



SIRC

Southern India Regional Council

Newsletter

September 2021 | Volume 47 | Part 3

The Institute of Chartered Accountants of India



Dr. S. Radhakrishnan,
President of India(1962-67)

“When we think we know,
We cease to learn”

53rd Regional Conference

(Virtual & Physical)

of SIRC of ICAI

On 19th & 20th November, 2021

Chairman's Communique

Esteemed and Beloved Colleagues,

By the time this e-Newsletter is displayed before you, my present team of office-bearers would be nearing 200 successful days in office. I therefore feel it my first priority to express and record our sincere thanks to my colleagues in SIRC, the branches and other wings of SIRC and more particularly all members of the Region through this channel for all their support and patronage to make our journey as impressive as possible.



India's Economy

As per the projection by Reserve Bank of India, the GDP growth of the country is expected to grow at around 10.5 % for the year 2021-2022. Shri. Shaktikanta Das, Governor of the Reserve Bank of India hoped that the financial system has a critical role to play in fulfilling the aspirations and needs of the economy on its road to recovery.

Nevertheless, according to the RBI Governor, the process of economic revival of the country is still delicately poised due to possibilities such as a third wave of COVID surge in infections world over, new mutants, and more uncertainties globally. It is hoped that the growth will be reflected in all segments of the economy including Micro, Small and Medium Enterprises.

Initiatives of SIRC of ICAI

SIRC has improvised the design and content in its website. The Google forms that have been created to receive the inputs and suggestions from members have been made hassle-free. SIRC has been receiving excellent response from the members whenever it makes any surveys to have the opinion of members on matters relating to our profession. The recent Google forms to elicit the information and feedback on the adoption of government schools and urban afforestation drive needs a special mention as the response through the Google form has been very encouraging. SIRC would endeavour to use this Google form platform extensively in future and request members to share their views.

Pre-Budget Memorandum and Interaction with Hon'ble Minister of Finance, Government of Tamil Nadu

SIRC has submitted its Pre-Budget Memorandum to the Government of Tamil Nadu followed by an interaction with Hon'ble Dr. Palanivel Thiaga Rajan, Finance Minister, Government of Tamil Nadu. It was an enlightening and fruitful discussion.

53rd Regional Conference of SIRC of ICAI

The most important annual event of the SIRC of ICAI for the year 2021 viz., the 53rd Regional Conference of the SIRC of ICAI will be held during 19th & 20th November 2021 through physical as well as virtual mode for the first time in the history of the SIRC. To make the Conference as appealing as possible to our members, we have sought their valuable inputs through a google form available at the link: <https://bit.ly/53rdRCSuggestion>. Please block your dates and make this Conference as another important milestone in the history of SIRC of ICAI. We assure you that we will provide the delegates an unforgettable experience of participating in this unique dual mode Regional Conference.

Looking forward - Future Programmes

The month of September usually is a month when our members will be agog with the assignment of tax audit. The Government, however, considering the pandemic situation has extended the time limit for compliance of certain regulatory requirements. However it is the earnest request from SIRC to, our members that notwithstanding the extension granted, to ensure completion of tax audit in time by obtaining the relevant details from their clients so that they can on one hand be stress-free and on the other hand effectively use the time available at their disposal for other professional works.

SIRC has lined up, as in the past months, many intuitive continuing educational programmes, the details of which are published in the Calendar of Events. The Branches of SIRC on their part are also having innumerable programmes during the month. I request members to continue their participation in all our programmes.

You would have seen that we have been conducting the programmes with a blend of subjects relevant both for members in practice and in industry. In this connection I invite suggestions from members as to the topics or areas on which they desire to have SIRC to conduct programmes.

I observe that there is huge variance between the number of members from industry participating and the effective number of members in industry. I therefore, more particularly, wish to exhort the members in industry to come forward to share their requirements pertinent to their working needs so that we could structure those topics either exclusively or as part of the programme schedule for the members in industry.

A Brief on programmes held by SIRC and its Branches

Sub-Regional Conferences

The first Sub-Regional Conference of the year 2021-2022 was held at Bengaluru hosted by Bengaluru Branch of SIRC between 12th and 14th August 2021. The inaugural session was graced by CA. Ashwani Taneja, Former Member, Income Tax Appellate Tribunal, Dr. R.N. Dash, Former Chief Commissioner of Income Tax and Former Chairman of Tribunal of PMLA and Benami Law who were amongst the other resource persons.

The second Sub-Regional Conference of the year was held and hosted by the Puducherry Branch of SIRC on 20th and 21st August 2021. Shri K. Lakshminarayanan, Hon'ble Public Works & Information Technology Minister, Government of Puducherry inaugurated the Conference.

Golden Jubilee Celebrations of Mangalore, Salem, Tiruchirapalli and Vijayawada Branches of SIRC of ICAI

I had the pleasant privilege of participating along with our beloved President CA. Nihar N. Jambusaria and Vice-President CA. (Dr.) Debashis Mitra and Central Council Members when the Salem Branch celebrated its Golden Jubilee between 14th and 18th August, Mangalore Branch between 18th and 20th August, Vijayawada Branch celebrating the occasion with Andhra Pradesh State Level Conference between 18th and 21st August, the Tiruchirapalli Branch celebrating on 24th and from 26th to 28th August 2021. All the programmes were attended by senior members of our profession, Past Chairmen and Members of the Managing Committee of Branches. It was an extraordinary and exceptional experience for me to have been associated with four of the major celebrations during the last month.

8th Panchabootha Conference

The Tirupur Branch hosted the 8th Panchabootha Conference on 27th and 28th August 2021 in association with four other Branches of SIRC, viz., Coimbatore, Erode, Palakkad and Salem.

I attended two National Conferences organized by the Internal Audit Standards Board between 5th and 7th August 2021 and the Committee for Members in Practice of ICAI hosted by Hyderabad Branch of SIRC between 27th and 29th August 2021.

On 13th August 2021, I participated in a CPE Meeting organized by Madurai Branch of SIRC.

SIRC also conducted Week-end Morning Programmes, Investor Awareness Programme, many two- or three-hours CPE Programmes on varied professional subjects during the month of August 2021.

Mega Career Counselling Programme for College Students

On 28th August 2021 SIRC has the gracious presence of CA. R. Kirlosh Kumar, Secretary, Labour Welfare and Skill Development, Government of Tamil Nadu at the Mega Career Counselling Programme for College Students. This programme was designed exclusively to popularize the CA Course and encourage the students pursuing the Degree Course to chart their career to be a Chartered Accountant. Coinciding with the 70th year of celebration of SIRC we had the participation of students from 70 colleges and it was a huge success.

Financial and Tax Literacy Drive

On 1st July 2021 ICAI launched the Financial and Tax Literacy Drive with a view to educate and create awareness amongst the society on the importance of financial planning and tax compliance. ICAI has taken the drive being a "Partner in Nation Building" in all earnestness and as a prioritized focus during this year.

Our beloved President CA. Nihar N. Jambusaria and Vice-President CA (Dr.) Debashis Mitra addressed the Chairmen and Members of the SIRC and its 45 Branches on 13th August 2021 giving a broader perspective about the unique initiative of ICAI in this regard.

Independence Day Celebrations

SIRC celebrated the 75th Independence Day with gaiety. I had the proud privilege of hoisting the National Flag in the ICAI Bhawan along with Central Council Members from Chennai and my Regional Council colleagues. In a virtual celebration, Lt. Gen. Y.V.K. Mohan, PVSM, AVSM, SM and VSM (Retd.) was the Chief Guest and delivered an inspirational and motivational address. The celebration was followed by an interactive and invigorating session titled "Role of CAs - Developed India" addressed by eminent personalities from our profession.

Acknowledgements to Resource Persons and Members

I deem it my pleasure and duty to record through this communiqué on the excellent support extended by the resource persons and the patronage of our members in making every programme of ICAI, SIRC and Branches of SIRC conducted in our Region a grand and resounding success.

Annual General Meeting

SIRC conducted the 70th Annual General Meeting on 23rd August 2021 through virtual mode. Members across the region attended the meeting. The Annual Report and the Audited Financial Statements of SIRC for the year ended 31st March 2021 was duly received by the members. The meeting was purposeful and we received valuable suggestions from members for further improving the performance of SIRC to benefit members and students.

Payment of Annual Membership Fee for the year 2021-2022

Members may be aware that the last date for remitting the Membership fee / Certificate of Practice fee is September 30, 2021 for the year 2021-22. SIRC requests members who are yet to pay the required fee applicable to them to ensure the payment of fees latest by September 30, 2021 through the Self Service Portal to avoid removal of their names from the Register of Members.

Chartered Accountants Benevolent Fund (CABF)

SIRC of ICAI is providing its members an opportunity to show their graciousness in philanthropic activities. It's time to give something back to the profession. I appeal to the members to liberally contribute to the Chartered Accountants Benevolent Fund to extend assistance to the family of the deceased members and the members for medical expenses.

Programmes for Students

The Southern India Chartered Accountants Students' Association (SICASA) and its Branches continue to be vibrant and conducted numerous programmes for the benefit of the student-members. In one of the programmes they joined with SIRC when it held a three day event titled "Communicate with Confidence" on 4th, 5th and 6th August 2021.

Coaching Classes

The Virtual Coaching Classes for Foundation, Intermediate and Final continue to receive phenomenal response from students. The faculty, in spite of constraints due to pandemic are extending their support to SIRC which I gratefully record. On 5th September 2021 SIRC will have the opportunity to felicitate them on the occasion of Teachers Day. We look forward to their continued support and more influx of students attending our SIRC Coaching Classes.

Festivities

Commencing from September in the next few months there are many festivities that we will be celebrating. SIRC conveys its Greetings to all the members and their families' happy days ahead.

