



SIRC Newsletter

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Southern India Regional Council ▶ THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ▶ SET UP BY AN ACT OF PARLIAMENT

D Rangaswamy Memorial Lecture - Centenary Year Celebrations - 19th December 2019



SIRC Chairman CA. Jomon K. George, Secretary CA. K. Jalapathi, SICASA Chairperson CA. Revathi S. Raghunathan, RCM CA. R. Sundararajan, Central Council Member CA. Rajendra Kumar P along with the Members of Society of Auditors and D Rangaswamy Academy for Fiscal Research during the floral tributes.

Equinox-Enroute to the Digital Future- One day Sub Regional conference at Belagavi - 22nd December 2019



Hon'ble Shri Suresh Angadi, MP and Central Minister for Railways (Independent charge) lighting the traditional lamp in the presence of ICAI Vice-President CA. Atul Kumar Gupta, CCM CA. Daya Niwas Sharma, SIRC Chairman CA. Jomon K. George, RCM CA. A.B. Geetha and Managing Committee Members of Belagavi Branch of SIRC of ICAI.

Pragathi Path - Sub Regional Conference at Hyderabad - 19th & 20th December 2019



Group Photograph of the galaxy of dignitaries during the inaugural session.

National Conference for CA Students at Chennai - 10th & 11th December 2019



CA. T.N. Manoharan, Past President-ICAI, Central Council Member- ICAI CA. G. Sekar, SICASA Chairperson CA. Revathi S. Raghunathan, SIRC Chairman CA. Jomon K. George, SIRC Secretary CA. K. Jalapathi, Regional Council Members Dr. CA. Abhishek Murali and CA. R. Sundararajan, SICASA Committee Members during the inaugural session.

Udyati 2 - One Day Conference at Visakhapatnam - 21st December 2019



ICAI President CA. Prafulla Premsukh Chhajed along with Central Council Members CA. D. Prasanna Kumar & Dr. CA. Debashis Mitra and Managing Committee Members of the Visakhapatnam Branch of SIRC of ICAI during the inauguration.

S. Vaidyanath Aiyar Memorial Lecture on India, International Trade & Contemporary Challenges and Importance of Professional Governance and Ethics for Stakeholders -27th December 2019



Shri Rajeev Kher, IRS Former Secretary, Ministry of Commerce, Govt. of India was presented with a memento by CA. Sudarsan in the presence of Central Council Member CA. Rajendra Kumar P.

Workshop on Audit Quality Review: Key Learnings Organised by SIRC of ICAI under the aegis of Quality Review Board - 20th December 2019



Past President ICAI CA. R. Bupathy along with CA. Dhinal A. Shah, Board Member-QRB, Central Council Member and Board Member-QRB CA. M. P. Vijay Kumar during the interactive session.

New Returns Filing under GST-Sabka Vishwas-An Overview - 5th December 2019



Shri M. Tamil Vendan, Additional Commissioner-IRS was presented a Memento by RCM Dr. CA. Abhishek Murali in the presence of Shri B. Senthil Velavan, Additional Commissioner-IRS and Mrs. Sridevi, Superintendent.

Two Day Workshop on Auditing Standards - 2nd & 3rd December 2019



Chairman - Auditing and Assurance Standards Board-ICAI CA. G. Sekar honouring CA. A. Sehar Ponraj, ROC, Tamil Nadu and Andaman & Nicobar Islands with a shawl in the presence of Session Speaker and AASB-ICAI Co-opted Member CA. R.S. Balaji.



SIRC CALENDAR

JANUARY 2020 onwards...

Contact: Dr. T. Paramasivan, Joint Director (Tech.), ICAI - Phone: 044 - 30210321 - E-mail: tparamasivan@icai.in

SOUTHERN INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

"ICAI Bhawan", No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.

Phone: 044-30210323/362/381; Email: sirc@icai.in; Website: www.sircoficai.org

Forthcoming Programmes of SIRC of ICAI – January 2020 onwards

Sl. No.	Date / Day / Time	Programme Topic / Speaker	Delegate Fees		CPE Credit
			Pre Registration	Spot Registration	
1.	January 1, 2020 Wednesday 5.30 p.m. to 8.30 p.m	CPE Meeting on Cyber Security in an IT driven world Speaker: CA. Uday Kumar D.V.N.	236	283	3
2.	January 3, 2020 Friday 10.00 a.m.–05.30 p.m.	One Day Seminar on Real Estate Sector Speakers: Adv. Shyam Sundar & CA. Shankara Narayanan	1180	1416	6
3.	January 4, 2020 Saturday 8.30 a.m. to 11.30 a.m. Breakfast at 8.00 a.m.	Breakfast Meeting on Block Chain Technology and the Accounting Profession Speaker: CA. S. Deephika	236	283	3
4.	January 6, 2020 Monday 10.00 a.m.–05.30 p.m	One Day Seminar on Young Members Empowerment 1. Data Analytics - CA. Venkatesan Murali 2. GST Practice - CA. V. V. Sampath kumar 3. Insolvency and Bankruptcy Code - CA. S. Aneeta 4. Audit Metamorphosis: A Technolgy Perspective - CA. A. M. Adithya Details at www.sircoficai.org	1180	1416	6
5.	January 7, 8 & 9, 2020 Tuesday- Thursday 10.00 a.m.–05.30 p.m.	Three Day Workshop on Goods and Services Tax Details at Page No. 7	2950	3540	18
6.	January 7, 2020 Tuesday 5.30 p.m. to 8.30 p.m.	CPE Meeting on Insolvency and Bankruptcy Code - Recent Developments Speaker: CA. Revathi S. Raghunathan	236	283	3
7.	January 8, 2020 Wednesday 5.30 p.m. to 8.30 p.m.	Industry Specific GST CPE Meeting on Healthcare Industry	236	283	3
8.	January 9, 2020 Thursday 5.30 p.m. to 8.30 p.m.	CPE Meeting on ICAI Code of Ethics 2019 Under the auspices of Ethical Standards Board of ICAI Speaker: CA. R. G. Rajan	236	283	3
9.	January 11, 2020 Saturday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Benami Transactions and Anti Money Laundering Speakers: CA. P.T. Joy and Eminent Resource Person	1180	1416	6
10.	January 13, 2020 Monday 5.30 p.m. to 8.30 p.m.	CPE Meeting on Digital Frauds and Cloud Security Speaker: CA. S. Deephika	236	283	3

Continued ...



11.	January 20, 2020 Monday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Direct Taxes- Recent Developments Details at www.sircoficai.org	1180	1416	6
12.	January 21, 2020 Tuesday 10.00 a.m. to 5.30 p.m.	CPE Metro Conference Details at www.sircoficai.org <i>(Earlier Scheduled on January 23 & 24, 2020)</i>	1500	1800	6
13.	January 22, 2020 Wednesday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Valuation and Arbitration Arbitration - Adv. Inbavijayan Valuation – CA. Keerthi Ganesh	1180	1416	6
14.	January 26, 2020 Sunday, 8.30 a.m.	Republic Day Celebrations Details at Page No. 7	-	-	-
15.	January 27, 2020 Monday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Ind AS Details at www.sircoficai.org	1180	1416	6
16.	January 28, 2020 Tuesday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Overview of Auditing Standards Under the aegis of Auditing and Assurance Standards Board, ICAI Details at www.sircoficai.org	1180	1416	6
17.	January 29, 2020 Wednesday 5.30 p.m. to 7.30 p.m.	CPE Meeting on Recent Developments in Transfer Pricing	236	283	3
18.	January 30, 2020 Thursday 10.00 a.m. to 5.30 p.m.	One Day Seminar on Robotics and Artificial Intelligence Details at www.sircoficai.org	1180	1416	6
19.	January 31, 2020 Friday 5.30 p.m. to 8.30 p.m.	CPE Meeting on Applying Data Analysis within Internal Audit - Issues and Challenges Speaker: Dr. Paul Jayakar	236	283	3
20.	February 1, 2020 Saturday 11.00 a.m.	Live Webcast of Union Budget-2020	-	-	-
21.	February 3, 2020 Monday 06.00 p.m. - 8.00 p.m.	Panel Discussion on Union Budget-2020 Speakers: CA. R. Bupathy, Past President, ICAI CA. Rajendra Kumar P and Shri Va Nagappan	118	142	2
22.	February 4, 2020 Tuesday 05.30 p.m. to 08.30 p.m.	Clause by Clause Analysis of Union Budget 2020	236	283	3
23.	February 7, 2020 Friday 10.00 a.m. – 05.00 p.m.	One Day CPE Seminar on International Taxation	1180	1416	6
24.	February 10, 2020 Monday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Treasury and Forex Management	236	283	3

Registration for CPE Programmes only through Online Portal www.sircoficai.org through Dashboard

- 20% increase in Delegate Fee for Spot Registration.
- 25% Concession in Delegate Fee for Students pursuing CA Course.
- 50% increase in Delegate Fee for Non-Members.
- No Cash Payments.



Chairman's Communique...

January 2020



Dear Professional Colleagues,

New Year and Season's Greetings to all our beloved Members, Students and Stakeholders.

Coping with the Economic Slowdown

India's GDP growth has decelerated to 4.5% in the second quarter of the current fiscal and government has been taking appropriate macro economic measures to revive the staggering economy. Consumption exports and private investments have to become supportive for these measures.

Members associated with various business entities particularly with Small and Medium Enterprises (SMEs) have to provide expert counselling to their clients on how to withstand this slowdown. Because these SMEs not only provide self employment to a large number of people but also extend employment support to many.

There has been suggestions from experts that the Government has to take appropriate and appreciable measures to manage the "Four Balance Sheet Challenge" covering Banks, Infrastructure Companies, NBFCs and Real Estate Sectors.

Inspection of Banks and NBFCs

In the backdrop of large scale scams at Punjab National Bank, the IL&FS group, DHFL, PMC, etc., Operations of Banks and NBFCs needs close or regular inspection, an extension of Concurrent Audit of Banks, by Reserve Bank of India and the members of the Institute could provide yeomen service to the Banking and NBFC sectors thereby reinforcing the role as Partners in Nation Building.

