



The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)
KALYAN DOMBIVLI BRANCH
OF WESTERN INDIAN REGIONAL COUNCIL



MAHARERA FOUNDATION DAY 1ST MAY 2017



WHY IS IT CALLED REAL ESTATE

The term “real estate” is first recorded in the 1660s, so we find its etymological origins in Early Modern English. The word “real” is derived from Latin, meaning existing, actual, or genuine. The word “estate” is an English translation of the Old French word “estat,” meaning status.

WHAT IS THIS REAL ESTATE

Real estate is property consisting of land and the buildings on it, along with its natural resources such as crops, minerals or water; immovable property of this nature; an interest vested in this (also) an item of real property, (more generally) buildings or housing in general



“Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.”

– Franklin D. Roosevelt
(32ND US President)



TORCH BEARERS OF KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI



: Newsletter Committee :

CA Parag Prabhudesai
Newsletter Committee Chairman

CA Vikas Kamra
Convenor

CA Keyur Gangar
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CA Girish Tarwani
Member



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Message from Branch Chairman

CA Kaushik Gada



Chairperson Ke Dil ki Baat....

My Dear friends,

Its almost 2 months now, since the team has taken charge of the Branch and it has been wonderful journey till now with all ups and downs. The new team completed 50 days of its operations this month on 18th April 2022 and we published a report of the activities we did in these 50 days.

We inaugurated the renovated ITT centre at Dombivli, which was closed down since the lockdown and the 1st physical batch started. All the students were happy to meet each other physically. We performed a small puja and the past chairman's and seniors addressed the students and blessed them.

We had the first physical session of the month in Kalyan on GST notices and recent amendments in ITC and the next session of Smart financial planning and secrets of stock selection. The challenges in the physical sessions is getting attendance of members in the sessions, since members are more comfortable attending sessions from the convenience of their home or office. But the interactions that happen in person are more effective than in virtual sessions.

I urge all the members and students to do attend the physical sessions, which will encourage the branch to arrange wonderful programs for you.

We released the newsletter in the new look this month and the Branch Website is under revamp and we will also launch the Branch mobile App. The new committee members are coming up with exciting ideas and are working hard to serve the members and students.

The WICASA wing of the Branch conducted the Elocution contest for the CA Students and one of the student from our branch represented at the Regional level.

I have been meeting many practicing CAs and discussing about the financial planning and retirement planning for them. I was surprised to see, almost everyone is investing either in Stocks or Mutual funds, but every few have actually planned for their retirement. We do tax planning for our clients but miss out on this important aspect of planning for ourselves.

I am on this mission to educate and spread this education about financial planning.

Stay tuned for more in the months to come.

Wishing you a happy reading and a healthy and safe days ahead.

Yours in Service...

CA. Kaushik Gada

Chairperson 2022-23

Kalyan Dombivli Branch of WIRC of ICAI

Message from Central Committee Member

CA. (Dr.) Rajkumar Adukia

ICAI Council Member -1998-2016 & 2022 onwards

Chairman CPEC, CECLEC, CDS, Global Indian Firm Group



Dear Professional Colleague,

The branch is doing extraordinary. I wish you all a very happy and ever enthusiastic life. May month is well known as RERA month as we all know that the Real Estate (Regulation and Development) Act, 2016 came into force from 1st May, 2016. It's been 6 years since RERA came into existence and it gives immense opportunities to, we Chartered Accountants. Real Estate is itself a broader term where we can develop practice and expand our services to those untouched areas. Real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030.

Universe has given unlimited power and energy to each one of us to achieve what we wish to achieve. We Chartered accountants must expand our practice areas towards non-traditional areas like real estate sector.

“Good luck can be enticed by accepting opportunity.”

Under the Maharashtra Real Estate Regulatory Authority (General) Regulations, 2017, the Chartered Accountant's Certificate for registration of a Project and Subsequent withdrawal of money is required.

Professional Opportunities for Chartered accountants in Real Estate Sector-

- a. Project registration with authority
- b. Advice on township development
- c. Real estate promotion and development
- d. Project fund monitoring
- e. Preparing lease and sale deed drafts
- f. Advice and legal documentation of property buying/selling/lease
- g. Assisting client in taking approvals which are pending subsequent to commencement certificate
- h. Tenant-landlord issues
- i. Land use regulations
- j. Finance and mortgage agreements
- k. Building, development and construction contracts
- l. House tax disputes

- m. Project fund planning before registration
- n. Statutory requirement of audit certificate from Chartered Accountant within 6 months from close of financial year
- o. Provide assistance with regard to any other information and documents as may be demanded by the Authority
- p. Valuation of projects under RERA
- q. Compliance work like supervision of the book of accounts
- r. Representation before Real Estate Regulatory Authority, Real Estate Appellate Tribunal, High Court and Supreme Court
- s. Conciliation of disputes between promoters and the allottees
- t. Drafting of Reply to show cause notice; appeal etc
- u. Preparation of Budget, accounts and audit
- v. Advisory in relation to laws concerned with the real estate like
 - Land related laws
 - Environment Laws
 - Construction Laws
 - Labor Laws etc.

How to get clients?

1. Attending various seminars, business events and programs as speakers, panelists, querists
2. By using social media, joining various groups
3. Exchange visiting cards
4. Make own website
5. Write article, books
6. Give suggestions to various Ministries, Regulators, Trade bodies
7. Become member of committees
8. Make network / joint venture in different areas

Effective use of social media by Chartered Accountant

Always remember that sharing of knowledge is not a violation of professional ethics and code of conduct.

