



# SIRC Newsletter

PRICE ₹5

MAY 2020 | Volume 45 • Part 11

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

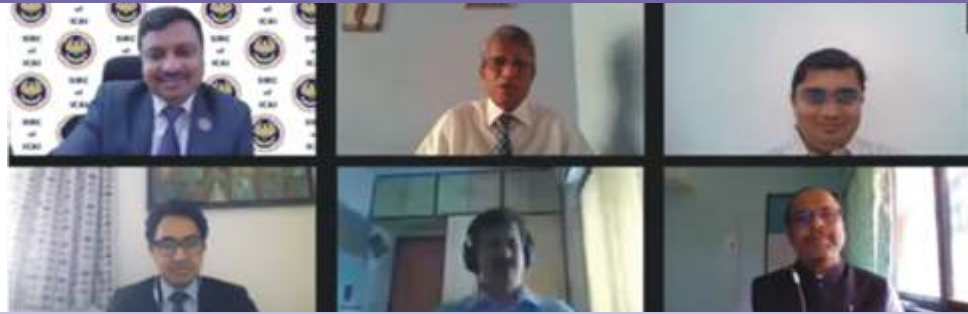
**I** Integrity  
**C** Code of Ethics  
**A** Auditing & Accounting Standards  
**I** Independence



**A** Artificial Intelligence  
**B** Block Chain  
**C** Cyber Security  
**D** Data Analytics

## Webinar on Panel discussion on Bank Audit – 17-Apr-2020

[https://youtu.be/b1VN8MR\\_NOQ](https://youtu.be/b1VN8MR_NOQ)



Panelists CA. S. Ramesh, CA. Kuntal Shah, CA. Dhananjay Gokhale and CA. Niranjan Joshi seen with CA. Dungar Chand U. Jain, Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

## All Regions Webinar on Vivad Se Vishwas, Finance Act Amendments & Covid-19 Impact on taxes - 18-Apr-2020

<https://youtu.be/0PCV2VbvZE0>



CA. Atul Gupta, President, ICAI, CA. Nihar Jambusaria, Vice President, ICAI, Dr. CA. Girish Ahuja and CA. Tarun Jamnadas Ghia, Central Council Member & Chairman, Direct Taxes Committee, ICAI at the All Regions Webinar



CA. Dungar Chand Jain, Chairman, SIRC, CA. Shashank Agrawal, Chairman, NIRC, CA. Nitesh More, Chairman, EIRC, CA. Devendra Somani, Chairman, CIRC and CA. Lalit Bajaj, Chairman WIRC is seen with Direct Taxes Expert and Resource Person CA. Dr. Girish Ahuja at the All Regions Webinar.

## Webinar on Impairment, Provisions, Going Concern & Accounting concerns – 20-Apr-2020

<https://youtu.be/8hQLFR6wUvY>



CA. M.P. Vijay Kumar, Central Council Member and Resource Person flanked by CA. Dungar Chand U. Jain, Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI



## Chairman's Communique...



*My dear Professional Colleagues,*

### **COVID 19 :**

COVID 19 is not just a world health emergency; it is an economic one also. The economic impacts are many and emergency provisions are being made worldwide.

In India, measures have been introduced to restrict movement by introducing lockdown 1.0 (25-Mar-20 to 14-Apr-20) and 2.0 (15-Apr-20 to 03-May-20) followed by lockdown 3.0 (4-May-20 to 17-May-20) to enforce social distancing parallely treating those who have been affected due to COVID 19. Lot of things around will change going forward in response to the crisis.

During this fight with coronavirus, We are either working away from home for longer hours, or not working at all. Lot of things which we never thought have become new normals including the word "new normal"

Things were changing anyways but this Covid 19 has brought in some sea changes and that too rapidly at a pace which no one anticipated. Adversity always bring along with negative things, innovation too.

We will be seeing some major changes in the way some businesses operate once we fully emerge from this pandemic and audit shall be one where change begets change. Nothing can make up for the human tragedy this virus is causing, but what will emerge will be a very different world.

And where we, as Chartered Accountants, are facing new challenges. For instance, while applying skepticism. Obtaining and assessing audit evidence. will be much harder with remote auditing. And how will we be documenting our skepticism for an inventory count etc. which was not attended in person but electronically. Using Technology without forgetting the traditions is the best way to take things forward. Having said that Technology is going to aid everyone including auditors, it should not be forgotten that they are only supplement to human functions and not a substitute.

### **Technology Days Ahead:**

The latest advances in technology promise significant benefits for the audit profession, with a number of key drivers signalling the need for technological change in audit. Such drivers will include the rapid increase in volume of data, change in business models, the shift towards automation and the demand for a proactive and forward-looking approach to audit. These developments will require auditors to be technologically sound to enable them to continue servicing businesses and to execute high quality audits.

The Covid-19 situation has necessitated everyone to opt for increased dependence on Technology as never before. Technology is a powerful driver of both the evolution and proliferation of innovation. One particular perspective on economics isolates innovation as a core driving force, alongside knowledge, technology and entrepreneurship. Technology is innately scalable, demonstrating a consistent trend toward new innovations as a result of improving upon current ones.

ABCD of Technology is taking its first flight. Artificial Intelligence and Machine Learning can be used to translate e-commerce search queries from one language into other languages and respond with translated inventory. More than efficiencies, gains and better consumer services, Artificial Intelligence is also being used to make global trade sustainable. It is high time that all the Chartered Accountants embrace tools of latest technology and become tech-savvy to cope up with the need of the hour or be embarrassed about.

Blockchain and blockchain-based distributed ledger technologies can have tremendous impact on the global trade supply chain. Trade organisations have also launched an initiative to leverage blockchain technology to address global trade issues such as high costs and lack of transparency and security. Blockchain-based solutions are disrupting the world of trade financing. For example, blockchain is being used to simplify the long and tedious process of obtaining a Letter of Credit (LoC), a payment mechanism used in international trade.

Cyber Security will be gaining more importance and relevance so as to protect the data and the systems. Data is the new oil." The quote goes back to 2006, credited to Mathematician Clive Humby has recently picked up more steam after a report titled "The world's most valuable resource is no longer oil, but data". This makes Data Analytics more relevant in an organisation's functioning and decision making.

**Refund of Delegate Fees:** The physical CPE meetings could not be held from March 13, 2020 due to the prevalent pandemic situation. The Members who had paid fees for such CPE Meetings of SIRC would be refunded the amount as soon as the situation eases.

**All Regions of ICAI - Webinar:** The All Regions of ICAI webinar on Vivad Se Vishwas, Finance Act Amendments & Covid-19 Impact on taxes was held on 18<sup>th</sup> April 2020. The Webinar involving all regions happened for the first time in the history of ICAI was addressed by CA. Dr. Girish Ahuja and CA. Tarun J Ghia, Central Council Member. ICAI President CA. Atul Kumar Gupta and Vice President CA. Nihar N Jambusaria also delivered the special address during the course of the Webinar.



**ICAI Initiatives:** The Institute of Chartered Accountants of India under the aegis of Digital Accounting and Assurance Board of ICAI has brought out a “Digital Competency Maturity Model for Professional Accounting Version 2.0 and Implementation Guide”. Kindly go through the same using the link <https://bit.ly/2SasQjb> to evaluate your further requirements to meet the competencies expected from you.

The Institute of Chartered Accountants of India has also brought out under the joint initiative of Accounting Standards Board and Auditing and Assurance Standards Board a material “ICAI Accounting & Auditing Advisory Impact of Coronavirus on Financial Reporting and the Auditors Consideration” which can be downloaded using the link <https://resource.cdn.icai.org/58829icai47941.pdf>.

**ICAI Digital Learning Hub:** ICAI has recently launched important post qualification/certificate courses in Virtual Mode for its members. ICAI is conducting Virtual Classes of Certificate Course on Forensic Accounting & Fraud Detection through its Digital Learning Hub <https://learning.icai.org>.

ICAI Registered Valuers Organisation, a section 8 Company formed by ICAI launched its 1st On-Line batch of 50 hours Educational Course from April 26th to May 3rd, 2020 for the Asset Class- Securities or Financial Assets.

ICAI through its Internal Audit Standards Board (IASB) conducts Certificate Course on “Concurrent Audit of Banks” to enable members to understand the intricacies of concurrent audit of banks. IASB recently launched Virtual Certificate Course on Concurrent Audit of Banks.

To provide knowledge at the doorsteps of ICAI members & students Institute launched the Digital Learning Hub in order to provide state-of-the-art online training courses / E-books/ video lectures and other material covering the domain through which members and students can learn and enhance their knowledge.

**Empanelment as an Examiner of CA Exams:** ICAI invites applications from members to undertake confidential assignments as a dedicated examiner, for empanelment as an examiner of the Chartered Accountants Examinations. The complete details have been hosted on the <http://examinerspanel.icaiaexam.icai.org> Application for empanelment as Examiner can be submitted online at the above link. We request the members to come forward to involve in this regard as a contribution to build the future of our profession.

**SIRC Coaching Classes :** SIRC has been organising Coaching Classes through Youtube and Goto Meeting Channels for Foundation and Final level Students who are appearing in the ensuing Examinations. Apart from this, SICASA has also been organizing Webinars on various topics of relevance to the Students through Youtube. The Communication in this regard is being sent to the students and also hosted on SIRC's Website (in Announcements Section) from time to time. Members may inform the students to make use of this opportunity.