Extension of Due Date for Compliance of CPE Credit Requirement: We would like to mention here that on the basis of various requests received from our members who were unable to comply with CPE Credit hours requirements for the current calendar year and the block period, CPE Directorate has decided to extend the last date for compliance of CPE hours requirements for the Calendar year 2019 and Current Block period 2017-2019 till 31st January, 2020.

CPE Credit Hours Requirement: Members may kindly note that the timeline to comply with the CPE credit hours requirement (Complete details of the CPE requirements for various categories of members have been given elsewhere in this newsletter) for the block period of 3 years starting from 01-01-2017 to 31.12.2019 is extended from 31st December 2019 to 31st January 2020. In order to enable our members to comply with the CPE Credit hour requirements, SIRC of ICAI has lined up series of CPE Meetings, Seminars and Workshops during January 2020. For Registrations, please visit www.sircoficai.org. Members are requested to comply with the CPE requirements to avoid any inconveniences that may arise due to such non-compliance.

Members are requested to refer SIRC Programme Calendar and also SIRC website www.sircoficai.org for further details and registrations.

Programmes held during December 2019 at SIRC of ICAI:

SIRC of ICAI has conducted a series of Seminars, Workshops, CPE Meetings on Auditing Standards, Accounting Standards, ICAI Code of Ethics, Data Science Application in Accounting, Ind AS, Valuation and Arbitration, Taxation, New Returns Filing under GST: Sabka Vishwas, Recent Developments in Competition Act, MSMED Act, etc.

Two Days Workshop on Auditing Standards: Under the aegis of Auditing and Assurance Standards Board of ICAI, SIRC has conducted Two Day Workshop on Auditing Standards on 2nd and 3rd December 2019. Chairman - Auditing and Assurance Standards Board of ICAI CA. G. Sekar along with CA. A. Sehar Ponraj, ROC, Tamil Nadu and Andaman & Nicobar Islands inaugurated the Workshop. Eminent Resource persons handled the technical sessions.

Awareness Meeting on New Returns Filing under GST-Sabka Vishwas-An Overview: Shri M. Tamil Vendan, Additional Commissioner-IRS, Shri B. Senthil Velavan, Additional Commissioner-IRS and Mrs. Sridevi, Superintendent elaborated and interacted with our members of ICAI regarding the New Returns Filing under GST Sabka Vishwas on 5th December 2019.

Programmes on ICAI Code of Ethics 2019: As advised by Ethical Standards Board of ICAI to create awareness amongst our members regarding ICAI Code of Ethics 2019, SIRC has conducted a series of CPE Meetings and Awareness Programmes on ICAI Code of Ethics and also included a one hour session in each of the One Day, Two Day Seminars and Workshops conducted during the month of December 2019.

One Day Hands on Workshop using Python on Data Science Applications in Accounting: AI and Data Experts CA. Jayendran G.S. and Ms. Aarthi Kumar handled the workshop on 11th December 2019. Since it is designed as Hands on Workshop, the entry was restricted to 30 delegates and were taught step by step procedures. it was well received by the participants.

Two Day Workshop on IndAS: Eminent Resource Persons like CA. Chinnsamy Ganesan, CA. R. Venkata Subramani, CA. Mithul shah and CA. Nitin Jain handled the technical sessions of Two Day Workshop on Ind AS on 12th and 13th December 2019, covering the important Accounting Standards like Ind AS 115: Revenue from Contract with Customers, Ind AS 116: Leases, Ind AS 109: Financial Instruments, Ind AS 12: Income Taxes, Ind AS 16: PPE, Ind AS 23: Borrowing Cost, Ind AS 38: Intangible Assets, etc.



One Day Seminar on Internal Audit: CA. H. Venaktesan, Sr.GM & Head Group Internal Audit, Sundaram Finance Ltd., CA. R. Sridhar, Dr. CA. Paul Jayakar, CA. Deephika handled the technical sessions of One Day Seminar on Internal Audit held on 17th December 2019.

One Day Seminar on Overview of Auditing Standards: In continuation with Two Day Workshop on Auditing Standards held on 2nd and 3rd December 2019, SIRC has also organised One Day Seminar on Overview of Auditing Standards under the aegis of Auditing and Assurance Standards Board of ICAI on 18th December 2019. AASB Co-opted Member CA.R.S. Balaji and CA. P. Shankar Raman handled the technical sessions.

D Rangaswamy Memorial Lecture - Centenary Year Celebrations: SIRC of ICAI in association with Society of Auditors and D Rangaswamy Academy for Fiscal Research has conducted D. Rangaswamy Memorial Lecture Centenary Year Celebrations on 19th December 2019. Flying High Book Release function was also held. CA. T. Ananthanarayanan, Former Executive Director, Ashok Leyland Ltd., Shri T.S. Krishnamurthy, Former Chief Election Commissioner, CA. N. Rangachary, Former Chairman, CBDT and IRDA, CA. R. Sivakumar, Regional and Central Council Members, Family Members of D. Rangaswamy and other eminent personalities graced the occasion.

Workshop on Audit Quality Review-Key Learnings: Under the aegis of Quality Review Board, SIRC of ICAI has organised a Workshop on Audit Quality Review: Key Learnings on 20th December 2019. Past President ICAI CA. R. Bupathy along with CA. Dhinal A. Shah, Board Member-QRB, Central Council Member & Member-QRB CA. M. P. Vijay Kumar and RCM Dr. CA. Abhishek Murali graced the occasion with their august presence and interacted with the delegates.

One Day Seminar on Valuation and Arbitration: CA. Keerthi Ganesh B U and renowned accredited Arbitrator and Advocate Veeraraghavan Inbavijayan handled the Valuation and Arbitration sessions on One Day Seminar on Valuation and Arbitration on 24th December 2019.

One Day Seminar on Taxation and Auditing: Income Tax Ordinance 2019 was handled by CA. Girish Sundar and CA. P. Anand handled Audit Documentation on One Day Seminar on Taxation and Auditing held on 26th December 2019.

S. Vaidyanath Aiyar Memorial Lecture: Shri Rajeev Kher, Former Secretary, Ministry of Commerce, Government of India has delivered the Memorial Lecture on the topic India, International Trade & Contemporary Challenges and Importance of Professional Governance and Ethics for Stakeholders. The Programme was presided by Central Council Member CA. Rajendra Kumar P.

SIRC of ICAI wants to place in on record that all the programmes held in the month of December were attended on an average by more than 200 participants.

Branch Visits: As Chairman SIRC of ICAI, i have been visiting to various branches of SIRC of ICAI. In the month of December, i have visited Hyderabad Branch of SIRC on 19th December to attend the first day of Two Days Sub Regional Conference - Pragathi Path. On 22nd December 2019, i have visited Belagavi Branch of SIRC to attend Sub Regional Conference Equinox Enroute to the Digital Future. On 13th December, visited to Hubli Branch as a Speaker and Chief Guest for their Two Days Annual Seminar. On 20th December, visited to Bangalore Branch of SIRC to attend Two Days CA Students SICASA Conference. The response received from members of the branches are overwhelming and creates enthusiasm to serve more for our member fraternity.

Mega Career Counselling Programme: Career Counselling Committee of SIRC of ICAI in association with Govt. of Tamil Nadu School Education Department has organised a Mega Career Counselling Programme at Kolathur-Salem District of Tamil Nadu on 23rd November 2019. Honble Minister for School Education Tamil Nadu Thiru Sengottaiyan K.A along with Chief Educational Officer of Salem District Thiru T. Ganesh Murthy, Member of Parliament-Rajyasabha Thiru N. Chandrasekaran, Salem District Collector Thiru S.A. Raman IAS, MLA-Mettur Constituency Thiru S. Semmalai have graced the occasion. This programme was ably coordinated by SIRC Secretary and Chairman-Career Counselling Committee of SIRC CA. K. Jalapathi. More than 5080 students, 242 teachers, Government Officials, parents and others have attended.

Future Programmes of SIRC of ICAI : Since the last date for CPE Compliance has been extended, SIRC has geared up to conduct series of Programmes in January 2020 also for the benefit of our members. Please refer SIRC Programme Calendar January 2020 onwards published elsewhere in this newsletter. We hereby request you all to make use of it and comply with the CPE requirements.

SIRC Coaching Classes: SIRC has been grooming CAs in its campus through conducting Coaching Classes for more than four decades. While SIRC coaching classes are affordable and conducted without any profit motive, all subjects are handled by eminent faculties. For Complete Batch details of Coaching Classes for Foundation, Intermediate (New Syllabus), Final (New Syllabus), please visit www.sircoficai.org. I request our members to disseminate these information to their article assistants. Students are also requested to make use of these coaching classes and be benefitted.

Chartered Accountants Benevolent Fund (CABF): SIRC of ICAI requests its members and firms to contribute to Chartered Accountants Benevolent Fund (CABF) and anyone who contributes Rs. 1 lakh and above finds a place in the CABF Contributors List Board installed at SIRC premises. More affordable contribution of Rs. 5000 towards life membership for CABF will go a long way in augmenting the much needed funds for this noble cause.

Yours in the Service of the Profession
CA. Jomon K. George
Chairman, SIRC of ICAI

SIRC wishes Happy Birthday and Happy Anniversary to all those Members and Students who were born/who got married in the month of January.





FOUR WEEKS RESIDENTIAL PROGRAMME ON PROFESSIONAL SKILLS DEVELOPMENT AT COE, JAIPUR AND HYDERABAD

You are aware that the Board of Studies organizes Four Weeks Residential Programme on Professional Skills Development. The Board of Studies has announced the next batch of Four Weeks Residential Programme on Professional Skills Development as below:

Venue	Participant	Fees	Date	Links for Registration
Centre of Excellence (CoE), Jaipur	Men	Rs.48,000/-	6th January, 2020 to 2nd February, 2020	https://resource.cdn.icaai.org/57697bosjprfwd-main.pdf
Centre of Excellence (CoE), Hyderabad	Women	Rs.48,000/-	29th January, 2020 to 25th February, 2020	https://resource.cdn.icaai.org/57261bosfwrp2020main.pdf

The programme aims to help the Chartered Accountancy students and newly qualified Chartered Accountants in imbibing the professional skills required for effective functioning in business organisations and the profession. The Programme environment focuses on development of communication skills, personal qualities, interpersonal and teamwork skills, problem solving skills and leadership skills.

