

**GHAZIABAD BRANCH
OF CENTRAL INDIA REGIONAL COUNCIL OF ICAI**



CA FLYER



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E- NEWS LETTER



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Goods and Services Tax (GST) Revenues & Latest Goods and Services Tax (GST) Notifications, Circulars, Orders etc. 2019



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“GST Revenue Collection by the Government for the period from 1.4.2019 to 30.11.2019 is estimated at INR 8,05,166 Crores. The GST Revenue collections for the month of November 2019 is estimated at INR 1,03,492 crores, of which CGST is estimated at INR 19,592 crores, SGST at INR 27,144 crores, IGST collections is estimated at INR 49,028 crores which includes INR 20,948 crores on imports and Cess is estimated at INR 7,727 crores which includes INR 869 crores on imports as per Ministry of Finance Statements. The GST revenues has been INR 7,40,650 Crores for the period from 1.7.2017 to 31st March 2018 which improved to INR 11,77,369 Crores for the period from 1.4.2018 to 31.03.2019, an increase of INR 4,36,719 Crores by 58.96%.”

“The Government has also collected around INR 28000 crores from around 52000 assesseees under litigations under 37 laws and enactments till 15.12.2019 on account of Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019.”

“The Government seeks to provide a one time Dispute Resolution of past disputes of Central Excise, Service Tax and 37 other indirect tax enactments through “Saba Vishwas (Legacy Dispute Resolution) Scheme 2019” w.e.f 1st September 2019 and to be resolved by 31st December 2019 which are estimated to be around INR 3.75 Lakh Crores.”

Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

Validity from 1st September 2019 to 31st December 2019

[The Government is not going to extend the last date of the Scheme i.e. 31st December 2019]

Benefits under the Scheme

1. Cases Pending in Litigation, Appeal, SCN's, Enquiries, Investigations and Audit with Tax Dues Quantified.

	Tax Payable
(a) Duty Less than INR 50.0 Lakhs	30%
(b) Duty Greater than INR 50.0 Lakhs	50%

2. Cases Pending in Tax Arrears and Tax Payable in Returns but not Paid

	Tax Payable
(a) Duty Less than INR 50.0 Lakhs	40%
(b) Duty Greater than INR 50.0 Lakhs	60%

3. Cases with Show Cause Notices for Penalty and Late Fees Only

Tax Relief under the Scheme – 100%

4. Voluntary Disclosures – Tax Payable – 100%

As per Section 122 of the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

This Scheme shall be applicable to the following enactments, namely:—

(a) The Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or Chapter V of the Finance Act (Service Tax), 1994 and the rules made there under;

1. The Agricultural Produce Cess Act, 1940;
2. The Coffee Act, 1942;
3. The Mica Mines Labour Welfare Fund Act, 1946;
4. The Rubber Act, 1947;
5. The Salt Cess Act, 1953;
6. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
7. The Additional Duties of Excise (Goods of Special Importance) Act, 1957;
8. The Mineral Products (Additional Duties of Excise and Customs) Act, 1958;
9. The Sugar (Special Excise Duty) Act, 1959;
10. The Textiles Committee Act, 1963;
11. The Produce Cess Act, 1966;
12. The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
13. The Coal Mines (Conservation and Development) Act, 1974;
14. The Oil Industry (Development) Act, 1974;
15. The Tobacco Cess Act, 1975;
16. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976;
17. The Bidi Workers Welfare Cess Act, 1976;
18. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978;
19. The Sugar Cess Act, 1982;
20. The Jute Manufacturers Cess Act, 1983;
21. The Agricultural and Processed Food Products Export Cess Act, 1985;
22. The Spices Cess Act, 1986;
23. The Finance Act, 2004,
24. The Finance Act, 2007,
25. The Finance Act, 2015,
26. The Finance Act, 2016;
27. Cine-Workers Welfare Cess Act, 1981 (30 of 1981);
28. Industries (Development and Regulation) Act, 1951 (65 of 1951);
29. Sugar Export Promotion Act, 1958 (30 of 1958);
30. Sugar (Regulation of Production) Act, 1961 (55 of 1961);
31. Tea Act, 1953 (29 of 1953);
32. Finance Act, 2001 (14 of 2001);
33. Finance Act, 2005 (18 of 2005);
34. Finance Act, 2010 (14 of 2010).

(b) Any other Act, as the Central Government may, by notification in the Official Gazette, specify.

Latest Goods and Services Tax Notifications, Circulars, Orders etc.

Goods and Services Tax (GST) - Notifications

1. Notification No. 72/2019-Central Tax, dt. 13-12-2019
Seeks to notify the class of registered person required to issue invoice having QR Code.
2. Notification No. 71/2019-Central Tax, dt. 13-12-2019
Seeks to give effect to the provisions of rule 46 of the CGST Rules, 2017.
3. Notification No. 70/2019-Central Tax, dt. 13-12-2019
Seeks to notify the class of registered person required to issue e-invoice.
4. Notification No. 69/2019-Central Tax, dt. 13-12-2019
Seeks to notify the common portal for the purpose of e-invoice.
5. Notification No. 68/2019-Central Tax, dt. 13-12-2019
Seeks to carry out changes in the CGST Rules, 2017.
6. Notification No. 67/2019-Central Tax, dt. 12-12-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the month of October, 2019
7. Notification No. 66/2019-Central Tax, dt. 12-12-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
8. Notification No. 65/2019-Central Tax, dt. 12-12-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to October, 2019.
9. Notification No. 64/2019-Central Tax, dt. 12-12-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the month of October, 2019.
10. Notification No. 63/2019-Central Tax, dt. 12-12-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019
11. Notification No. 62/2019-Central Tax, dt. 26-11-2019
Seeks to notify the transition plan with respect to J&K reorganization w.e.f. 31.10.2019
12. Notification No. 61/2019-Central Tax, dt. 26-11-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the month of October, 2019
13. Notification No. 60/2019-Central Tax, dt. 26-11-2019
Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019

14. Notification No. 59/2019-Central Tax ,dt. 26-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to October, 2019.

15. Notification No. 58/2019-Central Tax ,dt. 26-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the month of October, 2019.

16. Notification No. 57/2019-Central Tax ,dt. 26-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019

17. Notification No. 56/2019-Central Tax ,dt. 14-11-2019

Seeks to carry out Seventh amendment (2019) in the CGST Rules, 2017.

[Primarily related to Simplification of the Annual Return / Reconciliation Statement]

18. Notification No. 55/2019-Central Tax ,dt. 14-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019

19. Notification No. 54/2019-Central Tax ,dt. 14-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019

20. Notification No. 53/2019-Central Tax ,dt. 14-11-2019

Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019

21. Notification No. 52/2019-Central Tax ,dt. 14-11-2019

Seeks to extend the due date for furnishing FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover of up to 1.5 crore rupees for the quarter July, 2019 to September, 2019

22. Notification No. 51/2019-Central Tax ,dt. 31-10-2019

Seeks to amend notification no. 2/2017- Central Tax in order to notify jurisdiction of Jammu Commissionerate over UT of J&K and UT of Ladakh

23. Notification No. 50/2019-Central Tax ,dt. 24-10-2019

Seeks to extend the last date for filing of FORM GST CMP-08 for the quarter July-September 2019 by four days from 18.10.2019 till 22.10.2019.