1. Facebook
2. LinkedIn
3. Instagram
4. Pinterest
5. Twitter
6. Snapchat
7. You Tube
8. Blog
9. WhatsApp
10. Telegram

Regards

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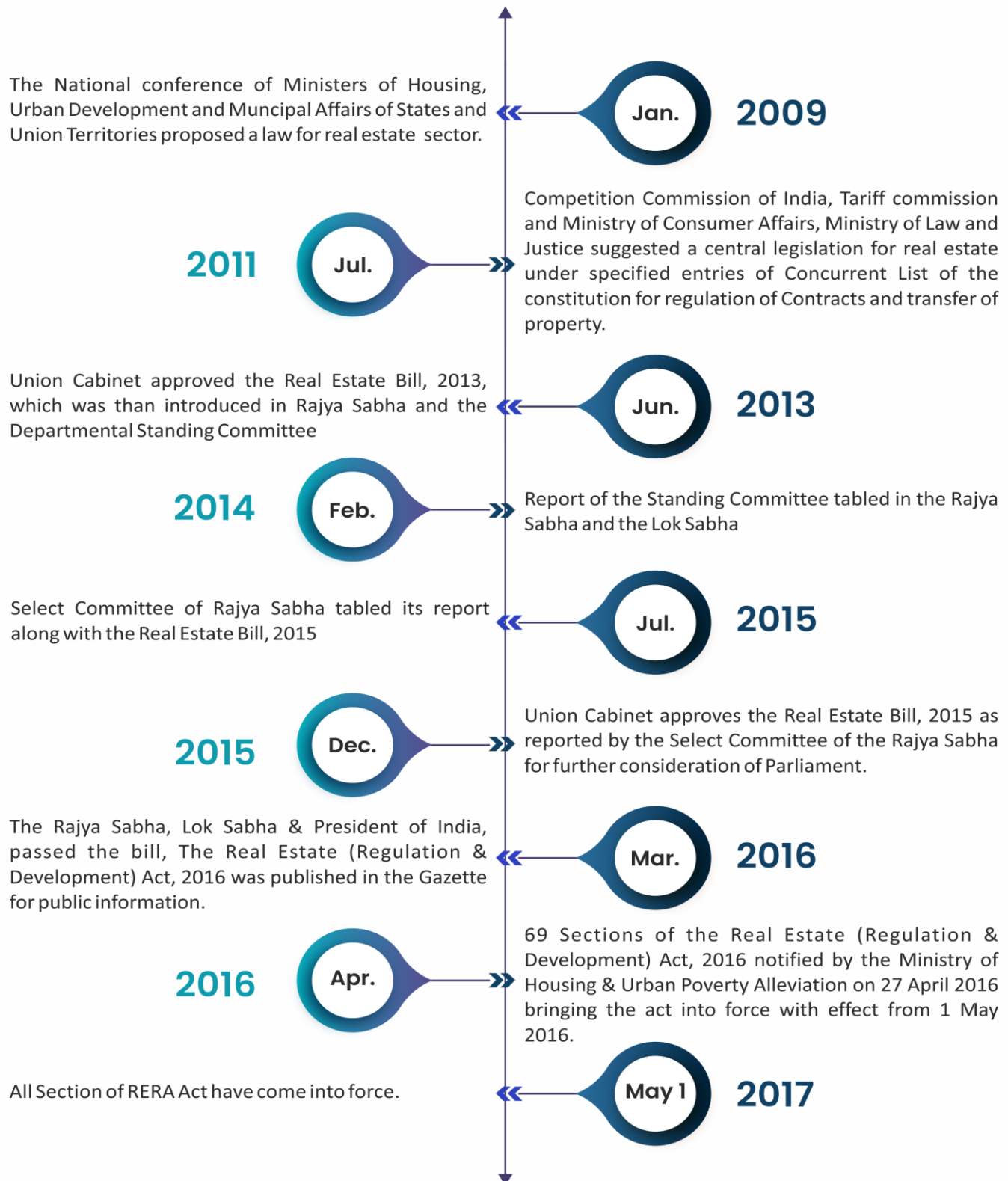


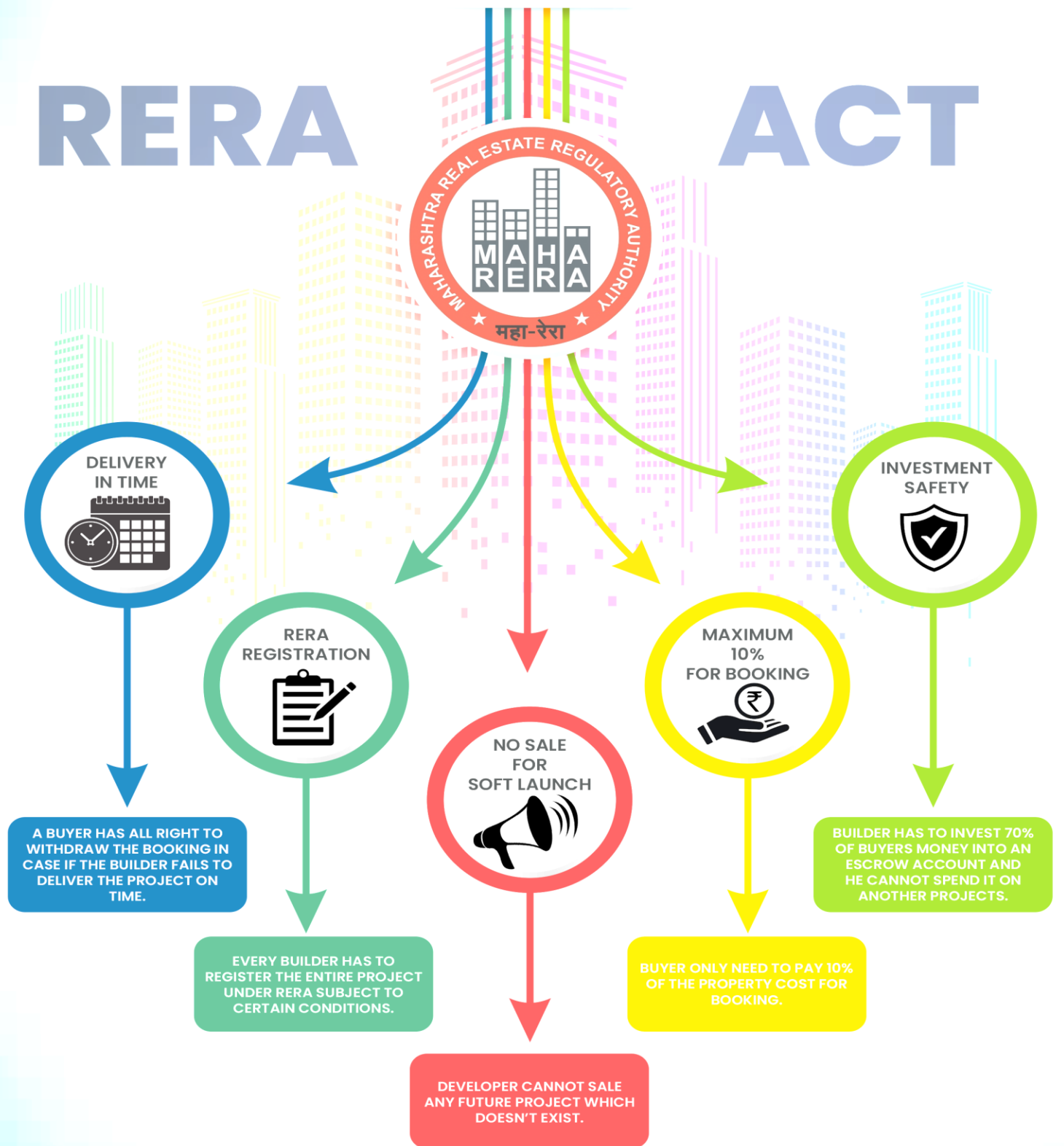
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Evolution of RERA





Pros and Cons of Real Estate

(Regulation and Development) Act, 2016

PROS

1

TRANSPARENCY

Promoters should provide accurate disclosures on the website along with the allotment letter

2

COMPULSORY REGISTRATION

Builder must register with housing regulator every project subject to conditions and submit all the details of the property.