**ICAI Coaching Classes :** ICAI also has started FREE Live Revision Classes for Intermediate and Final Students targeting July/Aug. examination so that students appearing for the forthcoming examinations should not be left in lurch for the benefit of Intermediate and Final level students. The classes are being held from 7 a.m. to 10 a.m. in the morning and 7 p.m. to 9 p.m. in the evening. Announcement in this regard can be accessed at [https://www.icai.org/new\\_post.html?post\\_id=16451](https://www.icai.org/new_post.html?post_id=16451)

Stay Careful, Stay Safe !!!

Yours in professional service

**CA. Dungar Chand U Jain**  
Chairman, SIRC of ICAI

Chennai  
3-May-2020

## COMMITTEES OF SIRC OF ICAI AT YOUR SERVICE

The following Committee meetings of SIRC of ICAI were held through Video Conference

S.No.	Name of the Committee of SIRC of ICAI	Chaired by	Date of Meeting
1	Executive Committee (Physical Meeting)	CA. Dungar Chand U Jain	17-Mar-2020
2	Committee on Insolvency & Bankruptcy Code and Valuation Standards	CA. Revathi S. Raghunathan	20-Apr-2020
3	Continuing Professional Education Committee	CA. Revathi S. Raghunathan	21-Apr-2020
4	Committee on Public and Government Financial Management	CA. S. Panna Raj	24-Apr-2020
5	Committee on Direct Taxes & International Taxation	CA. Naresh Chandra Gelli	27-Apr-2020
6	CSR Committee	CA. Naresh Chandra Gelli	28-Apr-2020
7	Committee for Members in Industry & Business	CA. Naresh Chandra Gelli	29-Apr-2020
8	Member Services Committee	CA. S. Panna Raj	30-Apr-2020
9	Branch Coordination Committee	CA. R. Sundararajan	01-May-2020
10	Committee on GST & Indirect Taxes	CA. China MasthanTalakyala	02-May-2020





**WEBINARS CONDUCTED BY SIRC OF ICAI**

Date	Webinar on	Speaker	Link	Materials
13-Mar-2020	CARO 2020 - A Practical Approach	CA. Chinnsamy Ganesan, Chennai	<a href="https://youtu.be/pgRP73qK2bl">https://youtu.be/pgRP73qK2bl</a>	-----
03-Apr-2020	IRAC Norms	CA. Ramesh S, Chennai	<a href="https://youtu.be/5k_r96UxDzo">https://youtu.be/5k_r96UxDzo</a>	<a href="https://bit.ly/2V0rdVM">https://bit.ly/2V0rdVM</a>
04-Apr-2020	How to work remotely from Home	CA. Narasimhan Elangovan, Bengaluru	<a href="https://youtu.be/Lkio4ThiyRk">https://youtu.be/Lkio4ThiyRk</a>	<a href="https://bit.ly/2JGPP0o">https://bit.ly/2JGPP0o</a>
07-Apr-2020	Companies Fresh Start Scheme, 2020	CS. Gaurav Kumar K, Chennai	<a href="https://youtu.be/dThPHLipY">https://youtu.be/dThPHLipY</a>	<a href="https://bit.ly/2x9gNex">https://bit.ly/2x9gNex</a>
08-Apr-2020	Bank Audit using Excel Part 1	CA. Saran Kumar U, Hyderabad	<a href="https://youtu.be/B4ER7-kIP2Y">https://youtu.be/B4ER7-kIP2Y</a>	<a href="https://bit.ly/39SpLdz">https://bit.ly/39SpLdz</a>
09-Apr-2020	Bank Audit using Excel Part 2 (Live)	CA. Saran Kumar U, Hyderabad	<a href="https://youtu.be/ES8a3kzVxy0">https://youtu.be/ES8a3kzVxy0</a>	<a href="https://bit.ly/39SpLdz">https://bit.ly/39SpLdz</a>
	Bank Audit using Excel Part 2 (Recorded)	CA. Saran Kumar U, Hyderabad	<a href="https://youtu.be/K8uT507vE7c">https://youtu.be/K8uT507vE7c</a>	<a href="https://bit.ly/2K2Medv">https://bit.ly/2K2Medv</a>
10-Apr-2020	Bank Audit under CBS Environment Part 1 (Focus areas: Issues in NPA identification, Case Studies, Revenue Leakage, Forex Transactions & Office Accounts)	CA. Kuntal P Shah, Ahmedabad	<a href="https://youtu.be/P7QqPZ6IDT8">https://youtu.be/P7QqPZ6IDT8</a>	<a href="https://bit.ly/2xY6ASv">https://bit.ly/2xY6ASv</a>
11-Apr-2020	Bank Audit under CBS Environment Part 2	CA. Kuntal P Shah, Ahmedabad & CA. Dhananjay Gokhale, Mumbai	<a href="https://youtu.be/6-3uRgNgzOQ">https://youtu.be/6-3uRgNgzOQ</a>	<a href="https://bit.ly/2xY6ASv">https://bit.ly/2xY6ASv</a>
14-Apr-2020	Latest GST Amendments & COVID19 Relief Measures	CA. Selva Kumar M, Madurai	<a href="https://youtu.be/Bp3dLEvuNOA">https://youtu.be/Bp3dLEvuNOA</a>	<a href="https://bit.ly/2RyhBAA">https://bit.ly/2RyhBAA</a>
17-Apr-2020	Panel Discussion on Bank Audit	Panelists: CA. Ramesh S, Chennai CA. Kuntal Shah, Ahmedabad CA. Dhananjay Gokhale, Mumbai CA. Niranjani Joshi, Mumbai	<a href="https://youtu.be/b1VN8MR_NOQ">https://youtu.be/b1VN8MR_NOQ</a>	-----
18-Apr-2020	Vivad Se Vishwas, Finance Act Amendments & Covid-19 Impact on taxes	CA. Dr. Girish Ahuja & CA. TarunJamnadasGhia <b>Address by :</b> CA. Atul Kumar Gupta, President ICAI CA. Nihar N Jambusaria VP, ICAI	<a href="https://youtu.be/OPCV2VbvZE0">https://youtu.be/OPCV2VbvZE0</a>	-----
20-Apr-2020	Impairment, Provisions, Going Concern & Accounting concerns	CA. M P Vijay Kumar, Chairman - ASB, ICAI	<a href="https://youtu.be/8hQLFR6wUvY">https://youtu.be/8hQLFR6wUvY</a>	<a href="https://bit.ly/3bps49o">https://bit.ly/3bps49o</a>
25-Apr-2020	Bank Audit for first Timers - Audit planning, Doc. & LFAR	CA. Vivek Krishna Govind, Ernakulam	<a href="https://youtu.be/ARIOI9nGASw">https://youtu.be/ARIOI9nGASw</a>	<a href="https://bit.ly/2wXISGM">https://bit.ly/2wXISGM</a>
	Bank Audit for first Timers - Advances & IRAC Norms	CA. Ismail Sonawala, Mumbai	<a href="https://youtu.be/aKZBw4tKfjl">https://youtu.be/aKZBw4tKfjl</a>	<a href="https://bit.ly/2wXISGM">https://bit.ly/2wXISGM</a>
	Bank Audit for first Timers - CBS & Other aspects	CA. Anand Prakash Jangid, Bengaluru	<a href="https://youtu.be/g_T3RtC5BMQ">https://youtu.be/g_T3RtC5BMQ</a>	<a href="https://bit.ly/2wXISGM">https://bit.ly/2wXISGM</a>
27-Apr-2020	Audit in Time-The Need to Innovate	CA. Ranganathan P K, Chennai	<a href="https://youtu.be/EbhHzPkiSg4">https://youtu.be/EbhHzPkiSg4</a>	<a href="https://bit.ly/2S7IuvO">https://bit.ly/2S7IuvO</a>
1-May-2020	Income based penalties under Income Tax	CA. Banusekar T, Chennai	<a href="https://youtu.be/JOSOUc4UGQs">https://youtu.be/JOSOUc4UGQs</a>	-----
2-May-2020	Overview of Bank Audit	Opening remarks : CA. Sekar G, Chairman, AASB, ICAI Speaker : CA. Amarjit Chopra, Past President, ICAI	<a href="https://youtu.be/EaHk7ZIDFTE">https://youtu.be/EaHk7ZIDFTE</a>	-----

Forthcoming, Past webinars and important Links : [www.t.ly/4jnd](http://www.t.ly/4jnd)



## LEADER'S THOUGHTS



Dear Professional friends,

**Our CA Profession has seen tough times in the past and it will definitely see few more unique challenges in near future, and I suggest all our members be ready to cope up with the Digital Environment to face these challenges. Please be assured that there should not be any questions on the**

**future prosperity of the profession, however members are advised to enhance their skill set to suit to the digital environment.**

At these COVID-19 days, most of us are learning that The World moves even if we don't do anything and we wasted lots of our time assuming that if we sit idle, The World stops. I hope that all my fellow Elected Representatives of ICAI and many of the members in employment and practice have observed this fact and agree with me. We could not attend to ourself, our families and our relations for long due to our office, politics, friends and business/profession. COVID is telling us, those behind which we were running are not as important as those which we neglected.