Salient Features of the Programme:

- Emphasis on Soft Skills, Communication Skills and Personality Development.
- Exemption from payment of Fees to Top 10 Rank holders.
- Part of Articleship Training.
- No need for Separate Management and Communication Skills(MCS) forming part of Advanced Integrated Course on Information Technology and Soft Skills(AICITSS).
- Special Session on Group Discussion & Interview.
- Preparation of Project and Presentation Skills.
- Building Team Spirit.

Students who have passed Chartered Accountancy Intermediate/IPCC/ PCC/ PE- II examination and pursuing last two year of article training or completed Articleship training are invited to join the course for this batch. Recently qualified Chartered Accountants are also welcome to join the course.

Further, you are requested to display on the notice board of the respective Regional office and the Branch.

(CA. Durgesh Kumar Kabra) **(CA. Kemisha Soni)**
Vice-Chairman, Board of Studies **Chairperson, Board of Studies**

REPUBLIC DAY CELEBRATIONS

Sunday, 26th January 2019 Time: 8.30 a.m.
Venue: No.122, Mahatma Gandhi Road,
Nungambakkam, Chennai-600034

National Flag Hosting

at the lawns of the Institute's Premises
by **CA. Jomon K. George**, Chairman, SIRC of ICAI

WORKSHOP ON GOODS AND SERVICES TAX

CPE CREDIT
18
HOURS

Date and Time	Venue	
January 7-9, 2020 Tuesday - Thursday 10.00 am – 05.30 pm	P. Brahmayya Memorial Hall, ICAI Bhawan, Chennai	
Date	Timing	Topics
January 7, 2020 Tuesday	10.00 a.m.– 10.15 a.m.	Introduction to Programme
	10.15 a.m. – 11.15 a.m.	GST - Overview and Levy
	11.15 a.m. – 12.30 p.m.	Provisions relating to Scope of Supply
	12.30 p.m. – 01.30 p.m.	Provisions relating to Time of Supply
	02.30 p.m. – 04.00 p.m.	Registration, Suspension, Cancellation, Revoking cancellation under GST Law Records prescribed under GST Law
	04.00 p.m. – 05.30 p.m.	GST on Job Work, Brief presentation on E Way bills
January 8, 2020 Wednesday	10.00 a.m. – 11.30 a.m.	Input Tax Credit, Inverted Tax structure
	11.30 a.m. - 01.00 p.m.	Input Service Distributor, Practical issues related to ITC reversals
	2.00 p.m. - 4.00 p.m.	Provisions relating to Place of Supply
	04.00 p.m. - 05.30 p.m.	Changes in GST audit – as per Notification No 56/2019-CT
January 9, 2020 Thursday	10.00 – 12.00 Noon	Recent Advanced Rulings on Critical Issues Inspection, Audit, Search, Seizure, Arrests
	12.00 p.m. – 01.30 p.m.	Provisions relating to Value of Supply
	02.15 p.m. – 03.00 p.m.	Exports under GST
	03.00 p.m. – 04.00 p.m.	GST – All Refunds and Inverted duty structure
	04.00 p.m. – 05.30 p.m.	Returns under GST Law Composition Scheme under GST Law Appeals and Revision

Reg. Fees (Incl.18% GST) Members: ₹ 2950/-, Spot Fee: ₹ 3540/-

**For more details & registration,
Please visit SIRC website: www.sircoficai.org**

CA. Jomon K. George
Chairman, SIRC of ICAI

CA. K. Jalapathi
Secretary, SIRC of ICAI



ANNOUNCEMENT-MEMBERS

CPE Credit Hours Requirement

We would like to mention here that on the basis of various requests received from Members who were unable to comply with CPE hours requirements for current calendar year and block period, CPE Directorate has decided to extend the last date for compliance of CPE hours requirements for the Calendar year 2019 and Current Block period 2017-2019 till 31st January, 2020.

1. All the members (aged less than 60 years) who are holding Certificate of Practice (except all those members who are residing abroad) are required to:

1. Complete at least 120 CPE credit hours in a rolling period of three-years.
2. Complete minimum 20 CPE credit hours of structured learning in each calendar year.
3. Balance 60 CPE credit hours (minimum 20 CPE credit hours in each calendar year) can be completed either through Structured or Unstructured learning (as per Member's choice).

2. All the members (aged less than 60 years) who are not holding Certificate of Practice; and all the members who are residing abroad (whether holding Certificate of Practice or not) are required to:

1. Complete at least 60 CPE credit hours either structured or unstructured learning (as per Member's choice) in rolling period of three-years
2. Complete minimum 15 CPE credit hours of either structured or unstructured learning (as per member's choice) in each calendar year.

3. All the members (aged 60 years & above) who are holding Certificate of Practice, are required to:

1. Complete at least an aggregate of 90 CPE credit hours of either Structured or Unstructured Learning (as per member's choice) in a rolling period of three years
2. Complete minimum of 20 CPE credit hours being an aggregate of either Structured or Unstructured Learning (as per member's choice) in each calendar year

4. The following class of members are exempted from CPE credit hours requirement:

1. All the members (aged 60 years and above) who are not holding Certificate of Practice.
2. Judges of Supreme Court, High Court, District Courts and Tribunal
3. Members of Parliament/MLAs/MLCs
4. Governors of States
5. Centre and State Civil Services
6. Entrepreneurs (owners of Business (manufacturing) organizations other than professional services)
7. Judicial officers
8. Members in Military Service

5. Temporary Exemptions:

1. Female members for one Calendar year on the grounds of pregnancy
2. Physically disabled members on case to case basis having permanent disability of not less than 40% and above (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).
3. Members suffering from prolonged critical diseases/illnesses or other disability as may be specified or approved by the CPEC. (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).

DISCLAIMER

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

Inviting Recruiters
For

SPECIAL PLACEMENT PROGRAMME

(For Newly Qualified CA Final Rank Holders)

On 25th February, 2020 at Bangalore



Hire Smart CAs poised to become Business Leaders in Future

With the main objective of building upon leadership and managerial skills of newly qualified CA final rank holders, CMI&B is organizing 2nd Batch of Management Development Programme (MDP) from 3rd February to 26th February, 2020 at Manipal County, Bangalore which ends with Special Placement Programme on 25th February, 2020.

Major highlights of 1st Batch of MDP

82 rank holders participated

100% jobs offered to the participants

Highest packages per annum-
Overseas annual package- ₹ 36 lakh
Domestic annual package - ₹ 24 lakh



Organizations participating at any bigger centre on Day Premier in regular Campus Placement Programme for Newly qualified CAs can join this special placement programme free of cost



Organized by
Committee for Members in Industry & Business (CMI&B)
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

For more details about the Programms, please contact at 011-30110525/555 or e-mail cmi&b@icai.in

GST UPDATION REQUEST IN SIRC WEBSITE

Members are requested to register their GST Registration No. in the SIRC Dashboard at SIRC website www.sircofi.cai.org to enable us to provide Tax invoice for ITC.

Chairman, SIRC of ICAI



Campus for Newly Qualified Chartered Accountants (NQCAs)

February-March, 2020

Maintaining strong and spontaneous relationship with the industry and other business houses remains the main focus of the Committee for Members in Industry & Business (CMI&B) of the Institute of Chartered Accountants of India (ICAI). An initiative to that effect remains the Campus Placement Programme (held twice a year) that provides a platform to both the NQCAs and the organizations looking to hire the best available talent to fulfil their human resource requirement. ICAI simply acts as a facilitator to bring the recruiter and NQCAs together.

Invitation to Organisations- Any corporation, irrespective of its size, standing in the market and boundary of its business, can take part in this placement programme being held at several centers across the country during February- March, 2020.

Campus Interview Schedule

Sr. No.	Centres	Dates
1	Mumbai & New Delhi	28th, 29th February, 2nd, 3rd, 4th, 5th March, 2020
2	Chennai	2nd, 3rd, 4th, 5th & 6th March, 2020
3	Kolkata	3rd, 4th, 5th, 6th & 7th March, 2020
4	Ahmedabad, Jaipur, Pune & Hyderabad	4th, 5th & 6th March, 2020
5	Bengaluru	4th, 5th, 6th, 7th & 8th March, 2020
6	Durgapur & Ernakulam	28th March, 2020
7	Bhubaneswar, Noida, Chandigarh, Coimbatore, Indore, Kanpur & Thane	30th & 31st March, 2020

Invitation to Candidates: The above Campus is meant for the candidates, who would be passing the CA Final examination held in Nov, 2019 and also for others who have qualified earlier and are fulfilling the criteria mentioned in the Announcement.

Organizations intending to recruit NQCAs through campus scheme are requested to get in touch with the CMI&B Secretariat, ICAI Bhawan, Indraprastha Marg, New Delhi -110002, and e-mail: campus@icai.in, Tel. No. (011) 30110555/491/525/450/526/548 and to register log on to <https://cmib.icai.org/>.

Candidates may e-mail at cajob@icai.in, Tel. No. (011)30110555/491/525/450/526/548 and to register log on to <https://cmib.icai.org/>.