3

NO MISLEADING CLAIMS

A written affidavit should be given mentioning the time frame of the project to be delivered

4

MONEY MANAGEMENT

Builders has to deposit 70% of the Buyers amount in an escrow account to avoid diversion of money

5

WARRANTY

RERA will provide 5-years structural warranty for structural Defects



CONS

1

HIKE IN PROPERTY PRICES

Due to lack of liquidity, builders have to look for other sources for money, thus, leading to rise in prices of property

2

STAGNANT GROWTH

Due to 70% investment in escrow account, there will be cash flow hindrances leading to delay in project

3

SUPPLY DEMAND IMBALANCE

Compliance to all the aspects will delay the project and as there won't be pre selling of property

4

HARSH PENALTY

If the builder fails to fulfil any provisions, he will be liable to imprisonment upto 3 years or 10% of the total cost of the project

5

NO COVER ON RENTAL

RERA doesn't include any rental agreements and arrangements of any sort.



Why realtors are becoming content creators

They are not only selling dream houses but boosting trust in the category. Meet the realtor-creators.

Digital marketing agencies say that with realtors in India creating content on platforms like Instagram Reels, the category is getting a facelift.

Digital marketing agencies say that with realtors in India creating content on platforms like Instagram Reels, the category is getting a facelift.

When TikTok was still around in India, Mumbai-based Rafique Merchant experimented with selling dream homes in 60 seconds. Though he didn't make big sales through those TikTok videos, he got thousands of inquiries for showcasing affordable homes. Merchant, who has been a realtor for over 10 years, didn't get time to explore TikTok as much as he would have liked to because the app was banned. Back then he wasn't interested in Instagram, mainly because the Facebook-owned app was heavily picture-focused. In Merchant's words, "Instagram wasn't massy then."

In 2020, Reels changed that notion for Instagram and Merchant. Today, for realtors like Merchant, Reels has become a platform to do business differently. Merchant says he has seen 100% business growth since the time he began selling homes on Instagram. Over and above selling homes, and commercial spaces, he has also been doing brand work. Ajmera Group, Lodha, Marathon, and many other brands have worked with Merchant in the recent past. As per multiple influencer management companies, brands pay anywhere between Rs 50,000 to Rs 1,00,000, to these realtors for marketing campaigns.

Time for a category facelift

According to digital advertising agencies, with realtors becoming content creators, the category is getting a facelift. Prince Khanna, co-founder of influencer marketing firm Eleve Media, calls them "influencer agents". He believes, they are "in a way promoting good governance practices that directly impact brand's ability to build investor, tenant, and community trust."

That's exactly why Mayank Agarwal, founder of real estate brokerage firm The Green Cottage, became a creator. Agarwal doesn't often sell homes, office spaces, and land on Instagram. His content is focused on educating buyers about what they should know before and after buying a piece of property, about construction details, regulations, etc.

"It's surprising to see how many people make their life's most expensive purchase without understanding the nitty-gritty. I wanted to give my two cents to help people make informed decisions," he adds. Agarwal has also worked with brands but he is picky about them, mainly because this is a passion project for him and also he doesn't want to dilute his narrative.

Influencing beyond Reels

Globally, realtors have become mainstream influencers for a while now. Jordan Nielsen, Ryan Serhant, Producer Michel, among others, are leading creators in the real estate category from around the world. In India, there is a handful of realtors like Merchant and Agarwal. Vishnu Ravindran V Designs, chetan kapur official, and RK Mumbai Realtors, are a few other realtors with whom brands in the sector have been heavily collaborating too.

Khanna tells Storyboard18 that these creators can “act as a voice for the industry for the necessary reforms to be implemented by the government for the upliftment of the sector and the number of people involved directly and indirectly with the industry.” Not just real estate brands but there are huge opportunities for unconventional brands that sell safety glasses, electrical, and forcing and tiles, to collaborate with these realtors.

Merchant and Agarwal are working on projects and adding large number of clients that came to them because of their influencing power. Merchant has played a role of a realtor in an upcoming web series on Netflix. He is also getting calls and DMs from Bollywood celebrities and sports personalities to help them find city homes they can relax in. A dream clientele for any realtor. Agarwal is in the process of building two proptech startups.

Both Merchant and Agarwal are of the opinion that it's high time that “real-estate agents” get organised. They say realtors need to think differently because today people are increasingly looking at content that's engaging and useful and the Like on your Reel could easily turn into a Buy.

-Source MoneyControl.com

WHAT IS RERA?

RERA is a landmark act that came into force on 1 May, 2016 to protect home-buyers/developers and boost investments in the Indian real estate industry.



- 
CARPET AREA
 Only the area within the 4 walls of the apartment will be considered as carpet area. Balcony excluded.
- 
REGISTRATION OF PROJECTS
 Any residential/commercial project with more than 8 units or more than 500 sqm has to be registered.
- 
REDRESSAL MECHANISM
 Developer to pay 10% of the project cost as penalty/face up to 3 years imprisonment in case of project delay.
- 
CORPUS FUND
 Developers need to put 70% of buyer's money in a separate bank account. Withdrawals are restricted and monitored.
- 
QUALITY OF CONSTRUCTION
 Developer is now responsible for repairing structural defects in a project up to a time frame of 5 years.
- 
TRANSPARENCY
 Complete

Reassessment under Income Tax – Recent Developments

By CA. Vyomesh Pathak



Supreme court of India has passed an order dealing with validity or otherwise of the reassessment proceedings wherein notices under section 148 of the Income-tax Act, 1961 (The Act) have been issued after April 1, 2021 under erstwhile regime based on extension of the time-limit prescribed under various notification issued under TOLA (The Taxation And Other Laws (Relaxation And Amendment Of Certain Provisions) Act, 2020) and without following amended procedure and time-limit as amended by Finance Act, 2021 and effective from April 1, 2021.

Revenue had preferred Special leave petition before supreme court against decision of Allahabad High Court in the case of Ashish Agarwal. Supreme court took note of the fact that there are more than 90,000 notices issued after April 1, 2021 by following erstwhile regime of re-assessment and there are total 9000 appeals lodged before various High Courts.