We used to spend time on travel so much that 25 percent of our available time was spent on it and now learn that this time can be put to better use after COVID. Web meetings, tele meetings and digital conferences etc will help in reducing the travel time and effective utilisation of one's time.

Several unfinished tasks such as preparing/ completion of certain of the courses offered by our Institute, associating with other essential qualifications etc could be taken up during this period.

I am speaking to various members who approached me either through SMS or whatsapp or email stating about the issues they were encountering with Self Service Portal (SSP) launched by our mother body and developed a document of issues faced by membership at large which we will try to resolve at the earliest once the COVID lockdown ends.

By and large, I must tell you one thing - COVID has created havocs to certain lives but at the same time it helped many in learning lessons of life for life. If anyone who does not implement the lessons taught or who has not learned do not get the eligibility to be on the path of success.

"Life is a cycle with ups and downs, happiness and sadness, troubles and benefits" a saying what I read when I was a kid and have understood the meaning now, I must confess I am grown up now compared to before Lockdown.

Always at your service.

CA. China Masthan T  
Regional Council Member - SIRC of ICAI

## UPDATES

Scan QR Code & Read



### Kerala VAT

Contributed by:  
**CA. C. Seshadri Nadan**, Vadakkencherry  
seshadrinadan@icai.org

### FEMA

Contributed by:  
**CA. G. Murali Krishna**, Hyderabad  
gmk@grandhiandassociates.in



### Goods and Services Tax

Contributed by:  
**CA. G. Saravana Kumar**, Madurai  
casaravanan.82@gmail.com

### Tamil Nadu VAT

Contributed by:  
**CA. V.V. Sampath Kumar**, Chennai  
vvsampat@yahoo.com



### Income Tax updates

Contributed by:  
**CA.V.K. Subramani**  
vksintax@gmail.com

### SEBI

Contributed by:  
**CA. VMV. Subba Rao**, Nellore  
vmvsr@rediffmail.com



### Karnataka VAT-GST updates

Contributed by:  
**CA. Annapurna D. Kabra**, Bengaluru  
annapurna@hskaadvisors.com

The online link for UPDATES:  
<https://www.sircoficai.org/members/professional-updates>

## DISCLAIMER

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



## IMPORTANT ANNOUNCEMENTS

2<sup>nd</sup> May, 2020

### POSTPONEMENT OF CHARTERED ACCOUNTANT EXAMINATIONS, MAY 2020\*

In continuation to the Important Announcement dated 27<sup>th</sup> March, 2020, it is hereby notified for general information that in view of the ongoing spurt of the COVID-19 pandemic and in the interest of the well-being of students, the Chartered Accountant Examinations scheduled from 19<sup>th</sup> June 2020 to 4<sup>th</sup> July, 2020\* stand rescheduled and the said examinations shall now be held from 29<sup>th</sup> July 2020 to 16<sup>th</sup> August, 2020 as per details given below.

#### FOUNDATION COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 25 F (3) of the Chartered Accountants Regulations, 1988.]

**7<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> & 14<sup>th</sup> August 2020**

#### INTERMEDIATE (IPC) COURSE EXAMINATION – Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 E (3) of the Chartered Accountants Regulations, 1988]

**Group-I : 30<sup>th</sup> July 2020, 2<sup>nd</sup>, 4<sup>th</sup> & 6<sup>th</sup> August 2020**

**Group-II : 8<sup>th</sup>, 10<sup>th</sup> & 13<sup>th</sup> August 2020**

#### INTERMEDIATE COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 G (4) of the Chartered Accountants Regulations, 1988.]

**Group-I : 30<sup>th</sup> July 2020, 2<sup>nd</sup>, 4<sup>th</sup> & 6<sup>th</sup> August 2020**

**Group-II: 8<sup>th</sup>, 10<sup>th</sup>, 13<sup>th</sup> & 16<sup>th</sup> August 2020**

#### FINAL COURSE EXAMINATION - Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (ii) of the Chartered Accountants Regulations, 1988.]

**Group -I : 29<sup>th</sup>, 31<sup>st</sup> July 2020, 3<sup>rd</sup> & 5<sup>th</sup> August 2020**

**Group -II: 7<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> & 14<sup>th</sup> August 2020**

#### FINAL COURSE EXAMINATION - Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (iv) of the Chartered Accountants Regulations, 1988.]

**Group -I: 29<sup>th</sup>, 31<sup>st</sup> July 2020, 3<sup>rd</sup> & 5<sup>th</sup> August 2020**

**Group -II: 7<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> & 14<sup>th</sup> August 2020**

#### INTERNATIONAL TRADE LAWS AND WORLD TRADE ORGANISATION (ITL & WTO), Part I EXAMINATION

**Group A 30<sup>th</sup> July 2020 & 2<sup>nd</sup> August 2020**

**Group B 4<sup>th</sup> & 6<sup>th</sup> August 2020**

#### INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

**7<sup>th</sup> & 9<sup>th</sup> August 2020**

It may be emphasized that there would be no change in the examination schedule in the event of any day of the examination schedule being declared a Public Holiday by the Central Government or any State Government / Local Holiday.

Candidates may note that two of the papers viz. Paper(s) 3 & 4 of Foundation Examination are of 2 hours duration. Similarly, Elective Paper - 6 of Final Examination (under New Scheme) is of 4 hours. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Foundation	Paper 1 & 2	2 PM to 5 PM	3 Hours
	Paper 3 & 4*	2 PM to 4 PM	<b>2 Hours</b>
Intermediate (IPC)	All Papers	2 PM to 5 PM	3 Hours
Intermediate (New Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (Old Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (New Scheme)	Paper 1 to 5 & Paper 7 & 8.	2 PM to 5 PM	3 Hours
	Paper 6 (Elective)	2 PM to 6 PM	<b>4 Hours</b>
Post Qualification Course Examinations i.e. (ITL & WTO), Part I and (INTT – AT)	ALL	2 PM to 6 PM	3 Hours

\*In Paper 3 and 4 of Foundation Examination and all papers of Post Qualification Course Examinations there will not be any advance reading time, whereas in all other papers / exams mentioned above, an advance reading time of 15 minutes will be given from 1.45 PM (IST) to 2 PM (IST).

Foundation Course Examination is to be held along with Final Group II Examinations on 7<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> & 14<sup>th</sup> August 2020 and the Post Qualification Course Examination i.e. INTT - AT is to be held along with Final Group II Examination on 7<sup>th</sup> & 9<sup>th</sup> August 2020, whereas ITL & WTO examination is to be held along with 4 papers, Group I of Intermediate (IPC) / Intermediate Examinations.

(S. K. Garg)  
Additional Secretary (Examinations)



## IMPORTANT ANNOUNCEMENTS

### **Waiving off Condonation Fee for Students - (20-Apr-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16454&c\\_id=219](https://www.icai.org/new_post.html?post_id=16454&c_id=219)

Due to ongoing period of lock down amid Covid-19, it has been observed that students are facing problems in online filing of various application forms related to practical training within prescribed time and such delay is causing levy of condonation fee upon them.

Considering hardship faced by the students, it has been decided to waive off condonation fee on delay filing of all articulated/industrial training related application forms till 30th June 2020 if transaction date in such application forms falls between 1st March 2020 to 30th May 2020. This period includes one-month prescribed time limit given in general.

**Additional Secretary  
M&C-MSS SECTION  
ICAI**

---

### **ICAI invites suggestions/comments from members on Draft Valuers Bill, 2020 by 12.00 Noon on 10th May, 2020 - (16-Apr-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16446&c\\_id=219](https://www.icai.org/new_post.html?post_id=16446&c_id=219)

The Ministry of Corporate Affairs had constituted an eight member Committee of Experts to examine the need for an institutional framework and development of valuation professions, under the Chairpersonship of Shri M. S. Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) on 30th August 2019 wherein ICAI has also been a member.

Based on comprehensive study and analysis of all relevant issues and taking the inputs of key stakeholders, the Committee has submitted its report to the Government of India on 31st March 2020 alongwith Draft Valuers Bill, 2020, recommending to establish a National Institute of Valuers.

Considering the above, ICAI invites suggestions/comments from members on various questions framed in this regard by 12.00 Noon on 10th May, 2020.

The Draft Valuers Bill, 2020 is available in the Volume I of the Report of the Committee of Experts.

The Complete Report (Volume I, II & III) can be accessed at the link A copy of the Report of Committee of Experts is available at the link [Http://www.mca.gov.in/Ministry/pdf/Notice\\_14042020.pdf](http://www.mca.gov.in/Ministry/pdf/Notice_14042020.pdf)

Members are requested to provide their comments at the following link: <https://forms.gle/ARGBUP3BrhnY5g4o9>

Sincerely Yours,

**Chairman**

Valuation Standards Board, ICAI

**Vice Chairman**

Valuation Standards Board, ICAI

---

### **Advisory on Mentioning Fees in Advertisements issued by Members - (28-Apr-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16461&c\\_id=219](https://www.icai.org/new_post.html?post_id=16461&c_id=219)

Certain concerns have been raised by members as to whether it is permissible to advertise the services rendered by them, while also mentioning that Professional Fees with regard to individuals engaged in Community service would be charged lesser than what is usually charged by them/free of charge basis.

As the members are aware, the advertisement of services is generally prohibited vide provisions of Clauses (6) and (7) of Part-I of First Schedule to The Chartered Accountants Act, 1949. However, in accordance with proviso to Clause (7), the advertisement of services has been permitted vide "write-up", subject to Guidelines issued by the Council .

