



PRICE ₹5

SIRC Newsletter

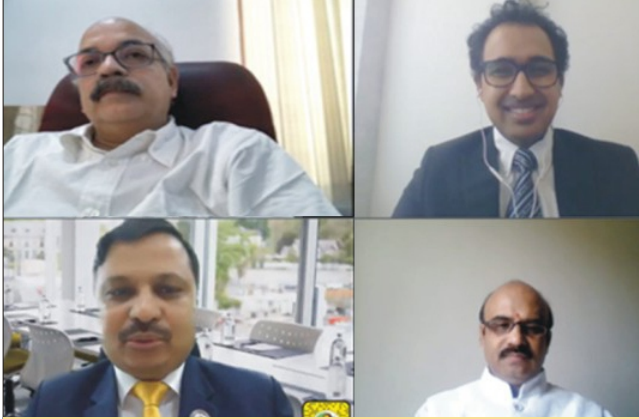
JULY 2020 | Volume 46 • Part 1

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

ICAI Celebrates its 72nd Foundation Day

71 Glorious Years of Service to India
with
**Ethics, Governance,
Independence, Integrity,
and
Professional Social Responsibility**

**Virtual CPE Programme - Real Estate Sector
-RERA- GST & IBC on 6th June 2020**
<https://bit.ly/2UgCLVc>



Resource Person Adv. K.Vaitheeswaran, Chennai, seen along with CA. Rajendra Kumar P, Chairman, GST & Indirect Taxes Committee of ICAI, CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

**Virtual CPE Programme - Information Technology
Tech take away for CA Office on 7th June 2020**
<https://bit.ly/2BEzCIt>



Resource Person CA. Vinodh Kothari S, Chennai, seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

**Virtual CPE Programme - IBC, Financial Stress and
post covid the way forward on 9th June 2020**
<https://bit.ly/vdoibc>



Resource Person CA. Anil Goel, Delhi, seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI, CA. Revathi, S. Raghunathan, Regional Council Member

**Virtual CPE Programme - Refresher Course - Technological Changes /
Advancements in Income Tax 10th June 2020**
<https://bit.ly/37rZ9kb>



Resource Person CA. Chaitanya E, Tirupati, seen with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI, CA. Naresh Chandra Gelli Regional Council Member.

**Virtual CPE Programme - Refresher Course - Technological Changes /
Advancements in GST 11th June 2020**
<https://bit.ly/2Yxl5pH>



Resource Person CA. P T Rajeev, Chennai, seen along with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI, CA. China Masthan Talakayala Regional Council Member.

**Refresher Course - Technological Changes /
Advancements in Audits on 12th June 2020**
<https://bit.ly/2YtH1Co>



Resource Person CA. G. Rengarajan, Kochi, seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.



Chairman's Communique...



My Dear Professional Colleagues,

1st July Chartered Accountants Day.

This day, the 1st July will always etch in our thoughts as the Day of Formation of the Institute of Chartered Accountants of India to which we proudly belong to. It is on this day in the year 1949, ICAI was born and over the last 71 years we have grown from leaps and bounds in terms of members & students' base and we are marching ahead with confidence and conviction to serve the profession of accountancy in the country, the members, the students and the society at large.

ICAI, the second largest accounting profession in the world, is unique in the entire world playing the multifaceted roles of education, examination, admission to membership, continuing professional education and regulating the profession with disciplinary jurisdiction. No other professional Institute in the world got the intellectual backing which ICAI has and our *alma mater* rightly has been recognized as **Partner in Nation Building....** by none other than a great visionary Dr. APJ Abdul Kalam, former President of India.

One needs to know the History of ICAI which was the culmination of historic efforts were taken by the accounting professionals in the Constituent Assembly in 30's and 40's of last century. The first initiative came from the discussion with the introduction of Companies (Amendment) Bill in the Constituent Assembly on 23rd March 1936.

The accounting profession as such was recognized through a statutory provision in the form of Companies Act, 1913, later in 1932 became the Accountancy Board and thereafter on 1st July 1949, the Institute of Chartered Accountants of India.

On this occasion it is our duty to acknowledge the great contribution made by CA. G.P. Kapadia, First President of ICAI, his successors in ICAI, other members of the Central Council, CA. R.N. Rajam Aiyer, First Chairman of SIRC, his successors in SIRC and other members in SIRC. It is the most fitting occasion to recall and record all of their yeomen service to our profession. We salute them for their efforts to lay a strong foundation and their foresighted thoughts to develop and making our institution the second largest accounting professional body in the world. On this juncture, let us take the pledge to carry forward the ideals set in by them and build up the image of the profession across the globe. Let us rededicate our energy and efforts to continue the legacy and values set by them.

CA Day Celebrations

This year CA Day Celebrations were conducted through internet with appreciable level of activities with many innovative programmes. Our beloved President CA. Atul Kumar Gupta addressed our professional fraternity stressing the value and recognition our profession has across the globe and also exuding confidence that our profession will overcome the unexpected phenomena due to COVID-19.

At SIRC, we have had various and newer types of programmes with large participation of members and students online. We have held programmes on Yoga & Health, Pictures Quiz, Virtual Quiz and Talent show



where novel talent of CAs came to light concluding the celebrations with an address by our Past President, CA. R Bupathy and a Live Quiz. We express our sincere thanks to each one of the resource persons, coordinators and participants who have made these events full of joy and life. Branches of SIRC have also celebrated the CA day in a befitting manner.

Virtual CPE Programmes

In accordance with the advice of the ICAI, SIRC had lined up a series of Virtual CPE Meetings on varied topics like Standards on Auditing, Income Tax Act Practical Issues, Technological Changes/Advancements in Audits, IBC, Tech take away for CA Office etc... All these programmes were well received by the Members and I hope that members are meeting the CPE credit hour requirements to avoid any inconveniences that may arise due to such non-compliances.

Similarly we have planned a number of virtual CPE programmes during the month of July 2020, complete details of these programmes are published in SIRC Programme Calendar published elsewhere in this Newsletter. Members are requested to register in large numbers and get benefited.

SIRC Coaching Classes

SIRC in association with School Education Department, Government of Tamil Nadu has started organising (with effect from 10th June 2020) FREE Online CA Foundation Coaching Classes for Tamil Nadu Government and Tamil Nadu Government Aided School Students. 22 Students have enrolled availing this facility and more number of students are anticipated for the next batch of ICAI Foundation Online Coaching Classes which is scheduled to commence from 22nd July 2020 for students appearing for November 2020 Examination. Details of the same are published elsewhere in this Newsletter.

SIRC has been grooming CAs through conducting Coaching Classes for more than five decades. SIRC coaching classes are affordable and conducted without any profit motive, all subjects are handled by eminent faculties.

We request our members to kindly propagate this information among your fraternity and students. We seek your support for this endeavour of SIRC in the service of its students.

Students Activities: Southern India Chartered Accountants Students Association (SICASA) has been active in spite of the prevailing Covid 19 pandemic. SICASA has organized nearly 78 webinars on various topics during March to June 2020 for the benefit of the student community. SICASA has lined up a series of Virtual competitions in near future. Details will be given shortly. We seek your valuable cooperation and support.

Stay Careful Stay Safe

Yours in professional Service

CA. Dungar Chand U Jain
Chairman, SIRC of ICAI

Chennai
1-July-2020



VIRTUAL CPE PROGRAMMES - JULY 2020

Regn: <http://bit.do/sirclogin>

**Forthcoming VIRTUAL CPE Meetings from SIRC of ICAI
(Limited to 1000 members registering on first come first served basis)**

Date	Timings	Topic	Resource Person(s)	Structured CPE	Fees (Rs)	
04-Jul-2020 (Sat)	10 AM - 1 PM	IT - Power Query and Power Pivot for Audit	CA. S. Rathinagiri, Sivakasi	3 hrs	Nil	
11-Jul-2020 (Sat)	11 AM - 1 PM	Valuation of unquoted Equity Shares under Income Tax	CA. Premlata Daga, Nagpur	2 hrs	Rs.100 + GST	
13-Jul-2020 (Mon)	6 PM - 8 PM	Disclosure Requirements in the New Income Tax Returns for AY 2020-21	CA. Joy P.T. Kochi	2 hrs	Rs.100 + GST	
17-Jul-2020 (Fri)	5 PM - 8 PM	New code of ethics and Disciplinary Mechanism & Practical Issues	CA. Manoj Fadnis, Past President, ICAI CA. Chandrashekhar N. Vaze, Mumbai	3 hrs	Rs.200 + GST	
18-Jul-2020 (Sat)	11 AM - 1 PM	Forensic Audit using Excel	CA. Abhay Vijay Gadiya, Pune	2 hrs	Rs.100 + GST	
20-23 Jul-2020	5 PM - 8 PM	Four days GST Refresher Course	will be updated shortly	12 hrs	Rs.900 + GST	
24-Jul-2020 (Sat)	6 PM - 8 PM	MSME - Context, Registration & Benefits including Aatmanirbhar Bharat Package	CA. Anand Bathiya, Mumbai	2 hrs	Rs.100 + GST	
27- 31 Jul-2020	4 PM - 7 PM	5 days Virtual Refresher (Preparatory) Course for IBC Examination				Rs.4000 + GST
		CIRP Process and Rules and Regulations	CA. Revathi Raghunathan Regional Council Member	15 hrs		
		Liquidation process and Regulations	CA. Aneeta Subramaniam Chennai			
		Important Case laws	Adv. Shubharanjani Ananth Chennai			
		Insolvency Resolution for Individuals and Partnership & other Chapters	Adv. B. Ramana Kumar Chennai			
		Rules and Regulations	CA. Geetha Kumar Kanchipuram			

