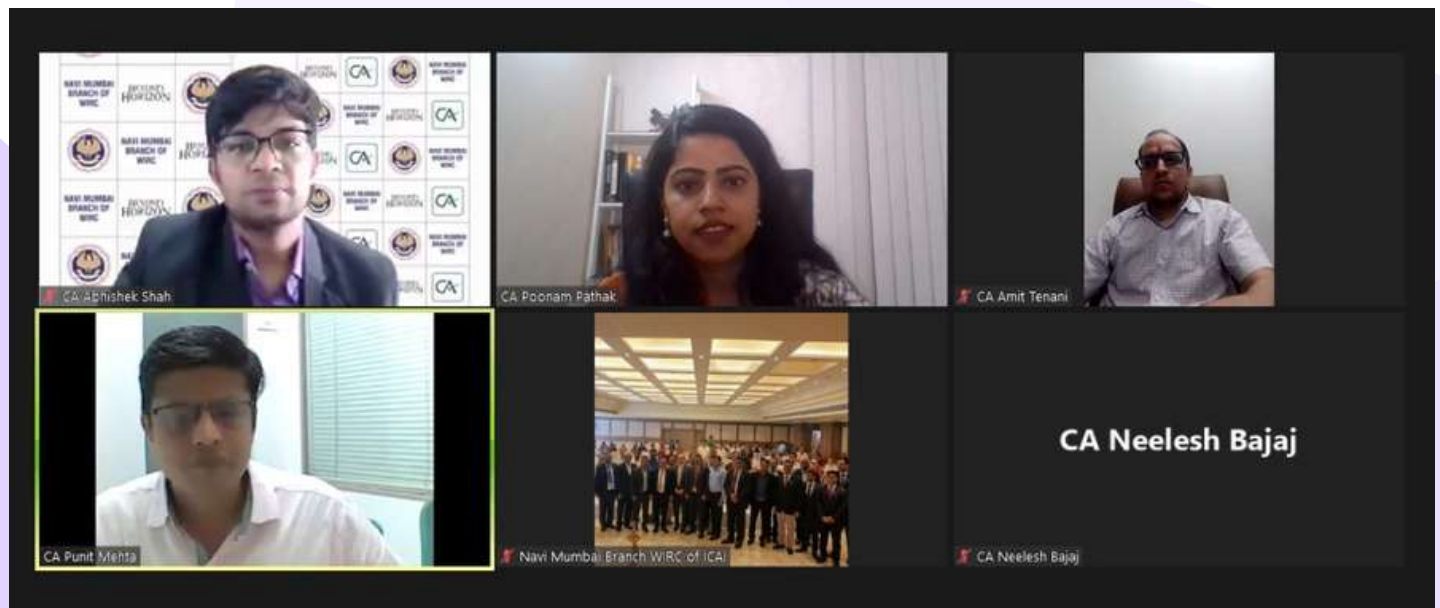
Navi Mumbai Branch Residential Refresher Course



With Shivaji Park CPE Study Circle at Campollian, Khopoli, Maharashtra



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09 -10 April 2022

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17 April 2022



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23 April 2022

WEBINAR ON MVAT AMNESTY SCHEME ALONG WITH JOINT COMMISSIONER AND DEPUTY COMMISSIONERS OF GST DEPARTMENT



28 April 2022

Media Coverage

इंस्टिट्यूट ऑफ चार्टर्ड अकाउंटेंट ऑफ इंडिया नवी मुंबई वतीने बँक शाखेच्या लेखापरीक्षणाने पूर्ण एक दिवसीय चर्चासत्राचे आयोजन



मुंबई (हिंदूसम्राट प्रतिनिधी) :- इंस्टिट्यूट ऑफ चार्टर्ड अकाउंटेंट ऑफ इंडिया नवी मुंबईने एस. वैद्यनाथ अय्यर मेमोरियल मध्ये पूर्ण एक दिवसीय व्याख्यान 'बँक शाखांचे दैनिक लेखापरीक्षण' चर्चासत्र आयोजित केले होते.