I conclude this month's column with the Chinese proverb highlighting the value of learning: Learning is a treasure that will follow its owner everywhere. Let us continue to explore newer avenues of learning and extract the best out of the continuing professional educational programmes conducted by ICAI and SIRC.

Until we meet through this column, my warm regards,

In the service of members and students forever

CA. K. JALAPATHI
Chairman, SIRC of ICAI.

FORTHCOMING VIRTUAL CPE MEETINGS – September 2021

Regn: <https://bit.ly/sirclogin>

(Limited to 2500 members registering on first come first served basis)

Date	Timings	Topic	Resource Person(s)	Structured CPE	Fees (Rs) +GST
2 nd Sept 21 (Thu)	5PM-7PM	Taxation of Real Estate transactions	CA. B. Ramakrishnan, Chennai	2	Nil
3 rd Sept 21 (Fri)	5PM-8PM	Opportunities and Risks under Customs, a neglected child of CFO	CA. Parth S. Shah, Mumbai CA. Ashutosh Nath, Mumbai	3	100
4 th Sept 21 (Sat)	5PM-7PM	An Overview of Prohibition of Benami Transactions	CA. Rajiv Khandelwal, Mumbai	2	100
5 th Sept 21 (Sun)	7.30AM-9.30AM	Weekend Morning Session on Ind AS 101	CA. Chinnsamy Ganesan, Chennai	2	100
	10.30AM	Teachers Day Celebrations	Nil	Nil	Nil
6 th Sept 21 (Mon)	5PM-7PM	Project Finance for MSMEs	CA. Anand Saklecha, Indore	2	100
8 th Sept 21 (Wed)	5PM-8PM	Areas of IT and IS audit Practice. Audit Methodology of IT audits	CA. Deephika S, Chennai	3	100
11 th Sept 21 (Sat)	5PM-8PM	New Labour Laws Impact on Business, Financial Services & Relevance for CA's	CA. G.V.S. Ganesh, Hyderabad Shri. Naresh Kumar Piniseti, Pune	3	100
13 th Sept 21 (Mon)	5PM-7PM	Networking- Entrepreneurship -Soft Skills - Technology	CA. V. Jawahar, Hyderabad	2	100
15 th Sept 21 (Wed)	5PM-7PM	Fundamentals of Cloud architecture and SAAS ERP	CA. Saurabh Goenka, Bengaluru	2	100

16 th Sept 21 (Thu)	5PM-8PM	Overview of CIRP Unpacking the prepackaged Insolvency Resolution Process : A boon to MSMEs and an opportunity for CAs	CA. Manish Gupta, Delhi	3	100
17 th Sept 21 (Fri)	5PM-7PM	CSR Applicability Reporting and Compliances	CA. Charmi Shah, Mumbai	2	100
18 th Sept 21 (Sat)	5PM-7PM	ITC Provisions Eligibility, 2A,2B, legal Position & Practical Challenges	CA. Annapurna Kabra, Bengaluru	2	100
20 th Sept 21 (Mon)	5PM-7PM	Bank Audits- Scope and Opportunities for young members	CA. Dhananjay J Gokhale, Mumbai	2	100
22 nd Sept 21 (Wed)	5PM-8PM	Fundamentals of Databases and Big data, Structure Query Language	CA. (Dr) K. Paul Jayakar, Chennai	3	100
24 th Sept 21 (Fri)	5PM-7PM	Companies Act -Mandatory compliances for listed companies and non listed companies	CS. Mohan Kumar A, Chennai	2	100
25 th Sept 21 (Sat)	5PM-7PM	Latest Jurisprudence under the Income Tax Act, 1961 on Tax Audit / Presumptive Taxation	CA. T. Banusekar, Chennai	2	100
27 th Sept 21 (Mon)	5PM-8PM	Risk analysis in Internal audit of SMEs. Plan your future through Will, Succession and Trust etc	Shri. Paras Kochar, Kolkata	3	100
28 th Sept 21 (Tue)	5PM-7PM	Investors Awareness Programme - New developments related to DEMAT Account	Mr. Vikas Kumar Jain, Assistant Vice President, NSDL	2	Nil
29 th Sept 21 (Wed)	5PM-7PM	Google Data Studio for presentation.	CA. Rinki Chajjed, Chennai	2	100
19 th & 20 th Nov 21 (Fri & Sat)		53rd Regional Conference of SIRC of ICAI	Details will be hosted in www.sirc-icai.org		

Virtual CPE programmes conducted by SIRC of ICAI

Please note the link for Resources of Past Virtual and other programmes of SIRC of ICAI <https://www.sirc-icai.org/past-programmes.php>

UPDATES Scan QR Code & Read

Corporate Law



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FEMA



Contributed by:
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Information Technology



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Karnataka VAT-GST



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SEBI



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Tamil Nadu VAT



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Disclaimer

The SIRC/ICAI does not accept any responsibility for the views expressed in different contributions/ advertisements published in this Newsletter.

CLASSIFIED

OPENING FOR ARTICLESHP & EMPLOYMENT

GYG & Associates is a research oriented contemporary professional services firm specialising in domestic tax, international tax and capital advisory services. Candidates with excellent aptitude for learning can write to us at hr@gygca.com.

IMPORTANT ANNOUNCEMENTS

Extending the date for completion of ICITSS (ITT and OC) for provisionally registered students through Direct Entry Route for appearing in May, 2022 Intermediate Examination-

In order to remove hardship caused to the students due to Covid 19 spread or otherwise, the Competent Authority has decided as under :-

The Students who have been provisionally registered for Intermediate Course through Direct Entry Route but could not complete their ICITSS till 31st July 2021 are hereby allowed to start their practical training on or before 15th August, 2021 and complete their ICITSS on or before 31st October, 2021 and then appear for May 2022 Intermediate Examination.

Chairman
Board of Studies-Operations (SSEB)

Multipurpose Empanelment Form (MEF) - 2021-22 - (20-08-2021)

You may be aware that the Professional Development Committee of the ICAI hosts the Multipurpose Empanelment Form every year to be filled by the CA Firms and Members applying for the Bank Audits and other assignments. The form is generally hosted on MEF site in the month of August/ September. For the year 2021-22, we wish to inform that we are in the process of upgrading the said form so as to make it comprehensive and more user friendly.

In view of the above, members may kindly note that the Revised MEF Form for the year 2021-22 is expected to be made live (at meficai.org) in the month of October 2021.

Upon hosting, we will be also sending an email in your mail ID registered with us.

This is for your kind information.

Professional Development Committee
The Institute of Chartered Accountants of India

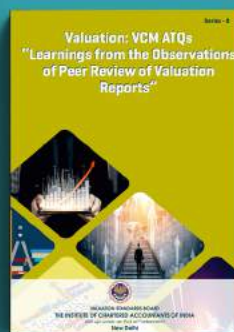
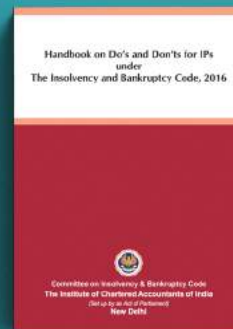
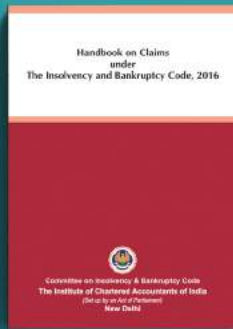
Extension of last attempt to appear in CA Final and Intermediate old course examination

In order to remove hardship caused to the students due to Covid-19 spread or otherwise, the Competent Authority has decided as under:-

1. The last attempt to appear in Final and Intermediate (IPC) old courses examination has been extended to November, 2021 for all the students of these courses (irrespective of their opting out of May 2021 examination cycle or not).
2. The November 2021 examinations will be the last attempt for the students writing their examinations under old syllabus and no such extension be given further, under any circumstances as the old course scheme will be closed forever.

Director
Board of Studies, ICAI

New Publications



6 Days

Southern India Regional Council of The Institute of Chartered Accountants of India (Setup by an Act of Parliament)

Exam oriented Course for IBBI Valuation Exam

TIME: 10.00 A.M. to 12.00 Noon

1st September 2021

The Companies (Valuation and Registered Valuers) Rules + Professional Ethics + Code of Conduct

CA. Sumit Dhadda

2nd September 2021

Ind AS and Valuation of Intangible Assets

CA. Abhishek Chauhan

3rd September 2021

Valuation Approaches and Methods

CA. Srinivas Subramanian

9th September 2021

Fixed Income Securities

CA. Abhishek Chauhan

10th September 2021

Business Valuation and Strategies

CA. Pattabhi Ram

11th September 2021

Valuation Case Laws and Situation Specific Valuation-Case Studies

CA. Dr. Ajay Garg

For Registration, https://www.sirc-icai.org/common_events.php

Fees: Rs.300/- Plus GST

CA. Jalapathi. K
Chairman, SIRC of ICAI

Helpline: sircpc@icai.in 91768 26789

ICITSS Courses by SIRC of ICAI (Virtual Mode).

Commencing from 13.09.2021 to 29.09.2021

Information Technology Training (ICITSS-IT)

BATCH NO	TIMINGS
CHN-ICITSS-IT-09-21-150	07.30 A.M TO 01.30 P.M
CHN-ICITSS-IT-09-21-151	01.45 P.M TO 07.45 P.M
CHN-ICITSS-IT-09-21-152	07.30 A.M TO 01.30 P.M
CHN-ICITSS-IT-09-21-153	01.45 P.M TO 07.45 P.M

Orientation Course (ICITSS-OC)

BATCH NO	TIMINGS
ICITSS-OC-CHE-165	07.00 A.M TO 01.30 P.M
ICITSS-OC-CHE-166	01.45 P.M TO 08.15 P.M
ICITSS-OC-CHE-167	07.00 A.M TO 01.30 P.M
ICITSS-OC-CHE-168	01.45 P.M TO 08.15 P.M

The enrolment of students shall be done on First come First served basis. Please register through the link: https://www.icaionline.registration.org/AdmIn_Module/login.aspx

CA. Jalapathi. K
Chairman, SIRC of ICAI

AICITSS Courses by SIRC of ICAI (Virtual Mode).