Except for Chhattisgarh High court, at least 7 high courts (Namely Allahabad HC, Bombay HC, Calcutta HC, Delhi HC, Rajasthan HC, Madras HC, Karnataka HC) have quashed re-assessment notices issued after April 1, 2021 without following amended provisions of the Act.

Supreme observed that new provision being remedial and benevolent in nature and substituted with a specific aim and object to protect the rights and interest of the assessee and the same being in public interest, the respective High Courts have rightly held that the benefit of new provisions shall be made available even in respect of the proceedings relating to past assessment years, provided section 148 notice has been issued on or after 1st April, 2021. SC held that it is in complete agreement with the view taken by the various High Courts in holding so.

Supreme court observed that it would result in no reassessment proceedings at all, even if the same are permissible under finance Act, 2021. SC observed that revenue cannot be made remediless, and object and purpose of the reassessment proceedings cannot be frustrated. SC concurs with the view that notices should not have been issued under erstwhile regime, however, it decided to give leeway to revenue considering that officials were under bonafide belief that amended provision did not get enforced in view of extension notification.

SC invoked powers conferred under Article 142 of constitution of India and in exercise thereof passed order by holding that this order shall govern, not only the impugned order of Allahabad HC but shall also be made applicable in respect of similar orders passed by various high courts across the country and therefore the present order shall be applicable to PAN INDIA. Accordingly, all judgments passed by different high courts on the issue and all writ petitions pending before various High Courts are set aside and shall be governed by the present order.

SC passed following order keeping in mind balance between the rights of the revenue and assessee.

- Notices issued under section 148 under erstwhile regime be deemed to be issued under section 148A of the Act and treated to be show-cause notice in terms of section 148A(b) of the Act.
- The requirement of conducting any enquiry with the prior approval of specified authority is dispensed with as a one-time measure with respect to notices issued under erstwhile regime after April 01, 2021.
- The Assessing officer shall, within 30 days from the May 04, 2022 provide to the respective assessee information/material relied upon by revenue to which assessee can reply within 2 weeks.
- The assessing officer shall pass orders in terms of section 148A(d) in respect of each of the Assessee. Thereafter, AO to issue notice under amended section 148 of the Act, if required, after following due procedure.
- All defences which may be available to the assessee including those available under section 149 of the Act and under Finance Act, 2021 shall continue to be available.

“A Poem on Re-Assessment Mayhem”.

New Reassessment Regime in the Finance Act 2021, Got Introduced,

With time period for Reopening u/s 148, from 6 to 3 years, Reduced.

Only Escaped Income, exceeding Rs. 50 lakhs per year,

Gave the Jurisdiction, to reopen the cases up to 10 years.

Reason to Believe got Replaced with Information in Possession,

CBDT's Risk Management Strategy substituted AO's Discretion.

Deadline of 31.3.2021 for Issuing Old 148 Notices, got Mandated,

However, for 3 more months, CBDT proclaimed this deadline as Extended.

The Transition Phase resulted in Exchequer's Loss of Revenue Worry,

Section 148 Notices, in large numbers, got issued in a Hurry.

Assessees challenged such 148 Notices' Validity.

Contending the Finance Act 2021, Legal Sanctity.

Delegated Power can't Overreach Principal Legislation,

This Settled Legal Position got reinstated in High Courts' Decisions.

High Courts supported the Assessees' Belief.

And Notices were Quashed, bringing the much-wanted Relief.

Revenue filed SLP before the Supreme Court,

The SC Invoked Article 142 of the Constitution, in Support.

The SC decrees to bring in Complete Justice,

But being Subjective, Justice may turn into Injustice.

Holding such old 148 Notices as Valid Deemed 148A Notices,

The SC's Order tries to Mitigate Revenue Losses.

With the Power of Article 142,

Besides, Substantive Provisions were given an Override.

Mandating Finance Act 2021 Provisions, as Applicable,

The SC Makes it Order Palatable.

Proviso to section 149 comes in support of Assessees' Luck.

Notices for AY 2013-14 & 2014-15 shall get Struck,

Notices for AY 2015-16, 2016-17 & 2017-18 shall only Survive,

If the Escaped Income in Asset, exceeding Rs. 50 lakhs, is Derived.

Interestingly, to Reduce Litigations, these Legislative Amendments, were Strived,

Ironically, increased Litigations, are now to be Contrived.

Now, no further Litigation, in this Clearness, is warranted,

If the philosophy of 'Ease of Doing Business' is to be adopted.

Direct Tax Case Laws

Complied by CA. Shekhar Patwardhan

SUPREME COURT DECISIONS

Wipro Finance Ltd Vs CIT

**Civil Appeal Nos 6677 of 2008 : Date of Publication 12th April , 2022 :
Section 37(1) AY 97-98**



The issue before the Apex Court was whether the exchange rate fluctuation loss suffered by the Company at the time of repayment of loan whether to be considered as revenue expenditure? particularly when the loan was utilized for financing the existing Indian enterprise. The Apex court held it to be revenue expenditure.

Decision in favour of: - Assessee

Assessee entered into a loan agreement with UK based company for borrowing certain amount in foreign currency which was necessary for carrying on its business of financing. This loan was not for creation of asset as such or acquisition of asset from a country outside India for the purpose of its business. While repaying the loan, due to the difference of rate of foreign exchange, the assessee had to pay higher amount, resulting in loss. Loan was wholly and exclusively used for the purpose of business of financing the existing Indian enterprises, who in turn, had to acquire plant, machinery and equipment to be used by them. The Apex Court observed that the loan was certainly not for creation of asset as such or acquisition of asset from a country outside India for the purpose of its business. In such a scenario, the assessee would be justified in availing deduction of entire expenditure or loss suffered by it in connection with such a transaction in terms of s. 37. The Apex Court noted that the analysis done by the Tribunal and the conclusion arrived at in respect of the subject claim of the assessee being the correct approach consistent with the exposition of this Court, needs to be upheld. —CIT vs. Wipro Finance Ltd. (2008) 218 CTR (Kar) 105 : (2008) 1 DTR (Kar) 281 set aside; India Cements Ltd. vs. CIT AIR 1966 SC 1053 and Empire Jute Co. Ltd. vs. CIT (1980) 17 CTR (SC) 113 : (1980) 4 SCC 25 followed; Asstt. CIT vs. Elecon Engineering Co. Ltd. (2010) 230 CTR (SC) 1 : (2010) 35 DTR (SC) 209 : (2010) 4 SCC 482 distinguished.