यावेळी प्रमुख यत्ने सीए अर्पित काबरा (वेस्टर्न इंडिया रीजनल कॉन्सिल व रीजनल कौंसिल मेबर), चार्टर्ड अकाउंटेंट पराग हंगेकर, सीए. विकास कुमार आणि सीए. देवांग वाघानी यांनी बँकेच्या लेखापरीक्षणाने विविध महत्त्वाच्या विषयांचा समावेश केला. या कार्यक्रमात पद्याहतर हून अधिक व्यावसायिकांनी सहभाग घेतला होता. आयसीएआय नवी मुंबईने सीए टी सी बाफना आणि

कार्यक्रमाचे नॉलेज पार्टनर कोटक यांतीया वेळी सेक्युरिटीजच्या अधिकाऱ्यांचा सत्कार केला. कार्यक्रमाच्या अध्यक्षस्थानी सी.ए. अभिषेक शहा (अध्यक्ष, इंस्टिट्यूट ऑफ चार्टर्ड अकाउंटेंट ऑफ इंडिया नवी मुंबई) आणि इतर पदाधिकारी सी. ए. हर्षल अजमेरा (उपाध्यक्ष), सी.ए. नीलेश बजाज (सचिव), सी.ए. अमित तेनानी (खजिना) व इतर व्यवस्थापकीय समिती सदस्य सी.ए. पूनम पाठक, सी.ए. प्रवीण खत्री आणि सी.ए. अमित सोमानी यांनी सहभाग घेतला होता. या कार्यक्रमाला आरसीएम सीए संजय निकम आणि माजी अध्यक्ष सी.ए. श्रीकांत लिमये, सी.ए. जयवंत तांडेल व इतर ज्येष्ठ व्यावसायिक आदी मान्यवर उपस्थित होते.

विषयसूची: लेखापरीक्षण, लेखापरीक्षण, लेखापरीक्षण, लेखापरीक्षण

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Daily Page

ICAI Navi Mumbai organised full-day physical on Bank Branch Audit



Gajendra Pipada

Speak Out
Munlud : ICAI Navi Mumbai organised S. Vaidyanath Aiyar Memorial full day Lecture "on Statutory Audit of Bank Branches. Keynote speakers were CA. Arpit Kabra (RCM of WIRC), CA. Parag Hangekar, CA. Vikas Kumar and CA. Devang Vaghani. They covered various important topics on Bank audits. More than 75 professionals participated in the event. ICAI Navi Mumbai felicitated CA.

T. C. Baphna and officials of Kctak Securities for becoming knowledge partners of the event. The event was chaired by CA. Abhishek Shah (Chairman, ICAI Navi Mumbai) and participated by its other



office bearers CA. Hershel Ajmera (Vice-Chairman), CA. Neelesh Bajaj (Secretary), CA. Amit Tenani (Treasurer) and other managing committee members CA. Poonam Pathak, CA. Praveen Khatri and CA. Amit Somani. The event was attended by the RCM CA. Sanjay Nikam and past chairmen CA. Srikant Limaye, CA. Jayvant Tandel and other seniors of the professionals.

LIVE

NEWS

सुरुषि सलोनी



social

ICAI नवी मुंबई ने बँक ऑडिट पर पूरे दिन के सेमिनार का आयोजन किया

8 hours ago admin



DIGITAL

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PRAVASI SANDESH

मुंबई | मंगलवार 29 मार्च 2022

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ICAI नवी मुंबई ने किया बैंक ऑडिट पर सेमिनार का आयोजन

प्रवासी संदेश टीम।

मुंबई। ICAI नवी मुंबई ने बैंक ऑडिट पर एस वैद्यनाथ अय्यर मेमोरियल पर प बैंक ऑडिट सेमिनार का आयोजन किया। मुख्य वक्ता थे सीए अर्पित काबरा (डब्ल्यूआईआरसी आरसीएम), सीए पराग हंगेकर, सीए विकास कुमार और सीए देवांग वाघानी। उन्होंने बैंक ऑडिट पर विभिन्न महत्वपूर्ण विषयों पर जानकारी प्रदान की। इस आयोजन में 75 से अधिक प्रोफेशनल्स ने भाग लिया। आईसीएआई नवी मुंबई ने सीए टीसी बाफना एवेम कोटक सेक्युरिटी के अधिकारियों को नॉलेज पार्टनर बनने पर सम्मानित किया। कार्यक्रम की अध्यक्षता सीए अभिषेक शहा (अध्यक्ष, आईसीएआई नवी मुंबई) ने की एवम अन्य पदाधिकारियों ने भाग