CPE Credit on attending full programme only

Prior Registraton Complusory : <http://bit.do/sirclogin>

COMMITTEES OF SIRC AT YOUR SERVICE

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

S.No.	Name of the Committee of SIRC of ICAI	Chaired by	Date of Meeting
1	Editorial Board of SIRC of ICAI	CA. Dungar Chand U Jain	12-Jun-20
2	143 th Executive Committee of SIRC of ICAI	CA. Dungar Chand U Jain	8-Jun-20
3	144 th Executive Committee of SIRC of ICAI	CA. Dungar Chand U Jain	25-Jun-20
4	240 th Meeting of the SIRC of ICAI	CA. Dungar Chand U Jain	9-Jun-20 & 25-Jun-20



VIRTUAL CPE PROGRAMMES CONDUCTED BY SIRC OF ICAI

Date	Topic	Speaker(s)	View Link	Materials Link
27-Jun-20	Standards on Auditing : Audit conclusions and reporting (Covering SA 700, 701, 705 and 706)	CA. Chinnsamy Ganesan, Chennai	https://bit.ly/VDO-SOA3	https://bit.ly/PDF-SOA3
26-Jun-20	Survey, Search and Seizure under Income Tax Act – Practical Issues	Shri P Selvaganesh, M.A., IRS Competent Authority & Administrator, SAFEMA & NDPS Act	https://bit.ly/VDO-SSS	https://bit.ly/PDF-SSS
20-Jun-20	Standards on Auditing : Audit evidence (Covering SA 500, 501, 505 and 570)	CA. R S Balaji, Chennai	http://bit.ly/VDO-SOA2	https://bit.ly/pdf-SOA2
17-Jun-20	RCM and Interplay of Notifications of 13/17 CTR read with 12/17 CTR and 11/17 CTR under GST	CA. Rajender Arora, Delhi	https://bit.ly/VDO-RCM	https://bit.ly/PPTasPDF
15-Jun-20	Income Tax Settlement Commission - Procedure & Practice	Adv. Hukum Chand Jain, IRS, Mumbai Vice-Chairman, Settlement Commission (Retd.)	https://bit.ly/2BiilPz	_____
13-Jun-20	Standards on Auditing : Planning an audit (Covering SA 300, 315, 320 and 330)	CA. Bhavani Balasubramanian, Chennai	https://bit.ly/2YwUmtr	https://bit.ly/2zsczZ1
12-Jun-20	Refresher Course - Technological Changes / Advancements in Audits	CA. G Rengarajan, Kochi	https://bit.ly/2YtH1Co	https://bit.ly/2XM8fEW
11-Jun-20	Refresher Course - Technological Changes / Advancements in GST	CA. P T Rajeev, Chennai	https://bit.ly/2Yxl5pH	https://bit.ly/2XM8fEW
10-Jun-20	Refresher Course - Technological Changes / Advancements in Income Tax	CA. Chaitanya E, Tirupati	https://bit.ly/37rZ9kb	https://bit.ly/2XM8fEW
9-Jun-20	IBC, Financial Stress and post covid the way forward	CA. Anil Goel, Delhi	https://bit.ly/vdoibc	https://bit.ly/pptibc
7-Jun-20	Information Technology - Tech take away for CA Office	CA. Vinodh Kothari S, Chennai	https://bit.ly/2BEzClt	https://bit.ly/3dj3cus
6-Jun-20	Real Estate Sector-RERA- GST & IBC	Adv. K.Vaitheeswaran, Chennai	https://bit.ly/2UgCLVc	https://bit.ly/2AHBKia



LEADER'S THOUGHT



Dear Colleagues,

Hope you are safe and keeping good health and cheer.

We are passing through a phase of unprecedented difficulties. The slump in economic activity in the country and the world over is bound to have an effect on our profession too. There are a lot of new normals like On-line meetings/classes, Work from home, a cautious culture of health and hygiene and so on.

Our profession has weathered many adversities in the last 71 years of its existence and played a pivotal role in propelling the Indian economy.

Let us therefore be optimistic that this pandemic too shall pass and that with a fresh vow and new insights, we will live above and beyond.

In the ensuing audit season, let us discharge our duties upholding the highest standards of governance with due regard to ICAI's pronouncements and the Code of Ethics, 2019 which is in place from 1st July 2020.

My CA Day greetings to all of you.

CA. Jomon K. George
Kochi, 01.07.2020

ONLINE GRIEVANCE REDRESSAL - FACILITATION BY SIRC OF ICAI

We are glad to inform you that SIRC of ICAI is organising a Online Grievance Redressal every week during this lock down period for the members and students of SIRC of ICAI. Members who have pending grievances aged ten days or more can participate in the Grievance Redressal of SIRC of ICAI.

Kindly click <https://bit.ly/SIRClistening> and register your pending issue/problem /query which is pending with ICAI for more than 10 days. We will take up the same every Friday between 11AM and 12PM (ones that gets posted before every (immediately preceding) Wednesday 10.00AM). Through a separate mail, you will be also invited to join the (online) One to One interactive session every Friday from 11.00 AM to 12.00PM, with the Chairman, SIRC of ICAI and senior officials of Chennai office of ICAI

SIRC of ICAI

UPDATES

Scan QR Code & Read

FEMA

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



Goods and Services Tax



Contributed by:
CA. G. Saravana Kumar, Madurai
saravanakumar.g@bsls.pro

Tamil Nadu VAT

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



Income Tax updates



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

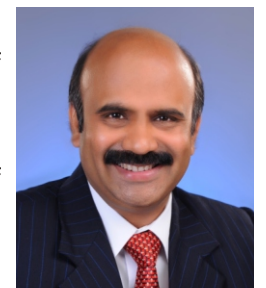
The online link for UPDATES:

<https://www.sircoficai.org/members/professional-updates>

CONGRATULATIONS

CA. Rajendra Kumar P, has been nominated by the Board of Directors of Central Warehousing Corporation Limited as Chairman of Audit Committee and Member of Remuneration Committee of the Corporation.

SIRC of ICAI Congratulates him



DISCLAIMER

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



IMPORTANT ANNOUNCEMENTS

Extension of time period for registration in Foundation Course from 30th June, 2020 to 31st August, 2020 for appearing in Foundation Examination to be held in November, 2020. - (01-07-2020)

The Council of the ICAI has relaxed the eligibility criteria to register in Foundation Course due to outbreak of COVID19 as a one-time measure and has extended the last date for registration to the Foundation Course from 30th June, 2020 to 31st August 2020, as under:

Candidate may provisionally register in the Foundation Course on or before 31st August 2020 if he has been either allotted the admit card and/or appeared in one or more papers in the months of February/March 2020 in the Senior Secondary (10+2) Examination conducted by an examining body constituted by law in India or an examination recognised by the Central Government or the State Government as equivalent thereto for the purpose of admission to graduation course and;

May appear in November 2020 Foundation examination after passing the Senior Secondary (10+2) examination conducted by an examining body as mentioned above.

To register online in Foundation Course, candidates may visit : <https://eservices.icai.org/>

Director, Board of Studies

For the Information of Members

SIRC has always been in the forefront in taking pro-active steps in furtherance of the profession and in offering its best services to its members. Committees of SIRC of ICAI deliberate on matters of professional interest from time to time and taking it forward at the appropriate levels.

This column is introduced to keep the members informed of the activities of SIRC in this direction.

Pro-active steps taken by Standards of Auditing Committee of SIRC of ICAI

1. The significance of Standards on Auditing (SAs) is to be disseminated and highlighted amongst the members. The Committee therefore exhorts the members to keep abreast of the developments in this arena; as well to interact and share their knowledge and expertise amongst the professional fraternity and at various forums where CAs are present. SIRC and its Branches have started conducting Virtual CPE Programmes, inter alia, on Standards on Auditing. Members are invited to participate in large numbers.
2. **Companies (Auditor's Report) Order, 2020 (CARO 2020)** has been made applicable with effect from the financial year 2020-21.
3. Members are informed that E-learning lectures on the Standards on Auditing (SAs) are made available in ICAI Website and members can access the same at <https://learning.icai.org/committee/aasb/> to enhance their knowledge on the subject.
4. Members can also access the ICAI publication on "Auditing Pronouncement" in audio format at the link <https://learning.icai.org/committee/aasb/pronouncements/> and be benefitted.

SIRC hopes the above information would be of immense value to the members.