Notifications - Provisions

A. Notification No. 72/2019 – Central Tax New Delhi, the 13th December, 2019

G.S.R.(E).— In exercise of the powers conferred by the sixth proviso to rule 46 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), the Government, on the recommendations of the Council, hereby notifies that:-

1. An invoice issued by a registered person, whose aggregate turnover in a financial year exceeds five hundred

crore rupees, to an unregistered person (hereinafter referred to as B2C invoice), shall have Quick Response (QR)code:

Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

2. This notification shall come into force from the 1st day of April, 2020.

[F. No. 20/13/01/2019-GST]

B. Notification No. 71/2019 – Central Tax New Delhi, the 13th December, 2019

G.S.R.(E).— In exercise of the powers conferred by rule 5 of the Central Goods and Services Tax (Fourth Amendment) Rules, 2019, made vide notification No. 31/2019 – Central Tax, dated the 28th June, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 457(E), dated the 28th June, 2019, the Government, on the recommendations of the Council, hereby appoints the 1st day of April, 2020, as the date from which the provisions of the said rule, shall come into force.

[F. No. 20/13/01/2019-GST]

C. Notification No. 70/2019 – Central Tax New Delhi, the 13th December, 2019

G.S.R.(E).— In exercise of the powers conferred by sub-rule (4) to rule 48 of the Central Goods and Services Tax Rules, 2017, the Government, on the recommendations of the Council, hereby notifies registered person, whose aggregate turnover in a financial year exceeds one hundred crore rupees, as a class of registered person who shall prepare invoice in terms of sub-rule (4) of rule 48 of the said rules in respect of supply of goods or services or both to a registered person. 3. This notification shall come into force from the 1st day of April, 2020.

[F. No. 20/13/01/2019-GST]

D. Notification No. 69/2019 – Central Tax New Delhi, the 13th December, 2019

G.S.R....(E).- In exercise of the powers conferred by section 146 of the Central Goods and Services Tax Act, 2017 (12 of 2017) read with sub-rule(4) of rule 48 of the Central Goods and Services Tax Rules, 2017 and section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby, notifies the following as the Common Goods and Services Tax Electronic Portal for the purpose of preparation of the invoice in terms of sub-rule(4) of rule 48 of the aforesaid rules, namely:-

(i) www.einvoice1.gst.gov.in;

(ii) www.einvoice2.gst.gov.in;

(iii) www.einvoice3.gst.gov.in;

(iv) www.einvoice4.gst.gov.in;

(v) www.einvoice5.gst.gov.in;

(vi) www.einvoice6.gst.gov.in;

(vii) www.einvoice7.gst.gov.in;

(viii) www.einvoice8.gst.gov.in;

(ix) www.einvoice9.gst.gov.in;

(x) www.einvoice10.gst.gov.in.

Explanation.-For the purposes of this notification, the above mentioned websites mean the websites managed

by the Goods and Services Tax Network, a company incorporated under the provisions of section 8 of the Companies Act, 2013 (18 of 2013).

2. This notification shall come into force with effect from the 1st day of January, 2020.

[F. No. 20/13/01/2019-GST]

E. Notification No. 68/2019 – Central Tax New Delhi, the 13th December, 2019

G.S.R.....(E). - In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Eighth Amendment) Rules, 2019.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 48, after sub-rule (3), the following sub-rules shall be inserted, namely:-
 - “(4) The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.
 - (5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
 - (6) The provisions of sub-rules (1) and (2) shall not apply to an invoice prepared in the manner specified in sub-rule (4).”.

[F. No. 20/13/01/2019-GST]

Note: The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide number G.S.R. 610 (E), dated the 19th June, 2017 and last amended vide notification No. 56/2019 - Central Tax, dated the 14th November, 2019, published vide number G.S.R. 845 (E), dated the 14th November, 2019

Goods and Services Tax (GST) - Central Tax (Rate) Notifications

26/2019-Central Tax (Rate), dt. 22-11-2019

Seeks to insert explanation regarding Bus Body Building in Notification No. 11/2017-Central Tax (Rate) dt. 28.06.2017.

Notification No. 26/2019- Central Tax (Rate) New Delhi, the 22nd November, 2019

G.S.R.....(E).- In exercise of the powers conferred by sub-section (3) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary so to do, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 690(E), dated the 28th June, 2017. In the said notification, in the Table, against serial number 26, in column (3), in item (ic), the following Explanation shall be inserted, namely: -

“Explanation- For the purposes of this entry, the term “bus body building” shall include building of body on chassis of any vehicle falling under chapter 87 in the First Schedule to the Customs Tariff Act, 1975.”

[F. No.354/150/2019 -TRU]

Goods and Services Tax (GST) - Integrated Tax (Rate) Notifications

25/2019-Integrated Tax (Rate), dt. 22-11-2019

Seeks to insert explanation regarding Bus Body Building in Notification No. 8/2017-Integrated Tax (Rate) dt. 28.06.2017.

Notification No. 25/2019- Integrated Tax (Rate) New Delhi, the 22nd November, 2019

G.S.R.....(E).- In exercise of the powers conferred by sub-section (3) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary so to do, hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 8/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 683(E), dated the 28th June, 2017.

In the said notification, in the Table, against serial number 26, in column (3), in item (ic), the following Explanation shall be inserted, namely: -

“Explanation- For the purposes of this entry, the term “bus body building” shall include building of body on chassis of any vehicle falling under chapter 87 in the First Schedule to the Customs Tariff Act, 1975.”

[F.No.354/150/2019-TRU]

Goods and Services Tax (GST) - Circulars

1. Circular No. 127/2019 04-12-2019 F.No. CBEC–20/06/03/2019–GST
Seeks to ab-initio withdraw the Circular No. 107/26/2019 dated 18.07.2019.
2. Circular No. 126/2019 22-11-2019 F.No. 354/150/2019-TRU
Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017-reg.
3. Circular No. 125/2019 18-11-2019 F.No. CBEC - 20/16/04/18 - GST
Seeks to clarify the fully electronic refund process through FORM GST RFD-01 and single disbursement.
4. Circular No. 124/2019 18-11-2019 F.No. CBEC - 20/16/04/18 - GST
Seeks to clarify optional filing of annual return under notification No. 47/2019-Central Tax dated 9th October, 2019.
5. Circular No. 123/2019 11-11-2019 F.No. CBEC - 20/06/14/2019 - GST
Seeks to clarify restrictions in availment of input tax credit in terms of sub-rule (4) of rule 36 of CGST Rules, 2017.
6. Circular No. 122/2019 05-11-2019 GST/INV/DIN/01/2019-20
Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons- reg.