लिया जिसमें सीए हर्षल अजमेरा (उपाध्यक्ष), सीए. नीलेश बजाज (सचिव), सीए अमित तेनानी (कोषाध्यक्ष) और अन्य प्रबंध समिति के सदस्य सीए प्रवीण खत्री डगरिया, सीए पूनम पाठक और सीए

अमित सोमानी उपस्थित रहे। सीए संजय निकम और पूर्व चेयरमैन सीए श्रीकांत लिमये, सीए जयवंत टंडेल एवम अन्य प्रोफेशनल्स ने अपनी उपस्थिति दर्ज की। यह जानकारी सीनियर सीए टी.सी. बाफना दी।

Media Coverage

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ICAI कॉर्पोरेट लॉ-प्रशासन समिति का नवी मुंबई में एक दिन का नेशनल सेमिनार



■ प्रवासी संदेश टीम। मुंबई। ICAI कॉर्पोरेट लॉ और कॉर्पोरेट प्रशासन समिति ने WIRC की नवी मुंबई शाखा में एक दिन का नेशनल सेमिनार का आयोजन किया। WIRC की नवी मुंबई शाखा ने SCH III संशोधन, CSR और CARO 2022 पर ICAI के CL&CGC के पूरे दिन के नेशनल सेमिनार की मेजबानी की।

इस आयोजन में 70 से अधिक पेशेवरों ने भाग लिया। कार्यक्रम की अध्यक्षता सीए अभिषेक शाह (अध्यक्ष, आईसीएआई नवी मुंबई) ने की एवम अन्य पदाधिकारियों ने भाग लिया जिसमें सीए हर्षेल अजमेरा (उपाध्यक्ष), सीए नीलेश बजाज (सचिव), सीए अमित तेनानी (कोषाध्यक्ष) और प्रबंध समिति के सदस्य सीए पूनम पाठक उपस्थित रहे। आर

ICAI कॉर्पोरेट लॉ और कॉर्पोरेट प्रशासन समिति ने आयोजित किया WIRC की नवी मुंबई शाखा में एक दिन का नेशनल सेमिनार

4 hours ago admin



1st National Program of CL&CG committee of ICAI hosted by Navi Mumbai Branch

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ICAI Corporate Laws & Corporate Governance Committee Organised a

National Seminar at Navi Mumbai Branch of WIRC



CA. Srikant Limaye, CA. Jayvant Tandel and other seniors of the professionals. This was informed by Senior CA. T C Baphna.

Gajendra Pipada
 Speak Out Vashi : Navi Mumbai Branch of WIRC hosted a full day physical national seminar of CL&CGC of ICAI on SCH III amendments, CSR & CARO 2022. Key-note speakers were CA. Sripriya Kumar (Chairperson of CLCG committee), CA. Priti Savia (Vice-Chairperson of the CLCG committee), CA. Timal Maru, CA. Milan Mody, CA. Sandeep Welling and CA. Vijay Maniar. They covered various important topics on subject topics.

More than 70 professionals participated in the event. The event was chaired by CA. Abhishek Shah (Chairman, ICAI Navi Mumbai) and participated by its other office bearers CA. Hershel Ajmera (Vice-Chairman), CA. Neelesh Bajaj (Secretary), CA. Amit Tenani (Treasure) and managing committee member CA. Poonam Pathak. The event was attended by the RCM CA. Sanjay Nikam and past chairmen CA. Sanjay Bhujbal, CA. Seer Kumar Nair, CA. Suresh America,



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Professional Social Responsibilities



KUTCH YUVAK SANGH
Mahavir International
Jointly with Navi Mumbai Branch of WIRC
अंकरवाला रक्तदान अभियान
BLOOD DONATION CAMP
A gift straight from your heart
SUNDAY
27th March 2022
8.30 am to 6.30 pm
Anuvrat / Sthanak Hall,
Behind Jain Temple, Sector 9A, Vashi