In accordance thereof, the Council had issued Advertisement Guidelines No.1-CA(7)/Council Guidelines/01/2008, dated 14th May,2008.

The members may thus advertise through a write up setting out their particulars or of their firms and services provided by them in conformity with the said Guidelines.

As per the said Guidelines, the "write up" refers to "writing of particulars according to the information given in the Guidelines setting out services rendered by the Members or firms and any writing or display of the particulars of the Member(s) in Practice or of firm(s) issued, circulated or published by way of print or electronic mode or otherwise including in newspapers, Journals, magazines and websites (in Push as well in Pull mode) in accordance with the Guidelines."

Further, as per the said Guidelines, the "write-up" may include **only** the information expressly permitted under the said Guidelines.

It may be noted that mentioning professional Fees for the services rendered is **not** appearing as a permitted entry under the Advertisement Guidelines.





## IMPORTANT ANNOUNCEMENTS

As the members are further aware, the Website Guidelines of the Institute govern the rules for posting of particulars on the Website of Chartered Accountant(s) in practice and firm(s) of Chartered Accountants in practice. As per S.no. 6(ix) of the Website Guidelines :-

".....Names of clients and fee charged cannot be given."

In view of the above provisions, it is clear that the mandate of posting any particular(s) on Firm's own website or advertisement through write-up cannot exceed the authority granted respectively vide the Website Guidelines and Advertisement Guidelines of the Institute under any circumstances.

Accordingly, it is clarified that the quantum of Fees (including free of charge), whatsoever, should not be mentioned by members in any Advertisement of services or posting of particulars.

**Acting Secretary, ICAI**

---

### **Discussion Paper Business Combinations-Disclosures, Goodwill and Impairment issued by the IASB for comments - (30-Apr-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16468&c\\_id=219](https://www.icai.org/new_post.html?post_id=16468&c_id=219)

Mergers and acquisitions-referred to as 'business combinations' in IFRS Standards- are often large transactions for the companies involved. These transactions play a central role in the global economy. IFRS 3 Business Combinations sets out the accounting requirements for these transactions. A few years after issuing IFRS 3, the International Accounting Standards Board (IASB) asked stakeholders whether the Standard was working as intended. Such an assessment is called a Post implementation Review. Stakeholders raised concerns about some aspects of the accounting for acquisitions. The IASB has been exploring these concerns in a research project called 'Goodwill and Impairment'.

In this context, the IASB has issued a Discussion Paper Business Combinations-Disclosures, Goodwill and Impairment on possible improvements to the information companies report about acquisitions of businesses to help investors assess how successful those acquisitions have been. The IASB is also seeking feedback on how companies should account for goodwill arising from such transactions. The Discussion Paper sets out the IASB's following preliminary views to the concerns raised by stakeholders:

Improving disclosures about acquisitions - Acquiring another business is a common way for companies to grow. However, acquisitions do not always perform in subsequent years as well as management initially expected. Investors would like to know more about how an acquisition is performing in relation to such expectations, not least so that they can hold a company's management to account for its acquisition decisions.

In response to this feedback, the IASB is suggesting changes to IFRS Standards that would require a company to disclose information about its objectives for an acquisition and, in subsequent periods, information about how that acquisition is performing against those objectives.

Improving the accounting for goodwill - . Companies must test goodwill for impairment annually, but stakeholders have mixed views about whether this test is effective. Some argue that the impairment test informs investors about an acquisition's performance. Others say that the test is costly and complex, and that impairment losses on goodwill are often reported too late. The IASB has tried to identify a better impairment test-one that would require a company to report at an earlier date if its goodwill had lost value. The current test provides information to investors, but it tests a broader set of assets than just goodwill. The IASB has concluded that there is no alternative that can target goodwill better and at reasonable cost. It expects that the new disclosure requirements would provide investors with the information needed on the performance of an acquisition.

Some stakeholders have suggested that the IASB should reintroduce amortisation—the gradual write-down of goodwill over time, which was the requirement in IFRS Standards until 2004. But, having considered the pros and cons of amortisation, the IASB's preliminary conclusion is that it should retain the impairment-only approach, because there is no clear evidence that amortising goodwill would significantly improve the information that companies report to investors.

Other topics - The Discussion Paper contains further proposals in addition to those outlined above, including proposals to reduce the cost of the impairment test for preparers.

The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself, invites comments on the Discussion Paper issued by the IASB. The ASB also proposes to organise webcasts on the said Discussion Paper (further details to be announced in due course). We would be looking forward for your close involvement and active participation in responding to the IASB.

Invitation to comment:ASB invites comments on the Exposure Draft from the public. The downloadable version is available at: <https://resource.cdn.icai.org/59266asb48285n.pdf>

How to comment: Comments should be submitted using one of the following methods, so as to be received not later than June 30, 2020.

1. Electronically: Visit at the following link (Preferred method): <http://www.icai.org/comments/asb/>
2. Email: Comments can be sent to: [commentsasb@icai.in](mailto:commentsasb@icai.in)

Further clarifications on this Exposure Draft may be sought by e-mail to [asb@icai.in](mailto:asb@icai.in)



## IMPORTANT ANNOUNCEMENTS

### **Communication with the Retiring Auditor through E-mail - (01-May-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16470&c\\_id=219](https://www.icai.org/new_post.html?post_id=16470&c_id=219)

The members have raised concerns that during the period of ongoing lockdown, it is not possible for the Incoming Auditor to communicate with the Retiring Auditor through the mode(s) of communication permissible in terms of provisions of Code of Ethics.

The existing Code of Ethics, 2009, provides, under commentary to Clause (8) of Part-I of First Schedule to The Chartered Accountants Act, 1949 as under :-

*“Members should therefore communicate with a retiring auditor in such a manner as to retain in their hands positive evidence of the delivery of the communication to the addressee. In the opinion of the Council, communication by a letter sent “Registered Acknowledgement due” or by hand against a written acknowledgement would in the normal course provide such evidence.”*

Due to the existing constraint of communication through abovementioned modes, it has been decided that the members may communicate with the Retiring Auditor vide E-mail, provided an acknowledgement of such communication is received from the Retiring Auditor’s E-mail address registered with the Institute or his last known official E-mail address. Such acknowledgement of communication would be deemed as valid evidence of positive delivery of communication.

---

### **Auditing and Assurance Standards Board – Online Panel of Experts for Addressing Bank Branch Audit Related Queries for Financial Year 2019-20 - (02-May-2020)**

[https://www.icai.org/new\\_post.html?post\\_id=16478&c\\_id=219](https://www.icai.org/new_post.html?post_id=16478&c_id=219)

The bank audit season is around the corner. Given the fact that the banking industry is typical in terms of its geographical and customer spread, the volume and varied nature of products and services offered, coupled with the strict constraints for completing the audits, the members, many a times, face lot of issues/ queries while conducting Bank Branch Audits. These could include determination of NPA status, implications of complicated data found in a branch audit, unavailability of any relevant RBI circular, implications of the requirements of RBI circular, nature and adequacy of documentation, possible wordings of the audit report on some important matters in bank branch audit, reporting on Long Form Audit Reports, Ghosh and Jilani Committee recommendations, special purpose reports and certificates, etc.

With a view to support our members for fast resolution of such queries, the Auditing and Assurance Standards Board (AASB) is pleased to offer an Online support to our members from May 02, 2020 for the bank branch audits for the year ended 31st March 2020. The queries can be sent at email id: [bankauditfaq@icai.in](mailto:bankauditfaq@icai.in).

The Online support facility will be managed by a panel of experts. The queries so received will be distributed amongst the members of the panel on random basis and they would reply to the same.

Panel Convenors: CA. G. Sekar, Chairman, AASB & Central Council Member, ICAI, CA. (Dr.) Debashis Mitra, Vice-Chairman, AASB & Central Council Member, ICAI, and CA. Shrinivas Y. Joshi, Central Council Member, ICAI

Disclaimer: Members are specifically informed that the views expressed by the experts would be their personal views and not necessarily the views of the Auditing and Assurance Standards Board (AASB) or the Institute of Chartered Accountants of India (ICAI). AASB, ICAI or the members of the Panel, do not accept any responsibility for actions taken by the querists based on such advice.