CA. Chengal Reddy Ramireddy Gari
Standards on Auditing Committee, SIRC of ICAI

APPEAL TO MEMBERS FROM CSR COMMITTEE OF SIRC OF ICAI

SIRC in line with the initiative at ICAI has constituted CSR Committee during this Council Year. The CSR Committee at its recently held meeting took the following decisions for which we need the support and inputs from the members of the Institute in Southern Region.

1. Each Member of the Committee and as well as other Members of the Institute in the Southern Region should identify and refer the Companies and other organizations which are actively involved in CSR activities.
2. To consolidate the regional level (with city level break-up) of CSR activities of companies.

Members are requested to send the details of the companies carrying out CSR Activities through a form available at - <https://forms.gle/bXCivnVwa2RL2VuY9>

CA. Naresh Chandra Gelli
Chairman, CSR Committee of SIRC of ICAI



IMPORTANT ANNOUNCEMENTS

Examination Department
The Institute of Chartered Accountants of India
3rd July, 2020

1. The students are aware that vide Announcement dated 15th June 2020, the Institute, after taking in account the academic interests and health safeguards of students intending to appear in May 2020 Examinations, had enabled them to change their centre for appearance in May/ July 2020 Examination and/or to decide, at their free will, to "Opt Out" of the May/ July 2020 Examinations with carryover of all benefits including fee paid and exemptions. The Announcement also stated that Institute will review the situation of pandemic (COVID cases, MHA guidelines, Centre and State Government directions) in first week of July 2020 and the conduct of examinations commencing from 29th July 2020 was to be strictly dependent upon prevailing Government's advisories for the area in which a particular Centre is situated and, in any eventuality, the students were to be accommodated to November 2020 Examination cycle.
2. Further Announcement dated 17th June 2020 provided for FAQ's relating to conduct of May/ July 2020 Examinations, change in centre and operation and procedure for Opt Out to address the queries raised by the students. Announcements dated 20th June 2020 and 26th June 2020 extended the availability of facility to "opt out" to allow the students to make their decision which facility is available to the students even as on date.

Further Developments:

- A. With Unlock1, the severity of COVID 19 Pandemic was expected to subside from the later part of June 2020, but has rather become more severe and, therefore a Review as per announcement dated 15th June 2020 has become necessary.
- B. Ministry of Home Affairs, Government of India vide its Guidelines dated 29th June 2020 has extended the closure of all schools & academic Institutions and academic congregations till 31st July 2020. Select State Governments have put extended prohibitions in their respective States. Post the said Notification dated 29th June 2020, many Schools/ Academic Institutions have expressed their inability to provide their premises to conduct the Examinations.

On a review of above developments and in order to ensure the interest of its students and their well-being, the Institute has decided to cancel May 2020 Examinations and merge the May 2020 attempt with November 2020 Examinations, with due carryover of all benefits already available to students including fee paid and exemptions. The students who have made application for May 2020 Examinations will have an option to change the group(s) of their appearance and centre of Examinations at the time of making a fresh application for November 2020 Examinations, which, subject to conditions prevailing at relevant time, will start from 1st November 2020. It is again clarified that in this schema, the students will be free to exercise the options afresh for the groups that they intend to appear in the November 2020 examinations.

The students are advised to stay in touch with the Institute's website www.icai.org for further announcements relating to November 2020 Examinations and in case of any queries can write at may2020exam@icai.in.

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



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Setup by an Act of Parliament)
SOUTHERN INDIA REGIONAL COUNCIL
"ICAI Bhawan", No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034.

→ Stay Home → Stay Safe → Stay Prepared for Exams

Online Coaching Classes for CA Foundation Course

The next batch of **ICAI Foundation Online Coaching Classes** is scheduled to commence from **22nd July 2020** (tentatively will end by October 2020) for students appearing for November 2020 Examination.

Days	Webinar Class Timings
Monday to Saturday	Morning : 8.00 a.m. to 11.00 a.m. Evening : 5.00 p.m. to 8.00 p.m.

Course Fee : ✓ **SIRC of ICAI is the leader in grooming CAs for the past 50 years.**
Rs. 9,500/- ✓ **Be trained by the Leader... at very nominal cost.**
✓ **Expert and Experienced Faculty Team for SIRC Foundation Coaching Classes.**

Principles & Practices of Accounting	CA. S.S. Prathap & CA. D. Suman
Business Law	CA. C. Jayanthi & CA. R. Magesh
Business Correspondence & Reporting	Dr. Nirmala Raghaven
Business Mathematics & Logical Reasoning	CA. G.P. Srivatsan
Business Statistics	Dr. P.R. Vittal & Dr. M. Sriman
Business Economics	Dr. P.V. Raghavan & Dr. R. Vaidyanathan
Business and Commercial Knowledge	CA. Kavitha Umapathy

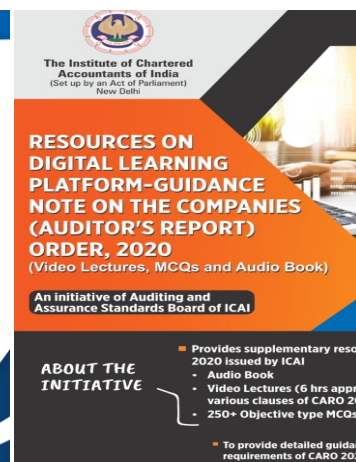
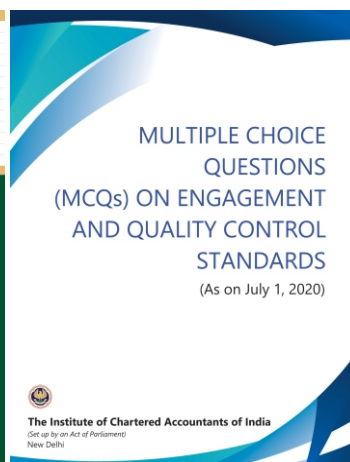
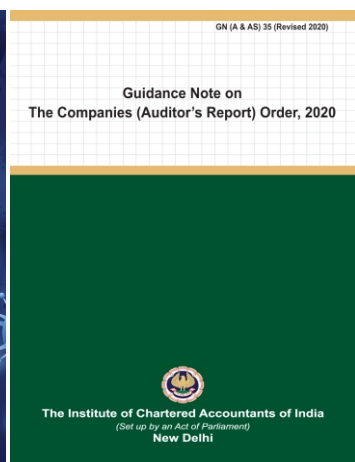
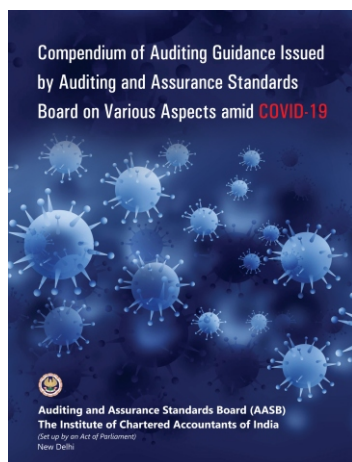
Avail this opportunity and get through your Foundation November 2020 Examination.

For Registration, please visit <http://bit.do/caclass>

For further details, please contact our **SIRC Coaching Classes Help Desk Nos. / Email ID**
Mobile Nos : 98849 12937, 91768 26789 Email Id : sirc.foundation@icai.in
Pre-requisites : Students should have registered for CA Foundation Course of ICAI

For Complete details on how to become a Chartered Accountant including Registration for ICAI Foundation Course, Please visit <https://www.sircoficai.org/aspire>

NEW TECHNICAL PUBLICATIONS FROM AASB OF ICAI



Place your orders through www.icai-cds.org

Virtual CPE Programme - Standards on Auditing : Planning an audit (Covering SA 300, 315, 320 and 330) by 13th June 2020
<https://bit.ly/2YwUmtr>



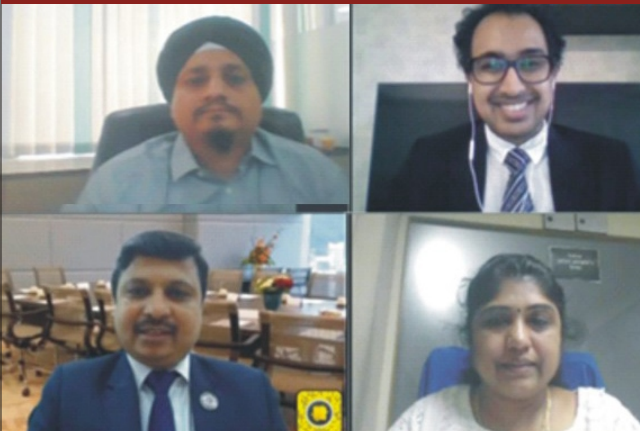
Resource Person CA. Bhavani Balasubramanian, Chennai, seen along with CA. Sekar G, Chairman, Auditing & Assurance Standards Board of ICAI, CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme - Income Tax Settlement Commission - Procedure & Practice on 15th June 2020
<https://bit.ly/2BilPz>



Resource Person Adv. Hukum Chand Jain, IRS, Mumbai, Vice-Chairman, Settlement Commission (Retd.), seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme - RCM and Interplay of Notifications of 13/17 CTR read with 12/17 CTR and 11/17 CTR under GST on 17th June 2020
<https://bit.ly/VDO-RCM>