Organised By:

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The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

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OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA 9, DEEN DAYAL UPADHYAYA MARG, NEW DELHI - 110 002

EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS/LLPS FOR THE YEAR 2020-2021

Online Applications are invited from Chartered Accountant firms/LLPs who desire to be empanelled with the office of the Comptroller and Auditor General of India for the year 2020-2021 for the purpose of appointment of auditors of Companies as per Sections 139 (5) and 139(7) of the Companies Act 2013 and of Statutory Corporations/Autonomous Bodies as per the provisions of their respective Acts. The online application along with detailed instructions in this regard will be available on our website www.cag.gov.in from 1 January 2020 to 14 February 2020. The firms/LLPs can apply/update the data showing the status of their firm as on 1 January 2020. After filling/ updating the data, the firms/LLPs will be required to generate online acknowledgement letter for the year. If the firms/LLPs fail to generate online acknowledgement letter, their application would not be considered for empanelment. The firms/LLPs will be required to submit a print out of the acknowledgement letter generated online and also hard copies of the documents in support of their online application by 28 February 2020.

sd/-
Sr. Administrative Officer/CA-V



Resource Persons - December 2019



CA. A. Sehar Ponraj, ROC



CA. R.S. Balaji



CA. M. Sanjeev Aditya



CA. P. Shankar Raman



Dr. T. Paramasivan



Mr. M. Tamil Vandan, AC-IRS



Mr. B. Senthil Velavan, AC-IRS



Mrs. Sridevi, Superintendent



Dr. P.T. Giridharan



CA. Sankara Narayanan



Mr. S. Sivagnanam



CA. G.S. Jayendran



Ms. Aarthi Kumar



CA. Chinnsamy Ganesan



CA. R. Venkata Subramani



CA. Rajendra Kumar P



CA. R. G. Rajan



CA. Mithul Shah



CA. Nitin Jain



CA. P. Anand



CA. H. Venkatesan



CA. R. Sridhar



Dr. Paul Jayakar



CA. Yogesh Karthik



Mr. R. Mahesh



CA. Uday Kumar DVN



CA. M. P. Vijay Kumar



CA. R. Bupathy
Past President, ICAI



CA. Dhinal A. Shah



CA. Deephika



CA. Petchi T



CA. Keerthi Ganesh B U



Adv. V. Inbavijayan



CA. Girish Sundar



CA. S. Ganapathy



Shri Rajeev Kher, IRS (Retd.)

UPDATES

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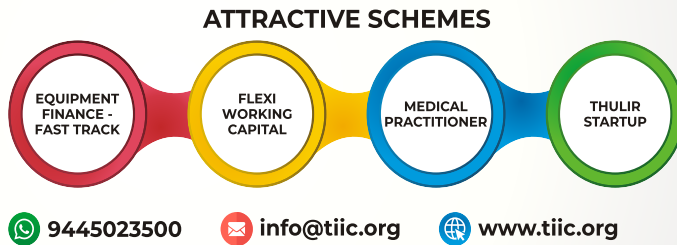
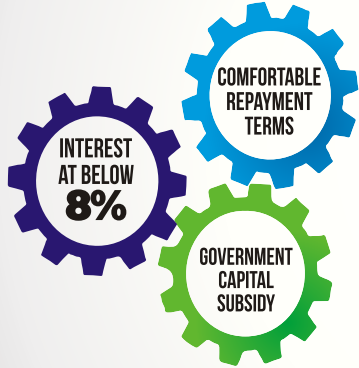


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SIRC of ICAI - Mega Career Counselling Programme at Kolathur-Salem District on 23rd November 2019

Organised by Career Counselling Committee of SIRC of ICAI in association with Govt. of Tamil Nadu – School Education Dept.



Chief Educational Officer of Salem District Thiru T. Ganesh Murthy, SIRC Secretary and Chairman-Career Counselling Committee of SIRC CA. K. Jalapathi, Member of Parliament-Rajyasabha Thiru N. Chandrasekaran, Honble Minister for School Education – Tamil Nadu Thiru Sengottaiyan K.A, Salem District Collector Thiru S.A. Raman IAS, MLA-Mettur Constituency Thiru S. Semmalai and other government officials during the inauguration.



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Advt.

Some Important Updates on Companies Act 2013

CA. Sripriya Kumar

Registration of Independent Directors

Click on Link : <http://www.mca.gov.in/mcafoportal/iicaDirService.do>

The Ministry of Corporate Affairs had introduced the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. These rules required certain conditions to be fulfilled by candidates serving as independent directors . The link to the said rules is http://www.mca.gov.in/Ministry/pdf/CmpInpdtDirectorsRules_22102019.pdf

In order to enable the implementation of the said rules, the Registration on Independent Directors' Databank has commenced on 2nd December, 2019 from 11.30 AM onwards and is available on <http://www.mca.gov.in/mcafoportal/iicaDirService.do>

Engagement of Consultants by NFRA

Click on Link : http://www.mca.gov.in/Ministry/pdf/NFRA_27112019.pdf

NFRA has issued a Vacancy Circular to empanel professionals including Chartered Accountants as Consultants . The Circular is available on the link <https://nfra.gov.in/sites/default/files/Vacancy%20Circular%2020-12-2019.pdf>

Chartered Accountants as per eligibility can apply for the posts of Consultants - Grade 1, Grade 2 or as Senior Consultants

FEMA Updates for the month of January 2020

Contributed by

CA G. Murali Krishna

gmk@grandhiandassociates.in

I. Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2019

Vide FEM (Export of Goods and Services) (Amendment) Regulations, 2019 (Notification No. FEMA 23(R)/(2)/2019-RB), dated 09th December, 2019, RBI amended the Regulation 4 of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 (Notification No. FEMA 23(R)/2015- RB dated January 12, 2016) which deals with exemption to exporters in filing of export declaration form as specified in Regulation 3 of said regulations.

The following regulation has been inserted after sub-regulation (e):

“Re-export of leased aircraft/ helicopter and/or engines/auxiliary power units (APUs) re-possessed by overseas lessor and duly de-registered by the Directorate General of Civil Aviation (DGCA) on the request of Irrevocable Deregistration and Export Request Authorisation (IDERA) holder under ‘Cape Town Convention’ subject to permission by DGCA/Ministry of Civil Aviation for such export/s.”

For more details, please refer the original notifications/ circulars referred above.

II. Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules, 2019:

The Central Government, on 5th December 2019, notified Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules 2019. It may be noted that principal non-debt instruments rules were notified on 17th October 2019. Most of the said amendments are made to make them consistent with erstwhile FDI Regulations issued by RBI. Salient features of said amended rules are as below:

- a. As per principal rules of October 2019, the definition of word “Investment Vehicle” [rule 2(ae)] included mutual funds which invest more than fifty percent in equity. Now the same is omitted to bring the said definition of investment vehicle in line with erstwhile FDI Regulations issued by RBI.
- b. Rule 2(am) which provided definition of “Sectoral Cap” included both investments in equity and debt instruments for the purpose of calculating limits. Now the word “and debt” are omitted to bring consistency with erstwhile FDI regulations.
- c. Rule 11 dealing with transfer of equity instruments of an Indian company by Foreign Portfolio Investor (FPI) was modified to reduce redundancy in the provisions as Schedule II to said rules provided detailed rules with regard to transactions by FPIs.
- d. Explanation was inserted in Rule 21 to clarify the pricing or conversion formula in case of issue of convertible equity instruments by an Indian company. This explanation was available in erstwhile FDI regulations and now inserted in non-debt instruments rules to bring consistency.

- e. Conditions attached to FDI investments in sectors being Coal and Lignite Mining, Manufacturing, Broadcasting and E-commerce were modified / substituted to bring more clarity.
- f. Sourcing norms under Single Brand Product Retail Trading (SBRT) are partially relaxed. SBRT entity is now permitted to set off sourcing of goods from India for global operations against the mandatory sourcing requirement of 30 per cent. For this, purpose, 'sourcing of goods from India for global operations' shall mean value of goods sourced from India for global operations for that single brand (in INR terms) in a particular financial year directly by the entity undertaking SBRT or its group companies (resident or non-resident), or indirectly by them through a third party under a legally tenable agreement.

Also, an SBRT entity operating through brick and mortar stores, can also undertake retail trading through e-commerce. However, retail trading through e-commerce can also be undertaken prior to opening of brick and mortar stores, subject to the condition that the entity opens brick and mortar stores within two years from date of start of online retail.

- g. A provision is inserted in Schedule II dealing with investment by FPI, wherein it is now provided that the aggregate limit of 24% investment by FPIs may be increased up to sectoral cap / statutory ceiling with the approval of Board of Directors **and** its General Body through an ordinary resolution and special resolution respectively. This proviso was available in erstwhile FDI regulations and now inserted in non-debt instruments rules to bring consistency.

Other than point 'e' above, all other amendments are deemed to have retrospective effect from October 17, 2019

III. Update on Compounding Orders issued under FEMA Regulations

a. M/s Utkarsh CoreInvest Limited

Regulation	Regulation 16(B)(5) of Notification No. FEMA 20 (R)/2017- RB, dated November 07, 2017 and Regulation 4 of Notification No. FEMA 20/2000- RB, dated May 3, 2000
Contravention	(i) Foreign investment into an Indian company engaged only in the activity of investing in the capital of other Indian companies without necessary prior approval of the government (Regulation 16(B)(5) of FEMA 20(R)) (ii) Taking on record the transfer of shares of the company from a non-resident entity to another non-resident entity without prior approval of government (Regulation 4 of FEMA 20)
Date of Order	November 18, 2019
Amount of Contravention	₹ 84,19,59,690/- (₹ 28,68,95,310/- with respect to Regulation 16(B)(5) of FEMA 20(R) and ₹ 55,50,64,380/- with respect to Regulation 4 of FEMA 20)
Compounding Fee	₹ 43,09,797/-

b. M/s Star Health and Allied Insurance Company Limited

Regulation	Para 2(2) of Schedule 1 to Notification No. FEMA 20(R)/2017-RB
------------	--

	dated November 7, 2017
Contravention	Allotment of shares beyond the stipulated time period of 60 days from the date of receipt of consideration
Date of Order	November 29, 2019
Amount of Contravention	₹ 30,50,00,079/-
Compounding Fee	₹ 15,75,000/-

c. M/s H F Metal Art Private Limited

Regulation	Regulation 16 and Regulation 9 of Notification No. FEMA.23/2000-RB dated May 3, 2000 and Regulation 9 of Notification No. FEMA 23(R)/2015-RB dated January 12, 2016
Contravention	(i) Failure to export goods within a period of one year from the date of receipt of advance (Regulation 16 of FEMA 23) (ii) Failure to realize export proceeds within stipulated time period (Regulation 9 of FEMA 23 and FEMA 23(R))
Date of Order	November 05, 2019
Amount of Contravention	₹ 16,89,30,330/- (₹ 6,30,79,984/- with respect to Regulation 16 of FEMA 23 and ₹ 10,58,50,346/- with respect to Regulation 9 of FEMA 23/23(R))
Compounding Fee	₹ 10,32,998 /-