Goods and Services Tax (GST) - Orders

1. Order No. 9/2019 - Central Tax dated 03-12-2019
Issuance of Removal of Difficulties Order so as to extend the last date for filing of appeals before the GST Appellate Tribunal against orders of Appellate Authority on account of non-constitution of benches of the Appellate Tribunal
2. Order No. 8/2019 - Central Tax dated 14-11-2019

Seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/
FORM GSTR-9C for FY 2017-18 till 31st December, 2019 and for FY 2018-19 till 31st March, 2020

1. Order No. 09 /2019-Central Tax New Delhi, the 03rd December, 2019

S.O.(E).—WHEREAS, sub-section (1) of section 112 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this Order referred to as the said Act) provides that any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal;

AND WHEREAS, sub-section (3) of section 112 of the said Act provides that the Commissioner may, on his own motion, or upon request from the Commissioner of State tax or Commissioner of Union territory tax, call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act for the purpose of satisfying himself as to the legality or propriety of the said order and may, by order, direct any officer subordinate to him to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for determination of such points arising out of the said order as may be specified by the Commissioner in his order;

AND WHEREAS, section 109 of the said Act provides for the constitution of the Goods and Services Tax Appellate Tribunal and Benches thereof;

AND WHEREAS, for the purpose of filing the appeal or application as referred to in subsection (1) or sub-section (3) of section 112 of the said Act, as the case may be, the Appellate Tribunal and its Benches are yet to be constituted in many States and Union territories under section 109 of the said Act as a result whereof, the said appeal or application could not be filed within the time limit specified in the said sub-sections, and because of that, certain difficulties have arisen in giving effect to the provisions of the said section;

NOW, THEREFORE, in exercise of the powers conferred by section 172 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby makes the following Order, to remove the difficulties, namely:—

1. Short title.—This Order may be called the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019.
2. For the removal of difficulties, it is hereby clarified that for the purpose of calculating,-
 - (a) the “three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal” in sub-section (1) of section 112, the start of the three months period shall be considered to be the later of the following dates:-
 - (i) date of communication of order; or
 - (ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office;
 - (b) the “six months from the date on which the said order has been passed” in sub-section (3) of section 112, the start of the six months period shall be considered to be the later of the following dates:-
 - (i) date of communication of order; or
 - (ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office.

[F. No. 20/06/07/2019-GST]

2. Order No. 08/2019-Central Tax New Delhi, the 14th November, 2019

S.O.(E).—WHEREAS, sub-section (1) of section 44 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this Order referred to as the said Act) provides that every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year;

AND WHEREAS, for the purpose of furnishing of the annual return electronically for every financial year as referred to in sub-section (1) of section 44 of the said Act, certain technical problems are being faced by the taxpayers as a result whereof, the said annual return for the period from the 1st July, 2017 to the 31st March, 2018 and for the period from 1st April, 2018 to the 31st March, 2019 could not be furnished by the registered persons, as referred to in the said sub-section (1) and because of that, certain difficulties have arisen in giving effect to the provisions of the said section.

NOW, THEREFORE, in exercise of the powers conferred by section 172 of the Central Goods and Services Tax Act, 2017, the Central Government, on recommendations of the Council, hereby makes the following Order, to remove the difficulties, namely:—

1. Short title.—This Order may be called the Central Goods and Services Tax (Eighth Removal of Difficulties) Order, 2019.
2. For the Explanation in section 44 of the Central Goods and Services Tax Act, 2017, the following Explanation shall be substituted, namely:—

“Explanation.- For the purposes of this section, it is hereby declared that the annual return for the period from the 1st July, 2017 to the 31st March, 2018 shall be furnished on or before the 31st December, 2019 and the annual return for the period from the 1st April, 2018 to the 31st March, 2019 shall be furnished on or before the 31st March, 2020.”.

[F. No. 20/06/17/2019-GST]

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December Transfer Pricing Cases Updates



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A. M/s Safran Engineering Services India (P) Ltd. v Asstt. CIT [2019] IT (TP) A No. 1666/Bang/2012 (Bangalore- Trib.)

Outcome of case: Partly in favor of Assessee

The Assessee is Safran Engineering Services India Pvt.Ltd. (Formerly known as Safran Aerospace India Pvt. Ltd.), is a subsidiary of Teuchos SA, which in turn is a subsidiary of Safran SA, France. The Assessee provides software development services predominantly in the sphere of thermodynamics, materials and combustion in the aerospace domain.

During the year under consideration, the assessee provided Management, Technical Support & Professional Services and software development services to its AE. The assessee aggregated both these transactions and applied TNMM as the most appropriate method for determining the ALP. As the margin earned by the assessee (12.33%) on consolidated basis is more than the margin earned by comparable companies, the assessee concluded that its transactions are at arm's length.

Issues for Concern:

1. The learned TPO/ AO erred in not accepting the arm's length justification of the payments made for Management, Technical Support & Professional Services using the Transactional Net Margin method and also erred in concluding that "no services" were rendered by associated enterprise and further erred in concluding that the arm's length payment by Safran Engineering Services India Private Limited should be zero.
2. The learned TPO/ AO erred in the inclusion of 13 comparable companies despite being the fact that said comparable companies were providing differential services, not satisfying the RPT filter of 15%, ownership of intangibles etc. and thus were not comparable to the assessee.
3. Without prejudice to any other grounds of the Appellant, even if the intra-group service payments were to be considered as zero, the TPO/ AO erred in not deducting the same from the operating cost base of the Company for the purpose of computation of the operating margin on operating cost of the Company.

Decision of Hon'ble ITAT:

The Hon'ble ITAT held as follows:

Management, Technical Support & Professional Services

1. Hon'ble ITAT observed that TPO opined that the assessee had not been able to demonstrate that the services rendered by AE benefitted the assessee, however, TPO did not demand any evidence regarding actual rendering of services.
2. Therefore, ITAT opines that "if the evidence of rendering of service or benefit received by the Assessee is doubted then the Assessee ought to have been called upon to file the same", ITAT thus remits the issue back to AO/TPO for consideration afresh.

Software Development Services

3. While determining the arm's length price in this segment, Ld. TPO chose 20 comparable companies with the arithmetic margin at 23.65% of such comparable companies and accordingly Ld. TPO made an addition of Rs. 5,32,90,274 in the international transaction consequent to determination of arm's length price.
4. Aggrieved, the assessee filed an appeal before ITAT in order to seek the exclusion of 13 companies out of

20 comparable companies chosen by the Ld. TPO.