Blood Donation and Free Health Checkup



27 March 2022



With Mahavir International & KYS

PROFESSIONAL SOCIAL RESPONSIBILITIES

FREE MEDICAL HEALTH CHECKUP FOR MEMBERS, FAMILY MEMBERS AND STUDENTS



23 April 2022

Upcoming Events

Date	Particular	CPE
30 April- -01 May 2022	<ul style="list-style-type: none"> Virtual Training Program for peer Reviewer organised by peer review board of ICAI and hosted by Navi Mumbai Branch of WIRC of ICAI 	06 Hours
08 May 2022	<ul style="list-style-type: none"> CA Triangular Box Cricket Tournament - 2022 _(Thane, Kalyan Dombivali and Navi Mumbai Mumbai Branch of WIRC of ICAI) 	NA
14 May 2022	<ul style="list-style-type: none"> Shubahram Ceremony - Inauguration of new premises of Navi Mumbai Branch of WIRC located at Sector 17, Vashi Navi Mumbai 	NA
21 May 2022	<ul style="list-style-type: none"> Work Shop on Auditing Standards organised AASB committee of ICAI and Hosted by Navi Mumbai Branch of WIRC 	06 Hours
28 May 2022	<ul style="list-style-type: none"> Webinar on Opportunities in System audit. 	02 Hours

For registration

Please call on:

9702504172

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Health Studio Annual Program

	Months*	Health Events*	
	April 2022	Spiritual Session on 'Power of Mind" and Free medical health Check Up	
	May 2022	Cycling tour around Nature	
	June 2022	International Yoga Day	
	July 2022	Session on Importance of Nutrition	
	Aug 2022	Monsoon Trekking	
	Sept 2022	Session on Work Life Balance	
	Oct 2022	Water Aerobics and Swimming	
	Nov 2022	Navi Mumbai Marathon	
	Dec 2022	Indoor Games	
	Jan 2023	Session on Art of Living	
	Feb 2023	Gym and Zumba Session	
	Mar 2023	Session on Office Exercises	

*Notes: 1. Events may interchange on the basis of future circumstances.
2. Event wise details will be shared separately with participation fee if any.

WIGASA OF NAVI MUMBAI BRANCH OF WIRC OF ICAI

PART B

Social media presence:

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Webinar Management Team



Shweta Verma

Cultural Committee



Jameel Nasir Nathani

Sports Committee

ARTICLES BY STUDENTS

GST WOES OF COOPERATIVE HOUSING SOCIETIES LIMITED**Introduction:**

Heading 9995: Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution - (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex - GST @NIL. (Entry No. 77 of Notification No. 12/2017- Central Tax (Rate) New Delhi, 28th June, 2017)

Soon after, an amendment took place vide Notification No. 02/2018 - Central Tax (Rate) dated 25-1-2018. According to this, the exemption limit for paying tax on reimbursement of maintenance charges by a member of Residential Welfare Association has been increased from 5,000/- to Rs. 7,500/- per month.

After the above Amendment, one circular was released vide No. 109/28/2019- GST. According to this, No registration is required if Annual turnover of RWA maintenance charges is more than Rs. 20 lakhs, but monthly maintenance charges is less than Rs. 7500/- from a member. And If the maintenance charges are more than Rs. 7500/- per month per member, GST @18% shall be payable on the entire amount so collected.

By giving the Basic exemption of Rs. 7500/- practically Govt. of the day was able to avert immediate opposition to levy of GST on Housing Society, which is my view is Tax on organisations which work on Principle of Mutuality. However as the GST Law is evolving and the provisions are getting minutely interpreted at various forums and particularly the Cases that are coming up before the Authority of Advance Ruling it will definitely bring tears in the eyes of Common Man and more particularly people living in Cities and big towns in one common building under the concept called “Cooperative Housing Societies”.