Commencing from 13.09.2021 to 29.09.2021

Advanced (ICITSS) MCS Course

BATCH NO	TIMINGS
ADVANCED-ICITSS-MCS 166	07.00 A.M TO 01.30 P.M
ADVANCED-ICITSS-MCS 167	01.45 P.M TO 08.15 P.M

Advanced Information Technology Training (AICITSS-AIT)

BATCH NO	TIMINGS
CHN-AICITSS-AIT-09-21-140	07.30 A.M TO 01.30 P.M
CHN-AICITSS-AIT-09-21-141	07.30 A.M TO 01.30 P.M

The enrolment of students shall be done on First come First served basis. Virtual AIT & MCS Validity extended upto May 2022 CA Exam. Please register through the link: https://www.icaionline.registration.org/AdmIn_Module/login.aspx

CA. Jalapathi. K
Chairman, SIRC of ICAI

The Institute of Chartered Accountants of India (Setup by an Act of Parliament) Southern India Regional Council

"ICAI Bhawan", No.122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034

SIRC CA Intermediate Rapid Revision

Online Coaching Classes for Nov 2021 Examinations

Commencement Date: **24th September 2021** (Tentatively end by 10th November 2021)

Class Timings: **10.00 AM to 5.00 PM**

Duration: **1.5 Months**

For Registration, please visit www.sirc-icai.org/view-batches.php

Accounting & Advanced Accounting

Corporate and Other Law

Costing

Direct Tax

Indirect Tax

Financial Management

Auditing and Assurance

Economics for Finance

Class Fee :

Group - 1
Rs.2,800

Group - 2
Rs.2,800

**BOTH GROUP
Rs.5,000**

For further query, please contact SIRC Coaching Classes
Ph: 044 - 30210379 Mob: 82205 22669
E-mail: sirc.intermediate@icai.in

Southern India Regional Council of The Institute of Chartered Accountants of India (Setup by an Act of Parliament)

SIRC CA FINAL RAPID REVISION

Online Coaching Classes for Nov 2021 Examinations

Commencement Date: **24th September 2021** (Tentatively end by 10th November 2021)

Time: **10.00 AM to 5.00 PM**

FEES

GROUP-1 Rs.3,400

GROUP-2 Rs.2,550

BOTH GROUP Rs.5,500

For further query, please contact SIRC Coaching Classes

Helpline
Phone: 044 - 30210370
Mobile: 73585 06400
E-mail: sirc.final@icai.in

For Registration, please visit www.sirc-icai.org/view-batches.php

Some of the SIRC Faculty Members

Strategic Cost Management and Performance Evaluation

Direct Tax Laws

Indirect Tax Laws

Advanced Auditing and Professional Ethics

Strategic Financial Management

Corporate and Economic Laws

Financial Reporting

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (Setup by an Act of Parliament) SOUTHERN INDIA REGIONAL COUNCIL

"ICAI Bhawan", No.122, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034.

Online Coaching Classes for CA Intermediate Course

ALL DAYS

Group 1: 6.00 AM - 9.00 AM

Group 2: 6.00 PM - 9.00 PM

Class Fee: Rs.10,000/-

Class Fee: Rs.10,000/-

Both Groups: Rs.18,000/-

Commencement Date: **7th October 2021**

Duration: **5.5 Months**

50% FEE Concession for SIRC Foundation Coaching Class students

Some of the SIRC Faculty Members

Accounting & Advanced Accounting

Corporate and Other Law

Cost and Management Accounting

Direct Tax

Indirect Tax

Auditing and Assurance

Economics for Finance

Financial Management

For further query, please contact SIRC Coaching Classes
Phone: 044 - 30210380
Mobile: 82205 22669
E-mail: sirc.intermediate@icai.in

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (Setup by an Act of Parliament) SOUTHERN INDIA REGIONAL COUNCIL

"ICAI Bhawan", No.122, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034.

Online Coaching Classes for CA Final Course

ALL DAYS

Group 1: 6.00 AM - 9.00 AM

Group 2: 6.00 PM - 9.00 PM

Class Fee: Rs.12,000/-

Class Fee: Rs.9,000/-

Both Groups: Rs.18,000/-

Commencement Date: **7th October 2021**

Duration: **5.5 Months**

Avail this OPPORTUNITY and get through your May 2022 Examinations

For Registration, please visit www.sirc-icai.org/view-batches.php

For further query, please contact SIRC Coaching Classes

HELPLINE
Phone: 044 - 30210380
Mobile: 73585 06400
E-mail: sirc.final@icai.in

Some of the SIRC Faculty Members

Strategic Financial Management

Corporate and Economic Laws

Direct Tax Laws and International Taxation

Strategic Cost Management and Performance Evaluation

Advanced Auditing and Professional Ethics

Indirect Tax Laws

BLOOD DONATION CAMP

OUR SOCIAL RESPONSIBILITY DONATE BLOOD - SAVE LIVES

Chartered Accountants, their family members and students of Chartered Accountancy have been responsible for saving many lives by donating blood. During the last fifteen years, SIRC of ICAI has conducted more than thirty blood donation camps and more than eight thousand units of blood have been collected. In addition, we have been able to provide the names of hundreds of Blood Donors for emergency requirements. Thousands of our fellow human beings have benefited from these Camps. We are organizing one day blood donation camp on Saturday 25th Sept 2021. This year, the Camp also coincides with 70years of SIRC Celebrations. This camp is being organised by the Rotary Central TTK VHS Blood Bank, Chennai. The details are given below:

Days : Saturday

Dates : Sep 25th 2021

Timings : 10.00 a.m. to 2.00 p.m.

Venue : Air-conditioned Room at the VHS Blood Bank, No.1 Rajiv Gandhi Salai, Tharamani, Chennai-600113.

Eligibility : Any person 18 years and above but below 60 years, with a minimum weight of 50 kgs. The donor should not have donated blood after May31st 2021 (Any earlier date is acceptable).

Registration: Please register early giving your suitable time (e.g. 09.00 a.m., 09.30 a.m., 12.30 p.m., etc.) in the following google form: <https://bit.ly/SIRCblooddonation>

Question Regarding Covid: People can donate blood 14 days after either the first or 2nd dose of vaccination.

HELPLINE Phone Nos: SIRC of ICAI : 3021 0362 / 381 / 357 / 9176826789

You can also register through email at sirc@icai.in; chairmansirc@gmail.com;

A certificate in appreciation will be issued to every donor at the camp venue itself. A donor card, with blood group and date of donation will be issued to every donor, within 2 weeks of the camp.

Since you know the value of this noble gesture, we request you to kindly encourage and register other eligible relatives, friends & neighbours to enable us to reach a milestone in blood collection.

(EARLY REGISTRATION WILL BE HELPFUL)
DO NOT FORGET SEPTEMBER 25th, 2021

*"LET US SAVE VALUABLE LIVES
BY DONATING BLOOD"*

Independence Day Celebration 2021 – Panel Discussion on Towards Developed India



Chief Guest Lt. Gen. Y. V. K. Mohan, PVSM, AVSM, SM, VSM and Panelists CA. Sriram Seshadri, CA. Subashini Ganapathi, CA. Sundar Raman, Moderated by CA. V. Pattabi Ram seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI.

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, 29th August, 2021

PRESS RELEASE

CBDT extends due dates for electronic filing of various Forms under the Income-tax Act, 1961

On consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of certain Forms under the provisions of the Income-tax Act, 1961 read with Income-tax Rules, 1962 (Rules), Central Board of Direct Taxes (CBDT) has decided to further extend the due dates for electronic filing of such Forms. The further details are as under:

1. The application for registration or intimation or approval under Section 10(23C), 12A, 35(1)(ii)/(iia)/(iii) or 80G of the Act in Form No. 10A required to be filed on or before 30th June, 2021, as extended to 31st August, 2021 vide Circular No.12 of 2021 dated 25.06.2021, may be filed on or before 31st March, 2022;
2. The application for registration or approval under Section 10(23C), 12A or 80G of the Act in Form No.10AB, for which the last date for filing falls on or before 28th February, 2022 may be filed on or before 31st March, 2022;
3. The Equalization Levy Statement in Form No.1 for the Financial Year 2020- 21, which was required to be filed on or before 30th June, 2021, as extended to 31st August, 2021 vide Circular No.15 of 2021 dated 03.08.2021, may be filed on or before 31st December, 2021;
4. The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021, required to be furnished on or before 15th July, 2021 under Rule 37BB of the Rules, as extended to 31st August, 2021 vide Circular No.15 of 2021 dated 03.08.2021, may be furnished on or before 30th November, 2021;
5. The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th September, 2021, required to be furnished on or before 15th October, 2021 under Rule 37BB of the Rules, may be furnished on or before 31st December, 2021;
6. Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending 30th June, 2021, which was originally required to be uploaded on or before 15th July, 2021, and subsequently by 31st August, 2021, as per Circular No.12 of 2021 dated 25.06.2021, may be uploaded on or before 30th November, 2021;
7. Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending 30th September, 2021, which is required to be uploaded on or before 15th October, 2021, may be uploaded on or before 31st December, 2021;
8. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on 30th June, 2021, required to be made on or before 31st July, 2021 as per Circular No.15 of 2020 dated 22.07.2020, as extended to 30th September, 2021 vide Circular No.15 of 2021 dated 03.08.2021, may be made on or before 30th November, 2021;
9. Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on 30th September, 2021, required to be made on or before 31st October, 2021 as per Circular No.15 of 2020 dated 22.07.2020, may be made on or before 31st December, 2021;
10. Intimation to be made by a Pension Fund in respect of each investment made by it in India in Form No. 10BBB for the quarter ending on 30th June, 2021, required to be made on or before 31st July, 2021 under Rule 2DB of the Rules, as extended to 30th September, 2021 vide Circular No. 15 of 2021 dated 03.08.2021, may be made on or before 30th November, 2021;
11. Intimation to be made by a Pension Fund in respect of each investment made by it in India in Form No. 10BBB for the quarter ending on 30th September, 2021, required to be made on or before 31st October, 2021 under Rule 2DB of the Rules, may be made on or before 31st December, 2021;
12. Intimation by a constituent entity, resident in India, of an international group, the parent entity of which is not resident in India, for the purposes of sub-section (1) of section 286 of the Act, in Form No.3CEAC, required to be made on or before 30th November, 2021 under Rule 10DB of the Rules, may be made on or before 31st December, 2021;
13. Report by a parent entity or an alternate reporting entity or any other constituent entity, resident in India, for the purposes of sub-section (2) or sub-section (4) of section 286 of the Act, in Form No. 3CEAD, required to be furnished on or before 30th November, 2021 under Rule 10DB of the Rules, may be furnished on or before 31st December, 2021;
14. Intimation on behalf of an international group for the purposes of the proviso to sub-section (4) of section 286 of the Act in Form No. 3CEAE, required to be made on or before 30th November, 2021 under Rule 10DB of the Rules, may be made on or before 31st December, 2021.