In this matter the claim of expenditure was made by the Assessee before the Tribunal for the first time. On that issue also the Apex Court observed that The Tribunal was conscious about the fact that this claim was set up by the assessee for the first time before it, and was clearly inconsistent and contrary to the stand taken in the return filed by the assessee for the concerned assessment year including the notings made by the officials of the assessee. Yet, the Tribunal entertained the claim as permissible, even though for the first time before the Tribunal, in appeal under s. 254, by relying on the dictum of this Court in National Thermal Power Co. Ltd. vs. CIT (1999) 157 CTR (SC) 249: (1997) 7 SCC 489. Further, the Tribunal has also expressly recorded the no objection given by the representative of the Department, allowing the assessee to set up the fresh claim to treat the amount declared as capital expenditure in the returns, as revenue expenditure. As a result, the objection now taken by the Department cannot be countenanced. Goetze (India) Ltd. vs. CIT (2006) 204 CTR (SC) 182: (2006) 284 ITR 323 (SC) distinguished.

HIGH COURT DECISIONS

HIGH COURT OF BOMBAY

PREMI LAKHAMSHI KARIA Vs ITO

Writ Petitions Nos 665, 738, 4144 , 4043 , 4290 to 4292 ,4333, 4351 to 6292 of 2022

Also MONARCH NETWORTH CAPITAL Ltd vs AO (Writ Petn No 3698 of 2021) : Date of Publication 11th April 2022 Section 148

The issue before the High Court was the validity of the Reassessment when the procedure was not followed as per the amended section although the Notice was issued after 31st March 2021. The High Court held the Assessment to be void.

Decision in favour of :- Assessee

The High Court observed that the Notices issued under s. 148 are after 31st March, 2021 but the procedure followed is the old procedure which came to be replaced by the Finance Act, 2021 w.e.f. 1st April, 2021. Therefore even if the assessment order is passed, still it will be non-est as the notice issued under s. 148 itself is being set aside. Therefore, impugned notices are quashed and set aside

HIGH COURT OF CALCUTTA

PEERLESS HOSPITEX HOSPITAL & RESEARCH CENTER LTD Vs PCIT

Writ Petition Nos 398 & 399 of 2018 : Section 37(1) AY 2011-12 2012-13 : Date of Publication 19th April , 2022

The issue before the High Court was the allowability of the expenditure for the Hospital in case of referral commission paid to Doctors. The High Court held that its not allowable.

Decision in favour of :- Revenue

The High Court held that In view of Expln. 1 to s. 37(1) r/w Circular No. 5, dt. 1st Aug., 2012 and the relevant regulations of amended Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002, assessee-hospital is not entitled to deduction of expenditure by way of commission paid to doctors as 'referral to doctors' for referring patients for treatment in its hospital as business expenditure under s. 37(1).

TRIBUNAL DECISIONS

MUMBAI TRIBUNAL

Govershan Venture Pvt Ltd Vs ACIT

ITA No 181 and 182 / Mum / 2020 : Date of Publication 13th April, 2022 : Section 200A & 234 E AY 2015-16 & 2016-17

The issue before the Tribunal was whether the late filing fees u/s 234 E leviable for belated filing of tds return for the period prior to 1st June 2015? The Tribunal answered in negative and in favour of Assessee ..

Decision in Favour of : Assessee

The Tribunal observed that the Provisions of s. 200A as amended by Finance Act, 2015, enable computation of fee payable under s. 234E at the time of processing of statement of TDS, is prospective in nature from 1st June, 2015 and thus intimation issued under s. 200A dealing with the fee under s. 234E for belated filing of TDS return for the period prior to 1st June, 2015, are invalid. Hence, impugned orders passed by the CIT(A) is not sustainable and the late fee levied under s. 234E vide intimation issued under s. 200A, for the period prior to 1st June, 2015, is directed to be deleted for the assessment years under consideration *Fatheraj Singhvi vs. Union of India* (2016) 289 CTR (Kar) 602 : (2016) 142 DTR (Kar) 281 and *Olari Little Flower Kuries (P) Ltd. vs. Union of India* (2022) 324 CTR (Ker) 616 : (2022) 210 DTR (Ker) 145 followed

AHMEDABAD TRIBUNAL

Mrs SIKHA SANJAY SHARMA Vs DCIT

ITA No 1546 / Ahd / 2019 : Date of Publication 13th April, 2022 : Section 70 AY 2016-17

The issue before the Tribunal was whether the AO was justified in setting off losses against the exempted long- term capital gain thereby reducing the quantum of carry forward of losses claimed by the assessee ? The Tribunal answered it in negative and in favour of the Assessee .

Decision in favour of :- Assessee

The Tribunal held that Exempted incomes falling under Chapter III do not enter into the computation of total income itself and hence such incomes are not available for set-off of any loss under ss. 70 to 80; long-term capital loss (STT not paid) and short- term capital loss are to be carried forward without setting off the same against the long-term capital gain (STT paid) which is exempt under s. 10(38).

RAIPUR TRIBUNAL

ATHARVA RAINBOW INFRATECH Vs DCIT

ITA No 177 / RPR / 2016 : Date of Publication 1st April, 2022 : Section 4, 5, 28, 145 & 198 AY 2012-13

The issue before the Tribunal was just because entries have appeared in 26 AS is it justifiable for the Assessing Officer to treat the same as Income? ignoring the method of accounting regularly followed by the Assessee ? The Tribunal set aside the order and decided the matter in favour of Assessee .

Decision in favour of : Assessee

The Assessee received advance and on the same TDS was deducted and it appeared in 26AS statement In terms of section 198 the Assessing Officer brought the same income to tax. The Tribunal held that Sec. 198 r/w s. 190 suggest that provisions of Chapter XVII were not intended to create any deeming fiction for chargeability of income by overriding the provisions of s. 4 r/w s. 28. Meaning there of that by no stretch of imagination, an amount of TDS as appearing in the Form No. 26AS shall be brought to tax as "Income" under the head 'Profits and gains of business or profession applying the provisions of s. 198, without reference to the method of accounting regularly employed by the assessee in relation to such business in question Since the income under s. 28 is to be computed with reference to Section 145, there is no merits in the impugned assessment order, ergo the orders of the authorities below is set aside. Thus, an amount of TDS on advance revenue receipts not eligible to tax as "income", of the year of deduction, where the assessee follows mercantile system of accounting.

GAMIFICATION

By CA. Suparna Neglur



There is a famous quote by Benjamin Franklin - "Tell me and I'll forget. Show me and I may remember. Involve me and I learn."

If on a given day you read a textbook and a novel, you are more likely to remember and explain the novel better.

Similarly, if a concept is learned from a book vs learned through the application of the concept, you are more likely to remember it through the application.

This is due to the underlying psychological behaviour of humans and our retention pattern.

Gamification is a concept that taps into people's natural desire for competition and achievement. It is the process of adding games or game-like elements to something. It has been applied in several areas such as marketing, training, branding, education etc.