GST UPDATES

1. GST Council Meeting updates – meeting held on 18th December, 2019

- a. Grievance Redressal Committees (GRC) will be constituted at Zonal/State level with both CGST and SGST officers and including representatives of trade and industry and other GST stakeholders (GST practitioners and GSTN etc.). These committees will address grievances of specific/ general nature of taxpayers at the Zonal/ State level
- b. Due date for annual return in FORM GSTR-9 and reconciliation statement in FORM GSTR-9C for FY 2017-18 to be extended to 31.01.2020 – *(made as law by Removal of difficulty Order No. 10/2019-Central Tax – dt 26.12.2019)*
- c. Following measures would be taken to improve filing of FORM GSTR-1:
 - i. waiver of late fee to be given to all taxpayers in respect of all pending FORM GSTR-1 from July 2017 to November 2019, if the same are filed by 10.01.2020. *(Made s law by Notification no 74/2019-CT dated 26th December, 2019)*
 - ii. E-way Bill for taxpayers who have not filed their FORM GSTR-1 for two tax periods shall be blocked.
- d. Input tax credit to the recipient in respect of invoices or debit notes that are not reflected in his FORM GSTR-2A shall be restricted to 10 per cent of the eligible credit available in respect of invoices or debit notes reflected in his FORM GSTR-2A.
- e. To check the menace of fake invoices, suitable action to be taken for blocking of fraudulently availed input tax credit in certain situations.
- f. A Standard Operating Procedure for tax officers would be issued in respect of action to be taken in cases of non-filing of FORM GSTR 3B returns. *(Circular no 129/48/2019 dt 24th Dec, 2019)*
- g. Due date of filing GST returns for the month of November, 2019 to be extended in respect of a few North Eastern States. *(Made as law by Notification no 76/2019, 77/2019 and 78/2019 dt 26th December 2019)*

- h. To exempt upfront amount payable for long term lease of industrial/ financial infrastructure plots by an entity having 20% or more ownership of Central or State Government. Presently, the exemption is available to an entity having 50% or more ownership of Central or State Government. This change shall become effective from 1st January, 2020
- i. Levy a single rate of GST @ 28% on both State run and State authorized lottery. This change shall become effective from 1st March, 2020.
- j. The Council also considered the rate of GST rate on Woven and Non-Woven Bags and sacks of polyethylene or polypropylene strips or the like, whether or not laminated, of a kind used for packing of goods (HS code 3923/6305) in view of the requests received post the changes recommended on such goods in last meeting and recommended to raise the GST to a uniform rate of 18%(from 12%) on all such bags falling under HS 3923/6305 including Flexible Intermediate Bulk Containers (FIBC). This change shall become effective from 1st January, 2020.

2. SOP to be followed in case of non-filers of GST returns – Circular No 129/48/2019-GST dated 24th Dec, 2019

Following guidelines were issued through this circular in case of non-filers of GST returns:

- A system generated message would be sent to all the registered persons 3 days before the due date to nudge them about filing of the return for the tax period by the due date.
- Once the due date for furnishing the return under section 39 is over, a system generated mail / message would be sent to all the defaulters immediately after the due date to the effect that the said registered person has not furnished his return for the said tax period; the said mail/message is to be sent to the authorized signatory as well as the proprietor/partner/director/karta, etc.
- Five days after the due date of furnishing the return, a notice in FORM GSTR-3A (under section 46 of the CGST Act read with rule 68

of the CGST Rules) shall be issued electronically to such registered person who fails to furnish return under section 39, requiring him to furnish such return within fifteen days;

- In case the said return is still not filed by the defaulter within 15 days of the said notice, the proper officer may proceed to assess the tax liability of the said person under section 62 of the CGST Act, to the best of his judgement taking into account all the relevant material which is available or which he has gathered and would issue order under rule 100 of the CGST Rules in FORM GST ASMT-13. The proper officer would then be required to upload the summary thereof in FORM GST DRC-07.
- For the purpose of assessment of tax liability under section 62 of the CGST Act, the proper officer may take into account the details of outward supplies available in the statement furnished under section 37 (FORM GSTR-1), details of supplies auto-populated in FORM GSTR-2A, information available from e-way bills, or any other information available from any other source, including from inspection under section 71.
- In case the defaulter furnishes a valid return within thirty days of the service of assessment order in FORM GST ASMT-13, the said assessment order shall be deemed to have been withdrawn in terms of provision of sub-section (2) of section 62 of the CGST Act. However, if the said return remains unfurnished within the statutory period of 30 days from issuance of order in FORM ASMT-13, then proper officer may initiate proceedings under section 78 and recovery under section 79 of the CGST Act;

Direct taxes updates

V.K.Subramani
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1. Expenditure incurred under the build, operate and transfer schemes vis a vis claim of deduction: In *PCIT v. Green Delhi BQS Ltd (2019) 417 ITR 162 (Del)* the assessee was engaged in the business of developing, maintaining and operating bus queue shelters etc. It entered into a concessionaire agreement with the Delhi Transport Corporation for setting up 400 such bus shelters and as per the agreement it has to hand over the same to the Corporation after 10 years. The assessee was eligible to earn revenue through advertisement displayed in the bus shelters. The assessee gave two bank guarantees as security. The expenditure incurred towards construction of bus cue shelters and encashment of bank guarantee by the Corporation whether allowable as revenue expenditure, was the dispute before the court. The Court held that the construction cost has to be amortised over the period of 10 years since the assessee did not own those shelters and as per the CBDT Circular No.9 of 2014 expenses incurred under the build, operate and transfer schemes are not eligible for depreciation as the assessee is not owner and only makes a construction with the ownership vested with the Government or its agencies. As regards bank guarantee encashed by the Corporation, the court held that the liability had accrued when the Corporation became eligible for encashment of the guarantee. It held that the amount of bank deposit given by way of guarantee when encashed by the Corporation, it is deductible as revenue expenditure.

2. Capitalisation of interest in the books will not deprive claim of deduction: In *Mahindra World City Developers Ltd v. Asstt. CIT (2019) 417 ITR 241 (Mad)* the assessee engaged in real estate business capitalized interest expenditure in the books of account but it was claimed as a deduction under section 36(1)(iii). The claim of deduction was disallowed by the tribunal on the reasoning that the amounts were borrowed for purchase of land and the interest amounts were capitalized in the books of account and no income was generated from the projects during the year. The court held section 36(1)(iii) would override section 145A. This is because section 36(1)(iii) uses the expression “whether capitalized or not” and that would override the accounting practice followed in the books of account by the assessee. Irrespective of the method of accounting followed by the assessee viz. whether capitalized in the books of account or not, the expenditure by way of interest is deductible in the year in which the said asset is put to use. In this case, as the assessee had not used the land during the year, the claim of interest disallowed by the Revenue hence was upheld by the court.

3. Interest on compensation awarded under section 170 of the Motor Vehicles Act, 1988 is not chargeable to tax: In *Rupesh Rashmikant Shah v. Union of India* (2019) 417 ITR 172 (Bom) the assessee barely aged 8 years then was knocked down by a speeding vehicle in the year 1978 and was given compensation under the Motor Vehicles Act. When 30% of the interest on compensation was determined as income tax payable nearly 36 years after the accident, the assessee contested the taxability of such interest. The court held that in the absence of section 170 of the Motor Vehicles Act, it could not be lawful for the tribunal or the High Court to award interest on compensation. The interest on compensation is only to compensate the delayed payment of money. It held that such interest on compensation is not covered by section 56(2)(viii) and section 145A(b) of the Act. The tax deduction at source under section 194A on the interest would not by itself make the compensation chargeable to tax when it is not chargeable otherwise. The Court made an important observation viz. "The provision for deduction of tax at source is not a charging provision. It only makes deduction of tax at source on payment of same, which, in the hands of payee, is income. If the payee has no liability to pay (tax on) such income, the liability to deduct tax at source in the hands of the payer cannot be fastened. In other words, the provision of deducting tax at source cannot govern the taxability of the amount which is being paid". Accordingly, it was held that interest on compensation awarded by the Motor Accidents Claims Tribunal or High Court from the date of claim petition till the passing of the award or the judgment, is not exigible to tax.

4. Validity of assessment made without issue of notice under section 143(2): In *CIT v. Laxman Das Khandelwal* (2019) 417 ITR 325 (SC) the issue before the court was about the validity of assessment in the case of an assessee where search and seizure operations were carried out by the Revenue. The issue before the Court not only discussed the validity of assessment without issuing notice under section 143(2) but it is significant for the reason that the apex court rendered the decision in the backdrop of section 292BB. The court observed that there is a general presumption that when the assessee has participated in the assessment proceedings, by way of legal fiction it would be deemed that the omission in service of notice or non-service of notice gets rectified. But the Court held that the scope of the provision is to make service of notice having certain infirmities to be proper and valid if there was requisite participation on the part of the assessee. It noted that section 292BB **does not save complete absences of notice**. For section 292BB to apply, the notice must have emanated from the Department. It is only the infirmities in the manner of service of notice that the section 292BB seeks to cure and it does not cure complete absences of notice itself.

5. Capital transactions of a foreign company not to be considered for filing the return of income: In *Nestle SA v. Asstt. CIT (International Taxation)* (2019) 417 ITR 213 (Del) the assessee a foreign company earned income by way of dividend and interest on

which tax was deducted at source in India. There was no other income which was chargeable to tax in the hands of the assessee. During the previous year relevant to the assessment year, the assessee acquired shares in Indian subsidiary for Rs.282 crores which was not a transaction in the nature of income. In accordance with the “non-filers” monetary system the assessee was asked to file return and subsequently a notice under section 148 was issued. The Court held that the assessee is covered by section 115A and was not under any obligation to file return of income since its income was by way of dividend and interest for which the tax was deducted at source. Since specific exemption from filing return of income is granted in law, the assessee’s writ was allowed by the court.