5. Hon'ble ITAT relying on the decision of Infineon Technologies India Private Limited v Asstt. CIT ITA No 1670/Bang/2012 order dated 06.11.2015 decided the case in favor of the assessee and direct the Ld. TPO to exclude such 13 companies from the list of final comparable companies. Following are the relevant observations of Hon'ble ITAT on 13 comparable companies:

Name of Comparables	Grounds of Exclusion
Avani Cincom Technologies Ltd	Functional dissimilarity and Non-furnishing of information to the assessee gathered u/s133(6) by TPO.
Bodhtree Consulting Ltd	Functional dissimilarity since it was a software product company.
E-Zest Solutions Ltd	Celestial Bio labs Ltd Functional dissimilarity since it was engaged in product development in the field of biotech and pharmaceuticals.
	Functional dissimilarity since it was engaged in rendering product development services and high end technical services which come under category of KPO services. Infosys Technologies Ltd Ownership of significant intangible, huge revenues from software products and unavailability of breakup of revenue from software services and software products.
	KALS Information System (Seg) Functional dissimilarity since it was engaged in developing software products and was not purely or mainly a software service provider.
Persistent Systems Ltd	Functional dissimilarity since it was engaged in product design and development services; however separate segmental details were not given.
Quintegra Solutions Ltd	Functional dissimilarity since it was engaged in product engineering services, also engaged in proprietary software products and had substantial R&D activity which had resulted in the creation of its IPRs, ownership of intangible assets and extraordinary event of acquisition.
Tata Elxsi Ltd	Functional dissimilarity since it was predominantly engaged in product designing services and not purely software development services and also by noting that the segment "software development services" related to design services and was not similar to software development services performed by the assessee.
Thirdware Solutions Ltd	This company was engaged in product development and earned revenue from the sale of licenses and subscription; however segmental profit and loss accounts for software development services and product development were not given separately.
Wipro Ltd	This company was engaged both in software development and product development services however there was no information on the segmental bifurcation of revenue from the sale of product and software services, owned intellectual property in the form of registered patents and several pending applications for grant of patents.
Softsol India Ltd	This company was excluded on the ground of RPT exceeding 15% thus

failing the filter applied.

Lucid Software Ltd

This company was excluded on the ground of functional dissimilarity since it was engaged in the development of software products.

6. Also, Hon'ble ITAT hold that in case the Ld. TPO comes to the conclusion that intra-group service payments were to be considered as zero, the Ld. TPO should rework the operating cost base of the Assessee for the purpose of computation of the operating margin on operating cost and compute arm's length price as prayed for by the Assessee.

B. TPR Autoparts Mfg. India Pvt. Ltd. v Dy. CIT [2019] ITA No 4744/Del/2017 (Del-Trib)

Outcome of case: In favor of the Assessee

The assessee company is a wholly owned subsidiary of M/s Teikoku Piston Ring Co. Ltd., Japan. The assessee company is engaged to carry on the business of manufacture, export, buy and sell and otherwise deal in 'moulded' automobile products i.e. piston rings, cylinders liners, valve seat rings and other automotive parts.

During the year under consideration, the assessee company has undertaken following international transactions with its AEs:

SN	Nature of Transaction	Method Applied	Amount (Rs.)
1.	Purchase of Raw Material/assets/ spares	TNMM	5,85,47,963
2.	Payment of Royalty	TNMM	76,32,183
3.	Reimbursement of Exp		-9,14,253

In order to benchmark the above mentioned transactions, the assessee has considered 6 comparable companies with adjusted margin of (-) 6.53% and concluded all the transactions at arm's length.

While determining the arm's length price, the assessee claims the capacity utilization adjustment of 51.29%. The assessee relied upon the following judicial precedents for the allowability of capacity utilisation adjustment:

- a) Dover India Pvt. Ltd. Vs. DCIT reported in (2017) 81 Taxmann.com 245 (Pune Trib)
- b) M/s Nippon Paint India Pvt. Ltd. Vs. ACIT reported in TS-102- ITAT-2017 (Chny)
- c) E.I. Dupont India Pvt. Ltd. DCIT reported in 16 Taxmann.com 352
- d) DCIT Vs. Vertex Customer Services India Pvt. Ltd. reported in (2009) 34 SOT 532 (Del).
- e) Global Vantage Pvt. Ltd. Vs. DCIT reported in (2010) 1 ITR (Tri) 326 (Del)
- f) ACIT Vs. MSS India Pvt. Ltd. reported in (2009) 32 SOT 132 (Pune)
- g) DCIT Vs. Petro Araldite Pvt. Ltd. reported in (2013) 145 ITD (Mum) 182
- h) DCIT Vs. Terex India (P) Ltd. (2019) 71 ITR 259 (Delhi ITAT)
- i) DCIT Vs. Panasonic AVC Networks India Co. Ltd., 63 Sot 121 (Del)

Issues for concern:

1. Ld. AO/TPO/Ld. CIT(A) has erred on facts and in law in not observing that the assessee has demonstrated with reliable data available in public domain for adjustment of fixed costs in its operating margin due to under capacity utilization and in the comparables selected by it during the course of Transfer Pricing proceedings.

Decision of Hon'ble ITAT:

1. Hon'ble ITAT further observed that we find merit in the arguments advanced by the Id. counsel for the

assessee that when it is operating at 51.29% of its installed capacity as against 7% in the preceding assessment year and, as such, it could not achieve economics in utilizing fixed costs, therefore, the assessee should be granted capacity utilization adjustment in the light of the ratio of the decisions relied on by him in the synopsis.

2. However, the same needs verification at the level of A.O. /TPO. Considering the totality of the facts and in the interest of justice, we deem it proper to restore the issue to the file of A.O./TPO with a direction to give an opportunity to the assessee to substantiate with evidence to his satisfaction regarding the capacity utilization adjustment that is necessary for the assessee for this particular assessment year. The A.O./TPO shall decide the issue as per fact and law, after giving due opportunity of being heard to the assessee.

C. MC Retail Private Limited v Asstt. CIT [2019] ITA No 1777/M/2016 (Mumbai Tribunal)

Outcome of case: In favor of the Assessee

Issue for concern:

1. Ld. AO/TPO has erred in determining the arm's length price of transaction without following the methodology prescribed under section 92C of the Income Tax Act, 1961 (the Act).

Decision of Hon'ble ITAT:

1. In the given case, hon'ble ITAT observes that in respect of advance given to AE which has been written off by the assessee, the TPO has taken the ALP of the international transaction of writing off of the bridge fee amounting to Rs.3,32,54,170/- as nil and an equal adjustment has been proposed to be made in the aggregate value of international transactions reported by the assessee. Similarly, in respect of service fees for purchase of franchise, the ALP of the international transaction has been taken at nil and equal adjustment is proposed.

2. In both these transactions, we observe that no prescribed method has been followed by the TPO as prescribed under section 92C of the Act. Ld. DRP has also upheld the order of TPO while allowing some relief on the additions proposed. In our view the TPO is duty bound to propose additions/adjustments in ALP after following any of the methods as prescribed in section 92C of the Act.

3. Hon'ble ITAT relied on the following judicial pronouncements wherein it was held that it is obligatory on the TPO to follow one of the methods as mandated by provisions of section 92C of the Act:

a. CIT v Johnson and Johnson Limited (Bombay High Court)

b. CIT v Kodak India Private Limited (Bombay High Court)

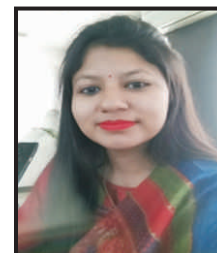
4. Therefore, relying on above decisions, hon'ble ITAT decided the issue in favor of the assessee by holding that it is obligatory on the Ld. TPO to follow one of the methods as prescribed under section 92C of the Act and accordingly, direct the Ld. AO to delete the addition.