CBDT Circular No. 16/2021 in F.No.225/49/2021/ITA-II dated 29.08.2021 issued.

The said Circular will be available on www.incometaxindia.gov.in.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT.

Resource Persons for CPE Programme during the month of August 2021



Shri. Ajit Shah



CA. Akil Master



CA. Amarjit Chopra



CA. Aneetha .S



CA. R. Arunkumar



CA. Baskar Pannerselvam



CA. Deepjee Singhal



CA. Ganesh Balakrishnan



CS. Hari Babu Thota



CA. S.K. Jegadesan



CA. Manish Muralidhar



Shri. Mithun Jayaram



CA. Mohan R Lavi



Shri. Praveen Anant



CA. Adv. Ramana Kumar



CA. V. Ramanujam



CA. G.N. Ramaswami



CA. V. Ramnath



CA. S. Rathinagiri



CS. B. Ravichandran



Mr. Ravindra Palande



CA. Ritesh Mittal



CA. Santosh Maller



CA. Sarita Agrawal



CA. V. Swaminathan



CA. Uttamchand Jain



CA. R. Venkata Subramani

Printed and Published by Mr. S. Sivanesan, Deputy Secretary on behalf of Southern India Regional Council of the Institute of Chartered Accountants of India, 'ICAI Bhawan'. #122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034. Phone - 044-39893989, 30210320. Email: sirc@icai.in. Website: www.sirc-icai.org. Printed at Rathna Offset Printers, 40, Peters Road, Royapettah, Chennai - 600014. Editor : CA. Dungar Chand U Jain, Member, SIRC of ICAI.

Corporate Law Update – August 2021

The following are few of the important updates in Companies Act 2013 & SEBI LODR Regulations 2015 from 26th July to 25th of August 2021

I. Clarification on spending of CSR funds for COVID – 19 vaccination – reg

The Ministry of Corporate Affairs (MCA) vide its General Circular No.13/2021 dated 30th July 2021 clarified about spending of CSR funds for Covid – 19 vaccination.

As per General Circular 13/2021 dated 30th July 2021, it has been clarified that **spending of CSR funds for COVID – 19 vaccination** for persons **other than its employees and their families** is an **eligible CSR activity** under item no.(i) of Schedule VII of the Companies Act, 2013 relating to the promotion of health care including preventive healthcare and item no.(xii) relating to disaster management.

II. Companies (Registration of Foreign Companies) Amendment Rules, 2021

G.S.R. 538(E).—In exercise of the powers conferred by clause (c) and clause (h) of sub-section (1) and sub-section (3) of section 380, clause (a) of sub-section (1) and sub-section (3) of section 381, section 385, clause (a) of section 386, section 389 and section 390, read with section 469 of the Companies Act, 2013 (18 of 2013), Central Government hereby makes the following rules to amend the Companies (Registration of Foreign Companies) Rules, 2014 namely

In the Companies (Registration of Foreign Companies) Rules, 2014, in clause (c) of sub-rule (1) of rule 2, the following explanation shall be inserted,:-

“Explanation :- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of section 2 of the Act”.

This amended Rules shall come into force from 5th August 2021.

III. Companies (Specification of definitions details) Third Amendment Rules, 2021

G.S.R. 539(E).—In exercise of the powers conferred by sub-clause (ix) of clause (76), sub-clause (iii) of clause (77) of section 2, read with sub-sections (1) and (2) of section 469 of the

Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Specification of definitions details) Rules, 2014 namely

In the Companies (Specification of definitions details) Rules, 2014, in clause (h) of sub-rule (1) of rule 2, the following explanation shall be inserted, namely:-

“Explanation :- For the purposes of this clause, electronic based offering of securities, subscription thereof or listing of securities in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005) shall not be construed as ‘electronic mode’ for the purpose of clause (42) of section 2 of the Act”.

This amended Rules shall come into force from 5th August 2021.

IV. Exemptions from the provisions of Section 387 to 392

The Ministry of Corporate Affairs (MCA) vide its Notification **S.O. 3156(E)** dated 5th August 2021 exempts .

S.O. 3156(E).—In exercise of the powers conferred by section 393A of the Companies Act, 2013 (18 of 2013), the Central Government hereby exempts, from the provisions of sections 387 to 392 (both inclusive), the following:-

(a) foreign companies;

(b) companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India,

insofar as they relate to the offering for subscription in the securities, requirements related to the prospectus, and all matters incidental thereto in the International Financial Services Centres set up under section 18 of the Special Economic Zones Act, 2005 (28 of 2005).

- Sec 387 - Dating of prospects and particulars to be contained therein.
- Sec 388 - Provisions as to expert’s consent and allotment.
- Sec 389 - Registration of prospectus.
- Sec 390 - Offer of Indian Depository Receipts.
- Sec 391 - Application of Sections 34 to 36 and Chapter XX
- Sec 392 - Punishment for Contravention

V. Appointment and Qualification of Directors) Amendment Rules, 2021:

G.S.R. 579 (E) : In exercise of the powers conferred by section 149 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Appointment and Qualification of Directors) Rules, 2014, namely:—

1. (1) These rules may be called the Companies (Appointment and Qualification of Directors) Amendment Rules, 2021.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Appointment and Qualification of Directors) Rules, 2014, in rule 6, in sub-rule (4),—

(i) in the first proviso, for clause (B), the following clause shall be substituted, namely:—

“(B) in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling,—

(i) the matters relating to commerce, corporate affairs, finance, industry or public enterprises; or

(ii) the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.”.

(ii) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that the following individuals, who are or have been, for at least ten years :—

(A) an advocate of a court; or

(B) in practice as a chartered accountant; or

(C) in practice as a cost accountant; or

(D) in practice as a company secretary,

shall not be required to pass the online proficiency self-assessment test”.

This amended Rules shall come into force from 19th August 2021.

VI. Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021:

G.S.R. 580 (E) : In exercise of the powers conferred by section 150 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019, namely:-

1. Short Title and Commencement.— (1) These rules may be called the Companies (Creation and Maintenance of databank of Independent Directors) Second Amendment Rules, 2021.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019, after rule 5, the following rule and the Schedule shall be inserted, namely:-

“6. Annual report on the capacity building of independent directors:- The institute shall within sixty days from the end of every financial year send an annual report to every individual whose name is included in the data bank and also to every company in which such individual is appointed as an independent director in format provided in the Schedule to these Rules.

SCHEDULE

Annual Report on Capacity Building of Independent Director

(To be submitted by the institute)

Director's Name :

DIN Number :

IDDB Registration Number :

Subscription (1 yr/5 yr/Lifetime) :

Membership Validity :

Online Self-Assessment Proficiency
Test Status (N.A if exempted) :

A. Participation during the Financial Year _____

E-Learning Modules		Other Training Programs/ Courses		Colloquium / Workshops / Events of IDDB	
No. of modules released by the institute during the FY	No. of modules completed by the reportee	No. of courses organized by the institute	No. of courses attended by the reportee	No. of events organized by the institute	No. of events attended by the reportee

B. Total Participation

E-Learning Modules		Other Training Programs/ Courses		Colloquium / Workshops / Events of IDDB	
No. of modules released by the institute till date	No. of modules completed by the reportee	No. of courses organized by the institute	No. of courses attended by the reportee	No. of events organized by the institute	No. of events attended by the reportee

This amended Rules shall come into force from 19th August 2021.

VII. Relaxation in timelines for compliance with regulatory requirements:

SEBI, vide Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/607 dated 30th July 2021, in view of the COVID-19 pandemic situation, provided relaxations in timelines for compliance with various regulatory requirements for trading members / clearing members / depository participants as under::

Sl. No.	Submission / Compliance	Current Timeline/ Period of exclusion	Proposed timeline / Period of exclusion
1	KYC application form and supporting documents of the clients to be uploaded	Till July 31, 2021, documents may be uploaded on to the system of KRA	Till September 30, 2021, documents may be uploaded on to the
	on system of KRA within 10 working days	within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after July 31, 2021 to clear the backlog.	system of KRA within 15 working days. *A 30-day time period is provided to SEBI Registered Intermediary after September 30, 2021 to clear the backlog
2	To operate the trading terminals from designated alternate locations	Till July 31, 2021	Till December 31, 2021
3	Submission of Internal Audit Report for Half year ended (HYE) March-2021		
4	System Audit /Cyber Audit Report – Algo / Type III Members for the period ended March 31, 2021		
5	Submission of System Audit Report for the period ended March 2021	Till July 31, 2021	Till September 30, 2021
6	Submission of Cyber Security & Cyber Resilience Audit Report for the period ended March 2021		
7	Reporting of Risk Based Supervision		
8	Maintaining call recordings of orders / instructions received from clients **		

**The relaxation in compliance requirement at S. No. 8 is provided with respect to trading members working from designated alternate locations. However, the trading member and the Stock Exchange shall send a confirmation on the registered mobile number of the client immediately after execution of the order.