**Niketan Dattatray
Bamgude**

I have tried to compile herewith some of the recent ruling given by Maharashtra AAR in relation to Housing Societies

I.	NAME OF THE CASE	Mahindra Splendour CHS Ltd.,
	SUBJECT MATTER:	Housing Society - Member's contribution-Exemption
	Date of Judgement	DECEMBER 1, 2021
	Brief of Judgement	
	Applicant, a housing society, manages, maintains and administers society's property and raises funds for achieving its objects - Whether GST is payable on contribution received from members	GST is payable on amounts received from members towards maintenance charges
	Whether GST is payable in respect of member's monthly contribution only on differential value paid in excess of Rs. 7,500	A member who contributes an amount which is more than Rs. 7,500, will not be eligible for exemption; and entire contribution amount is liable to be taxed, irrespective of name by which such contribution is called
	Whether housing society is liable to pay GST on amount collected towards Sinking Fund, Building Repair Fund and Election and Education Fund	Applicant has not produced any evidence to show that there are instances when collected amounts are returned back to members and any proof as to what procedure was followed while collecting - Amount collected towards sinking/repair fund is nothing but collection of certain amount as maintenance advance for overall maintenance of society and is liable to tax
	Exclusion of statutory levies - Whether supplies otherwise exempted from tax or charged at nil rate shall be included in value in computing threshold amount of Rs. 7, 500 under entry no. 77 of Notification No. 12/2017-Central Tax (Rate) for determining exemption	Charges collected by society on account of property tax, electricity charges and other statutory levies would be excluded while calculating the exemption limit of Rs. 7,500
	Whether contribution collected to defray expenses for supply of water are covered under entry 99 of Notification No. 2/2017-Central Tax (Rate) -	Notification No. 2/2017-Central Tax (Rate) pertains to goods supplied and not for services - Applicant would be charging members on process undertaken to supply water which is rendering of services provisions of entry 99 of Notification 2/2017-CTR, dated 28th June, 2017 is not applicable in instant case
	Sections Involved	Section 7, 9 of Central Goods and Services Tax Act, 2017 / Maharashtra Goods and Services Tax Act, 2017]

II	NAME OF THE CASE	Mahavir Nagar Shiv Srushti Co-Operative Housing Society Ltd.
	SUBJECT MATTER:	Input tax credit – Housing society
	Date of Judgement	NOVEMBER 10, 2021
	Brief of Judgement	
	Applicant, a Co-operative Housing Society, with object of managing, maintaining and administering property of society raises funds by collecting contributions / charges from members of society which include property taxes, contribution to repairs and maintenance funds, contribution to sinking fund, etc. - It appointed a contractor for carrying out major repairs and renovations works for society - Said contractor is charging service charges along with GST for carrying out works contract service -	HELD : As applicant is making provisions of facilities / benefits to its members and is not providing any works contract services to its members, it is not eligible to obtain input tax credit of GST charged by contractor [Para 5.10] [Against Applicant]
	Sections Involved	Section 2(17) (e), 16 (1), 17(5) Clause (c) & (d) of Central Goods and Services Tax Act, 2017 / Maharashtra Goods and Services Tax Act, 2017]
III	NAME OF THE CASE	Vishal Cooperative Housing Society Ltd
	SUBJECT MATTER:	Input tax credit – Housing society
	Date of Judgement	NOVEMBER 2, 2021
	Brief of Judgement	
	Applicant, a Co-operative Housing Society is providing both exempt and taxable services to its members, applicant can claim input tax credit on input services proportionately	HELD : Applicant can claim input tax credit on input services proportionately [Paras 5.5.3 and 6] [Partly in favour of assessee]
	Sections Involved	Section 2(17) (e), 16 (1), 17(2) of Central Goods and Services Tax Act, 2017 / Maharashtra Goods and Services Tax Act, 2017]
IV	NAME OF THE CASE	Las Palmas Co-operative Housing Society Ltd.
	SUBJECT MATTER:	Input tax credit – Housing society
	Date of Judgement	JANUARY 22, 2020
	Brief of Judgement	
	Applicant, a co-operative housing society paying GST on maintenance charges collected from its members, whether shall be entitled to ITC of GST paid on replacement of existing lift / elevator at its own premises, as lift, after erection and installation is an immovable property	HELD : The lift would become an immovable property after being erected and installed, as it is attached to the building itself. [Para 5.5] [Answered in Negative]
	Sections Involved	Section 2(17) (e), 16 (1), 17(5) Clause (c) & (d) of Central Goods and Services Tax