Some of the examples of applications that use gamification are –

Companies like KFC & Domino's used this concept in their marketing campaigns which directly influenced their sales.

In this ever-changing and demanding world, we are expected to keep improving, remembering, and overcoming challenges. Just like a game, our challenges have an objective, certain directions, rewards, and penalties.



As a student or a



professional, this concept of gamification has immense application in our lives to make them better and more interesting. Some of the primary issues faced as a student are procrastination, lack of planning, and lack of motivation. Hence we can gamify our schedules and associate rewards and penalties to these goals. This helps to build habits and avoid procrastination. However, the pre-condition to applying it is to plan your days.

The rewards and penalties keep us motivated to achieve our goals thus enabling us to improve our performance.

As working professionals, we face issues such as lack of work-life balance, compromising on our health and fitness, managing our finances etc.

As complex as these challenges are one can gamify to keep a balance between our goals in personal and professional life.

There are several applications that enable us to gamify our daily schedules and habits, manage our finances, and stay fit.

Learning content has also been gamified to a greater extent which makes it easier to understand and retain.

Life is 10% of what you make it & 90% of how you take it. Gamifying isn't the only way but one of the ways to make life interesting.





DOS AND DON'TS FOR A SUCCESSFUL INTERVIEW

DOs	DON'Ts
Do your homework regarding the company, its products, website and its vision and mission statement.	Don't share too many personal anecdotes. Share more about your professional experience.
Make a good first impression by arriving early, dressing professionally and keeping your documents ready.	Don't speak poorly about your present or former employers.
Listen to the question properly and answer accordingly – to the point.	Don't falsify information. Answer all questions truthfully.
Make sure you communicate your strengths and weaknesses.	Don't speak over the interviewer. Let the interviewer finish the question and then answer.
Prepare smart, open ended questions for the interviewer.	Don't assume that your interview starts when you step into the office. It starts the moment you enter the business premises.



A WAY FORWARD: TRANSITION FROM LIBOR TO ARR

By CA. Vaibhavi Dhokiya



What is LIBOR?

The London Interbank Offered Rate (LIBOR) is a rate benchmark at which major global banks lend to each other in international interbank market for short-term loans. It is administered by the Intercontinental Exchange, which asks major global banks what they would charge other banks for short-term loans. It is calculated based on five currencies including the U.S. Dollar, EURO, Pound, Japanese yen, and Swiss franc. It has seven different maturities which are overnight/spot, one week, one, two, three, six and twelve months. The mix of five currencies and seven maturities leads to a total of 35 different LIBOR rates calculated and reported on daily basis.

WHY LIBOR IS REPLACED?

Libor is being phased out as a loan benchmark due to the role it played in worsening the 2008 financial crisis additionally as scandals involving Libor manipulation among the rate-setting banks. The use and abuse of credit default swaps (CDS) was key drivers of the 2008 financial crisis. Many interrelated financial companies insured risky mortgages and other questionable financial products using CDS. Rates for CDS were set using Libor, and these derivative investments were insured against defaults on subprime mortgages.

In 2012, extensive investigations into the way Libor was set uncovered a widespread, long-lasting scheme among multiple banks—including Barclays, Deutsche Bank, Rabo bank, UBS and Royal Bank of Scotland—to manipulate Libor rates for profit. In this complicated scam Barclays was a key player. Barclays while submitting LIBOR estimates always claimed that it has charged lower rates compared to other banks. Because a lower rate supposedly indicates a smaller risk of default, it is considered as an indication that a bank is in better shape than another bank with a higher rate. It's not just these scandals that undercut Libor. As per ICE Reports, banks have been changing the way they transact business, and, as a result, Libor rate became a less reliable benchmark.

The transition from LIBOR was confirmed on March 5 2021, when the United Kingdom Financial Conduct Authority (FCA) issued a statement announcing the cessation dates for all LIBOR settings. The FCA said all LIBOR settings will either cease to be provided by any administrator after December 2021.

WHAT ARE ALTERNATIVE REFERENCE RATES (ARR)?

With effect from 1st January 2022 LIBOR is not available for use as an interest index rate and it'll be replaced with ARR. Alternative Reference Rate is global transition to new benchmarks. ARR differs from LIBOR in three ways:

1. ARRs are **overnight rates** which are published when the overnight borrowing period ends. This implies that they are **"backward-looking."** In contrast, LIBOR is a rate to borrow for a period of a term like 3 months or 6 months and it is published at the start of the borrowing period. This indicates that LIBOR is **"forward-looking."**
2. LIBOR also includes a premium for interbank credit risk. Some ARRs rely on secured borrowing where they would not reflect interbank credit risk and all ARRs are overnight rates, which do not contain a term credit premium.

3. LIBOR also measures the identical market altogether in all currencies. The ARR measures different markets. For example, the ARRs for US Dollar and Swiss Franc are formulated on secured markets whereas the ARRs for Sterling, Japanese Yen and Euro are established on unsecured markets. This means that different ARRs are likely to behave slightly differently.

National working groups for each of the five LIBOR currencies have identified alternative, transaction based, and robust benchmarks. Regulators have recommended alternative reference rates which are as below:

Region	Rate				Regulator	Nature
USA	Secured Rate(SOFR)	Overnight	Financing		Federal Reserve Bank of New York	Secured
UK	Sterling (SONIA)	Overnight	Index	Average	Bank of England	Unsecured
EUROPE	Euro-Short-Term Rate (€STER)				European Central Bank	Unsecured
JAPAN	Tokyo (TONAR)	Overnight	Average	Rate	Bank of Japan	Unsecured
SWITZERLAND	Swiss Average Rate Overnight (SARON)				SIX (Swiss Exchange)	Stock Secured

Recently, India's number one Public Sector Bank, State Bank of India has adopted new benchmark in place of LIBOR and started offering ARRs based products to its customers. RBI has issued notification to AD Category I banks to use any reference rates instead of LIBOR.

WHAT ARE KEY RISKS OF TRANSITIONING FROM LIBOR?

The transition is a regulatory driven change; it involves elementary changes in market behaviors and conventions led by market participants. Because LIBOR has been the most widely used benchmark in the world for decades, transition to ARR is complex. The key risks related to the transition may include:

- Risks from terms in existing contracts that reference LIBOR beyond the relevant cessation dates not functioning as the parties intended.
- The potential economic impact from the repricing of contracts for the differences between LIBOR and ARRs (i.e., credit spread and tenor adjustments).
- Potential differences in hedge accounting treatment if cash products and derivatives become misaligned.
- Operational risks arising from the transition.