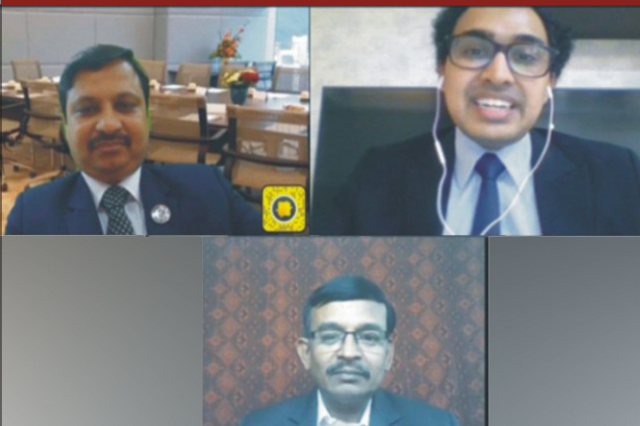
Resource Person CA. Rajender Arora, Delhi, seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI, CA. Geetha A. B. Regional Council Member

Virtual CPE Programme - Standards on Auditing : Audit evidence (Covering SA 500, 501, 505 and 570) on 20th June 2020



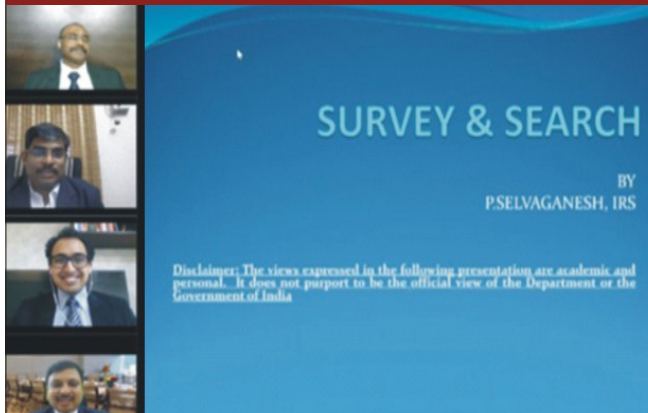
Resource Person CA. R. S. Balaji, Chennai, seen along with CA. M. P. Vijay Kumar, Chairman, Accounting Standards Board of ICAI, CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme - Standards on Auditing : Audit conclusions and reporting (Covering SA 700, 701, 705 and 706) 27th June 2020
<https://bit.ly/VDO-SOA3>



Resource Person CA. Chinnsamy Ganesan, Chennai, seen along with CA. Dungar Chand U Jain, Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme - Survey, Search and Seizure under Income Tax Act – Practical Issues 26th June 2020
<https://bit.ly/VDO-SSS>



By Shri P Selvaganesh, M.A., IRS Competent Authority & Administrator, SAFEMA & NDPS Act, seen along with CA. Dungar Chand U Jain Chairman SIRC of ICAI, Dr. CA. Abhishek Murali, Regional Council Member, CA. Jalapathi K, Regional Council Member

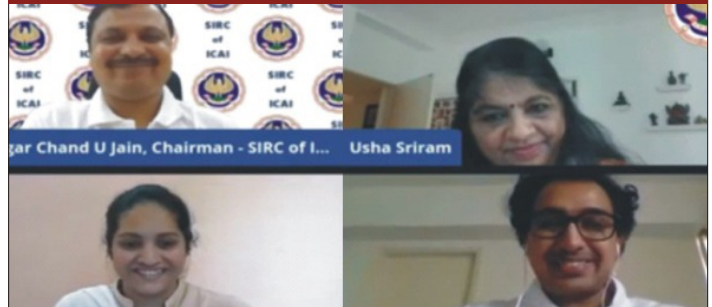
Events held by SIRC of ICAI on the occasion of 72nd ICAI Foundation Day From 28th June – 1st July 2020

Yoga & Health on Sun, Jun 28th 2020 <https://bit.ly/cadayyoga>



Chief Guest CA. Pramod Jain Central Council Member & Chairman, CSR Committee of ICAI, Resource person Ms. Sruthi Menon, Certified ISHA Instructor, seen along with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Health & Wellness during Covid & Beyond <https://bit.ly/cadayyoga>



Resource person Dr. Usha Sriram Endocrinologist, Diabetes Expert & Physician seen along with Ms Sruthi Yoga expert, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Unlock & Appreciate - Connect, Comment & Commemorate on Mon, Jun 29th 2020 <https://bit.ly/cadayconnect>



CA. Renuka Murali, CA. Subashini Ganapathy -Coordinators, seen along with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Twinkle in two minutes - Unfold the artist in you on Tue, Jun 30th 2020 <https://youtu.be/cyyuUHSYBmQ>



CA. Renuka Murali, CA. Subashini Ganapathy Coordinators, seen along with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

LIVE QUIZ Know your ICAI & Profession on Mon, Jul 1, 2020 <https://youtu.be/sotJqXac9gE>



CA. Bupathy R, Past President, ICAI, Quiz Master : CA. V Pattabhi Ram seen along with CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI



CA. Sai Krishnan one of the participant of the event while exhibiting seen along with CA. Renuka Murali, CA. Subashini Ganapathy Coordinators, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.



IMPORTANT ANNOUNCEMENTS

Announcement for Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 - (19-06-2020)

**Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
19th June, 2020**

Sub: Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013

The Ministry of Corporate Affairs in order to help and support Companies and charge holders is taking necessary measures to address the concerns by giving several relaxations and providing special measures to reduce their compliance burden.

Under the Companies Fresh Start Scheme, 2020 as laid out in the General Circular No. 12 / 2020, dated 30.03.2020, the benefit of waiver of additional fees was not extended to the charge related documents.

In this regard the Ministry of Corporate Affairs has introduced a new scheme called “**Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013**”.

The Purpose of the scheme is to condone the delay in filing certain forms related to creation/ modification of charges particularly during the pandemic period.

This has come into effect from 17th June, 2020.

In this regard, the Ministry of Corporate Affairs, Government of India (the MCA), has issued the Circular on the MCA's website and the link for the same is as below:

http://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf

The ICAI has prepared and issued FAQs on this Scheme for the benefit of its members and other stakeholder.

The FAQs are uploaded on ICAI website and the link for the same is as below: <https://www.icai.org/resource/59986clcg48878.pdf>

Chairman and Vice Chairman
Corporate Laws & Corporate Governance Committee

Announcement - Advance Payment of Membership Fee for 10 years. - (05-06-2020)

**Members & Students Services Directorate
The Institute of Chartered Accountants of India
5th June, 2020**

The ICAI Council has decided to give an option to pay advance Membership/COP fee in exact amount for 10 years along with GST as a final payment and in case of any shortfall owing to revision of fee in future; their Name/COP will not be removed from the register of members on account of such revision.

Further, Members may also note that in case the advance fees has been paid in the past, the balance fees/difference of the fee becomes payable in the current financial year. In other words payment of balance fee /difference in fee is a must for renewal of membership/certificate of practice, as the case may be.

It may be noted that an ACA who has paid advance membership fee for a period not exceeding 10 years and at a later stage opt for FCA status then the member is required to pay difference fee (the difference of fee in conversion from ACA to FCA and Fellow Member Admission Fee) for the remaining period.

This facility will be applicable w.e.f. 1st April, 2020.

Additional Secretary
M&C-MSS, Noida



IMPORTANT ANNOUNCEMENTS

Inviting Expression of Interests from members for contributing in development of Knowledge Data warehouse on Ind AS (16-6-2020)

We are pleased to mention that ICAI through the Accounting Standards Board (ASB) in its pursuit of catapulting Indian accountancy profession to new heights, is planning to create a vast 'Knowledge Data Warehouse on Ind AS' by undertaking the following projects:

- Developing a large set of comprehensive Case Studies on Ind AS (backed by MCQs)
- Developing a large pool of Multiple Choice Question Bank on Ind AS
- Enhancing our talent pool of Speakers/Faculty on Ind AS

We sincerely solicit your expression of interest to be a part of our strategic priority area of 'profession as partner in development'. Interested members may kindly submit their responses in the google form (link below) latest by June 22, 2020:

<https://docs.google.com/forms/d/e/1FAIpQLSd8anlBFTUxH7aiEgpWsCbbQEYP7jnfviCgEuouEw2G8HhzKQ/viewform>

We would like to highlight a few critical pre-requisites in relation to creation of robust knowledge data warehouse:
Case Studies on Ind AS (backed by Multiple Choice Questions)

- An integrated case scenario should comprise of a case scenario followed by 5 to 6

MCQs based on the said case scenario.

- The length of the case scenario (including MCQs) should be for around 2 pages and it should cover more than one Ind AS (ideally 3 to 4 Ind AS).
- Each MCQ should have four options out of which there should be only one correct option.
- The MCQs should be application-oriented and should arise from the case scenario [i.e., they should be framed in such a manner that the relevant concepts and principles of Ind AS would need to be applied to the facts of the case scenario to choose the correct option].