	Act, 2017 / Maharashtra Goods and Services Tax Act, 2017]
NAME OF THE CASE	Apsara Co-operative Housing Society Ltd
SUBJECT MATTER:	Supply – Housing society
Date of Judgement	MARCH 17, 2020
Brief of Judgement	
Main objects of applicant society are to obtain conveyance from builder in accordance with provisions of Ownership Flats Act, to undertake and provide for social cultural or recreation activities and to do all things necessary or expedient for attainment of objects of society specified in bye-laws - Whether in terms of section 2(84), there are two distinct persons in instant case, one is applicant society and another, members thereof; and supply is made by applicant	HELD : Yes
Whether membership fee collected by applicant from its members for achieving various objects as mentioned in bye-laws of society will be treated as 'consideration' paid for supply of services under section 2(31)	
Sections Involved	Section 2(17) (e), 2(31), Section 7 of Central Goods and Services Tax Act, 2017 / Maharashtra Goods and Services Tax Act, 2017] Circular No. 109/28/2019- GST dated 22-07-2019

Based on the above case laws it can be easily concluded that while Cooperative Housing Societies have to charge GST on anything above Rs. 7500/- per month collected from the members – even if it is Statutory obligation, it cannot get the ITC credit of the expenses it make from the said collections. The situation is resulting into double taxation.

It is high time that before the non – compliances are done by the societies and notices and actions are taken by the Authorities, Govt should be highlighted about the short comings in the law and the exceptions should be provided in provisions particularly Section 17(5) of the CGST Act.

Regards

Niketan Dattatray Bamgude

PAST EVENTS

CA STUDENT TALENT SEARCH ELOCUTION COMPETITION



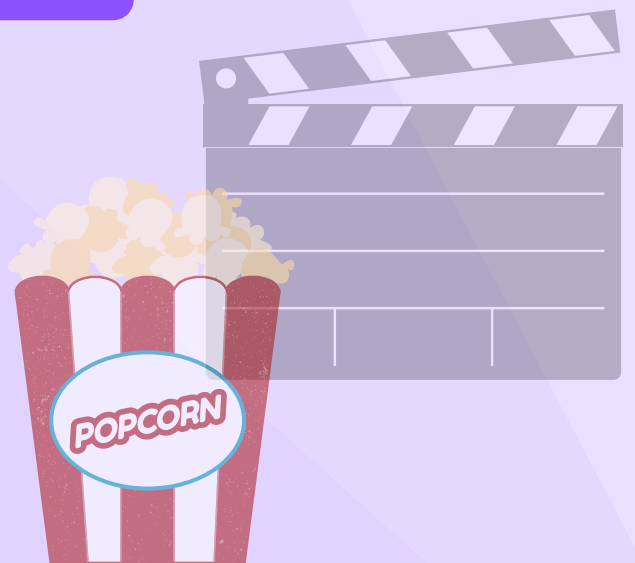
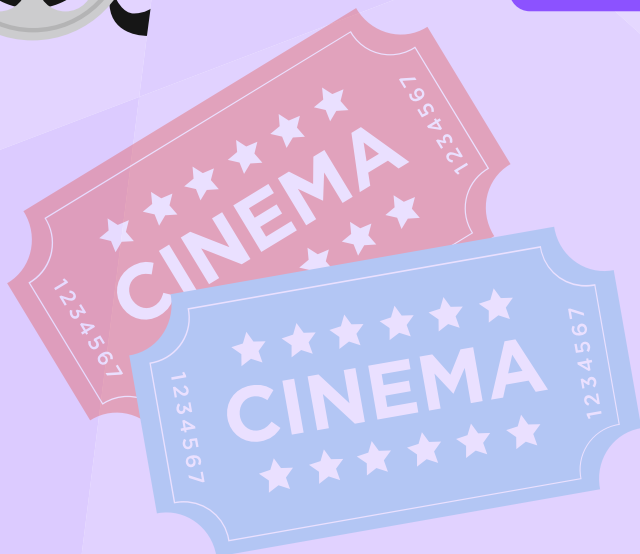
25 APRIL 2022

PAST EVENTS

STRESS BOOSTER MOVIE SCREENING FOR WICASA STUDENTS



03 APRIL 2022



Upcoming Events

Particular

- Webinar on Effective use of TDS portal
- Nation Sports Quiz Competition
- Formation of New WICASA managing Committee for FY2022-23

For registration

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