Thus, it can be concluded that transition from widely used benchmark interest rate (LIBOR) to ARR (such as SOFR) shall not be so easy for regulators as well as for banks and it will also pose following challenges for the banks, effected companies and the firms:

- Changes in the accounting procedures and policies.
- Adequate disclosures in the Annual Reports of the companies meant for the world at large.
- A major overhaul in strategic policies/ decisions on urgent basis as there may be changes in the estimates due to change in benchmark interest rate.

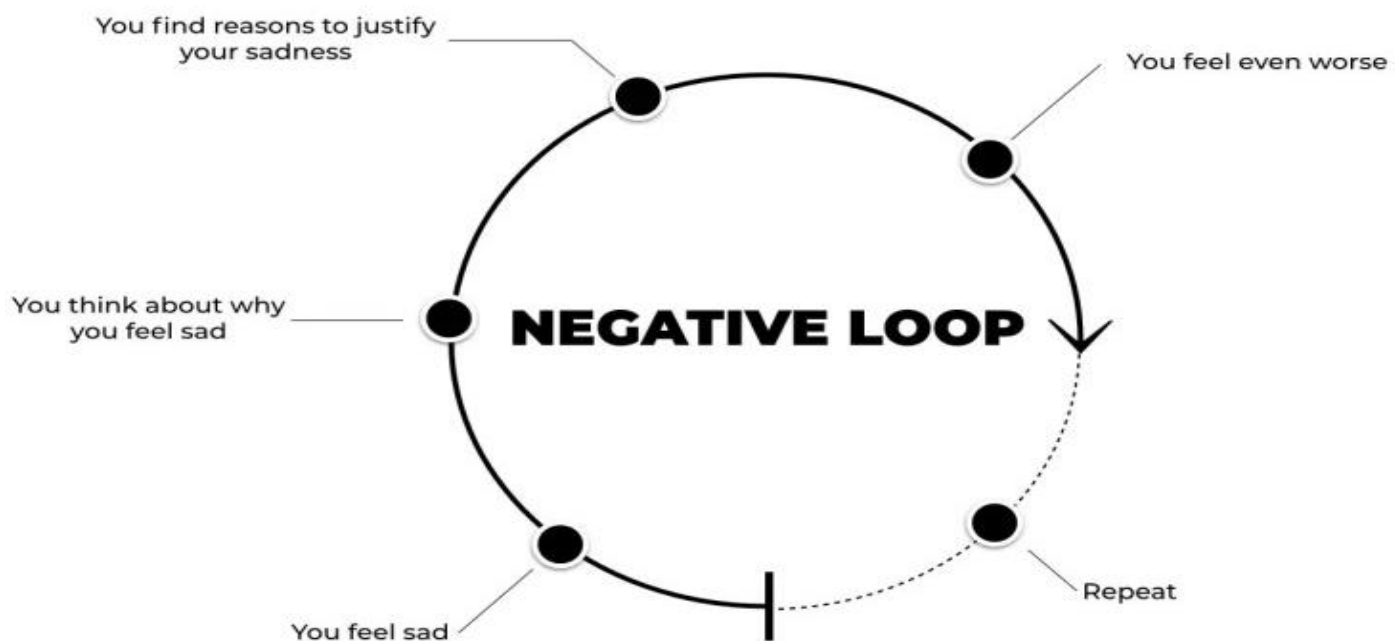
Negativity Loop

By CA. Jainam Seth



We all like to be happy, want to be happy, want to have thoughts which makes us happy...

But reality is something different. Life show us bad days, something terrible happens or we think it'll happen, we get negative thoughts and their begins a loop of negative feelings, thoughts and emotion. We stretch negativity to the point from where we can't revive. We gets stuck.



Why is this happening?

Is there a solution?

Let's see...

A negative thought loop occurs when you think about something troubling or distressing over and over again and you can't let it go. It could be something you said or did that you deeply regret, or something that was said or done to you, or when you lose hope in yourself, or when you find future is bleak, or something future or past oriented. As you ruminate (think deeply about something) on what occurred, you feel the feelings related to it. This can lead to of anxiety and depression when you can't let go of the thought. This is because your brain can't easily distinguish between what is actually happening and what you are telling it is happening. Although some self-introspection is quite helpful and healthy, negative thought loops are not. When you focus on repetitive negative thoughts, you begin to judge yourself negatively as well.

Since you are a thinking being, negative thoughts will occur. However, when you get stuck in a thought loop that you can't get out of, distressing feelings can increase and your mental health can suffer. You can have trouble sleeping and become easily agitated. It can even begin to change your world view and sense of safety. When you are stuck in a negative thought loop, it can impact your sense of self. Instead of your thoughts being about what happened, it can turn into being about what is inherently wrong with you. How you are not good enough and what a horrible person you are. When this happens, the negative thought loop reinforces the negative self-beliefs which can lead to unwanted behaviors. However, there are some things you can try to stop the negative thought loop.

Will see it another chapter.....