Multiple Choice Question Bank on Ind AS

- Each MCQ should have four options, out of which only one option should be correct. The reasoning/justification for the answer on the basis of the relevant provision of Ind AS needs to be provided. In case of computations, detailed workings should be provided.
- MCQs should be framed in such a manner that the relevant provisions of Ind AS would need to be applied to the scenario to choose the correct option.
- MCQs should be designed to assess the application of knowledge gained by the participant members during the on line classes taken by all of you. Therefore, it is encouraged to make the MCQs on the Ind AS covered by you in your respective sessions.
- The standards should be selected in a manner that should represent a mix of 3 to 4 simple standards and 5 to 6 new/complex ones so that we have questions in that proportion. Originality of contents and Copyright
- Please note that the Case studies and the Multiple Choice questions (MCQs) should be original and not copied from any source. The answers to questions, both MCQs and Case studies, also need to be given by the resource persons developing the same. The correct option for the MCQs as well as the reasoning for the same should be given by the resource person i.e., which paragraph of Ind AS it is based. In case of computations, the steps in arriving at the final answer should be detailed.
- Needless to mention that the case study and the questions would be the copyright of the Institute. The resource person developing the case study and questions has to give an undertaking to this effect in the attached format. The resource person also needs to give an undertaking that he is not associated in any manner with any private coaching class for any of the subjects of the CA course. Honorarium of INR 5,000 for each case study and INR 200 per MCQ will be paid subject to acceptance of the contents and its originality by the competent authority. Speakers/Faculty and Technical reviewers on Ind AS We are also keen to enhance our talent pool of speakers/faculty members on Ind AS for certificate course on Ind AS, programmes on Ind AS etc. Members having prior teaching experience may send in their interest. Furthermore, we are also keen to expand the talent pool of technical reviewers of financial statements on Ind AS. Interested members may kindly send in their interest.

Members who have already submitted their interests through the google forms need not submit again.

We very much look forward to hearing from you soon.

With best regards

Chairman & Vice-Chairman
Accounting Standards Board



FEMA UPDATES FOR THE MONTH OF JULY 2020

Contributed by CA. G. Murali Krishna, Hydrerabad

I. Amendment to Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations:

As per provisions before amendment, consideration towards investment by a person resident outside India in an investment vehicle can be paid out of funds held in NRE or FCNR (B) Account or as inward remittance through banking channels. Now funds in Special Non- Resident Rupee Account (SNRR Account) can also be used for making investment / trading in units of Investment Vehicles listed or to be listed when such investment is by a Foreign Portfolio Investor (FPI) or Foreign Venture Capital Investor (FVCI). Accordingly, suitable amendments are also made to mode of payments for investments by FPI and FVCI. Please refer notification no. FEMA 395(1)/2020-RB dated June 15, 2020 for more information.

II. Update on Compounding Orders issued under FEMA Regulations

a. M/s. Shri Mohana R Velagapudi

Regulation	Regulation 10A(b)(i) read with Paragraph 10 of Schedule 1 to Notification No. FEMA 20/2000-RB - Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (FDI Regulations)
Contravention	Delay in filing of Form FC-TRS (Due date is 60 days from the date of transfer. RBI approved applicant's plea of conversion of equity shares from non-repatriation basis to repatriation basis)
Date of Order	March 12, 2020
Amount of Contravention	INR 19.35 Cr
Compounding Fee	INR 5.22 Lacs

b. M/s Hydco Engineering Private Limited

Regulation	Paragraph 9(1)(A) of Schedule 1, Paragraph 9(1)(B) of Schedule 1, Paragraph 8 of Schedule 1, Paragraph 9 (2) of Schedule 1 of FDI Regulations
Contravention	<ul style="list-style-type: none"> i. Delay in reporting of foreign inward remittance through Form ARF (due date is 30 days from date of receipt) ii. Delay in filing Form FCGPR (due date is 30 days from date of allotment) iii. Delay in allotment of shares to non-resident (due date is 180 days from date of receipt of funds at that time. Now reduced to 60 days) iv. Delay in filing of Annual Return on Foreign Assets and Liabilities (Due date is July 15 of every year)
Date of Order	Mar 18, 2020
Amount of Contravention	INR 12.95 Cr
Compounding Fee	INR 4.38 Lacs

c. M/s Datamatics Global Services Ltd

Regulation	Regulation 6(2)(vi) and 15(iii) of Notification No. FEMA 120/2004-RB - Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 ("ODI Regulations")
Contravention	<ul style="list-style-type: none"> (a) Delay in submission of Form ODI for remittances (b) Delay in submission of annual performance reports (APRs)
Date of Order	Feb 24, 2020
Amount of Contravention	INR 3.15 Cr
Compounding Fee	INR 7.72 Lac



GST UPDATES

By CA. G. Saravana Kumar, Madurai

Notification Updates

1. Nil return in Form GSTR 3B can be filed by SMS from 08th June, 2020 – Notification no 44/2020-CT dated 08th June, 2020

Vide notification no 38/2020-CT dated 05th May, 2020, Rule 67A was inserted in CGST Rules enabling the tax payers to file 3B return with nil details through short messaging service (SMS). Effective date for Rule 67A has been notified as 08th June, 2020 through this notification.

2. Extension of time limit for passing refund order under section 54(7) of CGST Act – Notification No 46/2020-CT dated 09th June, 2020

In cases where a notice has been issued for rejection of refund claim, in full or in part and where the time limit for issuance of order in terms of the provisions of section 54(5), read with section 54(7) falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020, in such cases the time limit for issuance of the said order shall be extended to fifteen days after the receipt of reply to the notice from the registered person or the 30th day of June, 2020, whichever is later. This extension is given in view of impact of pandemic Covid-19

3. Extension of validity period of E-way bill generated on or before 24.03.2020 – Notification no 47/2020 – CT dated 09th June, 2020

Where an e-way bill has been generated under rule 138 of CGST Rules, 2017 on or before the 24th day of March, 2020 and whose validity period has expired on or after the 20th March, 2020, the validity period of such e-way bill shall be deemed to have been extended till the 30th day of June, 2020 vide above notification. The notification shall come into force with effect from 31st May, 2020.

4. Companies allowed to file GSTR 3B and GSTR 1 through EVC till 30th September, 2020 – Notification No 48/2020-CT dated 19th June, 2020

A registered person registered under the provisions of Companies Act, 2013 shall be allowed to file GSTR 1 and GSTR 3B through Electronic Verification Code (EVC) during 21st April, 2020 to 30th September, 2020

5. Covid relief – Lowering interest rate for a prescribed time period from Feb 2020 to July 2020 – Notification No 51/2020-CT dated 24th June, 2020

Concessional rate of interest as per column 3 of below table is provided to class of tax payers as specified in column 2 of below table for the tax period specified in column 4 of table below:



S. No (1)	Class of registered persons (2)	Rate of interest (3)	Tax period (4)
1.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	Nil for first 15 days from the due date, and 9 per cent thereafter till 24th day of June, 2020	February, 2020, March 2020, April, 2020
2.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep.	Nil till the 30th day of June, 2020, and 9 per cent thereafter till the 30th day of September, 2020	February, 2020
		Nil till the 3rd day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	March, 2020
		Nil till the 6th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	April, 2020
		Nil till the 12th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	May, 2020
		Nil till the 23rd day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	June, 2020
		Nil till the 27th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	July, 2020
		3.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi
Nil till the 5th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	March, 2020		
Nil till the 9th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	April, 2020		
Nil till the 15th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	May, 2020		



	Nil till the 25th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	June, 2020
	Nil till the 29th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	July, 2020.

6. One time amnesty by lowering / waiver of late fee for non-furnishing of GSTR 3B from July 2017 to January 2020 and Covid relief – Conditional waiver of late fee for delay in filing GSTR 3B for tax periods Feb 2020 to July 2020 – Notification no 52/2020-CT dated 24th June, 2020

i. Revised late fee for those who have not filed GSTR 3B for the period July 2020 to Jan 2020

Maximum late fee of Rs. 250 CGST (For SGST Rs. 250 respective state notifications are to be referred) shall be levied instead of the present maximum late fee of five thousand rupees for central tax portion for non-furnishing of GSTR 3B return by the due date provided the said return is filed between the period 01st July, 2020 to 30th September 2020. However in case of nil GSTR 3B return for the above period, the late filing fee would be Nil provided the returns are filed between the period 01st July, 2020 to 30th September 2020.

ii. Conditional waiver of late fee for the period Feb 2020 to July 2020:

Late fee for belated filing of GSTR 3B return for the period February 2020 to July 2020 shall be waived for the class of registered persons specified in column 2 of below table if the returns for the above period are filed by the dates specified in column 4 of below table.