Penalty for under-reporting and misreporting of income



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Section 270A of the Income-tax Act, 1961 (for brevity 'the Act') has been brought to the statute vide the Finance Act, 2016 which stipulated the provisions to levy penalty on "under-reported income" and "mis-reported income". The new penalty provision enumerated, into the mentioned section, with effect from 1st April, 2017, therefore same is applicable for the assessment/reassessment proceedings related to assessment year 2017-18 and onwards. Correspondingly, sub-section (7) has been inserted to section 271 of the Act, which says that the provisions of section 271 of the Act shall not apply to the assessment proceedings pertains to assessment year 2017-18 and onwards. As a result, we can say that the penalty will be levied for the assessment proceeding related to assessment year 2017-18 and onwards under section 270A of the Act, but not under section 271(1)(c) of the Act. For example, 31st December 2019 was the limitation date of completion of scrutiny assessments related to assessment year 2017-18. In case, there is any addition has been made to the returned income by the Assessing Officer (for brevity 'the AO'), a separate penalty proceeding will be initiated by the AO, and the same would be under section 270A of the Act. However, 31st December 2019 was also the limitation date of completion of scrutiny assessments for the assessment year 2016-17, where the assessment proceedings have been referred to the Transfer Pricing Officer (for brevity 'the TPO'), so in that case penalty proceeding will be initiated by the AO under section 271(1)(c) of the Act on addition made to the returned income either by the TPO or the AO. Thus, we can brief that only the assessment proceedings which are related to assessment year 2017-18 or onwards will be covered by the new penalty provisions i.e. section 270A of the Act. This article will help the professionals to touch the concept of new penalty provisions enumerated under sections 270A and 270AA of the Act.

With section 270A of the Act, now penalty would be levied on under-reporting of income and mis-reporting of income instead of concealment of income or furnishing inaccurate particulars thereof. The genesis of section 270A of the Act is to rationalize and bring the objectivity, certainty and clarity in the penalty provisions. Also, the penalty provisions have been amended to overcome the judgement of the Hon'ble Supreme Court in the case of CIT v. Reliance Petroproducts (P.) Ltd. [2010] 189 Taxman 322/ 322 ITR 158, wherein the intentment of legislature was discussed and it was held that a mere making of the claim, which is not sustainable in law by itself will not amount to furnishing of inaccurate particulars regarding the income of the assessee.

The circumstances of considering the addition made by the AO as under-reporting of income have been enumerated into sub-section (2) to section 270A of the Act. In this regard, no penalty will be levied in case an addition has been proposed vide intimation issued by Centralised Processing Centre ('CPC') under section 143(1) of the Act. The following is to be considered as under-reported income:

- (a) The difference between the income assessed by the AO under normal provisions of the Act and income as per intimation by the CPC;
- (b) The difference between the income assessed by the AO under normal provisions of the Act and maximum amount not chargeable to tax where no return of income is furnished or where return has been furnished

for the first time under section 148 of the Act;

- (c) The difference between the reassessed income under normal provisions of the Act and income assessed as per point (a);
- (d) The difference between the income assessed or reassessed by the AO under MAT provisions of the Act and income as per intimation by the CPC;
- (e) The difference between the income assessed by the AO under MAT/AMT provisions of the Act and maximum amount not chargeable to tax where no return of income is furnished or where return has been furnished for the first time under section 148 of the Act;
- (f) The difference between the reassessed income under MAT provisions of the Act and income assessed as per point (d);
- (g) The difference between the loss or income assessed/reassessed and loss as per intimation by the CPC.

On perusal of the above pointers, it can be said that every addition made by the AO while completing the assessment/reassessment proceedings would tantamount to under-reporting of income as per new penalty provisions. Interestingly, it is notable that the AO is not required to record the reasons of satisfaction for under-reporting of income, as erstwhile the AO was required to record the reasons of satisfaction of concealment of income.

Sub-section (3) of section 270A of the Act provides the calculation of under reporting of income. In this regard, with the help of following illustrations, let's understand the calculation of the amount of under-reported income:

Illustration I: A company has filed its income tax return with an income amounting to INR 10,00,000. The income tax return has been processed by CPC and an addition has been made amounting to INR 1,50,000, accordingly the income as per intimation under section 143(1) of the Act issued by the CPC is amounting to INR 11,50,000. Further, the matter has been selected for scrutiny assessment and the AO has made an addition amounting to INR 3,50,000 accordingly, the AO has assessed the income amounting to INR 15,00,000. In this case, the underreporting income would be INR 3,50,000 (i.e. INR 15,00,000 as assessed income minus INR 11,50,000 as income under section 143(1) of the Act).

Illustration II: A company has filed its income tax return with a loss amounting to INR 2,00,000 and the same also has been processed by CPC. Thus, the loss as per intimation under section 143(1) of the Act issued by the CPC is amounting to INR 2,00,000. The matter has been selected for scrutiny assessment and the AO has made an addition amounting to INR 1,50,000 accordingly, the AO has assessed the loss amounting to INR 50,000. In this case, the underreporting income would be INR 1,50,000 (i.e. INR 50,000 as assessed loss minus INR 2,00,000 as loss under section 143(1) of the Act).

Illustration III: Mr. A, an individual, has not filed his income tax return. The AO has done the best judgement assessment and has assessed the income amounting to INR 9,00,000. In this case, the underreporting income would be INR 6,50,000 (i.e. INR 9,00,000 as assessed income minus INR 2,50,000 as maximum amount not chargeable to tax).

Illustration IV: In reference to the above Illustration I, the income tax return of company has been selected for reassessment proceeding and the AO has made an addition amounting to INR 7,00,000 accordingly, the total income of the company after reassessment is INR 22,00,000. In this case, the underreporting income would be INR 7,00,000 (i.e. INR 22,00,000 as reassessed income minus INR 15,00,000 as income already assessed by the AO earlier).

Illustration V: A company has filed its income tax return with an income amounting to INR 10,00,000 under normal provisions of the Act and INR 8,00,000 under MAT provisions of the Act. The AO has made an addition amounting to INR 1,50,000 in the computation under normal provisions by virtue of section 37 of the Act. Also, the AO has made an addition amounting to INR 1,25,000 on account of provision for bonus by under MAT provisions virtue of clause (c) of Explanation 1 to section 115JB(2) of the Act. Accordingly, the assessed income of the company would be INR 11,50,000 under normal provisions of the Act and INR 9,25,000 under MAT provisions of the Act. In this case, first proviso to sub-section (3) to section 270A of the Act would be applicable, and the underreporting income would be:

$$\begin{aligned}
 &= (\text{INR } 11,50,000 - \text{INR } 10,00,000) + (\text{INR } 9,25,000 - \text{INR } 8,00,000) \\
 &= (\text{INR } 1,50,000 + 1,25,000) \\
 &= \text{INR } 2,75,000
 \end{aligned}$$

Illustration VI: In reference to the above illustration V, the AO has made an addition amounting to INR 1,50,000 in the computation on account of provisions for bonus under normal provisions by virtue of section 43B of the Act as well as under MAT provisions by virtue of clause (c) of Explanation 1 to section 115JB(2) of the Act. Accordingly, the assessed income of the company would be INR 11,50,000 under normal provisions of the Act and INR 9,50,000 under MAT provisions of the Act. In this case, second proviso to sub-section (3) to section 270A of the Act would be applicable, and the underreporting income would be:

$$\begin{aligned}
 &= (\text{INR } 11,50,000 - \text{INR } 10,00,000) + (\text{INR } 9,50,000 - \text{INR } 9,50,000) \\
 &= (\text{INR } 1,50,000 + \text{NIL}) \\
 &= \text{INR } 1,50,000
 \end{aligned}$$

By giving the above Illustration V, it is clear that where the amount of under reported income on any issue is considered under both i.e. under the provisions contained in MAT/AMT provisions and under normal provisions, such amount shall be considered as underreported of income under normal provisions only.