Compliance Calender

May 2022

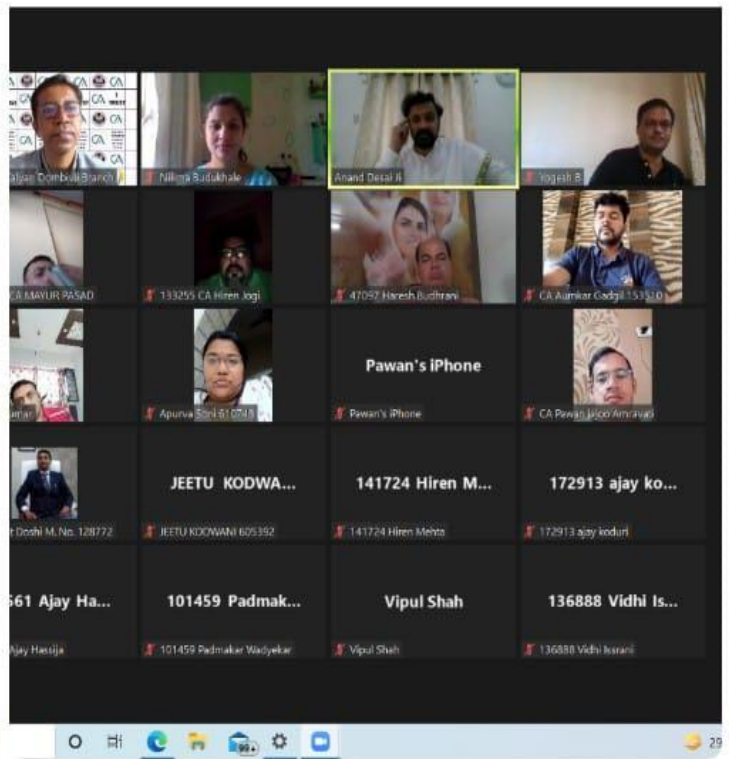
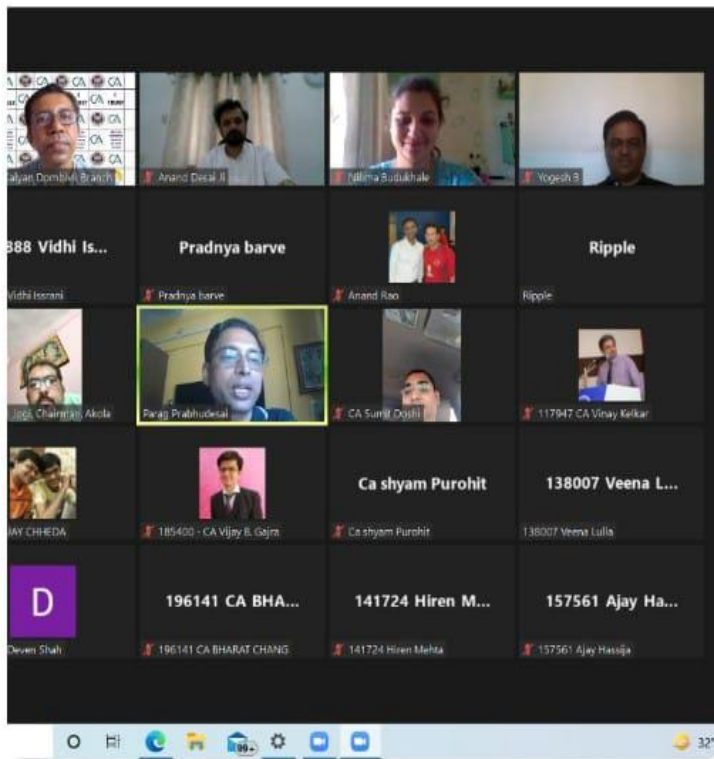
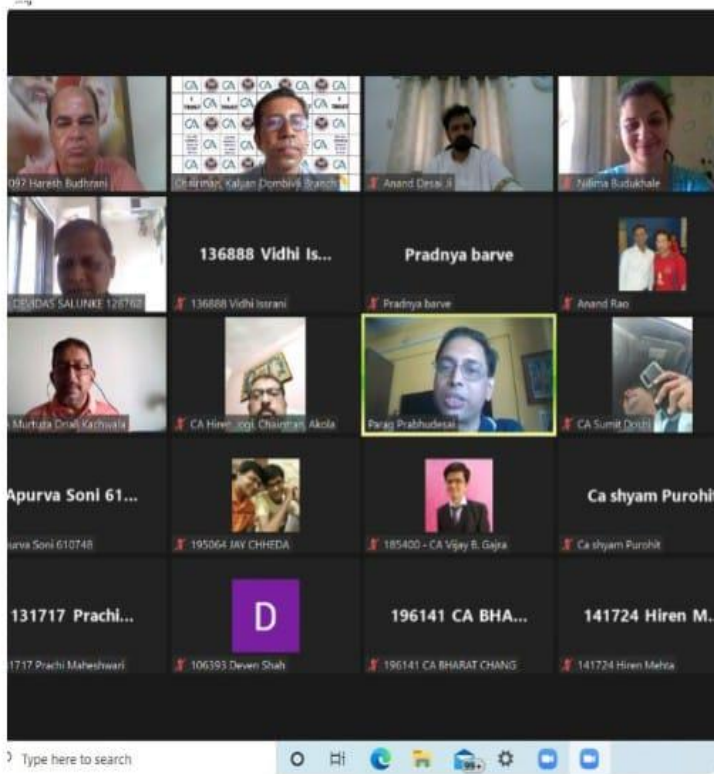
Compliance Calendar of Income Tax for May 2022

Due Date	Description	Section
07-05-2022	"Due date for deposit of Tax deducted/collected for the month of April, 2022. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan"	TDS/TCS
15-05-2022	"Due date for issue of TDS Certificate for tax deducted under section 194-IA, section 194-IB and section 194-M in the month of March 2022"	Section 194-IA, 194-IB and 194-M
15-05-2022	"Quarterly statement of TCS deposited for the quarter ending March 31, 2022"	TCS Statement
15-05-2022	"Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes have been modified after registering in the system for the month of April, 2022"	Form no. 3BB
30-05-2022	Submission of a statement (in Form No. 49C) by non-resident having a liaison office in India for the financial year 2021-22	Form No. 49C
30-05-2022	"Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB and 194M in the month of April 2022"	Section 194-IA, 194-IB and 194M
30-05-2022	"Issue of TCS certificates for the 4th Quarter of the Financial Year 2021-22"	4th Quarter of FY
31-05-2022	"Quarterly statement of TDS deposited for the quarter ending March 31, 2022"	TDS Statement
31-05-2022	"Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect for financial year 2021-22"	Form No. 61A

GST Compliance Calendar for May 2022

Due Dates	Compliance Particulars	Forms/(Filing Mode)
11.05.2022	The last date to file the GSTR-1 form is May 11, 2022, for the taxpayers having an annual aggregate turnover more than INR 1.5 crore or the ones who have opted for the monthly return filing.	GSTR 1
20.05.2022	Annual Turnover of more than INR 5cr in Previous FY April 2022	GSTR 3B
20.05.2022	Annual Turnover of more than INR 5cr in Previous FY April 2022	GSTR 3B
20.05.2022	All the non-resident ODIAR services providers should file their monthly return GSTR-5A on or before the given due date of 20th May 2022, for the month of April 2022.	GSTR 5A
20.05.2022	All the non-resident persons must file the GSTR-5 alongside the payment of GST on or before the given due date of 20th May 2022 for April 2022.	GSTR 5
13.05.2022	Every Input Service Distributor (ISD) must file GSTR-6 on or before the given due date of 13th May for the period of April 2022.	GSTR 6
10.05.2022	The due date for filing GSTR 7 for the period of April 2022 is 10th May.	GSTR-7
10.05.2022	The due date for furnishing GSTR 8 for the period April 2022 for registered e-commerce taxpayers in India who are liable to pay TCS should be deducted on or before deducted on or before 10th May.	GSTR 8

GLIMPES OF SESSION ON STRESS MANAGEMENT IN OUR LIVES BY SHRI ANAND DESAI (SENIOR INTERNATIONAL FACULTY OF ART OF LIVING)



GLIMPES OF SESSION ON REASSESSMENT UNDER INCOME TAX ACT BY CA VYOMESH PATHAK SIR



KALYAN DOMBIVLI BRANCH OF WIRC OF ICAI

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	Two pages	Rs 15,000/- Plus GST	Rs 1,50,000/- Plus GST
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