To enable us to serve you better, you are also advised to:

- Be brief but provide full information and facts.
- Not to mention the name of the Bank or Branch or the name of the Borrower or depositor to avoid problem of violation of client confidentiality requirements under the ICAI Code of Ethics.
- Avoid rejoinders.
- Not to send the same query twice
- Draft the audit report on your own.
- Use own judgment

## Webinar on Bank Audit for first Timers - Audit planning, Doc. & LFAR - 25-Apr-2020

<https://youtu.be/ARlOI9nGASw>



CA. Vivek Krishna Govind, Resource person flanked by CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and CA. K. Jalapathi, Vice-Chairman, SIRC of ICAI

## Webinar on Bank Audit for first Timers - Advances & IRAC Norms - 25-Apr-2020

<https://youtu.be/aKZBw4tKfjI>



CA. Ismail Sonawalla, Resource person flanked by CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and CA. A.B. Geetha, Treasurer, SIRC of ICAI

## Webinar on Bank Audit for first Timers - CBS & Other aspects - 25-Apr-2020

[https://youtu.be/g\\_T3RtC5BMQ](https://youtu.be/g_T3RtC5BMQ)



CA. Anand Prakash Jangid, Resource person flanked by CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and CA. B.E. Pampanna, Chairman, SICASA

## Webinar on Audit in Time-The Need to Innovate - 27-Apr-2020

<https://youtu.be/EbhHzPkISg4>



CA. P.K. Ranganathan, Resource person is seen with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

### Webinar on Income based penalties under Income Tax - 01-May-2020

<https://youtu.be/JOSOUc4UGQs>



CA. T. Banusekar Resource Person flanked by CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

### Webinar on Overview of Bank Audit- 02-May-2020

<https://youtu.be/EaHk7ZIDFTE>



CA. Amarjit Chopra, Past President, ICAI and Resource Person seen along with CA. G. Sekar, Central Council Member and Chairman, AASB, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

### All Regions Webinar on Vivad Se Vishwas, Finance Act Amendments & Covid-19 Impact on taxes - 18-Apr-2020

<https://youtu.be/0PCV2VbvZE0>



CA. Dungar Chand U Jain, Chairman, SIRC is seen with CA. Dr. Girish Ahuja, Resource Person and Direct Taxes Expert, CA. Tarun Jamnadas Ghia, Central Council Member & Chairman, Direct Taxes Committee and CA. Atul Gupta, President, ICAI at the All Regions Webinar.





## **FEMA UPDATES FOR THE MONTH OF MAY 2020**

Contributed by: CA. G. Murali Krishna, Hyderabad

**I. Investments in Government Securities under Fully Accessible Route for Non-Residents:**

Vide AP (DIR Series) Circular No. 25, dated March 30, 2020, RBI introduced a new channel of investment in to Government Securities for non-residents under the nomenclature “Fully Accessible Route” (FAR) under which there shall be no quantitative limits on investments by non-residents in “specified government securities”, however subject to overall investment limits allocated for FPIs. Vide circular no. FMRD.FMSD.No.25/14.01.006/2019-20, dated March 30, 2020, RBI notified currently existing government securities series eligible under FAR and mentioned that all new issuances of government securities of 5-yr, 10-yr and 30-yr tenor will also be eligible under FAR. Accordingly, investment limits in government securities till date specified for Foreign Portfolio Investors (FPI) stands modified and all the existing FPI investments in specified securities will be reckoned under FAR route.

**II. Investments by Foreign Portfolio Investors (FPIs) in Debt Instruments:**

Vide AP (DIR Series) Circular No. 24, dated March 30, 2020, the limit for FPI investment in Corporate Bonds is increased to 15% of corresponding total outstanding stock. Previously this was at 9% of total outstanding stock of corporate bonds. Accordingly, limits in absolute terms were notified.

**III. Amendment to FEM (Foreign Exchange Derivative Contracts) Regulations:**

Vide notification No. FEMA.398/RB-2020, dated Feb 18, 2020 amendments were brought to foreign exchange derivative contracts regulations and the said amendments were made effective vide AP (DIR Series) Circular No. 29, dated April 7, 2020. Important changes are:

1. Change in definition of Foreign Exchange Derivate Contract (FEDC)
2. Schedule II dealing with permissions to persons resident outside India to enter a FEDC was deleted and merged with Schedule I. Accordingly, Schedule I now provides permissions for both persons resident in India as well as persons resident outside India for dealing in FEDC.

**IV. Rupee Drawing Arrangement Donation to PMCARES Fund**

Vide AP (DIR Series) Circular No. 28, dated April 03, 2020, due to outbreak of the novel coronavirus (COVID-19) pandemic, RBI in consultation with the Government of India, has permitted receipt of foreign inward remittances from non-residents through non-resident exchange houses in favour of the 'Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund', subject to the condition that AD Cat-I banks shall directly credit the remittances to the Fund and maintain the full details of the remitters. The above was added to list of permissible transactions under Drawing Arrangements with Exchange Houses.

**V. Realization and repatriation of export proceeds relaxation:**

Vide AP (DIR Series) Circular No. 27, dated April 01, 2020, RBI in consultation with Government of India has increased the existing period of realization and repatriation to India of the amount representing the full export value of goods or software or services exported, from nine months to fifteen months from the date of export, for the exports made up to or on July 31, 2020. However, the provisions with regard to period of realization and repatriation to India of the full export value of goods exported to warehouses established outside India remain unchanged.



## IMPORTANT ANNOUNCEMENTS

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

### **VI. Update on Compounding Orders issued under FEMA Regulations**

#### **a. M/s. Everest Kanto Cylinder Limited**

Regulation	<ol style="list-style-type: none"> <li>i. Regulation 15(ii) of Foreign Exchange management (Transfer or Issue of any Foreign Security) Regulations 2004 (“ODI Regulations”) – Notification No. FEMA 120-2004/RB, dated July 7, 2004</li> <li>ii. Regulation 15(iii) of ODI Regulations referred above</li> </ol>
Contravention	<ol style="list-style-type: none"> <li>1. Delay in repatriation of interest due on loans issued to overseas wholly owned subsidiary (WOS)</li> <li>2. Delay in submission of Annual Performance Reports (APR) before due date (Dec 31st)</li> </ol>
Date of Order	Feb 17, 2020
Amount of Contravention	INR 21.08 Cr
Compounding Fee	INR 15.06 Lac

#### **b. M/s Windlass Engineers and Services Pvt Ltd**

Regulation	<ol style="list-style-type: none"> <li>1. Receipt of shares of deferred basis</li> <li>2. Delay in submission of APRs</li> </ol>
Contravention	<ol style="list-style-type: none"> <li>1. Regulation 5(1) read with Regulation 6(3) of ODI Regulations</li> <li>2. Regulation 15(iii) of ODI Regulations</li> </ol> <p>The applicant was under investigation by Enforcement Directorate (DoE) and so RBI requested for no objection from DoE for compounding the contraventions. DoE rejected the compounding request but didn't specify the reasons as mandated by compounding regulations. As a result, RBI went ahead for compounding the application.</p>
Date of Order	Feb 24, 2020
Amount of Contravention	INR 5.59 Cr
Compounding Fee	INR 4.13 Lac



## IMPORTANT ANNOUNCEMENTS

**c. M/s Indospace Capital Advisors Pvt Ltd**

Regulation	Regulation 4 read with Section No. F.8 (Other Financial Services) in Annex B of Schedule I (introduced vide Notification No.FEMA.375/2016-RB dated 09-09-2016) of Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB, dated May 03, 2000 and correspondingly, of Regulation 16 (Section No. F.10 – Other Financial Services) of Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20(R)/2017-RB, dated November 07, 2017.
Contravention	<p>Taking on record transfer of shares of the company from a non-resident entity (50% holding) and a resident entity (holding 50%) to a non-resident entity, without prior approval of Government of India.</p> <p>Being an entity in “Other Financial Services” industry which is not governed by any special financial regulator, FDI is permitted only with prior approval of Govt.</p>
Date of Order	Feb 07, 2020
Amount of Contravention	INR 18.5 Cr
Compounding Fee	INR 11.6 Lac

**C.SESHADRI NADAN**, B.com, FCA DISA (ICAI)  
Chartered Accountant



CITY LIGHTS SHOPPING COMPLEX  
VADAKKENCHERRY – 678 683  
PALAKKAD (DIST), KERALA  
PHONE: 04922-255528  
MOBILE: 92497 17557

seshadri.itax@rediffmail.com  
seshadrinadan@icai.org

Circular No. 2 / 2020 explains the Amnesty Scheme announced in Kerala Finance Bill, 2020 for settling arrears under KVAT, Luxury Tax, CST, KAIT and KGST Act.

- Option to be exercised by 31/07/2020 and dues to be paid by 31/12/2020.
- Arrears will be uploaded to the portal and dealers are to submit the option.
- If settled in lump, only 60% of tax need be paid. Otherwise, restricted to 50% of tax.
- Arrears under KGST Act prior to 31/03/2005 is eligible as above and only penalty will be waived for the period thereafter.
- Tax or interest paid already paid will be credited towards tax.
- Those who had opted for earlier schemes but failed to settle are also eligible and arrear will be computed after adjusting payments already made.
- Tax paid with composition fee will be credited against arrears.
- Where penalty was levied but assessment is not yet made or penalty is not liable to be utilized for best judgement assessment, demand to be settled by paying applicable tax.
- Collection charges under revenue recovery will be waived.
- Where appeals filed by the State are pending, tax as per assessment order will be considered.
- Dealer has to withdraw all appeals.
- Arrears for all years, as on date of option, has to be settled.
- Demands generated / modified after 31-07-2020, option to be exercised within 30 days of receipt of order and last date for payment is 31.03.2021.



## **GST UPDATES**

by CA. G. Saravana Kumar, Madurai.

### **Various clarifications issued by the Board in respect of certain challenges faced by registered persons in implementation of provisions of GST laws**

*Circular no 20/06/04-2020-GST dated 13<sup>th</sup> April, 2020*

Vide above circular the board has given clarifications with respect to following challenges faced by the tax payers.