Intricacies in E-way Bill under GST law

By CA Annapurna D Kabra

- E-way bill is an electronic document generated on the GST portal evidencing movement of goods. Electronic way Bill (E-Way Bill) is basically a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant information prior to the commencement of movement of goods and generates e-way bill on the GST portal. The Provisions relating to E-way bill are introduced throughout the country from 1.04.2018 for inter-State movement of goods. The Provisions relating to E-way bill for the intra state transactions was introduced phase wise. There are series of notifications issued for the Implementation of E-way bill.
- Section 68 of CGST Act pertains to inspection of goods in movement. It states that the person in charge of a conveyance carrying any consignment of goods of value exceeding notified amount should carry with him such documents and such devices as may be prescribed. The details of documents as required to be carried is prescribed in the Rules. Wherever the conveyance is intercepted by the proper officer the person in charge should produce the documents and should allow the inspection of goods. Physical verification shall be done only once during the entire journey, unless specific information relating to evasion of tax is made available subsequently. Hence Rules relating to E-way bill, though promulgated in CGST Rules would apply with equal force to inter-state movement of goods.
- As per Rule 138(1), Every Registered Person who is causing movement of goods whose consignment value exceeds Rs.50,000/-, shall before commencement of such movement furnish information relating to such goods through Part A of Form GST EWB 01 when such movement is in relation to supply (like Sale or transfer to distinct person) **or** such movement is for reasons other than supply (like job work, goods sent on approval basis, exhibition purpose, demo, or testing, weighment, stock transfer within state, or to other own business unit within the state) **or** Such movement is due to inward supply from an un-registered person.
- The Registered person can authorize transporter or E commerce operator or a courier agency to furnish the information in Part A of Form GST EWB-01, on behalf of the Registered Person. The E way bill has to be raised even when consignment value is less than Rs.50,000/-) in the following cases like Intra-State movement of goods in case of job work u/s 143 **or** Intra-State movement of handicraft goods by a person who has been exempted from the requirement of obtaining casual taxable person registration.
- The consignment value means the value determined under section 15 of the CGST Act. Such value **shall include** CGST, SGST, UTGST, IGST and cess charged if any. The consignment value shall however **exclude** value of exempted goods where the invoice is issued in respect of both exempted and taxable supply of goods. The consignment value ought to exclude freight charges paid to transporter and shipping charges charged by E commerce operator, since they do not form part of assessable value u/s 15.

- Where the goods are transported by the registered person using his own conveyance or public conveyance by road then Part B of Form GST EWB-01 must also be filled in addition to part A of Form GST EWB 01. Where the goods are transported by railways or by air or vessel, the E-way bill shall be generated on the common portal in Part B of Form GST EWB-01. Where the goods are transported by railways the railways shall not deliver the goods unless the E-way bill required under this rule is produced at the time of delivery. The time period for filling details in Part B shall be furnished within fifteen days of furnishing details in Part A.
- The transporter can generate E-way bill even when the value of consignment is less than fifty thousand. If the goods are moved by unregistered person and handed over to transporter for transportation of goods, then either of them can generate the E way bill. The unregistered person can generate E-way bill by stating himself as unregistered person. The details of conveyance are not required if the distance between the place of consignor and the place of transporter is less than ten Kms. It is not required even where the distance between the place of transporter and the place of consignee is less than Ten Kms. The E way shall not be valid unless the information in Part B of Form GST EWB-01 is furnished. After generation of E- way bill, the unique number shall be made available to the supplier, recipient and the transporter on the common portal.
- Where the goods are transported from one conveyance to another then the details of conveyance in the E-way bill in Part B should be updated. E-way bill number can be assigned to another Enrolled transporter for updating the information in Part B for further movement of goods. But if the details of conveyance are already updated by the transporter then it cannot be assigned to other transporter.
- Where multiple consignments are intended to be transported in one conveyance the transporter may generate the E-way bill in Form GST EWB-02. The transporter (by Road) can generate E-way bill in Form GST EWB-02 wherein the consignor or consignee has not generated the E-way bill and the aggregate of consignment value is more than fifty thousand rupees.
- The information furnished in Part A of Form GST EWB-01 shall be available and can be utilized for furnishing Form GSTR-01. The E-way bill can be cancelled if goods are not transported or not transported as per the details updated within twenty-four hours of generation of E-way bill. It cannot be cancelled if it is verified in transit.
- The validity period for distance of every 100 kms is one day and thereafter for every 100 kms the validity period is one additional day. For over dimensional cargo the validity period is one day for every 20 kms. The validity period can be extended in exceptional cases including transshipment by transporter after updating the details in Part B of FORM GST EWB-01.
- Each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill.
- The details of e-way bill generated shall be made available to supplier when the information is furnished by the recipient or the transporter. It will also be made available to recipient when the information is furnished by the supplier or the transporter. The supplier/ recipient respectively shall communicate their

acceptance or rejection of the consignment within 72 hours or delivery of goods whichever is earlier.

- The E way bill generated shall be valid in every state and every Union territory. The Generation of E way bill not required in many cases like LPG for supply to household customers, Exempted goods other than de-oiled cake,..... etc
- The person in charge of the conveyance shall carry a copy of the tax Invoice or the bill of supply in the aforesaid cases where E- way Bill is not required to be generated (Rule 55A). The Commissioner may by notification require the person in charge of the conveyance to carry the documents like Invoice or bill of supply or bill of entry, delivery challan (Rule 138A(5)). The difference between Rule 55A and 138A(5) is that in the former cases, E- way bill is not required to be generated whereas in the latter case, E way bill is required to be generated but because of the specific circumstance, the person in charge is allowed to transport goods without E way bill.
- Where the transporter's godown has been declared as the additional place of business by the recipient taxpayer, the transportation under the e-way bill shall be deemed to be concluded once the goods have reached the transporter's godown (recipient taxpayer' additional place of business). Hence, e-way bill validity in such cases will not be required to be extended
- Section 129 of the CGST Act provides for detention and seizure of goods and conveyances and their release on the payment of requisite tax and penalty in cases where such goods are transported in contravention of the provisions of the CGST Act or the rules made thereunder. The below situations make distinction between Serious/Substantive violations and minor/procedural violations in case of issuance of E-way bill and accordingly proceedings under section 129 of the CGST Act will not be initiated in the following situations (C.B.I. & C. Circular No. 64/38/2018-GST, dated 14-9-2018):
 1. Spelling mistakes in the name of the consignor or the consignee but the GSTIN, wherever applicable, is correct;
 2. Error in the pin-code but the address of the consignor and the consignee mentioned is correct, subject to the condition that the error in the PIN code should not have the effect of increasing the validity period of the e-way bill;
 3. Error in the address of the consignee to the extent that the locality and other details of the consignee are correct;
 4. Error in one or two digits of the document number mentioned in the e-way bill;
 5. Error in 4- or 6-digit level of HSN where the first 2 digits of HSN are correct and the rate of tax mentioned is correct.
 6. Error in one or two digits/characters of the vehicle number
- There were certain enhancements in E way bill system like Auto calculation of distance based on PIN Codes for generation of e-Way Bill, Knowing the distance between two PIN codes, Blocking the generation of multiple e-Way Bills on one Invoice/Document., Extension of e-Way Bill in case the consignment is in Transit/Movement and Reporting on list of e-Way Bills about to expire.

- As per Rule 138E of CGST Rules 2017, the person including a consignor, consignee, Transporter, E commerce operator or a Courier Agency shall not be allowed to furnish Part A of E way Bill in respect of a Registered person as supplier or Recipient if returns including GSTR-1 are not filed within the two consecutive tax periods. This Rule is already be implemented from 21.11.2019.
- **Relevant Case laws:**
- **Torque Pharmaceuticals Pvt Ltd Vs State of U.P 2018 (12) G.S.T.L. 119 (All.)(HC) (Writ Tax No. 610 of 2018, decided on 10-4-2018):** E-way bill was generated by the assessee with all the relevant details. The GST portal was not accepting two vehicle numbers for one transaction. The Assessee has mentioned the subsequent vehicle number by hand. The tax had been charged while issuing stock transfer invoices at prescribed rate. Therefore, it is held that there is no irregularity by Assessee or Transport company even though vehicle number is written by hand and it was directed to release seized goods and vehicle to the respective Jurisdictional Authority.
- **Bhumika Enterprises Vs State of State of U.P 2018 (12) G.S.T.L. 137 (All.) (Writ Tax No. 564 of 2018, decided on 3-4-2018):** There was wrong mention of consignee's GSTIN and mobile numbers in invoices. There is no dispute regarding quality and quantity of goods which were admittedly being transported under invoices indicating payment of tax. The goods were detained while on the way to consignee's place. Therefore, imposition of penalty is not sustainable.
- **N.V.K Mohammed Sultan Rawther and Sons Vs Union of India 2019 (20) GSTL 708 (Ker) (HC),** the Inspecting officer detaining goods on the ground of misclassification of goods resulting in payment of lesser tax. It is held that process of detention of goods cannot be resorted to when dispute was bona fide, especially, concerning exigibility of tax and, particularly rate of tax. Therefore, it is stated that order of detention is arbitrary and unsustainable.
- **VSL Alloys (India) Pvt. Ltd. Vs State of UP 2018 (17) G.S.T.L. 191 (All.)(HC),** It is held that there is no intention on Appellant part to evade payment of tax during course of intra-state sale of goods and all documents accompanying goods and details duly mentioned therein. Once all material and evidence with regard to Appellant claim is placed, the Respondent is under obligation to consider and pass appropriate reasoned order.
- **Hindon Machinery Tools Vs State of UP 2019 (22) G.S.T.L. 4 (All.) (HC),** It is stated by the petitioner that E-way Bill requires only mentioning of document details and he had correctly mentioned that goods covered by nine tax invoices, however, authorities wrongly taken the number of tax invoices to be the tax invoice number though E-way Bill do not contain any tax invoice number. There seems no discrepancy in E-way Bill attracting seizure of goods. Goods directed to be released without payment of penalty under Section 129 of Central Goods and Services Tax Act, 2017.