FEMA

Contributed by: CA. G. Murali Krishna, Hyderabad

I. Review of Foreign Direct Investment (FDI) policy on Insurance

The Government of India has reviewed the extant FDI policy on Insurance sector and Department for Promotion of Industry and Internal Trade (DIPP) vide Press Note 2 (2021 series), dated 14/06/2021, has increased the sectoral limit to 74% from the present 49% under automatic route. Sectoral limit for insurance intermediaries like insurance brokers, re-insurance brokers, insurance consultants, etc as may be notified by IRDA shall continue to be 100% under automatic route. The above decision will take effect from the date of corresponding FEMA notification.

The said amendment will be effective upon amendment related to FEM (NDI) Rules, 2019 is published in official gazette.

II. Extension of the validity of registration certificates issued under The Foreign Contribution (Regulation) Act, 2010 ("FCRA")

Keeping in view the exigencies arising out of COVID-19 situation and to ensure smooth transition to the amended FCRA regime, the Central Government, in its public notice dated 18th May 2021, in exercise of the powers conferred by section 50 of the FCRA, 2010 has further decided that the registration certificates expiring / expired during the period between 29th September 2020 and up to 30th September 2021 shall remain valid up to 30th September 2021.

III. Advisory from State Bank of India regarding opening of FCRA Account:

As per FCRA (Amendment) Act, 2020, every person who is registered or proposing to register under FCRA shall mandatory open FCRA Account with State Bank of India, New Delhi Main Branch, New Delhi and shall use such FCRA Account only to receive foreign contributions. In this regard, SBI vide its letter dated June 6, 2021 has issued an advisory to all existing FCRA registered entities wherein the Standard Operating Procedure (SOP) has been shared and it has reiterated that no entity is required to visit New Delhi for opening such FCRA Account.

IV. International Financial Services Centres Authority (Procedure for making regulations), Regulations, 2021, dated July 5, 2021:

Vide above notified regulations the International Financial Services Centres Authority (IFSCA) has kept in place the process for framing regulations which would be required for its operations. Such process includes making public consultation and incorporating the suggestions received from general public.

V. International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021, dated July 16, 2021:

Vide above regulations, IFSCA notified the eligibility criteria, documentation process, issue size, pricing norms, etc applicable for issuance and listing of securities (both equity and debt securities) by entities located in IFSC. Detailed guidelines were provided separately for initial public offers, follow on public offers, rights issues and preferential issues, listing of start-up and SME companies, secondary list of specified securities, listing of Special Purpose Acquisition Companies, applicable listing obligations and disclosure requirements, etc.

VI. FEMA Case Law

SHRI ADNAN SAMI KHAN, SMT. SABAH SAMI KHAN VERSUS THE SPECIAL DIRECTOR DIRECTORATE OF ENFORCEMENT, MUMBAI

Contravention of Regulation 7 of Foreign Exchange Management (Acquisition and Transfer of Immovable property in India) Regulations, 2000

Brief facts of the case: Mr. Adnan Sami Khan ('appellant 1'), a well-recognized Bollywood singer, a Pakistani national has been staying in India since 1997 and was allotted PAN in the year 1998. In the year 2003, he acquired 8 residential flats and 5 car parking lots in a Mumbai based residential society, and by that time he was not granted Indian Citizenship. Subsequently he transferred 5 of said residential flats to his wife Sabah Sami Khan, a UAE citizen ('appellant 2').

Regulation 7 of Foreign Exchange Management (Acquisition and Transfer of Immovable property in India) Regulations, 2000 reads as follows:

Prohibition on acquisition or transfer of immovable property in India by citizens of certain countries - No person being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal or Bhutan without prior permission of the Reserve Bank shall acquire or transfer immovable property in India, other than lease, not exceeding five years

Enforcement Directorate (ED) issued notice to both the appellants saying that the acquisition was in contravention of FEMA as prior permission from RBI was not taken as the appellant 1 was a Pakistani national, and that he cannot transfer of property to his wife as he himself was not eligible to hold said properties. Accordingly, ED issued show cause notice levying penalty under section 13(1) of FEMA and proposed to confiscate the properties under section 13(2) of FEMA.

Appellant 1 initially replied that he was not aware of regulations and confirmed that he appointed a firm of advocates to look after legalities regarding acquisition of properties. In fact, the said firm of advocates applied to RBI for prior approval but was rejected. Hiding the fact, the appellant 1 went ahead in purchase of properties. Later he disregarded the fact and went on to claim that he was not aware of such advocates, and not aware of any such application to RBI for its approval.

He also claimed that the properties were purchased in Indian currency from his earning in India, and also a bank loan from Axis Bank. He claimed that bank officials filled the application on his behalf and said that bank officials wrongly mentioned 'Indian' as his nationality in the loan application. He also contended that he provided an indemnity bond to bank officials wherein he clearly mentioned as 'Indian Inhabitant (proposed)' giving emphasis to the fact that his citizenship has been under consideration with Govt of India.

Subsequently, Appellant 1 made an application to RBI for its post facto approval in relation to said transactions, but ED passed an order levying penalty and confiscation of properties without waiting for result of said application. However, the said application was also rejected by RBI later on.

Appellant 2 contended that she has been a citizen of UAE and so she is not required to obtain any prior approval of RBI. She also contended that she paid around INR 5 Cr towards said properties to appellant 1 time to time towards fittings and other interior works.

Now, the question is whether the ED was right in levying penalty, and whether ED has the right to confiscate the properties under FEMA based on the facts of the case?

HELD THAT:

National of the countries specified under Regulation 7 of the Regulations can acquire or transfer immovable properties in India, provided that such a person obtains the requisite permission from the Reserve Bank of India. If the national so fails to apply for such a permission, the Reserve Bank of India has the power to accord an ex post facto permission with regards to the said transaction.

The transaction in question is not a commercial transaction and as a matter of fact the appellant still resides in the flats.

The flats were purchased using Indian Rupees, out of monies earned in India on which Income tax has been paid, as well as monies loaned from India banks. The loans have been duly repaid. The appellant pursuant to purchase of the flats had also applied to the Government of India for grant of Citizenship and was granted a certificate of naturalization on 01.01.2016.

Section 13(2) of FEMA provides discretion to ED regarding confiscation of properties and not mandatory in nature, whereas penalty under section 13(1) is mandatory in nature. Since there is no foreign exchange involved in the transactions and accordingly no loss to exchequer, the impugned order is set-aside as far as exercise of discretion under Section 13(2) of the Act. Tribunal opined that absence of prior approval from RBI does not affect the title to the properties. It considered the said failure as a procedural non-compliance which attracts only penalty and upheld the acquisition of properties by appellant 2.

Tribunal held that the finding arrived under section 13(1) shall remain intact. In view of changing his stand from time to time, the tribunal increased the penalty on appellant 1 from INR 20 Lacs to INR 50 Lacs under section 19(6) of FEMA.

VII. Update on Compounding Orders issued under FEMA Regulations:

a. Stueve Engineering India Private Limited

Regulation	Regulation 3.1(l) A(2) of Notification No. FEMA 395/2019-RB
Contravention	Failure to issue equity instruments, to the person resident outside India making such investment, within the prescribed time limit.
Date of Order	04-06-2021
Compounding Fee	₹96,250/-

b. TV2Z India Development and Support Pvt Ltd

Regulation	Rule 4 of FEM (Non –Debt Instruments) Rules, 2019
Contravention	Failure to comply with reporting requirements by a person resident outside India for an investment in India.
Date of Order	01-06-2021
Compounding Fee	₹51,343/-

c. M/s PSS Marmi Granites LLP

Regulation	Regulation 9 read with Regulation 12 of Notification No. FEMA 23(R)/2015-RB
Contravention	Failure to realize export proceeds with the prescribed time limit
Date of Order	11-06-2021
Compounding Fee	₹58,558/-

Goods and Services Tax

Contributed by: CA. G. Saravana Kumar, Madurai

NOTIFICATION UPDATES

1. Section 100 and 111 of Finance Act, 2021 – Effective date notified – Notification No 29/2021-CT dated 30.07.2021
 - i. Omission of sub-section 5 of section 35 with respect to audit of accounts by a Chartered Accountant or Cost accountant shall be effective with effect from 01st August, 2021.
 - ii. Provision relating to self-certification of reconciliation statements along with filing of annual returns shall be effective from 01st August, 2021.

2. Amendment to CGST Rules 2021 - Notification No 30/2021-CT dated 30th July, 2021

While filing GSTR 9 for the year 2020-21 following points shall be applicable:

- i. Any additional liability FY 2020-21 not declared in GSTR 1 and GSTR 3B may be declared in this return. However, tax payers cannot claim input tax credit through this return.
- ii. For reporting under table 4I, the registered person shall have an option to fill Table 4B to Table 4E net of credit notes in case there is any difficulty in reporting such details separately in this table.
- iii. For reporting under table 4J, the registered person shall have an option to fill Table 4B to Table 4E net of debit notes in case there is any difficulty in reporting such details separately in this table.
- iv. For reporting under table 4K & 4L the registered person shall have an option to fill Table 4B to Table 4E net of amendments in case there is any difficulty in reporting under such details in this table.
- v. For reporting under table 5D,5E and 5F the registered person shall have an option to either separately report his supplies as exempted, nil rated and Non-GST supply or report consolidated information for all these three heads in the “exempted” row only.
- vi. For reporting under table 5H & I, the registered person shall have an option to fill Table 5A to Table 5F net of credit notes and debit notes in case there is difficulty in reporting such details separately in Table 5H & I.
- vii. For reporting under table 5J & 5K the registered person shall have an option to fill Table 5A to Table 5F net of amendments in case there is any difficulty in reporting such details separately in this table.
- viii. For reporting under Table 6B, 6C, 6D & 6E, the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of remaining amount as inputs and input services or report the entire amount under the “input” rows only.
- ix. The registered person shall have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only.
- x. The registered person shall have an option to either fill his information on reversals separately in Table 7A to 7E or report the entire amount of reversal under Table 7H only.
- xi. For FY 2020-21, Part V consists of particulars of transactions for the previous financial year but paid in the FORM GSTR-3B between April 2021 to September 2021.
- xii. For reporting under Table 10&11, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April 2021 to September 2021 shall be declared here.