**i. GST paid on advance received and invoice issued but service contract cancelled subsequently Refund or self adjustment**

It is possible that GST would have been paid on receipt of advances in case of service contracts and invoice would also have been issued. Whereas, for any reason, the contract would have been cancelled. In such case, a query is raised as to whether the tax payer has to claim refund or can he adjust the tax paid on cancelled contract with other tax liability payable in his GSTR 3B return. The board clarifies to this point as follows:

In case GST is paid by the supplier on advances received for a future event which got cancelled subsequently and for which invoice is issued before supply of service, the supplier is required to issue a "credit note" in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim.

However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.

**ii. GST paid on advance received and invoice issued but service contract cancelled subsequently Refund or self adjustment**

In the case discussed in point i above, advance is received and invoice has also been issued. However, it might be possible that a tax payer would have issued receipt voucher in terms of section 31 but invoice would not have been issued. In such case whether refund is required to be claimed or adjustment is possible in GSTR 3B return. The board clarifies as follows:

In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31 (2) of the CGST Act, he is required to issue a "refund voucher" in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules.

The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category "Refund of excess payment of tax".

From the above clarification given, it is clear that self-adjustment in GSTR 3B return is not possible in case of excess tax paid on advances received.

**iii. Sales return by customers Whether refund should be claimed or self adjustment in GSTR 3B is possible?**

In case of sales return by customers, normally the supplier would issue credit note in terms of section 34 of CGST Act and he can adjust the tax as per credit note with his other tax liability in his GSTR 3B return. However, in case there is no output tax liability in the month in which credit note is issued, above adjustment is not possible. Hence, the board clarifies as follows:

In such a case where the goods supplied by a supplier are returned by the recipient and where tax invoice had been issued, the supplier is required to issue a "credit note" in terms of section 34 of the CGST Act.

He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim in such a case.

However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under "Excess payment of tax, if any" through FORM GST RFD-01.

**iv. Can export of goods happen under LUT mode during COVID lock down period in case LUT is not filed**

In terms of section 16 of IGST Act read with Rule 96A filing of Letter of Undertaking by the exporter is mandatory to make export of goods without payment of tax and claim unutilized input tax credit on such exports. During lock down period, it may not be possible for an exporter to file such under taking. In such case, a question may arise whether it is mandatory for the exporter to compulsorily go for with payment route. Board clarifies as follows:

Notification No. 37/2017-Central Tax, dated 04.10.2017, requires LUT to be furnished for a financial year. However, in terms of notification No. 35/2020 Central Tax dated 03.04.2020, where the requirement under the GST Law for furnishing of any report, document, return, statement or such other record falls during between the period from 20.03.2020 to 29.06.2020, has been extended till 30.06.2020.

Therefore, in terms of Notification No. 35/2020-Central Tax, time limit for filing of LUT for the year 2020-21 shall stand extended to 30.06.2020 and the taxpayer can continue to make the supply without payment of tax under LUT provided that the FORM GST RFD-11 for 2020-21 is furnished on or before 30.06.2020. Taxpayers may quote the reference no of the LUT for the year 2019-20 in the relevant documents.

**v. Whether due date for filing TDS returns in GSTR 7 has been extended?**

While making the payment to recipient, amount equivalent to one per cent was deducted as per the provisions of section 51 of Central Goods and Services Tax Act, 2017 i. e. Tax Deducted at Source (TDS). Whether the date of deposit of such payment has also been extended vide notification N. 35/2020-Central Tax dated 03.04.2020?

As per notification No. 35/2020-Central Tax dated 03.04.2020, where the timeline for any compliance required as per sub-section (3) of section 39 and section 51 of the Central Goods and Services Tax Act, 2017 falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020. Accordingly, the due date for furnishing of return in FORM GSTR-7 along with deposit of tax deducted for the said period has also been extended till 30.06.2020 and no interest under section 50 shall be leviable if tax deducted is deposited by 30.06.2020.

**vi. Where due date for filing refund claim is expired during lock down period whether such due date has been extended?**

As per section 54 (1), a person is required to make an application before expiry of two years from the relevant date. If in a particular case, date for making an application for refund expires on 31.03.2020, can such person make an application for refund before 29.07.2020?

As per notification No. 35/2020-Central Tax dated 03.04.2020, where the timeline for any compliance required as per sub-section (1) of section 54 of the Central Goods and Services Tax Act, 2017 falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020. Accordingly, the due date for filing an application for refund falling during the said period has also been extended till 30.06.2020.





## MADRAS HIGH COURT JUDGMENTS IN VAT CST GST

by CA. Sampathkumar V V, Chennai

**Used car sales:** The AO levied tax at 14.5% on the sale of used cars. As per the Notification in G.O.M.S.No.79 dated 23.03.2007 at Serial No.23, a dealer engaged in sale of used cars / Motor vehicle on value addition without input tax credit. Sale of used cars was liable to pay tax at 4% (later 5%) vide Notification in G.O.Ms.No.78, CT&R (B2) dated 11.07.2011 subject to earlier tax sufferance proof at the time of its purchase. Already by an order, dated 20.01.2020 in W.P.Nos.37776 of 2015 & 3777 of 2015 this court already held that the benefit of above Notification operate and apply to different kinds of dealers and stating so, the impugned orders are remitted back to the respondent to pass fresh order. **Sri Amman Cars I P Ltd. vs. AC (CT), Omalur Assessment Circle, W.P.Nos.37063 of 2015 DATED: 20.01.2020**

**Transitional input tax credit:** Transitional input tax credit of Entry tax on the closing stock is not permissible under Section 88(6)(a) of the TN VAT Act, 2006 even if the petitioner had actually imported motor vehicles and paid the entry tax on import of the motor vehicles from other State. **Sangam Motors, Perambalur vs.AC (CT), Ariyalur Assessment Circle, W.P.No.35430 of 2015 Dated 21.01.2020**

**Penalty:** C form was issued for the purchase of Generator sets without an entry in the CST registration certificate. Penalty u/s 10(a) of the CST Act was levied. The issue is covered in the case reported in [2006] 148 STC 256 (Mad) [FB]. As personal hearing before passing the impugned order was not afforded, the impugned order is set aside and the case is remitted back to the respondent to pass a fresh order. **Revathi Home Needs, Vs. AC(CT), Perambur Assessment Circle, W.P.No.19045 of 2011 DATED: 21.01.2020**

**DEPB Licence vs input tax credit:** Input tax credit cannot be claimed in respect of purchase of DEPB licence used for importing goods while discharging import duties as held by the division bench of the Court in Sha Kantilal Jayanthilal versus State of Tamil Nadu 2016 (339) ELT 520. The single judge in this matter observed that the observation in paragraphs 32- 36 of the Division Bench judgement may require a re-look by a Full Bench of this Court on reference **PI.Polymers, vs. CTO, Pattarawalkam Assessment Circle W.P.Nos.38508 of 2015 Dated 23.01.2020**

**Interpretation:** It is observed in this, as follows: "11 ... in interpreting a taxing statute, equitable considerations are entirely out of place. Nor can taxing statutes be interpreted on any presumptions or assumptions. The court must look squarely at the words of the statute and interpret them. It must interpret a taxing statute in the light of what is clearly expressed: it cannot imply anything which is not expressed; it cannot import provisions in the statutes so as to supply any assumed deficiency." **Volta Limited, vs. DC (CT), Chennai (Central) Division, W.P.No.35391 of 2005 (O.P.No.1181 of 2003) Dated: 23.01.2020**

**Works contract:** Before obtaining the completion certificate in respect of multi storeyed apartment construction, the petitioner sold one of the built-up unit i.e., a flat to a 3rd party and executed sale deed and transferred a proportionate undivided share (UDS) in the land in favour of the prospective purchaser. On the same day, a Tripartite Construction Agreement was signed between petitioner along with his

sister, with the prospective buyer and the builder. Based on this info gathered from the web, the AO levied tax as works contract tax u/s 5 of the TN VAT Act, 2006 on the petitioner. The court held that there was no works contract by the petitioner exigible to tax under the provisions of the TN VAT Act, 2006. At best, such a tax liability would have been payable only by the builder. **Javanthi Singaram Vs CTO, Kilpauk Assessment Circle, W.P. No. 30466 of 2016 DATED : 23.01.2020**

**Sale or Service:** The petitioner is engaged in Direct to home (DTH) services. Changing the business model, the petitioner started supplying set-top box as a part of the service provided and no VAT was paid on the Set top Box. It is contended that it was paying service tax on installation and activation charges and therefore cannot be made liable to pay VAT on such activation and installation charges under the TNVAT Act, 2006. The court held that there may have been transfer of right to use of the dish net antenna, cable and accessories and later set top box as well. The Court observed that there is no clarity in the impugned order, whether any proposal was made to collect VAT u/s 4 of the TNVAT Act, 2006 and on the issue relating to denial of credit. Stating so, the impugned order is set aside and remitted back to AO **Tata Sky Limited, Vs AC(CT), Chepauk Assessment Circle, W.P. Nos. 834, of 2015 DATED: 24.01.2020**

**Input tax credit:** Following the decision of this Court in W.P.No.6377 of 2010 [Patina Gold Ornaments Pvt. Ltd.,v. AC(CT)], Section 19(2)(ii) of the TNVAT 2006 is held to be invalid to the extent that it denies availment of ITC in respect of those units which despatch tax suffered raw materials i.e. bullion / worn-out jewellery for conversion into jewellery, outside the State which upon conversion are received back and sold within the State of Tamil Nadu, **Pasupathi Engineering W.P. No. 25436 of 2014 DATED: 24.01.2020 vs The AC(CT), Villupuram-II Assessment Circle**