- **Rajendrababu Ambika Vs Advance Ruling Authority Tamilnadu 2019 (27) G.S.T.L. 89 (A.A.R. - GST)** : The questions relating to applicability of E way bill procedure and details to be filled in GSTR-1 is being procedural and not covered under purview of Advance Ruling under section 97(2) of CGST Act 2017.
- **Shree Enterprises Vs Commercial Tax Officer Shivamogga 2019 (HC) (25) G.S.T.L. 3 (Kar.)**: Notice under section 129 of CGST Act was issued by the Department for which objections was filed by the Applicant. And then the order of confiscation of goods and conveyance was passed by department Authority without considering the objections filed by Applicant and no opportunity given to owner/person in charge before issuing confiscation order. Therefore, issuance of confiscation order cannot be held to be justifiable and accordingly order of confiscation is quashed and penalty notice issued under Section 129(1)(b) of CGST Act 2017 is restored.
- **MKC Traders Vs State of UP 2019 (22) G.S.T.L. 348 (All.)**: Petitioner pleading that tax amount and equal penalty directed to be deposited for release of goods and vehicle, is too exorbitant as market value thereof wrongly mentioned in order. The Market value of seized goods cannot be determined by High Court in exercise of its writ jurisdiction under Article 226 of Constitution of India.
- **Sarvottam Rolling Mills Pvt Ltd Vs State of UP 2019 (HC) (22) G.S.T.L. 24 (All.)**: The goods have reached at destination in time but due to no entry, the vehicle could not enter the city. The goods were seized after one hour of expiry of E-way bill. It was directed to release the seized goods on furnishing of security of Bank Guarantee.
- **Ieyyam Global Foods (P) Ltd Vs Union of India: 2019 (21) G.S.T.L. 465 (Mad.)**: The Inspecting officers is not required to detain goods or vehicles where there is bonafide dispute as regards exigibility of tax or rate of tax under the GST law.
- **Daily Express Vs Assistant State Tax officer, State GST department, Kollam 2019 (24) G.S.T.L. 26 (Ker.)**: The Provisions of Sections 129 and 130 of CGST Act 2017 is attracted if conditions under Act or Rules made thereunder are not complied with. The non-obstante clause of Section 129 makes it clear that general penal provisions of Section 122 or 125 or 126 is not attracted on violation of Section 129 under the CGST Act 2017.
- **Kun Motor Co Pvt Ltd Vs Assistant State Tax officer Kerela 2019 (21) G.S.T.L. 3 (Ker.)**
The car was purchased by Kerala resident from Puthuchery and car was driven by logistic wing of dealer for transportation to Trivandrum. The E way bill was not generated for transport of car. It is held that detention of car is illegal as it was intra state sale and supply is terminated in the same state and accordingly had it come into possession of purchaser and used for some distance which indicated that it was used for personal effect and accordingly issue of E way bill is not required.
- **Mohd Sahil Jakir Vs State of Gujarat 2019-VIL-487-GUJ (HC) dated 19.09.2019**: The applicant has aggrieved by the detention order passed under section 129(1) of CGST Act 2017 on the ground of undervaluation of invoice. The Applicant has satisfied all the requirements of section 68 of CGST Act along with Rules 138 and it is held that undervaluation of Invoice cannot be ground for detention of goods

under section 129 of CGST Act 2017. Therefore, it was directed to Respondent to release truck along with the goods contained therein.

- **M/s Whirlpool of India Limited Vs State of Andhra Pradesh (2019-VIL-03-GSTAA)**

It is held that as per APGST Rule 138(9), whenever any dealer could not transport the goods within the validity time of e-waybill, such e-waybill needs to be cancelled electronically in the common portal within 24 hours of generation. Here the applicant contended that there was heavy rain on 19.08.2018 and that's why they could not transport the goods, however failed to cancel the e-waybill within 24 hours of generation. It is held that though Rule 138(10) clearly prescribes that validity of e-waybill for a distance up to 100km is one day only, the levy of tax and penalty need not be interfered with and to be upheld as legitimate and the appeal is dismissed.

Apparently, the abolition of check posts has resulted in faster and smooth transportation of goods across the state borders, but mobile squads will continue to check for defaulters and violators under the GST law. E- way bill is a vital component of GST but has proved to be a painful and contentious issue for the business in many scenarios. Though issuance of E- way bill is only a procedural compliance, but non- compliance of such procedures leads the business to pay hefty taxes and penalty.



- ❖ W.P(C).No.9963 OF 2019(U) (along with several other petitions involving similar issues) was decided by Honourable High Court of Kerala by holding that: -
 - (i) the assessments in respect of which the period of limitation for re-opening under Section 25 of the KVAT Act was to expire by 31.03.2017 can be re-opened up to 31.03.2018 by virtue of the amendment to the third proviso to Section 25 (1) vide Kerala Finance Act, 2017.
 - (ii) the assessments in respect of which the period of limitation for re-opening under Section 25 of the KVAT Act was to expire by 31.03.2018 cannot be re-opened up to 31.03.2019 or thereafter, by relying on the amendments introduced through the Kerala Finance Act, 2018 since the State Legislature did not have the power to amend the KVAT Act after the CAA 2016, and the repeal of the KVAT Act pursuant thereto, on 22.06.2017.
 - (iii) The legality of the orders/notices impugned in these writ petitions shall stand determined by the declarations in (i) and (ii) above.
- ❖ W.P(C).No.13673 OF 2017(H), along with other writ petitions raising identical matter, has been disposed by the Honourable High Court of Kerala by upholding the retrospective operation of Section 42(3) of the KVAT Act and declaring that the power to re-open assessments under the said provision cannot be exercised where the period to retain the Books of account under Rule 58(20) of the KVAT Rules has expired. The Court held that the retrospective operation of Section 42(3) of the KVAT Act will stand controlled by the period of limitation in Rule 58 (10) and that legality of the notices / orders impugned in the writ petitions stand determined by the said declaration.



CIRCULAR

CIR/CFD/CMD1/ 168 /2019

December 24, 2019

To

**All Mutual Funds (MFs)/ Asset Management Companies (AMCs)/
Trustee Companies/ Boards of Trustees of Mutual Funds
All Alternative Investment Funds**

**Subject: Stewardship Code for all Mutual Funds and all categories of
AIFs, in relation to their investment in listed equities**

1. The importance of institutional investors in capital markets across the world is increasing the world over; they are expected to shoulder greater responsibility towards their clients / beneficiaries by enhancing monitoring and engagement with their investee companies. Such activities are commonly referred to as 'Stewardship Responsibilities' of the institutional investors and are intended to protect their clients' wealth. Such increased engagement is also seen as an important step towards improved corporate governance in the investee companies and gives a greater fillip to the protection of the interest of investors in such companies.
2. SEBI has already implemented principles on voting for Mutual Funds through Circulars dated March 15, 2010 and March 24, 2014, which prescribed detailed mandatory requirements for Mutual Funds in India to disclose their voting policies and actual voting by Mutual Funds on different resolutions of investee companies.
3. SEBI along with Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) had subsequently examined a proposal for introducing stewardship principles in India, which was approved by a sub-committee of the Financial Stability and Development Council (FSDC-SC).



4. It has now been decided that all Mutual Funds and all categories of AIFs shall mandatorily follow the Stewardship Code as placed at **Annex A**, in relation to their investment in listed equities.
5. The Stewardship Code shall come into effect from the Financial Year beginning April 01, 2020.
6. This circular is issued in exercise of powers conferred under Section 11 of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996 and Regulation 36 of SEBI (Alternative Investment Funds) Regulations, 2012, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
7. This Circular is available at www.sebi.gov.in under the link "*Legal → Circulars*".

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Stewardship Code

❖ Principle 1

Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically.

Guidance

Stewardship responsibilities include monitoring and actively engaging with investee companies on various matters including performance (operational, financial, etc.), strategy, corporate governance (including board structure, remuneration, etc.), material environmental, social, and governance (ESG) opportunities or risks, capital structure, etc. Such engagement may be through detailed discussions with management, interaction with investee company boards, voting in board or shareholders meetings, etc.

Every institutional investor should formulate a comprehensive policy on how it intends to fulfill the aforesaid stewardship responsibilities and disclose it publicly. In case any of the activities are outsourced, the policy should provide for the mechanism to ensure that in such cases, stewardship responsibilities are exercised properly and diligently.

The policy should be reviewed and updated periodically and the updated policy should be publicly disclosed on the entity's website. A training policy for personnel involved on implementation of the principles is crucial and may form a part of the policy.

❖ Principle 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Guidance

As a part of the aforesaid comprehensive policy, institutional investors should formulate a detailed policy for identifying and managing conflicts of interest. The policy shall be intended to ensure that the interest of the client/beneficiary is placed before the interest of the entity. The policy should also address how matters are handled when the interests of clients or beneficiaries diverge from each other.



The conflict of interest policy formulated shall, among other aspects, address the following:

1. Identifying possible situations where conflict of interest may arise. E.g. in case of investee companies being associates of the entity.
2. Procedures put in place by the entity in case such conflict of interest situations arise which may, *inter alia*, include:
 - a. Blanket bans on investments in certain cases
 - b. Having a '*Conflict of Interest*' Committee to which such matters may be referred to.
 - c. Clear segregation of voting function and client relations/ sales functions.
 - d. Policy for persons to recuse from decision making in case of the person having any actual/ potential conflict of interest in the transaction.
 - e. Maintenance of records of minutes of decisions taken to address such conflicts.
3. Periodical review and update of such policy and public disclosure.

❖ Principle 3

Institutional investors should monitor their investee companies.

Guidance

As a part of the aforesaid comprehensive policy, institutional investors should have a policy on continuous monitoring of their investee companies in respect of all aspects they consider important which shall include performance of the companies, corporate governance, strategy, risks etc.