- xiii. The registered person shall have an option to not fill table 12 for the FY 2020-21.
- xiv. For reporting under table 13, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 2021 to September 2021 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2020-21 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2021-22, the details of such ITC reclaimed shall be furnished in the annual return for FY 2021-22. For FY 2020-21, the registered person shall have an option to not fill this table.
- xv. For FY 2020-21 the registered person shall have an option to not fill tables 15A, 15B, 15C, 15D, 15E, 15F, 15G, 16A, 16B, 16C, 17A and 17B.

3. Exemption from filing annual return for the FY 2020-21 to tax payers having aggregate annual turnover of up to Rs. 2 Crores - Notification No 31/2021-CT dated 30.07.2021

Tax payers having aggregate annual turnover up to Rs. 2 crores in the financial year 2020-21 is exempted from filing annual return in Form GSTR 9 for the said financial year vide above notification.

Case law Update

M/S SAHIL ENTERPRISES VERSUS UNION OF INDIA THROUGH ITS SECRETARY, COMMISSIONER, CENTRAL GOODS AND SERVICES TAX, ASSISTANT COMMISSIONER - 2021 (8) TMI 877 - TRIPURA HIGH COURT - No.- WP(C) No.531/2021 - 09th August 2021

Vires of Section 16(2)(c) of Central Goods and Services Tax Act, 2017 - input tax credit - Denial of input tax credit on the ground that the petitioner has already paid tax on the ground that the selling dealer did not deposit the tax with the Government revenue would amount to double taxation.

Facts

- i. Petitioner has challenged the vires of Section 16(2)(c) of Central Goods and Services Tax Act, 2017 as being violative of Articles 14, 19(1)(g) and 300A of the Constitution of India. This provision provides that a registered dealer would be eligible for claiming input tax credit on the goods purchased on the condition that subject to the provisions of Sections 41 and 43A of the Act, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of such supply.
- ii. The case of the petitioner is that having paid CGST on the purchases made from a registered dealer, the petitioner thereafter has no control over the seller to ensure that such tax is deposited with the Government revenue as is statutorily is his obligation.

- iii. Denying to the petitioner input tax credit on such purchases on which the petitioner has already paid tax on the ground that the selling dealer did not deposit the tax with the Government revenue would amount to double taxation.

Held

The issues require consideration. Hence, rule. Since legislation framed by the Parliament is under challenge, let there be notice to the learned Attorney General. For the limited purpose of considering the petitioner's request for interim relief for removing attachment of the Tax Credit Account, let notice be returnable on 23.08.2021.



Income Tax

Contributed by: CA. V.K. Subramani, Erode

1. Extension of time lines for electronic filing of certain forms: The CBDT in Circular No.15 /2021 dated 3rd August, 2021 on consideration of difficulties reported by the taxpayers and other stakeholders in electronic filing of certain forms under the provisions of the Income-tax Act,1961 has extended the due dates for electronic filing of such forms as under:

- (i) The Quarterly statement in Form No. 15CC to be furnished by authorized dealer in respect of remittances made for the quarter ending on 30th June, 2021, required to be furnished on or before 15th July, 2021 under Rule 37BB of the Rules, as extended to 31st July, 2021 *vide* Circular No. 12 of 2021 dated 25-6-2021, may be filed on or before 31st August, 2021;
- (ii) The Equalization Levy Statement in Form No. 1 for the Financial Year 2020-21, which was required to be filed on or before 30th June, 2021, as extended to 31st July, 2021 *vide* Circular No. 12 of 2021 dated 25-6-2021, may be filed on or before 31st August, 2021;
- (iii) The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64D for the Previous Year 2020-21, required to be furnished on or before 15th June, 2021 under rule 12CB of the Rules, as extended to 15th July,2021 *vide* Circular No. 12 of 2021 dated 25-6-2021, may be furnished on or before 15th September, 2021;
- (iv) The Statement of Income paid or credited by an investment fund to its unit holder in Form No. 64C for the Previous Year 2020-21, required to be furnished on or before 30th June, 2021 under rule 12CB of the Rules, as extended to 31st July, 2021 *vide* Circular No. 12 of 2021 dated 25-6-2021, may be furnished on or before 30th September, 2021.

Further, considering the non-availability of the utility for e-filing of certain Forms, the CBDT, in exercise of its powers under section 119 of the Act, extended the due dates for electronic filing of such Forms as under:

- (i) Intimation to be made by a Pension Fund in respect of each investment made by it in India in Form No. 10BBB for the quarter ending on 30th June, 2021 required to be furnished on or before 31st July, 2021 under rule 2DB of the Rules, may be furnished on or before 30th September, 2021;
- (ii) Intimation to be made by Sovereign Wealth Fund in respect of investments made by it in India in Form II SWF for the quarter ending on 30th June, 2021, required to be furnished on or before 31st July, 2021 as per Circular No. 15 of 2020 dated 22-7-2020, may be furnished on or before 30th September, 2021.

It is also clarified that the above said forms, e-filed, after the expiry of time limits provided as per Circular No. 12 of 2021 dated 25-6-2021 or as per the relevant provisions, till date, will stand regularised accordingly.

2. Notification for signing of ITR under section 140 (c) and (cd) and authorized representative for appearance under section 288(2): The CBDT vide Notification No.93/2021 dated 18th August, 2021 has notified the persons for signing of ITR in terms of section 140 and appearance as authorized representative under section 288 (2).

12AA. Prescribed person for the purposes of clause (c) and clause (cd) of section 140.—For the purpose of clause (c) or clause (cd), as the case may be, of section 140, any other person shall be the person, appointed by the Adjudicating Authority for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the

Insolvency and Bankruptcy Code, 2016 (31 of 2016) and the rules and regulations made thereunder.

Explanation.—For the purposes of this rule, "Adjudicating Authority" shall have the same meaning as assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).".

In the principal rules, after rule 51A, the following rule shall be inserted, namely:—

51B. Appearance by Authorised Representative in certain cases.—For the purposes of clause (viii) of sub-section (2) of section 288, any other person, in respect of a company or a limited liability partnership, as the case may be, shall be the person appointed by the Adjudicating Authority for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and the rules and regulations made thereunder.

Explanation.—For the purposes of this rule "Adjudicating Authority" shall have the same meaning as assigned to it in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

3. Relief in tax payable when the assessee is covered by section 115JB(2D): The CBDT vide Notification No. 92/2021 dated 10th August,2021 has notified Rule 10 RB for the purpose of section 115JB (2D). *10RB. Relief in tax payable under sub-section (1) of section 115JB due to operation of sub-section (2D) of section 115JB.*— (1) For the purposes of sub-section (2D) of section 115JB, the tax payable by the assessee company under sub-section (1) of section 115JB, for the previous year referred to in that section, shall be reduced by the following amount, namely:—

(A-B) - (D-C), where,

A = tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of the previous year including the past income;

B = tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of the previous year after reducing the book profit with the past income;

C = Aggregate of tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of those past year or years to which the past income belongs;

D = Aggregate of tax payable by the assessee company under sub-section (1) of section 115JB on the book profit of past year or years, referred to in item C, after increasing the book profit with the relevant past income of such year or years:

Provided that if the value of (A-B)-(D-C) in the formula is negative, its value shall be deemed to be zero.

(2) For the purposes of sub-rule (1) past income shall be the amount of income of past year or years included in the book profit or the previous year on account of an advance pricing agreement entered into by the assessee under section 92CC or on account of secondary adjustment required to be made under section 92CE.

(3) On application of provision of sub-rule (1), the tax credit allowed to the assessee under section 115JAA shall be reduced by the amount which is equal to the amount of reduction that has been allowed under sub-rule (1).

(4) The assessee company shall make a claim for relief under sub-section (2D) of section 115JB in Form No. 3CEEA electronically by uploading signed printout of said Form in the manner specified by the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be.

(5) Form No. 3CEEA shall be verified by the person who is authorised to verify the return of income of the assessee company under section 140.

(6) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall specify the procedure for filing of the Form No. 3CEEA and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to the statements so furnished under this rule.

Explanation 1.— The value of amount "A" in the formula shall be deemed to be zero, if there is no tax payable under sub-section (1) of section 115JB on the book profit of that previous year including the past income.

Explanation 2.— The value of amount "B" in the formula shall be deemed to be zero, if there is no tax payable under sub-section (1) of section 115JB on the book profit of that previous year after reducing the book profit with the past income.

Explanation 3.— For the purposes of calculation of amount "C" in the formula, if in any past year or years there is no tax payable under sub-section (1) of section 115JB on the book profit of that year or years, the tax payable for that year or years shall be deemed to be zero.

Explanation 4.— For the purposes of calculation of amount "D" in the formula, if in any past year or years there is no tax payable under sub-section (1) of section 115JB on the book profit of that year or years after increasing the book profit with the relevant past income of such year or years, the tax payable for that year or years shall be deemed to be zero.

Information Technology

Contributed by: CA. Deephika S, Chennai

Digital Transformation Tools for Chartered Accountant in Practice

The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) second Amendment Rules, 2021) on 24th March, 2021, which requires every company to use accounting software which has the feature of record audit trail of each and every transaction captured in maintaining its books of account, and further they accounting system should also capture the edit log of each change made to the books of account along with the date when such changes were made.