**Revision:** Petitioner's Assessment was completed. Based on web verification of mismatch of purchases with the sales of the seller, the AO revised the assessment. Though, there is no representation by the Petitioner for the proposal notice, the court observed that the issue not only covered by a decision reported in 1968 21 STC (Mad) but also on merits in "Sri Vinayaga Agencies Vs AC (CT), W.P.No.2038 of 2013 dated 29.01.2013. Once the assessment is completed unless there are mistakes on the part of the Petitioner by violating TNVAT Rules, the ITC cannot be denied. At best the Department could recover the Tax from the dealer who sold the goods to the Petitioner without paying Tax after collecting the same from the Petitioner. **Sastha Traders, vs. AC (CT), Hosur (South) (C), W.P.No.4330 of 2012 DATED: 27.01.2020**

**Classification:** Capital goods manufactured and sold in the course of inter-state trade and commerce are leviable to tax under Section 6 of the CST Act, 1956 read with Section 8 (1) with concessional rate by the coverage of C form and at Residuary Entry No. 69 to Part C to the 1st Schedule of the Tamil Nadu VAT Act, 2006 at 14.5%, if the sale is u/s 8(2) of the said CST Act. **Proteck Circuit and Systems (P) Ltd., vs. AC(CT), Thiruvanniyur Assessment Circle, W.P.No.34294 of 2013 Dated : 27 .01.2020.**



## DIRECT TAXES – UPDATE

CA. V.K.Subramani, Erode

### 1. Relaxation conditions for short deduction of TDS/TCS from being treated as assessee in default:

CBDT in Circular No.8/2020 dated 13<sup>th</sup> April, 2020 has clarified about short deduction of TDS /TCS without considering surcharge which was a proposal in the Finance (No.2) Bill, 2019 was tabled in Lok Sabha on 5<sup>th</sup> July, 2019. The Bill was passed by both the houses of Parliament and became Finance (No.2) Act, 2019 (the Act) which received assent of the President on 1<sup>st</sup> August, 2019. The Act provided for increase in the rate of surcharge applicable from the 1<sup>st</sup> day of April, 2019 for previous year 2019-20 relevant to assessment year 2020-21. Thus, every person who has to deduct TDS or collect TCS was required to compute his tax liability after taking into account the enhanced rates of surcharge. Further, TDS/TCS under various provisions of the Income-tax Act is required to be deducted /collected after taking into account the enhanced rate of surcharge.

Several cases have come to the notice of the Central Government wherein deductors /collectors were held to be an assessee in default for short deduction of TDS/short collection of TCS in cases where final transaction was done before laying of the Finance(No.2) Bill, 2019 in the Parliament, i.e. 5<sup>th</sup> July, 2019. Since the transaction was completed before the rates of enhanced surcharge were announced and the concerned deductee/payee is required to furnish their Income-tax return for the relevant assessment year, it has been requested that in such cases, deductor or collector should not be held to be an assessee in default under section 201 of the Income-tax Act. The above issue has been examined by the Board and in this regard, it is clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of the following transactions:

- Such transaction has been completed and entire payment has been made to the deductee/payee on or before 5<sup>th</sup> July, 2019 and there is no subsequent transaction between the deductor/collector and the deductee/payee in the financial year 2019-20 from which the shortfall of tax could have been endeducted/collected by the deductor/collector;
- TDS has been deducted or TCS has been collected by such deductor/collector on such sum as per the rates in force as per the provisions prior to the enactment of the Act;
- Such tax deducted or collected has been deposited in the account of Central Government by the deductor/collector on or before the due date of depositing the same;
- TDS / TCS statement has been furnished by such person on or before the due date of filing of the said statement.

However, if the person fails to fulfill any of the conditions as laid down above, such a person will, with respect to short deduction/collection, not be eligible for benefit provided under this circular. Further, if the deductor/collector has deducted/collected shortfall of tax after 5<sup>th</sup> July, 2019 from the transaction(s) made subsequently after the said date, interest, if any, for delay in deduction/collection of such tax shall not be levied.

The above relaxation does not absolve the deductee/payee to pay proper tax including enhanced surcharge by advance tax or self-assessment tax and file return of income after paying such tax.

### 2. Clarification regarding TDS on salary of employee based on section 115 BAC when does not have income from business or profession:

The CBDT in Circular C 1 Dated 13<sup>th</sup> April, 2020 has clarified tax deduction at source by the employer from salary of employee in respect of option under section 115 BAC of the Income-tax Act, 1961. Section 115BAC of the Income-tax Act, 1961, inserted by the Finance Act, 2020 w.e.f. the assessment year 2021-22, *inter alia*, provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession, may exercise option in respect of a previous

year to be taxed under the said section 115BAC along with his return of income to be furnished under sub-section (1) of section 139 of the Act for each year. The concessional rate provided under section 115 BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, set off of loss and additional depreciation.

Representations expressing concern regarding tax to be deducted at source (TDS) has been received stating that as the option is required to be exercised at the time of filing of return, the deductor, being an employer, would not know if the person, being an employee, would opt for taxation under section 115BAC of the Act or not. Hence, there is lack of clarity regarding whether the provisions of section 115 BAC of the Act are to be considered at the time of deducting tax out of salary under section 192 of the Act.

In order to avoid the genuine hardship in such cases, the Board, in exercise of powers conferred under section 119 of the Act, hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC of the Act, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115 BAC of the Act.

It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section(s) of section 115 BAC of the Act and the person shall be required to do so along with the return to be furnished under sub-section (1) of section 139 of the Act for that previous year. Thus, option at the time of filing of return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer for that previous year.

Further, in the case of a person who also has income under the head "profit and gains of business or profession", the option for taxation under section 115BAC of the Act once exercised for a previous year at the time of filing of return of income under sub-section (1) of section 139 of the Act cannot be changed for subsequent previous years except in certain circumstances.

Accordingly, the above clarification would apply to such person with a modification that the intimation to the employer in his case for subsequent previous years must not deviate from the option under section 115 BAC of the Act once exercised in a previous year.

### 3. Taxation and other laws (Relaxation of certain Provisions) Ordinance, 2020 :

The Central Government on 31<sup>st</sup> March, 2020 promulgated an Ordinance to provide relaxation in the provisions of certain Acts and for matters connected therewith or incidental there to in exercise of the powers conferred by clause (1) of article 123 of the Constitution of India. It provides some relaxation under certain Acts such as (i) the Wealth-tax Act, 1957; (ii) the Income-tax Act, 1961; (iii) the Prohibition of *Benami* Property Transactions Act, 1988; (iv) Chapter VII of the Finance (No. 2) Act, 2004; (v) Chapter VII of the Finance Act, 2013; (vi) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015; (vii) Chapter VIII of the Finance Act, 2016; and (viii) the Direct Tax *Vivad se Vishwas* Act, 2020.

#### Relaxation of certain provision of specified Act

- (1) Where, anytime limit has been specified in, or prescribed or notified under, the specified Act which falls during the period from the 20<sup>th</sup> day of March, 2020 to the 29<sup>th</sup> day of June, 2020 or such other date after the 29<sup>th</sup> day of June, 2020 as the Central



Government may, by notification, specify in this behalf, for the completion or compliance of such action as

- (a) completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of the specified Act; or
- (b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the specified Act; or
- (c) in case where the specified Act is the Income-tax Act, 1961 (43 of 1961), —
  - (i) making of investment, deposit, payment, acquisition, purchase, construction or such other action, by whatever name called, for the purposes of claiming any deduction, exemption or allowance under the provisions contained in—
    - (I) sections 54 to 54GB or under any provisions of Chapter VI-A under the heading "B.—Deductions in respect of certain payments" thereof; or
    - (II) such other provisions of that Act, subject to fulfillment of such conditions, as the Central Government may, by notification, specify; or
  - (ii) beginning of manufacture or production of articles or things or providing any services referred to in section 10AA of that Act, in a case where the letter of approval, required to be issued in accordance with the provisions of the Special Economic Zones Act, 2005 (28 of 2005), has been issued on or before the 31st day of March, 2020 (28 of 2005),

and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action shall, notwithstanding anything contained in the specified Act, stand extended to the 30th day of June, 2020, or such other date after the 30th day of June, 2020, as the Central Government may, by notification, specify in this behalf:

Provided that the Central Government may specify different dates for completion or compliance of different actions.

Provided further that such action shall not include payment of any amount as is referred to in sub-section (2).

- (2) Where any due date has been specified in, or prescribed or notified under, the specified Act for payment of any amount towards tax or levy, by whatever name called, which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020 or such other date after the 29th day of June, 2020 as the Central Government may, by notification, specify in this behalf, and such amount has not been paid within such date, but has been paid on or before the 30th day of June, 2020, or such other date after the 30th day of June, 2020 as the Central Government may, by notification, specify in this behalf, then, notwithstanding anything contained in the specified Act, —

- (a) the rate of interest payable, if any, in respect of such amount for the period of delay shall not exceed three-fourth per cent, for every month or part thereof;
- (b) no penalty shall be levied and no prosecution shall be sanctioned in respect of such amount for the period of delay.

Explanation.- For the purposes of this sub-section, "the period of delay" means the period between the due date and the date on which the amount has been paid.