The investors should identify the levels of monitoring for different investee companies, areas for monitoring, mechanism for monitoring etc. The investors may also specifically identify situations where they do not wish to be actively involved with the investee companies e.g. in case of small investments.

The investors should also keep in mind regulations on insider trading while seeking information from the investee companies for the purpose of monitoring.

Accordingly, the institutional investors shall formulate a policy on monitoring specifying, *inter-alia*, the following:

1. Different levels of monitoring in different investee companies. E.g. companies where larger investments are made may involve higher levels of monitoring *vis-à-vis* companies where amount invested is insignificant from the point of view of its assets under management.



2. Areas of monitoring which shall, *inter-alia*, include:
 - a. Company strategy and performance - operational, financial etc.
 - b. Industry-level monitoring and possible impact on the investee companies.
 - c. Quality of company management, board, leadership etc.
 - d. Corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.) related party transactions, etc.
 - e. Risks, including Environmental, Social and Governance (ESG) risks
 - f. Shareholder rights, their grievances etc.
3. Identification of situations which may trigger communication of insider information and the procedures adopted to ensure insider trading regulations are complied with in such cases.

❖ **Principle 4**

Institutional investors should have a clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interests of the ultimate investors, which should be disclosed.

Guidance

Institutional investors should have a clear policy identifying the circumstances for active intervention in the investee companies and the manner of such intervention. The policy should also involve regular assessment of the outcomes of such intervention. Intervention should be considered even when a passive investment policy is followed or if the volume of investment is low, if the circumstances so demand.

Circumstances for intervention may, *inter alia*, include poor financial performance of the company, corporate governance related practices, remuneration, strategy, ESG risks, leadership issues, litigation etc.

The mechanisms for intervention may include meetings/discussions with the management for constructive resolution of the issue and in case of escalation thereof, meetings with the boards, collaboration with other investors, voting against decisions, etc. Various levels of intervention and circumstances in which escalation is required may be identified and disclosed. This may also include interaction with the companies through institutional investor associations (E.g. AMFI). A committee may also be formed to consider which mechanism to be opted, escalation of matters, etc. in specific cases.



❖ **Principle 5**

Institutional investors should have a clear policy on voting and disclosure of voting activity.

Guidance

To protect and enhance wealth of the clients/ beneficiaries and to improve governance of the investee companies, it is critical that the institutional investors take their own voting decisions in the investee company after in-depth analysis rather than blindly supporting the management decisions.

This requires a comprehensive voting policy to be framed by the institutional investors including details of mechanisms of voting, circumstances in which voting should be for/against/abstain, disclosure of voting, etc. The voting policy, voting decisions (including rationale for decision), use of proxy voting/voting advisory services, etc. should be publicly disclosed.

The voting policy shall, *inter-alia*, include the following:

1. Mechanisms to be used for voting (e.g. e-voting, physically attending meetings, voting through proxy, etc.)
2. Internal mechanisms for voting including:
 - a. Guidelines on how to assess the proposals and take decision thereon
 - b. Guidelines on how to vote on certain specific matters/ circumstances including list of such possible matters/circumstances and factors to be considered for a decision to vote for/ against/ abstain
 - c. Formulation of oversight committee as an escalation mechanism in certain cases
 - d. Use of proxy advisors
 - e. Policy for conflict of interest issues in the context of voting
3. Disclosure of voting including:
 - a. Periodicity of disclosure
 - b. Details of actual voting for every proposed resolution in investee companies i.e. *For, Against or Abstain*
 - c. Rationale for voting
 - d. Manner of disclosure – e.g. in annual report to investors, quarterly basis on website etc.
4. In case of use of proxy voting or other voting advisory services, disclosures on:
 - a. Scope of such services



- b. Details of service providers
- c. Extent to which the investors rely upon/use recommendations made by such services

❖ **Principle 6**

Institutional investors should report periodically on their stewardship activities.

Guidance

Institutional investors shall report to their clients/ beneficiaries periodically on how they have fulfilled their stewardship responsibilities as per their policy in an easy-to-understand format.

However, it may be noted that the compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision of the institutional investor to sell a holding when it is in the best interest of clients or beneficiaries.

Institutional investors shall report periodically on their stewardship activities in the following manner:

1. A report may be placed on website on implementation of every principle. Different principles may also be disclosed with different periodicities. E.g. Voting may be disclosed on quarterly basis while implementation of conflict of interest policy may be disclosed on an annual basis. Any updation of policy may be disclosed as and when done.
2. The report may also be sent as a part of annual intimation to its clients/ beneficiaries.

MADRAS HIGH COURT Judgments in VAT CST GST

by Sampathkumar V V

Mismatch: Without providing the details about the data took form the website an order issued by the AO in respect of mismatch of purchases and sales reported by the buyer and the seller in the portal of the department. The mismatch issue is covered by an order of the learned Single Judge in the case of M/s.JKM Graphics Solution Private Limited Vs. Commercial Tax Officer (99 VST 343), to be redone de novo. **Thiru.A.Ramalinga Reddiyar Vs DCTO, Thindivanam, W P Nos.40048 & 40049 of 2015 DTD: 11.11.2019**

Opportunity: For the proposal notice, the petitioner initially sought an adjournment seeking some time to produce the necessary documents. The request was reiterated again for the reason that that the concerned accountant, had been admitted in hospital. Rejecting the aforesaid request, the impugned order has been passed. The Court set aside the order and observed that the opportunity extended by the AO was not adequate and the AO should at least have indicated to the assessee that the request for time had been rejected and that he was proposing to proceed with the assessment. The Court directed the petitioner to appear before the respondent on Friday, the 8th of November, 2019 at 10.30 a.m. without expecting any further notice in this regard. **Tvl.Sun Oil Trade, Vs. AC (CT), Villivakkam Assessment Circle, W.P.No.35184 of 2013 DTD: 01.11.2019**

Entry tax: When the entry tax returns are not filed in time and paid the taxes in time, penalty will be leviable. **M/s.Hari & Co., Vs. CTO II, Tuticorin. W.P.(MD)Nos.1843 and 1844 of 2009 DATED: 04.06.2019**

Alternative Remedy: The petitioner has challenged proceedings dated 23.11.2009, which is a Pre-assessment notice calling for objections to the proposals contain therein. The Court held that there is no justification for the present challenge insofar as no legal infirmity is made out to the impugned notice warranting the filing of this writ petition in terms of Article 226 of the Constitution of India. **M/s. Paper Tubes India Vs. CTO II, Rajapalayam, W.P.(MD)No.12513 of 2009 DTD: 04.06.2019**

Revision: The order passed under Sub-Section (2) of Section 6A can be subject matter of reopening of a proceeding under Section 16 of the State Act only in the limited cases of fraud, mis-representation etc. and not otherwise. **M/s.Elgi Equipments Ltd. Coimbatore. Vs The AC (CT), FTAC I, Coimbatore. W PNo.21269 of 2007 DTD: 26.11.2019**

Mismatch: In the case of JKM Graphics Solutions Private Limited Vs. CTO, Vepery Assessment Circle, 2017 (99) VST 343 (Mad), had considered the claim of the dealers in connection with Input Tax Credit reversal on an alleged mis-match between their returns and the returns filed by the sellers. The Court observed in that ruling to the extent that mismatch issue can be solved only if there is a centralised mechanism and if the present practice is allowed to prevail, it would only result in multiplicity of proceedings with more number of cases pending before the courts and appellate forums, thus jeopardizing the interest of revenue. If a centralized mechanism is not put in place exclusively for mismatch matters, it would result in notices and orders being issued by the respective AOs without even the knowledge of the AOs of the other end dealer resultantly no action being taken against other end dealer, assuming, he is at fault. Therefore, it is high time the Department wakes up and stops the one way approach and examine the matter in a holistic manner so that the defaulting dealer is brought to books. **M/s.K.P.Tex, Vadalur Vs AC (CT), Cuddalore (Taluk) W.P.No.13879 of 2016 DTD: 18.06.2019**

Limitation: The factual matters as to whether two consignments of wood carried by lorries were undervalued and whether the same were being unloaded in the destination stipulated in the invoice involves detailed appreciation of facts impermissible under Article 226 of the Constitution of India. **M/s. Silver Wood Bazaar Vs CTO, Group VIII Enforce Central, Chennai.6. W.P.No.16494 of 2011 DTD: 19.11.2019**

Natural Justice: In mismatch dispute matter, the details of sales and collection of tax have been enclosed only with the impugned order and not furnished to the petitioner for rebuttal along with the pre-assessment notice or prior to completion of assessment. There is thus apparently, gross violation of the principles of natural justice. **R.S.M. Electricals Vs The DCTO, Ranipet W.P.Nos.15625 of 2016 DTD: 14.11.2019**

Pre Assessment Notice: When the notices merely call for details of the capital goods purchased, that have been duly furnished by the assessee, there cannot be any assessment conclusion based on that alone without notifying the proposals to tax. **Tulsyan NEC Ltd. Vs the AC (CT) (FAC) Broadway Assessment Circle W.P.No.29690 of 2014 DTD: 06.11.2019**

Natural Justice: Though the reply / objection stated to have been filed is not there in the file of the assessing officer an order was issued with an observation the dealers have not filed any objections. Hence the proposals were confirmed was the brief note while passing the impugned order. As the order of assessment is cryptic and moreover, no personal hearing has been afforded to the petitioner, the Court set aside the impugned order on the ground of gross violation of the principles of natural justice with specific directions for personal hearing. **M/s. Space Crafts, Vs The AC (CT), Anna Salai III Assessment Circle, Chennai. W P No.8954 of 2011. DTD: 21.11.2019**

Personal hearing: The petitioner has not responded to the pre-assessment proposals and equally the respondent has also not extended an opportunity of personal hearing, which he was bound to do. Hence, the impugned orders of assessment are set aside by the Court with direction to appear and redo the process. **M/s. Harini Ceramics and Sanitary, Vs. CTO, Tiruttani Assessment Circle, Tiruttani. W.P Nos.38998 & 38999 of 2015 DTD: 29.11.2019**