This notification is to be made effective from 1st April 2021 and relevant extracts from notification are given below

Amendment to rule 3 clause (1) of Companies (Accounts) Rules 2014 - "Every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording **audit trail** for each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled."

Amendment to rule 11 clause (g) of Companies (Audit and Auditors) Amendment Rules 2021 -

*“Whether the company has used such accounting feature for maintaining its books of account which has a feature of recording **audit trail (edit log)** facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.”*

The crux of these amendments is given below

- The Accounting software used by the company should have the **feature of recording audit trail** for every transaction entered or edited.
- The feature of recording audit trail to be **operated throughout the year** for all transactions recorded in the accounting software.
- Audit trail feature **should not be tampered** with and should not be disabled at any point of time
- Audit trail should include the **date** when such changes were made
- **Retention** - Audit trail will be preserved as per statutory requirements for record retention
(Section 128(5) of Companies Act. *“The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order”*)
- Audit trail should be detailed **record of accounting data** going all the way back to the initial source of the transaction.
- Audit trail should trace back the the source, timing, products, individuals involved, and other relevant details associated with the entire lifecycle of the entry.

It is a general principle that well-managed audit trails are **key indicators of good internal business controls**. An audit trail should provide the following information:

- ✓ What the **event** was ?
- ✓ What **user, system, or application** launched the event (this information may include user ID, IP address etc.) ?
- ✓ The **date and time** the event occurred

Statutory auditor to ensure that

- **Make the clients aware** for this compliance requirement immediately to ensure that the company takes necessary steps to comply with this notification.
- **During the audit**, review if Audit trails are existing for the complete year (with date, time, user ID from which the entry was passed) and the users do not have access to disable audit trail. Ensure that the audit trails are retained as per the statutory requirement for record retention (including back up controls)

The data trail improves chances that auditors will detect instances of inappropriate record-keeping behaviours, unlawful business practices and mathematical inaccuracies in period-end accounting records. Simply put, an audit trail gives a step-by-step history of a transaction.

The link to the notification dated 24th March 2021 is provided below:

http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf

http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf

Karnataka VAT-GST

Contributed by: CA. Annapurna D Kabra, Bengaluru

1. *Bangalore Turf Club Vs. The State of Karnataka, Karnataka High Court (WP No. 11168/2018 dated 02.06.2021)*

Issue:

Aspects on Actionable claim, Betting, Consideration, Supply, constitutional validity -

Challenge to constitutional validity of Rule 31A(3) to the CGST rules levying GST on the entire bet amount received by the totalizer. The Respondent argument is that betting is an actionable claim whereas the petitioners contend that supply of bets is not in the course or furtherance of business and the impugned rule exceeds the mandate under section 7 by levying GST on the amount that is not received by the petitioners as consideration. Whether the petitioners are liable to pay GST on the commission part or on the total amount collected in the totalisator.

Decision:

Making the entire bet amount that is received by the totalisator liable for payment of GST would take away the principle that a tax can be only on basis of consideration - The consideration that the petitioners receive is by way of commission as totalisator. This can be nothing different from that of a stock broker or a travel agent, both of whom are liable to pay GST only on the commission income earned and not on all the monies that pass through them. Rule 31(A)(3) insofar as it declares that the value of actionable claim in the form of chance to win in a horse race of a race club to be 100% of the face value of the bet is beyond the scope of the CGST Act. Article 246A which introduced Goods and Services Act, the definitions and other provisions of the Act do not bring in the activity of the petitioners under the ambit of the Act. Rule 31(A)(3) travels beyond what is conferred upon the Rule making authority u/s 9 which is the charging section, by way of an amendment to the Rule.

The totalisator is brought under a taxable event without it being so defined under the Act nor power being conferred in terms of the charging section which renders the Rule being made beyond the provisions of the of the Act, Rule 31(A)(3) which does not conform to the provisions of the Act is held to be ultra vires the enabling Act. The petitioners are liable for payment of GST on the commission they receive for the service that they render through the totalisator and not on the total amount collected.

Rule 31(A)(3) of the CGST Rules, 2017 as amended in terms of notification dated 23.01.2018 is declared ultra vires the provisions of CGST Act, 2017 and quashed. Consequently, the Circular No.27/01/2018 - GST dated 04.01.2018 is also quashed in so far as it concerns the petitioner.

2. *M/s CHEP India Private Limited (KAR ADRG 36/2021 dated 16.07.2021)*

Issue:

Aspects on supply, Lease transaction, inter-branch transfer of asset, inter-state transaction of supply of services, leasing of equipment, distinct person, Valuation.

Applicant is a company involved in renting of movable property and having registrations across many states. Since the definition of supply contains lease within its ambit, whether there can be a lease transaction entered into between two different registrations of the

same Company and accordingly taxable as supply of services in terms of Section 7 of the CGST Act

Decision:

The assets and liabilities of the Company is held in common, the assets of one branch do not have separate existence and cannot enter into a lease transaction or rental transactions with another branch of the same company as per the provisions of Companies Act or under the Income Tax Act, 1961. However, under GST law all stock transfers from one state to another are treated as supplies and covered under the term "transfer". Since the registrations are state specific, the transactions between the two entities of the same concern would be covered under deemed supplies between two deemed distinct persons. All supplies made in the course of business from entity in Karnataka to its entity in Kerala would be covered under the scope of supplies u/s 7(1) of the CGST Act as between deemed distinct persons as per Sec 25(4) of the CGST Act, 2017. Since the transfer of goods are without any transfer of ownership of such goods, the same amounts to supply of service as per entry No. 1(b) of the Schedule II of the CGST Act only for the purposes of the CGST Act. The transfer of such goods on lease as per the agreement entered into between entity in Karnataka and entity in Kerala would amount to lease or renting of the goods for a consideration and hence would be a transaction of supply of services and the nature of such services is "lease", as it for a period of time. The transaction value which is the price actually paid cannot be treated as the value of supply as the supplies are between related parties. The value declared in the invoice would be the value of supply of goods or services or both as per the second proviso to Rule 28 and hence would be treated as the value of such supply.

3. *M/s Aadhya Gold Private Limited (KAR ADRG 35/2021 dated 09.07.2021)*

Issue:

Aspects on Sale of Secondhand Jewellery, Valuation, Margin Scheme.

Applicant sells used/second hand gold jewellery purchased from 'unregistered persons' as such after minor processing such as cleaning and polishing. Determination of the applicability of Rule 32(5) of the CGST Rules, 2017. Whether margin scheme is applicable in subject transaction and GST shall be payable only on the profit element being selling price minus purchase price

Decision:

In the instant case, the supplier i.e. the applicant is affecting the supply of second-hand jewellery which is taxable under the GST Act as it is covered under entry no. 13 of Schedule V to the Notification No. 01/2017 - Central Tax (Rate) dated 28th June, 2017 which is taxable at 1.5% under the CGST Act and similarly taxable under the KGST Act, 2017 also at 1.5%. Hence, the supplier satisfies the condition that the supply made by him must be a taxable supply. The supplier is not availing input tax credit on the used gold jewellery purchased by him and which are supplied as such. The supply is made without changing the nature and form of the jewellery so purchased. Further, the supplier admits that they are invoicing the goods as "used gold ornaments". As a result, the applicant satisfies both the conditions prescribed. Hence, it is held that the valuation of such second hand Jewellery can be made in accordance with Rule 32(5) of the CGST Act, 2017 as the applicant satisfies both the conditions prescribed.

4. **Aditya Auto Engineering Pvt Ltd Vs Union of India (Writ Appeal No. 332/2021 dated 22.04.2021)**

Issue:

Aspects on Non filing of GST return, Cancellation of registration, Manual return – Non filing of GST returns in GSTR 3B for a continuous period of 6 months.

Department appeal against Single Judge interim order staying the operation of cancellation of registration and permitting assessee to file manual returns for the backlog period and directing revenue to consider the request of assessee for permission to pay the arrears of tax and instalments

Decision:

The company is engaged in the business and sale of tippers, trailers, load bodies, bulkers and garbage compactors. It was registered under the provisions of the CGST Act, 2017 and KGST Act, 2017 and admittedly failed to file the returns prescribed under the GST law in from GSTR 3B and discharge its liability for the period from September 2018 till date. The assessment orders were passed from time to time under Sec 62 of the CGST Act quantifying the tax liability of the respondent and directing it to file its returns and discharge the arrears. Writ petition was filed challenging the assessment order passed u/s 62 of the CGST Act and the same is discussed and held as under.

It was held that the GST law does not permit filing of manual returns and there is no facility under the law to accept manual returns. Allowing respondent to file returns manually will unsettle the entire scheme of GST. Assessee GST registration was cancelled for non-filing of its returns for a continuous period of six months, is liable to be deregistered unless and until total outstanding liability of tax and penalty is satisfied.

5. **M/s. Premier Sales Promotion Pvt Ltd (KAR ADRG 37/2021 dated 30/07/2021)**

Aspects in taxability of voucher

Issue:

- a. Whether the vouchers themselves, or the act of supplying them is taxable, and at what stage for each of the three categories of transactions undertaken by the applicant? What would be the rate of tax at which it would be taxable?