Sub-section (10) to section 270A talks about the computation of liability of tax payable on under-reported income. Further sub-section (7) of section 270A of the Act provides that the amount of penalty on under-reporting of income will be 50% of tax payable on under-reported income. Moreover, sub-section (8) of section 270A of the Act provides that in case under-reporting is in consequence to misreporting of income, the amount of penalty on underreporting of income will be 200% of tax payable on underreported income. However, it can be observed that an addition can be considered as misreporting of income; only if that addition is first proved as an under-reporting of income. In this regard, we will compute the amount of tax payable and penalty leviable thereon by taking reference of the above provided illustrations.

Reference to Illustration I:

Particulars	Amount (in INR)
Under-reported income	3,50,000
Tax payable on under-reported income @ 30%	30% of 3,50,000 = 1,05,000
Amount of penalty (if it is underreported income)	50% of 1,05,000 = 52,500
Amount of penalty (if it is misreported income)	200% of 1,05,000 = 2,10,000

Reference to Illustration II:

Particulars	Amount (in INR)
Under-reported income	1,50,000
Tax payable on under-reported income @ 30%	30% of 1,50,000 = 45,000

Amount of penalty (if it is underreported income)	50% of 45,000 = 22,500
Amount of penalty (if it is misreported income)	200% of 45,000 = 90,000

Reference to Illustration III:

Particulars	Amount (in INR)
Under-reported income	6,50,000
Tax payable on under-reported income @ slab rates (tax calculation would be after adding INR 2,50,000)	(NIL + 12,500 + 80,000) = 92,500
Up to INR 2,50,000 –	NIL
(From 2,50,001 to INR 5,00,000) @ 5% - INR 12,500	
(From 5,00,000 to INR 9,00,000) @ 20% - INR 80,000	
Amount of penalty (if it is underreported income)	50% of 92,500 = 46,250
Amount of penalty (if it is misreported income)	200% of 92,500 = 1,85,000

The amount of tax payable and penalty thereon will be calculated in the same manner on the remaining illustrations as well.

Now, let's understand that what are the circumstances wherein an addition made by the AO during the completion of assessment proceeding would not tantamount as under-reporting of income. In this regard, sub-section (6) of section 270A of the Act lay down that under-reporting income shall not include the followings:

- (a) where the assessee offers an explanation and the income-tax authority is satisfied that the explanation is bona-fide and all the material facts have been disclosed;
- (b) where such under-reported income is determined based on an estimate, if the accounts are correct and complete but the method employed is such that the income cannot properly be deduced therefrom;
- (c) where the assessee has, on his own, estimated a lower amount of addition or disallowance on the issue and has included such amount in the computation of his income and disclosed all the facts material to the addition or disallowance;
- (d) where the assessee had maintained information and documents as prescribed under the transfer pricing provisions, by declaring the international transaction and disclosed all the material facts relating to the transaction;
- (e) where the undisclosed income is on account of a search operation and penalty is leviable under section 271AAB.

Sub-section (9) to section 270A of the Act provides the following circumstances, wherein the underreported income will be considered in consequence of misreporting:

- (a) misrepresentation or suppression of facts;
- (b) failure to record investments in the books of account;
- (c) claim of expenditure not substantiated by any evidence;
- (d) recording of any false entry in the books of account;
- (e) failure to record any receipt in books of account having a bearing on total income; and
- (f) failure to report any international transaction or any transaction deemed to be an international transaction or any specified domestic transaction, to which the provisions of Chapter X apply.

Section 270AA of the Act provides an immunity from imposition of penalty leviable under section 270A of the Act and prosecution under section 276C and 276CC of the Act on making an application made by an Assessee to the AO in a prescribed manner within one month from end of the month in which order has been received by Assessee. Apart from making an application, the conditions for the mentioned immunity are (i) Assessee has paid tax and interest amount as per assessment/reassessment order within the period specified in notice of demand i.e. notice under section 156 of the Act; (ii) no appeal is preferred against such order. It is noticeable

that no application for immunity from penalty can be made by an Assessee to the AO, if the underreported income is in consequence to the misreporting of income. The AO shall pass an order for accepting or rejecting an application made by an Assessee within one month from end of the month in which application is made by Assessee. However, an opportunity of being heard is to be provided to the Assessee before rejecting an application made by the Assessee. It is pertinent to note that in case the order of rejection is passed by the AO against application made by Assessee, the order of assessment/reassessment would not be appealable now.

Conclusion: By inserting the new penalty provisions vide section 270A of the Act, each and every addition, made by the AO while completing the assessment/reassessment proceedings related to assessment year 2017-18 and onwards, would result into underreporting of income unless the case falls under sub-section (6) to section 270A of the Act. Accordingly, penalty of 50% of tax payable on underreporting of income would be levied in this case. However, in case the underreporting of income is in consequence to the misreported income by virtue of sub-section (9) to section 270A of the Act, the penalty of 200% of tax payable on underreporting of income would be levied. Further, the provisions of immunity from penalty provisions have been stipulated under section 270AA of the Act (if the case is not of misreporting of income), thus assessee needs to analyse the same first before preferring an appeal before Commissioner of Income-tax.