S. No (1)	Class of registered persons (2)	Tax period (3)	Condition (4)
1.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	February, 2020, March, 2020 and April, 2020	If return in FORM GSTR-3B is furnished on or before the 24th day of June, 2020
2.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	February, 2020	If return in FORM GSTR-3B is furnished on or before the 30th day of June, 2020
		March, 2020	If return in FORM GSTR-3B is furnished on or before the 3rd day of July, 2020
		April, 2020	If return in FORM GSTR-3B is furnished on or before the 6th day of July, 2020
		May, 2020	If return in FORM GSTR-3B is furnished on or before the 12th day of September, 2020
		June, 2020	If return in FORM GSTR-3B is furnished on or before the 23rd day of September, 2020



		July, 2020	If return in FORM GSTR-3B is furnished on or before the 27th day of September, 2020
3.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	February, 2020	If return in FORM GSTR-3B is furnished on or before the 30th day of June, 2020
		March, 2020	If return in FORM GSTR-3B is furnished on or before the 5th day of July, 2020
		April, 2020	If return in FORM GSTR-3B is furnished on or before the 9th day of July, 2020
		May, 2020	If return in FORM GSTR-3B is furnished on or before the 15th day of September, 2020
		June, 2020	If return in FORM GSTR-3B is furnished on or before the 25th day of September, 2020
		July, 2020	If return in FORM GSTR-3B is furnished on or before the 29th day of September, 2020

7. Covid relief – Waiver of late fee for delay in filing of GSTR 1 for the period March 2020 to June 2020 in case of monthly filers and for quarters Jan 2020 to June 2020 in case of quarterly filers: Notification No 53/2020-CT dated 24th June, 2020

Tax payers who do not file GSTR 1 for the tax periods specified in column 2 of below table by the due date but file the same on or before the date specified in column 3 of below table, late fee for belated filing of GSTR 1 shall be waived.

S. No (1)	Month/ Quarter (2)	Dates (3)
1.	March, 2020	10th day of July, 2020
2.	April, 2020	24th day of July, 2020
3.	May, 2020	28th day of July, 2020
4.	June, 2020	05th day of August, 2020
5.	January to March, 2020	17th day of July, 2020
6.	April to June, 2020	03rd day of August, 2020

8. Due date extension of GSTR 3B for Aug 2020 for tax payers with annual turnover up to 5 crore: Notification No 54/2020-CT dated 24th June, 2020

Tax payers whose annual turnover in the previous financial year is up to Rs. 5 crore and whose place of business is situated in the states of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep GSTR 3B return of August 2020 shall be filed on or before 01st October, 2020.

Tax payers whose annual turnover in the previous financial year is up to Rs. 5 crore and whose place of business is situated in the states of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi GSTR 3B return of August 2020 shall be filed on or before 03rd October, 2020.



MADRAS HIGH COURT JUDGEMENTS ON VAT, CST & GST

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

Input tax Credit Reversal: The issue ITC reversal on account of invisible loss is covered by an order dated 04.12.2019 in W.P.No.3172 of 2014 of this Court There would be instance of inputs which are withdrawn at an intermediary stage of manufacture and are incapable of being used further and are sold as scrap/waste or physically destroyed by an assessee having no residual value. Such inputs alone can be construed as "inputs destroyed at some intermediary stage of manufacture". There is no scope for reversal of input tax credit on inputs which get consumed during the course of manufacture as "invisible loss". **M/s.Kanishk Steel Inds Ltd, Vs CTO, Thiruvallikeni Assessment Circle W.P.Nos.30298 of 2015 DT: 31.01.2020**

Clarification: In W.P.No.16166 to 16168 of 2008, the learned Single Judge has held as under: "That apart, the impugned commissioner's clarification (in No.40/2003 issued by the first respondent in L.Dis.Acts Cell II/4330/2003 dated 27.1.2003) is beyond the scope of Entry 9 of the Eleventh Schedule. The impugned clarification states that foreign goods whether imported directly from other countries or purchased from other states, the expression "purchase from other States" is conspicuously absent in Entry 9 of Eleventh Schedule. Therefore, the impugned clarification has to be necessarily held to be bad in law Since, the Writ petition in W.P.Nos.16166 to 16168 of 2008 answers the issue is in favour of the petitioner, the Court allowed the WP: **Lion Dates (Pvt) Ltd vs. 1. CTO, Rockfort Assessment Circle, 2.The Spl Commissioner & Commissioner of Commercial Taxes, W.P. No.35313 of 2005 DT: 29.01.2020**

Pre-existing Charge: A purchaser purchasing a property without notice of charge and for valuable consideration is protected under a proviso to section 24-A of the TNGST, 1959. Analysing the facts and the rulings, the court held that the present writ petition is dismissed as the decisions of the court relied on do not squarely apply to the facts of the present case. The fact that there was a pre-existing charge/encumbrance registered as early as July 2011 is the distinguishing factor and therefore the decisions relied by the petitioner cannot be applied to four corners of the facts of the present case. **C.D.Gajendranvs 1. AC (CT), Ambattur Assessment Circle, 2. Sub-Registrar, Regn Department, Chennai 600 053. W.P.No.29253 of 2016 Dt 30.01.2020.**

Special Committee: The very purpose of giving wide power to the Special Committee constituted under Section 16D of TNGST Act, 1959 is to pass appropriate orders when an assessee has no other remedy left and where orders have been passed in violation of the provisions of the Act or the rules made their under or without following the principles of natural justice. Since the petitioner did not get to participate in the hearing and an ex parte order came to be passed by the 2nd respondent, the Court was of the view that the petitioner deserves an opportunity of being heard. **Indian Commercial Syndicate.,vs 1.The Special Committee, Secretariat, Chennai- 9. 2. CTO, now upgraded as**

AC(CT), Mettupalayam Road Assessment Circle, .W P No.24309 of 2015 Dated : 31.01.2020

Classification : Pre-recorded Audio and Video CDs which attract tax at of 5% VAT under Commodity Code 2068 of Schedule I, part B, Item No.68 read with Sub Item No.5 (d) under Notification V annexed to G.O.(Ms).No.3 CT and R (B1) Department, dated 01.01.2007. As the earlier Advance ruling clarification dated 06.01.2017, stands reviewed by an order dated 19.11.2018, the Court set aside the impugned order dated 06.01.2017 and allowed writ petition. **Super Audio (Madras) P.Ltd. Vs AC (CT), Anna Salai Assessment Circle, W.P.No.2962 of 2017 DT: 27.01.2020**

Opportunity: The petitioner ought to have participated in the proceeding and given a proper reply to the proposal notice issued by the AO. However, the petitioner failed to file a reply. Therefore, the respondent has passed the impugned best judgment order without affording an opportunity. Stating so, the Court set aside the impugned order and remitted the matter back to pass a fresh order in accordance with law. **M/s. Elgi Electric and Inds Ltd Vs. AC (CT) (FAC), Trichy Road Assessment Circle, W.P.No.19288 of 2012 DT: 28.01.2020**

Surprise Inspection: There was a surprise inspection in the respective petitioner's place of business, resulting in recording statements from the responsible officer of the petitioners and issuance of Compounding Notices and Compounding Order which are impugned in these Writ Petitions. "It is noted that the issue is squarely covered by an order dated 25.07.2016 of this Court in W.P.Nos.14997 to 14999 of 2014 in the case of Tvl. Uma Shankar Traders vs CTO, Group-1 (Enforcement) (Central), Chennai And others. It is a settled legal position that the AO, while completing the assessment, cannot solely be guided by the statement recorded by the Enforcement Officials. This Court is not inclined to quash the inspection report or the statement, at this juncture. **Sri Maharaja Industries and other cases vs AC (CT), (Enf), Pollachi and others W.P.Nos.15547 of 2014 DT: 31.01.2020**

Inspection: The amount demanded in the impugned order proceed on the assumption, presumptions and conjectures that the goods were not received and therefore the petitioner had wrongly claimed exemption for local sale up to Rs.500 cr. This assumption etc is contrary to law settled by the Hon'ble Supreme Court reported in (1971)3 SCC 167. In the impugned order, it has been mentioned that the petitioner has not produced any documents. However, the annexures appended to various Form F give various data/ details. If there was no receipt of the refined soya oil as has assumed in the impugned order, the option that was available was to only impose penalty u/s 10 of CST, 1956. There is no power to recover tax. Stating so, the impugned order was set aside and remitted back to the AO. **M/s.Deegee Orchards P Limited, vs. CTO, Trichy Road Assessment Circle, W.P.No.42190 of 2016 dt 28.01.2020**



DIRECT TAXES – UPDATE

Contributed by CA. V.K. Subramani, Erode

1. Press release informing extension of various time limits under Direct Tax & Benami laws: The Finance Ministry has issued a Press Release dated 24.06.2020 after the CBDT has given notification in respect of Taxation and Other Laws in Notification S.O. 2033(E) dated 24.06.2020. While the Notification makes reference to various legal provisions, the Press Release has used lucid language which on plain reading, could be understood comfortably without making reference to the legal provisions. The press release reads as under :

In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliance requirements across sectors due to the outbreak of Novel Corona Virus (COVID-19), the Government brought the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 [the Ordinance] on 31st March, 2020 which, inter alia, extended various time limits.