Ruling:

In the instant case, the appellant is Private Limited Company engaged in providing marketing services. During the course of business, applicant receives orders for supply of e-vouchers wherein the applicant sources e-vouchers for such customers as per the order received and acts as an intermediary for buying and supplying of e-vouchers. The applicant is supplying these vouchers and they are used as payment instruments for payment of consideration or part consideration for supply of goods or services, in the hands of end user. Gift voucher is classified as closed PPI (Pre-paid instrument) whereas the Cash Back voucher and Multiple options vouchers are classified as semi closed PPIs. The product or item i.e. voucher is undoubtedly a moveable property and squarely gets covered under intangible goods. Para 1(a) of Schedule II to Sec 7 specifies that any transfer of the title in goods is supply of goods. The term "Voucher" hence gets covered under goods as it involves transfer of title. Face value of the e voucher is the value for the purpose of paying GST. The applicable tax rate is 18% as per Entry No. 453 of Schedule 3 of Notification No. 01/2017 – Central Tax (Rate) dated 28.06.2017

4. M/s Page Industries Limited (KAR ADRG 54/2020 dated 15/12/2020)

Aspects on input tax credit on marketing products

Issue:

Whether in the facts and circumstances of the case, the promotional products or materials and marketing items used by the applicant in promoting their brand and marketing their products can be considered as “inputs” as defined u/s 2(59) of the CGST Act, 2017 and GST paid on the same can be availed as Input tax credit in terms of Sec 16 of the CGST Act, 2017

Facts & Ruling:

The applicant is engaged in the manufacture, distribution and marketing of knitted and woven garments under the brand name “Jockey” and swim wear and swimming equipments under the brand name “Speedo”. The applicant also gets the said garments manufactured from his job workers. The applicant markets or sell their products through their own outlets and also through their distributors or dealers. The applicant is availing the services of advertisement agencies and is procuring promotional material and products for displaying their products at the point of purchase and is paying the GST on above. The authority held that the ITC on GST paid on the procurement of the “distributable” products which are distributed to the distributors, franchisees is allowed as the said distribution amount to supply to the related parties which is exigible to GST. Further the said distribution to the retailers for their use cannot be claimed as gifts to the retailers or to their customers free of cost and hence Input Tax credit of GST paid on such procurement is not allowed as per sec 17(5) of the CGST Act, 2017. The GST paid on the procurement of “non-distributable” products qualify as capital goods and not as “inputs” and the applicant is eligible to claim input tax credit on their procurement, but in case if they are disposed by writing off or destruction or loss, then the same needs to be reversed u/s Sec 16 of the CGST Act, 2017 r/w Rule 43 of the CGST Rules, 2017.

SEBI

Contributed by: CA. VMV Subba Rao, Nellore

CIRCULARSEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620

August 26, 2021

To,

Recognized Stock Exchanges,
Depositories,
Alternative Investment Funds,
Portfolio Managers,
Investment Advisers

Dear Sir/ Madam,

Sub: Modalities for implementation of the framework for Accredited Investors

A. General

1. Pursuant to public consultation and approval of the SEBI Board, the framework for “Accredited Investors” (AIs) has been introduced in the securities market. In this regard, the SEBI (Alternative Investment Funds) Regulations, 2012

, SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013

have been amended and notified on August 03, 2021.

2. Under the aforesaid framework, AIs may avail flexibility in minimum investment amount (“Lower ticket size”) or concessions from specific regulatory requirements applicable to investment products, subject to conditions applicable for specific products/ services under the aforesaid Regulations. The modalities of accreditation are provided in **Annexure A**.

3. The framework for AIs may be made available on the respective websites.

B. Accreditation Agency

4. Persons desirous of being reckoned as AIs shall approach an Accreditation Agency for accreditation. Accreditation Agencies shall be responsible for:

(a) verification of documents submitted by applicants for accreditation,

(b) timely processing of applications for accreditation and issuance of accreditation certificate,

(c) maintaining data of accredited investors,

(d) verification of accreditation status,

(e) maintaining confidentiality of investor information at all times, and

(f) any other responsibilities as may be specified by SEBI from time to time.

5. Accreditation Agencies shall have the requisite infrastructure including systems and manpower to fulfill their responsibilities as specified under Para 4.

6. The following entities are eligible to carry out the accreditation process:

(i) Subsidiaries of recognized Stock Exchanges, provided the Stock Exchange meets the following criteria:

(a) minimum 20 years presence in Indian securities market,

(b) minimum networth of INR 200 crores,

- (c) presence of nation-wide terminals,
 - (d) having Investor grievance redressal mechanisms in place, including arbitration,
 - (e) presence of Investor Service Centers (ISCs) in at least 20 cities, and
 - (f) any other criteria as specified by SEBI from time to time.
- (ii) Subsidiaries of Depositories

7. Eligible subsidiaries shall make an application to SEBI through the concerned Stock Exchange or Depository, for recognition as an Accreditation Agency in terms of Regulation 2(1)(aa) of the SEBI (Alternative Investment Funds) Regulations, 2012, within 3 weeks from the date of the Circular.

8. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interest of investors in securities market and to promote the development of, and to regulate the securities market.

9. This Circular is available on SEBI website at

under the categories "Legal Framework-Circulars", "Info for -Alternative Investment Funds", "Info for -Portfolio Managers" and "Info for-Investment Advisers".

Yours faithfully,

Deepti Agrawal
General Manager

Tamil Nadu VAT

Contributed by: **CA. V.V. Sampath Kumar, Chennai**

MADRAS HIGH COURT Judgments in VAT CST GST

Effective Opportunity: Assessments passed under the provisions of the TNVAT Act, 2006 relate to the various periods 2015-16, 2016-17 and 2017-18. Initially, notices were issued by the Revenue permitting the petitioner to file its objections as well as availing an opportunity of personal hearing within a period of 15 days. However, this cannot be taken to be effective opportunity as personal hearing should be fixed by date and time. In the above circumstances and other reasons, the Court held that the opportunity granted by the respondent has not been effective and the impugned orders are set aside with directions. **M/s. Kanagam Constructions, Vs. The STO, Dharapuram W.P. Nos.9778, 9782 & 9787 of 2021 DATED: 12.07.2021**

Input Tax Credit : Legislature has broadened, in its wisdom, the grant of benefit of ITC to transactions with unregistered dealers as well, vide the substitution amendment in 2015. Having taken such a decision in principle, there is no rhyme or reason to restrict the benefit only from the date of substitution. Since the substitution in the present case only seeks to set right an anomaly it necessarily has to be effective from the date of inception of the Act itself, retrospectively.. **M/s.Nezone Tubes Limited Vs AC (CT), Ranipet (SIPCOT) W.P.No.4176 of 2014 DATED : 14.07.2021**

Personal hearing: The Assessing Authority has proceeded to apply Rule 8(5)(d) of the Tamil Nadu Value Added Tax Rules, 2007. Section 27 of the Act provides for effective opportunity to be given to the petitioners prior to framing of assessment and this has been interpreted in a slew of matters to include opportunity of personal hearing as well. As no personal hearing was afforded prior to framing of the assessment, the court set aside the impugned proceedings with directions. **V.Jagadeesan, Contractor Vs. STO, Dharapuram W.P.No.8751 of 2021 DATED: 12.07.2021**

GST Refund : Petitioner challenges order dated 22.07.2020 rejecting its request for refund. An e-application for refund was filed again on 16.06.2020. A show cause notice dated 25.06.2020 proposing rejection of refund stating that there was a mismatch between the export value and the net ITC when compared to monthly returns was issued. The petitioner responded vide reply dated 07.07.2020 enclosing documents. The impugned order has come to be passed, which is non-speaking, without affording an opportunity of personal hearing. The impugned order of rejection is set aside. **Tvl.Naggaraj Anooradha Vs STO (Circle) Koyambedu (c) W.P. No.174 of 2021 DATED: 08.07.2021**

Appellate Remedy : The practise of filing the WP without exhausting the statutory remedies are in ascending mode and such WPs are filed with a view to avoid pre-deposits to be made in statutory appeals and on the ground that the appellate remedies are time consuming. In the present case, the importance of appellate remedy and its necessity are yet to be considered by this Court and therefore, the petitioner has to prefer an appeal and redress his grievance in the manner known to law. **M/s. DLF Southern Homes Pvt Ltd., vs. The AC (CT), Chengalpattu Assessment Circle, WP No.26731 of 2015 DATED : 20-07-2021**

VAT Advance rulings : The learned counsel for the petitioner made a submission that the petitioner responded and submitted further application withdrawing two clarifications sought for and requested to clarify one issue alone. No opportunity was provided to the new Bench and therefore, the order was passed by the different Bench consists of three members, which is not valid in the eye of law. The Bench which heard the arguments and issues had not decided the matter and the different Bench, who neither heard the matter nor opportunity was provided to the petitioner to submit their case, was passed final order that too after a lapse of three years. The withdrawal application submitted by the petitioner for not pressing the two applications were also not considered. The Court remanded back the matter for fresh consideration. **Schwing Stetter India Pvt. Ltd., Vs ACAAR, Chennai W.P.No.12480 of 2018 DATED :06.07.2021**

Natural Justice: In view of the fact that there is admittedly a violation of principles of natural justice, the impugned orders are set aside with directions. **The Asthalakshmi Agencies, Vs AC (ST), Chitode Assessment Circle W.P. Nos.14369 & 14371 of 2021 DATED: 14.07.2021**

Writ of Mandamus: The prayer in this WP is for a mandamus directing the respondent to furnish a certified copy of the assessment order for the period 2002-03, passed in terms of the provisions of the TNVAT Act, 2006. He has also filed a representation dated 24.04.2021 to this effect, for which an acknowledgement is issued. The Court directed that the representation be considered and disposed within a period of 4 weeks from today after hearing the petitioner, preferably virtually. **N.Azeem Basha Vs AC (ST), Central II Assessment Circle 2nd Floor Tirupur 641 603 W.P. No.13980 of 2021 DATED: 07.07.2021**

Writ petition : No writ needs to be entertained, when a statutory appellate remedy is provided under the Act. The appellate authority is the final fact-finding authority, who is competent to consider both the factual and legal grounds as they are functioning as quasi judiciary authority and disposed the matter with directions. **M/s. Rail One Projects Pvt. Ltd., Vs. The AC (CT), Vadapalani Assessment Circle, W.P.Nos.37201 to 37203 of 2015 DATED : 08.07.2021**