MANDATORY COMPLIANCE'S FOR PRIVATE LIMITED COMPANIES

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S. NO.	APPLICABLE LAWS	ELIGIBILITY CRITERIA	SECTION & RULES	PROCEDURE
1	RESIDENT DIRECTOR	Every Company - Atleast 1 Resident Director	149(5) of Companies Act, 2013	Resident Director - One Director in the Board shall be a person who has stayed in India for a total period of not less than 182 days during the previous calendar year.
2	VIGIL MECHANISM POLICY	1) Listed Company 2) ALL Companies which accept deposits from the public; 3) ALL Companies which have borrowed money from banks and public financial institutions in excess of Rs.50 Crores.	Rule 7 to Appointment & Qualification of Directors of COMPANIES ACT, 2013	Refer Draft of Vigil Mechanism
3	SEXUAL HARASSMENT POLICY	The POSH Act applies to Both the Organized and Unorganized Sectors in India. It inter alia, applies to a) Government Bodies, b) Private and Public Sector Organizations, c) Non-Governmental Organizations, d) Organizations carrying out commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals and also applies to a dwelling place or a house.	POSH Act 2013 (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013)	Organised Sector -The sector in which the employment terms are fixed and employees have assured work is Organised sector. Unorganised Sector - The sector that comprises of small scale enterprises or units and are not registered with the government. Prepare the Policy in the Company and paste it into Notice Board for the all companies personnel. Refer Draft of Sexual Harassment Policy.
4	INTERNAL COMPLIANT COMMITTEE	Organisation covered under POSH Act The POSH Act requires an employer to set up an 'Internal Committee' ("IC") at each office or branch, of an organization employing 10 or more employees, to hear and redress grievances pertaining to sexual harassment.	POSH Act 2013	Organise the Committee in the Company and paste it into Notice Board for the all companies personnel. Refer Draft of Vigil Mechanism
5	RISK MANAGEMENT POLICY	There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include – (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;	Section 134 Companies Act, 2013	Prepare the Policy in the Company and laid before in GM for approval and report in Annual Board Report by BOD's. Refer Draft of Risk Management Policy
6	CSR	Every Company Having a) Net Worth of Rs.500 Crores or more, OR b) Turnover of Rs.1,000 Crores or more OR c) Net Profit of Rs.5 Crore or more during 3 [the immediately preceding financial year] Shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.	Section 135 of Companies Act, 2013	Constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
7	XBRL	a) Listed b) Subsidiaries of any Company Listed c) All companies having paid up Capital of Rs.5 Crore and above. d) All companies having Turnover of Rs.100 Crore and above. Exemption a) Banking Companies b) Insurance Companies c) Power Companies d) Non-Banking Financial Companies e) Housing Finance Companies	Circulator to MCA	
8	CASH FLOW STATEMENT	All Companies Except a) One Person Company, b) Small Company and c) Dormant Company.	Section 2(40) of Companies Act, 2013	
9	INTERNAL AUDITOR	(a) Every listed company; (b) Every unlisted public company having- (i) Paid up share capital of 50 crore rupees or more during the preceding financial year; or (ii) Turnover of Rs.200 crore or more during the preceding financial year; or (iii) Outstanding loans or borrowings from banks or public financial institutions exceeding Rs.100 crore or more at any point of time during the preceding financial year; or (iv) Outstanding deposits of Rs.25 crore or more at any point of time during the preceding financial year; and (c) Every Private Company having- (i) Turnover of Rs.200 crore or more during the preceding financial year; or (ii) Outstanding loans or borrowings from banks or public financial institutions exceeding Rs.100 crore or more at any point of time during the preceding financial year Exception: a) One Person Company b) Small company c) Dormant company	Section 138 of Companies Act, 2013	
10	APPOINTMENT OF COMPANY SECRETARY	a) All listed companies and b) Every Other Company having a Paid-up Share Capital of Rs.5 Crore or more	Section 203 of Companies Act, 2013	

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11	ANNUAL RETURN CERTIFICATION BY PCS	The annual return, filed by a listed company or a) A company having paid-up share capital of Rs.10 crore or more OR b) Turnover of Rs.50 crore or more, Shall be certified by a Company Secretary in practice and the certificate shall be in Form No. MGT 8.	Section 92 of Companies Act, 2013	
12	ROTATION OF AUDITOR	The following companies can not appoint / reappoint an individual as Auditor for more than 1 term of 5 consecutive years and an audit firm as auditor for more than 2 terms of 5 consecutive years : (i) Listed companies; (ii) Unlisted public companies with paid up capital of Rs.10 crores or more (iii) Private Companies with Paid up Capital of Rs.20 crores or more; (iv) Companies with paid up capital below the aforementioned threshold limit but having public borrowings from FIs, banks or public deposits of Rs.50 crores or more.	Section 139 of Companies Act, 2013	
13	CARO	1. All companies listed with any Stock Exchange(s) in India. 2. All Public Limited Companies. 3. Private Limited Company if fulfill any of below mentioned condition: Its paid up capital and reserves exceed Rs.50 lacs; Its turnover exceed Rs.5 Crores; Its outstanding loan from any bank or financial institution exceeds Rs.25 lacs. Companies Exempt from CARO requirements: a. A banking company b. An insurance company c. A company registered u/s.25 of the Act.	Company Auditor's Report Order (CARO), 2016	
14	KEY MANAGERIAL PERSONNEL	a) All Listed Companies b) Every Public Company having Paid-Up Share Capital of Rs. 10 Crore (Ten Crore Rupees) or more. c) *Every Private Limited Company having Paid-Up Share Capital of Rs. 5 Crore (Five Crore Rupees) or more required to appoint Company Secretary and designate as Key Managerial Personnel.	As per Provisions of Section 203 of Companies Act, 2013 read with Rule 5 Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	
15	MAINTENANCE OF COST RECORD	The Rule 3 has classified sectors under Regulated and Non-Regulated sectors. Every company engaged in the production of the goods or providing services, specified in Tables a) Table A - Regulated sectors and b) Table B - Non-regulated Sectors having an Overall Turnover from All Its Products and Services of Rs. 35 Crore or more during the immediately preceding financial year, shall include cost records for such products or services in their books of account.	Rules 3 governing maintenance of cost accounting records and cost audit as per Section 148 of the Companies Act, 2013	
16	COST AUDIT	Rule 4 states that cost audit would be applicable to a company if the classification of company falls under Industry / Sector / Product / Service provided in Table A or Table B and: (a) Overall annual turnover from all products / services is of Rs. 50 crore or more and aggregate turnover from individual product / services for which cost records are required to be maintained is Rs.25 crore or more - if the classification falls under Table A, and (b) Overall annual turnover from all products / services is of Rs.100 crore or more and aggregate turnover from individual product / services for which cost records are required to be maintained is Rs.35 crore or more - if the classification falls under Table B. This means that Cost Audit shall be applicable to those companies whose products / services falls under the sectors which are mentioned in the tables (Table A - Regulated sectors and Table B - Non-regulated Sectors) to the Companies (Cost Record and Audit) Amendment Rules 2016.	Cost Audit as per Section 148 of the Companies Act, 2013.	
17	INTERNAL FINANCIAL CONTROL (IFC)	MCA vide its notification dated 13th June 2017 (G.S.R. 583(E)) amended the notification of the Government of India, In the ministry of corporate of affair, vide no G.S.R. 464(E) dated 05th June 2015 providing exemption from Internal Financial Controls to following private companies: a) Which is one person Company (OPC) OR b) A Small Company; OR i) Which has turnover less than Rs.50 Crores as per latest audited financial statement, OR ii) Which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than Rs.25 Crore. Notes:- The above exemption shall be applicable to a private company a) Which has not committed a default in filing its financial statements under section 137 of the Companies Act 2013 OR b) Annual return under section 92 of Companies Act 2013 with the Registrar.	As per provisions of Section 143(3)(i) of companies Act 2013.	
18	INDIAN ACCOUNTING STANDARD	1. Companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India, 2. Unlisted companies having Net Worth of Rs. 250 Crores* or more, and 3. Holding, subsidiary, joint venture or associate companies of companies covered in point (1) and (2) above. *as on 31st March, 2014 or the first audited financial statements for accounting period which ends after that date (i.e. March 31, 2014)	Indian Accounting Standard	
19	CHANGE IN LETTER HEADS, BILLS ETC.	Every company shall get its Name, Address of its Registered Office and the Corporate Identity Number (CIN) along with Telephone Number, Fax Number, if any, Email and Website Addresses, if any, Printed in all its Business Letters, Billheads, Letter Papers and in all its Notices and other Official Publication.	As per Section 12(3)(c) of Companies Act 2013.	
20	BOARD MEETINGS	Gap between 2 Consecutive Board Meetings should not be more than 120 days. Minimum 4 meetings in a year. At-least 7 days' notice to be given for Board meeting;	As per Section 173(1) of Companies Act 2013.	
21	OBLIGATION TO INDICATE DIN NUMBER	Every Person or Company should mention the DIN in all forms, information or particulars which relates to the director or containing any reference of any director while furnishing the same.	As per Section 158 of Companies Act 2013.	
22	CONSOLIDATION OF ACCOUNTS	All Companies having Subsidiaries need to prepare Consolidated Accounts. Consolidated and Standalone Financial Statements both will be laid down in AGM. Here subsidiary includes Associates and Joint Ventures.	As per Section 129(3) of Companies Act 2013.	