In order to provide further relief to the taxpayers for making various compliances, the Government has issued a Notification on 24th June, 2020, the salient features of which are as under:

- The time for filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) has been extended to 31st July, 2020.
- Due date for income tax return for the FY 2019-20 (AY 2020-21) has been extended to 30th November, 2020. Hence, the returns of income which are required to be filed by 31st July, 2020 and 31st October, 2020 can be filed up to 30th November, 2020. Consequently, the date for furnishing tax audit report has also been extended to 31st October, 2020.
- In order to provide relief to small and middle class taxpayers, the date for payment of self-assessment tax in the case of a taxpayer whose self-assessment tax liability is up to Rs. 1 lakh has also been extended to 30th November, 2020. However, it is clarified that there will be no extension of date for the payment of self-assessment tax for the taxpayers having self-assessment tax liability exceeding Rs. 1 lakh. In this case, the whole of the self-assessment tax shall be payable by the due dates specified in the Income-tax Act,

1961 and delayed payment would attract interest under section 234A of the Income-tax Act, 1961.

- The date for making various investment/ payment for claiming deduction under Chapter-VIA-B of the IT Act which includes section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations) etc. has also been further extended to 31st July, 2020. Hence the investment / payment can be made up to 31st July, 2020 for claiming the deduction under these sections for FY 2019-20.
- The date for making investment / construction / purchase for claiming roll over benefit / deduction in respect of capital gains under sections 54 to 54GB of the IT Act has also been further extended to 30th September, 2020. Therefore, the investment / construction / purchase made up to 30th September, 2020 shall be eligible for claiming deduction from capital gains.
- The date for commencement of operation for the SEZ units for claiming deduction under section 10AA of the Act has also been further extended to 30th September, 2020 for the units which received necessary approval by 31st March, 2020.
- The furnishing of the TDS / TCS statements and issuance of TDS / TCS certificates being the prerequisite for enabling the taxpayers to prepare their return of income for FY 2019-20, the date for furnishing of TDS / TCS statements and issuance of TDS / TCS certificates pertaining to the FY 2019-20 has been extended to 31st July, 2020 and 15th August, 2020 respectively.
- The date for passing of order or issuance of notice by the authorities and various compliances under various Direct Taxes & Benami Laws which are required to be passed / issued / made by 31st December, 2020 has been extended to 31st March, 2021. Consequently, the date for linking of Aadhaar with PAN would also be extended to 31st March, 2021.
- The reduced rate of interest of 9% for delayed payments of taxes, levies etc. specified in the Ordinance shall not be applicable for the payments made after 30th June, 2020.



- The Finance Minister has already announced extension of date for making payment without additional amount under the “Vivad Se Vishwas” Scheme to 31st December 2020, necessary legislative amendments for which shall be moved in due course of time. The said Notification has extended the date for the completion or compliance of the actions which are required to be completed under the Scheme by 30th December, 2020 to 31st December, 2020. Therefore, the date of furnishing of declaration, passing of order etc under the Scheme stand extended to 31st December, 2020.
 - Deferment of the implementation of new procedure for approval/ registration/ notification of certain entities u/s 10(23C), 12AA, 35 and 80G of the IT Act has already been announced vide Press Release dated 8th May, 2020 from 1st June, 2020 to 1st October, 2020. It is clarified that the old procedure i.e. pre-amended procedure shall continue to apply during the period from 1st June, 2020 to 30th September, 2020. Necessary legislative amendments in this regard shall be moved in due course of time.
 - The Finance Minister has already announced reduced rate of TDS for specified non-salaried payments to residents and specified TCS rates by 25% for the period from 14th May, 2020 to 31st March, 2021. The announcement was also followed by the Press Release dated 13th May, 2020. The necessary legislative amendments in this regard shall be moved in due course of time.
- 2. Reassessment when there is no material to justify escapement of income:** In *Asianet Star Communications (P) Ltd v. Asstt. CIT (2020) 422 ITR 47 (Mad)* the assessee discharged its initial burden by making a full and true disclosure of all material facts necessary for assessment. When the assessee had discharged its onus, all the acts of the Assessing Officer would be presumed to have been properly and regularly performed and executed even though there is no discussion in this regard in the assessment order. When reassessment is sought to be made after 4 years from the end of the relevant assessment year, there must be failure on the part of the assessee to make a full and true disclosure of all material facts. Unless there is new material which comes to the notice of the tax authorities, reassessment based on the existing materials or reassessment on the basis of the objection of audit party was held as not tenable.
- 3. New claims in the return furnished under section 153A:** In *Principal CIT v. JSW Steel Ltd (2020) 422 ITR 71 (Bom)* it was held that section 153A starts with a non obstante clause. It is applicable in spite of anything contrary contained in sections 147, 148 and 149. Section 153A(1) provides for issuing notice on a person in respect of whom search was conducted under section 132 for the purpose of furnishing return of income post-search. The second proviso to section 153A says that all assessments and reassessments pending on the date of initiation of search under section 132 or making of requisition under section 132A shall abate. Therefore, the assessing authority cannot proceed with such pending assessments after initiation of search under section 132. The crucial expression is ‘abate’ which means “to cease, to terminate or come to an end prematurely”. When the assessment abates, the original return filed earlier loses its originality and the subsequent return filed under section 153A would take its place. Thus the return filed under section 153A would be construed to be the one filed under section 139(1) and accordingly all the provisions of the Act would apply. All legitimate claims which were not claimed in the earlier return could be claimed in the return filed under section 153A.
- 4. ITATs power to recall order and time limitation:** In *Golden Times Services (P) Ltd v. Dy. CIT (2020) 422 ITR 102 (Del)* the appellate tribunal dismissed the appeal vide order dated 18.10.2016 as the assessee had not appeared before it in spite of communication from the tribunal on two occasions. The assessee came to know of the dismissal of its appeal on 08.02.2018. The assessee filed an application for recall of order on 08.3.2018 with reasons for non-appearance and explanation that the absence from appearance before the tribunal was beyond its control. The appellate tribunal dismissed the recall application vide order dated 30.08.2019 on the ground that the application is barred by limitation under section 254(2). It was held that the Appellate Tribunal considered the date of order as the starting point for computing the time limitation and not the date of receipt of order which according to the assessee was 08.02.2018, the date wherefrom it gained knowledge of such order passed by the tribunal. The Court took note of the Finance Act, 2016 which extended the time under section 254(2) by substituting the words “four years from the date of the order” for “six months from the end of the month in which the order was passed”. The court accordingly held that the



date of communication or knowledge, actual or constructive, of the order sought to be rectified or amended under section 254(2) of the Act becomes critical and determinative for the commencement of the period of limitation. The tribunal failed to delve into the question whether the affected party, either actually or constructively, was in knowledge of the order passed by it. It accordingly quashed the order of the tribunal and remanded the matter to the tribunal with a direction that they shall hear and dispose of the case on merits.

164 (Guj) the court drew a distinction between discharge of corporate social responsibility under statutory obligation under section 135 of the Companies Act, 2013 and expenditure incurred by way of voluntary assumption of responsibility. Explanation 2 to section 37(1) comes in to effect from 1st April, 2015 and it does not cover voluntary assumption of social responsibility. Such expenditure is deductible notwithstanding Explanation 2 to section 37(1) which is meant to disallow expenditure incurred towards statutory discharge of social responsibility.