**Amendments to Income Tax Act, 1961**

**Amendment of sections 10 and 80G:**

In the Income-tax Act, 1961, with effect from the 1st day of April, 2020 (43 of 1961),—

- (i) in section 10, in clause (23C), in sub-clause (i), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted;
- (ii) in section 80G, in sub-section (2), in clause (a), in sub-clause (iiia), after the word "Fund", the words and brackets "or the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)" shall be inserted.

**Amendments to Vivad Se Vishwas Act**

**Amendment of section 3**

In section 3 of the Direct Tax Vivad Se Vishwas Act, 2020, —

- (a) in third column, in the heading, for the figures, letters and words "31st day of March, 2020", the figures, letters and words "30th day of June, 2020" shall be substituted;
- (b) in fourth column, in the heading, for the figures, letters and words "1st, day of April, 2020", the figures, letters and words "1st day of July, 2020" shall be substituted.

**Amendments to Finance (No.2) Act, 2019**

**Amendment of section 127**

In section 127 of the Finance Act (No.2), 2019, —

- (i) in sub-section (1), for the words "within a period of sixty days from the date of receipt of the said declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;
- (ii) in sub-section (2), for the words "within thirty days of the date of receipt of the declaration", the words, figures and letters "on or before the 1st day of May, 2020" shall be substituted;
- (iii) in sub-section (4), for the words "within a period of sixty days from the date of receipt of the declaration", the words, figures and letters "on or before the 31st day of May, 2020" shall be substituted;
- (iv) in sub-section (5), for the words "within a period of thirty days from the date of issue of such statement", the words, figures and letters "on or before the 30th day of June, 2020" shall be substituted.

\*\*\*\*



## RECENT UPDATES UNDER KARNATAKA COMMERCIAL TAX LAWS

By CA. Annapurna Kabra, Bengaluru

Due to pandemic of corona covid-19 virus and the consequential lock down, the time limit is extended under the Karnataka Commercial Taxes as follows

**I) Karnataka Tax on Professions, Trades, calling and Employment Act 1976.**

**(No FD 03 CPT 2020 dated 16.4.2020) (ROD order (01/2020))**

Particulars	Actual due date	Extension of time
Monthly statement and Professional tax deducted for employees for the month of March 2020	20th of following month (April 2020)	20th May 2020
Payment of Professional tax due as an Employer who enrolled before the commencement of year (up to 31.3.2020)	30th April for every financial year	30th May 2020
Payment of Professional tax due as an Employer who enrolled before the commencement of year (from 01.4.2020 for Financial Year 2020-2021)	Within one month from the date of enrolment	Within one month from the date of enrolment

**II) Karnataka Tax on Entry of Goods Act 1979.**

**(No FD 27 CSL 2020 dated 17.4.2020) (ROD order (02/2020))**

Particulars	Actual due date	Extension of time
Assessment under section 5-D and section 6 of the Act	Five years after the end of prescribed tax period	Five years and six months after the end of prescribed tax period
Assessment due to section 7(2) and section 21(2) of the Act	Eight years after the end of prescribed tax period	Eight years and six months after the end of prescribed tax period
Time limit to file appeal to commissioner (Appeal) for the orders dated between 1.09.2019 to 30.11.2019	Thirty days from date of receipt of order with further extension of 180 days	Thirty days from date of receipt of order with further extension of 270 days
Time limit to file appeal to Appellate Tribunal for the orders dated between 1.09.2019 to 30.11.2019	Sixty days from date of receipt of order with further extension of 180 days	Sixty days from date of receipt of order with further extension of 270 days
Revision of order by Joint Commissioner/Additional Commissioner / Commissioner	Four years from the date of order	Four years and six months from the date of order
Rectification of mistakes apparent on record	Five years from date of passing of order	Five years and six months from date of passing of order





**III) Karnataka Sales Tax Act 1957 (No FD 26 CSL 2020)**

Particulars	Actual due date	Extension of time
Filing of Monthly Returns in Form 3 and payment of taxes for the month of March 2020 and April 2020	20 days from the end of tax period (manually)	Signed monthly Return to be sent to email ID (cto.karbng@nic.in) and physical copy to be sent within 60 days from the end of tax period to which it relates

**IV) Karnataka Value Added Tax Act 2003  
(No FD 27 CSL 2020 dated 17.4.2020) (ROD order (01/2020))**

Particulars	Actual due date	Extension of time
Assessment under section 38 (Assessment) and section 39 (Re-assessment) of the Act (Relating to tax periods up to 31.3.2016 for VAT/CST)	Five years after the end of prescribed tax period (Due date is 31.3.2020 and was extended to 30.4.2020)	Five years and six months after the end of prescribed tax period (Due date is extended to 30.9.2020)
Assessment due to section 40 and section 79 of the Act (Fails to register and fraudulently evades the tax)(Relating to tax periods up to 31.3.2013 for VAT/CST)	Eight years after the end of prescribed tax period (Due date is 31.3.2020 and was extended to 30.4.2020)	Eight years and six months after the end of prescribed tax period (Due date is extended to 30.9.2020)
Time limit to file appeal to commissioner (Appeal) for the orders dated between 1.09.2019 to 30.11.2019	Thirty days from date of receipt of order with further extension of 180 days	Thirty days from date of receipt of order with further extension of 270 days
Time limit to file appeal to Appellate Tribunal for the orders dated between 1.09.2019 to 30.11.2019	Sixty days from date of receipt of order with further extension of 180 days	Sixty days from date of receipt of order with further extension of 270 days
Revision of order by Joint Commissioner. Time limit to pass order from the date of initiation or proceedings (relating to tax periods up to 31.3.2016)	Four years from the date of order. One Year to pass order.	Four years and six months from the date of order. One Year and six months to pass order.
Revision of order by Additional Commissioner or Commissioner	Four years from the date of order	Four years and six months from the date of order
Rectification of mistakes apparent on record	Five years from date of passing of order	Five years and six months from date of passing of order

The KVAT Act 2003 is repealed as Petroleum is covered under Karnataka sales Tax Act and State Excise duty is increased on Alcohol. Therefore, there are no commodities which are leviable under the Karnataka VAT Act and accordingly the Act is repealed. The issue is whether the ROD (Removal of difficulties order) can be issued by the State Government to extend the time limit for Assessment. There are different school of thoughts on this issue that as the ROD is issued within the time of limitation (Within 30th April 2020), therefore the state government can exercise the power of extension of time limit. Whereas in other state this has been challenged on technical grounds as the extension of time limit was made beyond the time of limitation.



**CIRCULAR**

SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59

April 13, 2020

To,

**All Depositories**

**All Registrars to an Issue & Share Transfer Agents (RTA)**

**All Recognised Stock Exchanges**

**All Listed Companies (through Stock Exchanges)**

Sir/ Madam,

**Sub: Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19**

1. In wake of the current nationwide lock down of 21 days as directed by Government of India due to issue of Covid-19, a need has been felt to extend the timelines for processing of various investor requests pertaining to physical securities and Compliance and disclosures to be made under SEBI Regulations and various SEBI circulars. The directions are being issued for Registrars to an Issue and Share Transfer Agents / Issuer Companies, holding SEBI registration under Category 1 or Category 2 of RTI/STA.
2. Considering the nationwide lock down and marginal / skeleton staff strength of RTAs / Issuer companies, "relaxation is hereby being given to intermediaries / market participants for equivalent period of lock down declared by Government of India i.e. 21 days, over and above the prescribed time limits, respectively, for activities / investor requests / compliance as per the annexure.
3. In the event of further extension in the lock down period as directed by Government of India / State Governments, additional relaxation in prescribed timelines for equal number of extended days in lock down is also being given to intermediaries / market participants.

Yours faithfully,

**Deepak Trivedi**  
Chief General Manager  
E mail: [dtrivedi@sebi.gov.in](mailto:dtrivedi@sebi.gov.in)  
Ph: +91-22-2644 9753

**ANNEXURE**

S.No.	Particulars
1.	Processing of Remat Requests
2.	Processing of Transmission Requests
3.	Processing of request for Issue of Duplicate Share Certificates
4.	Processing of Requests for Name Deletion/ Name Change / Transposition/ Pending Share Transfers (Re-lodgement cases in the case of share transfers)
5.	Processing of Requests for Consolidation / Split / Replacement of Share Certificates / Amalgamation of Folios
6.	Handling Investor Correspondence / Grievances / SCORES complaint
7.	Submission of Half Yearly Report to SEBI pursuant to Circular No. CIR/MIRSD/7/2012 dated July 5, 2012
8.	Compulsory Internal Audit of RTAs by CA / CS / CMA holding Certificate of Practice and Certified Information Systems Auditor (CISA) / Diploma Information Systems Auditor (DISA) pursuant to Circular dated April 20, 2018, issued by SEBI
9.	Submission of Audit Report by CISA / CISM qualified or equivalent auditor by QRTAs to SEBI along with comments of the Board pursuant to Circular dated September 8, 2017 issued by SEBI on Cyber Security and Cyber Security Resilience framework for QRTAs
10.	Submission of Compliance Report by QRTAs duly reviewed by the Board of Directors of the QRTA to SEBI on Enhanced monitoring of QRTAs pursuant to Circular dated August 10, 2018 issued by SEBI
10.	Regulation 74(5) of the SEBI (D & P) Regulations, 2018
11.	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018