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23	LIMITS FOR LOAN/GUARANTEES/SECURITY/INVESTMENTS	Loans and Investments BY a Company in Excess of 60% of its Paid Up Capital, Free Reserves and Securities Premium account OR 100% of its Free Reserves and Securities Premium Account, Whichever is More, Requires Prior Approval of Shareholders by way of Special Resolution.	As per Section 186 of Companies Act 2013.	
24	DISCLOSURE OF INTEREST BY DIRECTORS	In Companies Act, 2013 Annual General Disclosure of Interest is required to be collected in Form MBP-1 from all the director's u/s 184(1).	As per Section 184(1) of Companies Act 2013.	

NOT APPLICABLE ON PRIVATE LIMITED COMPANIES

S. NO.	APPLICABLE LAWS	SECTION & RULES	PROCEDURE
1	WOMEN DIRECTOR	As per Section 149 of Companies Act 2013.	-
2	INDEPENDENT DIRECTOR	As per Section 149 of Companies Act 2013.	-
3	WOMEN INDEPENDENT DIRECTOR	-	Women Independent Director for Top 500 listed entity by 01/04/2019 and Top 1000 listed entity by 01/04/2020 as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) .
4	AUDIT COMMITTEE	As per Section 177 of Companies Act 2013.	-
5	STAKEHOLDER RELATIONSHIP COMMITTEE	As per Section 178 of Companies Act 2013.	-
6	NOMINATION REMUNERATION COMMITTEE	As per Section 178 of Companies Act 2013.	-
7	RISK MANAGEMENT COMMITTEE	Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements)	-
8	SECRETARIAL AUDIT	As per Section 204 of Companies Act 2013.	-
9	SECRETARIAL COMPLIANCE REPORT	-	Secretarial Compliance Report to all listed Companies under Circular CIR/CFD/CMD1/27/2019 date 08th February, 2019.

GHAZIABAD BRANCH OF CIRC OF ICAI

NATIONAL CONFERENCE AT GHAZIABAD



GHAZIABAD BRANCH OF CIRC OF ICAI



FORENSIC AUDIT COURSE



CAMPUS PLACEMENT PROGRAM AT ICAI GHAZIABAD BRANCH FOR NEWLY QUALIFIED CAS



ICAI GHAZIABAD IN NEWS

तहत सभी उच्च शिक्षण संस्थानों में चाहता है तो संस्थान स्टट करेगा।

दो दिवसीय राष्ट्रीय सेमिनार में की गई जीएसटी पर चर्चा

SEMINARIUM, I.T.S College, Mohan Nagar, Ghaziabad

नेशनल सेमिनार में नए सीए को सम्मानित करते अतिथि।

माई सिटी रिपोर्टर

साहिबाबाद। मोहन नगर स्थित आईटीएस कॉलेज में शनिवार को द इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट्स की गाजियाबाद शाखा की तरफ से दो दिवसीय राष्ट्रीय स्तर के सेमिनार का आयोजन किया गया। यह सेमिनार इंस्टीट्यूट की पियर रिव्यू बोर्ड के सहयोग से आयोजित किया गया। सेमिनार के प्रथम दिन जीएसटी के अंतर्गत अपील एवं सबका विश्वास स्कीम के विषय में सीए अशोक बत्रा ने सदस्यों का ज्ञानवर्धन किया गया। सेमिनार में लगभग 600 चार्टर्ड

अकाउंटेंट ने हिस्सा लिया। संचालन सचिव आदित्य गुप्ता ने किया। शाखा के अध्यक्ष सीए मनोज सिंह ने शाखा की विभिन्न गतिविधियों से अवगत कराया गया। पियर रिव्यू बोर्ड के चेयरमैन एवं सेंट्रल काउंसिल मेंबर अनुज गोयल ने सेमिनार का संचालन किया गया। सेमिनार में रीजनल काउंसिल के अध्यक्ष मुकेश बंसल एवं अतुल गर्ग भी उपस्थित रहे। इस मौके पर प्रवीण सिंघल, डॉ. अमित तिवारी, मानसी गर्ग, करण गर्ग, विनीत राठी, निति गुप्ता विनोद मित्तल, जितेंद्र गोयल, पवन गोयल आदि उपस्थित रहे।

विंटर कार्निवल

द इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट्स गाजियाबाद शाखा द्वारा दो दिवसीय सेमिनार का आयोजन



आज का मतदाता गाजियाबाद। द इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट्स की गाजियाबाद शाखा द्वारा दो दिवसीय राष्ट्रीय स्तर की सेमिनार का आयोजन किया गया। यह सेमिनार इंस्टीट्यूट की पियर रिव्यू बोर्ड के सहयोग से आयोजित किया गया। सेमिनार का आयोजन आई टी एस मोहन नगर के चाणक्य ऑडिटोरियम में किया गया। सेमिनार के प्रथम दिन जीएसटी के अंतर्गत अपील एवं सबका विश्वास स्कीम के विषय में विद्वान वक्ता सीए अशोक बत्रा (दिल्ली) के द्वारा सदस्यों का ज्ञान वर्धन किया गया। सेमिनार में लगभग 600 चार्टर्ड अकाउंटेंट उपस्थित रहे। सेमिनार में मंच का संचालन किया गया। सेमिनार में रीजनल काउंसिल के अध्यक्ष मुकेश बंसल एवं अतुल गर्ग भी उपस्थित रहे। इस मौके पर प्रवीण सिंघल द्वारा, डॉ. अमित तिवारी, मानसी गर्ग, करण गर्ग, विनीत राठी निति गुप्ता विनोद मित्तल, जितेंद्र गोयल एवं पवन गोयल आदि उपस्थित रहे।

KHEL MELA - SPORTS ACTIVITIES FOR CA STUDENTS



GHAZIABAD BRANCH OF CIRC OF ICAI



CONGRATULATIONS! MR. NAROTTAM (CA STUDENT FROM GHAZIABAD) FOR WINNING THIRD PRIZE IN NATIONAL LEVEL MUSICAL INSTRUMENTAL COMPETITION OF ICAI. PROUD MOMENT FOR GHAZIABAD



CLOSING CEREMONY OF MCS BATCH-25



GAZIABAD BRANCH OF CIRC OF ICAI



CLOSING CEREMONY OF OP BATCH - 54



GHAZIABAD BRANCH OF CIRC OF ICAI



CLOSING CEREMONY OF OP BATCH-55



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