5. **Effect of DTAA on penalty provisions:** In *Toyoto Kirloskar Motor (P) Ltd v. Union of India (2020) 422 ITR 138 (Karn)* the issue before the court was whether penal provisions contained in the Income-tax Act, 1961 will apply when the assessee takes recourse to DTAA for determination of its income and tax thereon. The court held that the assessee would prefer DTAA when it is more advantageous to him. Where there is no provision in the DTAA, it is the domestic law that will govern the taxation of income. Penalty proceedings are distinct from assessment proceedings and are independent as well. Proceedings for imposition of penalty would not be curtailed or controlled unless there is a specific provision in the DTAA. Accordingly, it was held that in spite of applying DTAA provisions for computation of income, resultant tax and treaty benefits, the penalty proceedings as per the Income-tax Act, 1961 would apply unless there is some specific exemption or exception contained in DTAA.
6. **Cash credits of earlier year cannot be taxed under section 68:** In *Ivan Singh v. Asst.CIT&Anr (2020) 422 ITR 128 (Bom)* it was held that the expressions “any sum found credited in the books of an assessee maintained for **any previous year**” and “the sum may be charged to income tax as the income of the assessee of that previous year” would not mean “all previous years”. It referred to decisions such as *CIT v. BhaichandH.Gandhi (1983) 141 ITR 67 (Bom)*; *CIT v. Lakshman Swaroop Gupta & Bros (1975) 100 ITR 222 (Raj)* and *Bhor Industries Ltd v. CIT (1961) 42 ITR 57 (SC)*. It was accordingly held that the cash credits of previous year relevant to the assessment year in question could alone be taxed by invoking section 68 of the Act and cash credits of earlier years could not be taxed in the later year under section 68.
7. **Voluntary expenditure towards corporate social responsibility is deductible:** In *Principal CIT v. Gujarat Narmada Valley Fertilizer & Chemicals Ltd (2020) 422 ITR 164 (Guj)* the court drew a distinction between discharge of corporate social responsibility under statutory obligation under section 135 of the Companies Act, 2013 and expenditure incurred by way of voluntary assumption of responsibility. Explanation 2 to section 37(1) comes in to effect from 1st April, 2015 and it does not cover voluntary assumption of social responsibility. Such expenditure is deductible notwithstanding Explanation 2 to section 37(1) which is meant to disallow expenditure incurred towards statutory discharge of social responsibility.
8. **Circulars of CBDT and their validity on retrospective basis:** In *Vedanta Ltd v. Asst.CIT (2020) 422 ITR 262 (Mad)* the issue before the court was the validity of CBDT Circular No.9 of 2013 stating that there was an inadvertent error in Circular No.5 of 2010 about the applicability of section 144C inserted by the Finance (No.2) Act, 2009. The court held that the subsequent circular cannot take away the rights which enured to the parties in the year 2009 by way of clarification issued by the Board, three years after. The newly inserted provision became applicable w.e.f.1st October, 2009 and hence it is applicable from assessment year 2011-12 onwards and the subsequent circular cannot take away the benefits by retrospective application.
9. **Recovery of tax from directors after establishing that recovery cannot be made from the company:** In *Sonal Nimish Patel v. Asst.CIT (2020) 422 ITR 275 (Guj)* it was held that the Revenue can proceed against directors for recovery of tax only after establishing that recovery cannot be made from the company. It is only after that, the Revenue can reach the directors who were responsible for the conduct of the business during the previous year to which the liability relates.
10. **Award from Government for meritorious service is exempt even though there is no formal approval:** In *K. Vijaya Kumar v. Principal CIT (2020) 422 ITR 304 (Mad)*, it was held that award from Central or State Government for meritorious service is exempt from tax under section 10(17A) of the Act even though no formal approval was accorded for the award. It was held that there is no specification or prescription which has been set out in terms of how the approval is to be styled or even as to whether a formal written approval is required. Nowhere in the rules / forms is there a reference to the format of approval to be issued in this regard.



SEBI भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/CMD1/CIR/P/2020/106

June 24, 2020

To,

**All listed entities
All Recognized Stock Exchanges**

Madam / Sir,

Sub: Further extension of time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 due to the continuing impact of the CoVID-19 pandemic.

1. SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020, had extended the timeline for submission of financial results under regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**') to June 30, 2020 (extension of one month) due to the impact of the CoVID-19 pandemic.
2. SEBI has received representations from listed entities, Chartered Accountant firms, and industry bodies/associations seeking further extension of time for preparation, finalization and submission of financial results for listed entities for the quarter/half year/financial year ending 31st March 2020, due to many reasons, like the continuing lockdown, subsidiaries and associates situated in containment zones making the audit process challenging and other operational challenges due to the CoVID-19 pandemic.
3. After taking into consideration the aforementioned issues, it has been decided to further extend the timeline for submission of financial results under Regulation 33 of the LODR Regulations, by a month, to **July 31, 2020**, for the quarter and the year ending 31st March 2020. Similarly, the timeline under Regulation 52 of the LODR for submission of half yearly and/or annual financial results for the period ending March 31, 2020 for entities that have listed NCDs, NCRPS', CPs, MDS' is also extended to **July 31, 2020**.
4. This Circular shall come into force with immediate effect. Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed entities and also disseminate on their websites.
5. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 33, 52 and 101 of the LODR Regulations.
6. This Circular is available at www.sebi.gov.in under the link "Legal →Circulars".

Yours faithfully,

Pradeep Ramakrishnan
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HEALTH CARE SERVICES- TAX IMPACT

Contributed by CA. Annapurna Kabra, Bengaluru

It is common belief that there is relaxation from taxation for the service rendered by the clinical establishments. Furthermore, the issue is whether full relaxations from taxes are provided for the services rendered by the health care services centre under the erstwhile law or under the GST law. The author in the following paragraphs analyse the impact of taxes on the composite activities rendered by the clinical establishments.

The health care services were brought within the ambit of service tax law and such services were exempted from service tax by way of notifications. Even under the GST regime, the health care services are exempted from tax by way of notification. There was no question of levy of VAT on health care services as VAT is levied only on sale of goods. If the hospitals sale any goods like medicine, food, etc then there is levy of VAT under the Erstwhile law.

The disputed issue is whether the medicines supplied, implants carried out, consumables used, and surgical tools exclusively used for inpatient during medical treatment are liable for VAT treating as sale of goods or should be treated as rendering of service. The Kerala High Court in case of M/s Sanjose Parish hospital Vs the State of Kerala 2019-VIL- 20- KER -LB-VAT held that it cannot be treated as sale of goods nor would the deeming provision under Article 366(29A) of the constitution taken in such services to differentiate the distinct elements comprised in one, inseparable, indivisible transactions. It basically state that drugs, implants and consumables administered or used in the course of medical treatment are out of definition of sale of goods and it is basically the integral or indivisible part of the composite transaction rendering medical treatment which is nothing but the rendering of service. The element of sale is an integral part of the medical service and cannot be separated or distinctly plucked away from the composite transactions to levy tax on sale element. Therefore, it is held that the levy of VAT is not competent and permissible because the sale is affected in the course of composite service and accordingly such activities should be treated as provision of service.

The Tamilnadu High Court in case of MIOT Hospitals Ltd Vs the State of Tamilnadu 2020-VIL-238-MAD-VAT dated 28.5.2020 held that implants like ortho implants, plates, stents, valves, pace makers, etc in the body of the patients for treatment by surgery and providing other ancillary services are taxed as works contract as per Tamilnadu VAT Act 2006. It was argued by the applicant that hospital/medical service cannot amount to works contract and Medical/Health service is not recognised as a sale or purchase under Article 366(29A) of the Constitution of India. It was argued that the dominant intention is the provision of medical/health service and not sale of goods. It is held by the Honourable Court that such activities are treated as 'Works Contract' under the State VAT law and it can include hospital/health/medical services involving composite contracts where there is not only a provision of service but also supply of goods along with such service. Therefore, it is held that there is levy of VAT treating such contract as works contract under the State VAT law.

The above contended issue under the erstwhile law was even raised before the GST Advance Ruling Authority. In the case of M/s Baby Memorial Hospital Limited 2019-VIL-419-AAR dated 05/09/2019 wherein it is held that the supply of artificial body parts/devices such as heart valve, artificial kidney, artificial joints and coronary stents etc which are implanted in the body essentially by means of a surgical procedure can be classified as a composite supply where the principle supply is of healthcare services and are exempted from GST. In the case of M/s Kim's Health care Management limited 2018-VIL-246-AAR dated 20.10.2018 wherein the supply of

medicines, consumables and implants used in the course of providing health care services to inpatients for diagnosis or treatment are naturally bundled and are provided in conjunction with each other would be considered as composite supply and eligible for exemption under the category health care services. In the case of M/s Royal Care Speciality Hospital Limited 2019-VIL-406-AAR dated 26.9.2019, wherein it is stated that supply of medicines, implants and consumables are naturally bundled with the supply of health services. In this case supply of health services is the principal supply as that is the reason the inpatients get admitted to the hospital instead of buying the medicines or consumables and using on themselves. Therefore, supply of medicines, consumables and implants to inpatient in the course of their treatment is composite supply of health services. In the case of Shifa Hospitals 2019 -VIL-409-AAR dated 23/09/2019 wherein the medicines, consumables and implants used in the course of providing health care services to inpatients by the applicants is a composite supply of inpatient services classifiable under SAC 999311. In the case of M/s CMC Vellore Association 2019-VIL-482-AAR dated 25/11/2019 the supply of medicines, drugs, stents, consumables and implants used in the course of providing health care services to inpatients admitted to the hospital for diagnosis or medical treatment or procedures is a composite supply of inpatient healthcare services.

Under the GST law, the services rendered by the clinical establishments are treated as composite supply wherein the principal supply is of healthcare services. Health care services means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

Therefore, Health care services provided by a clinical establishment, an authorised medical practitioner or paramedics are exempt (Entry 74 in Rate Notification 12/2017 dated 28.6.2017). The services provided by senior doctors/ consultants/ technicians hired by the hospitals, whether employees or not, are healthcare services which are exempt from GST. Food supplied to in-patients as advised by the doctor/nutritionists is a part of composite supply of healthcare and not separately taxable. Other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable. The supply of medicines and allied items provided by the hospital through the pharmacy to the outpatients is taxable. The supply of medicines and allied items provided by the hospital to the inpatients is part of composite supply of health care treatment and hence not separately taxable.

Therefore, the levy of GST/Service tax on composite health care services are exempted by way of Notification but the issue is with respect to levy of VAT on the goods used in provision of composite service. The decision of Tamilnadu High Court in case of MIOT Hospitals Ltd Vs the State of Tamilnadu 2020-VIL-238-MAD-VAT dated 28.5.2020 has stunned the Health care services sector treating such services as deemed sale (works contract) under the State VAT law. It is uncertain that whether there will be retrospective exemption from levy of VAT considering ST/GST exemptions or will the above verdict result into endless litigation on composite health care services.