



SIRC Newsletter

PRICE ₹5

AUGUST 2019 | Volume 45 • Part 2

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

Workshop on UAE VAT - 27th July 2019 at Dubai



SIRC Chairman CA. Jomon K. George addressing at the Dubai Chapter of ICAI. With Dubai Chapter Chairman CA. Mahmood Bangara, Secretray CA. Sundar Nurani, Executive Committee Members and Speakers of the Workshop on UAE VAT.

Inauguration of 70 Career Counselling Programmes - 19th July 2019 at Chennai



Hon'ble Thiru K.A. Sengottaiyan, Minister for School Education, Govt. of Tamil Nadu inaugurating the programme in the presence of Hon'ble Thiru D. Jayakumar, Minister for Fisheries and Personnel and Administrative Reforms, Govt. of Tamil Nadu, Dr. R. Nataraj, MLA, Govt. of Tamil Nadu. SIRC Secretary CA. K. Jalapathi, Treasurer CA. B.E. Pampanna, SICASA Chairperson CA. Revathi S. Raghunathan and others are also seen.

Women Empowerment Programme-2nd July 2019



Group Photograph of the Dignitaries and Delegates of Women Empowerment Programme held on 2nd July 2019 as part of CA Week Celebrations



Dear Professional Colleagues,

Greetings from SIRC of ICAI. Hope you are gearing up for the audit season. Please make sure that UDIN is being used in all applicable cases. Also ensure that you are registered on the SSP (Self Service Portal) of ICAI to ensure your connect with the Institute.

Regional Chairmen Meet at New Delhi: On 12th July 2019 I had the privilege to represent SIRC at the Regional Chairmen Meet held at New Delhi. The occasion gave me an opportunity to interact yet again with our Hon'ble President CA. Prafulla P. Chhajed, President and Vice-President CA. CA. Atul Kumar Gupta on matters concerning the profession and SIRC. The occasion also enabled me to discuss with my counterparts of other Regions that gave me an insight of the functioning of the respective Regional Councils and matters of professional interest of the members in their Regions.

Self Service Portal (SSP) - Frequently Asked Questions (FAQs): As you are aware that ICAI has moved to a new platform which works on Self Service Mode on the Self Service Portal (SSP). The Digital Transformation Process Reengineering Group of ICAI has come out with Frequently Asked Questions and Videos. For further details please visit the link https://www.icai.org/new_post.html?post_id=15755

68th Annual General Meeting of SIRC of ICAI: The members of SIRC received the Annual Report and Accounts for the year 2018-19 at the 68th Annual General Meeting of SIRC of ICAI held on 20th July 2019 at Chennai. The meeting also provided an opportunity for the office-bearers to have the views of members on the professional front. SIRC thank all its members for enabling SIRC to discharge its regulatory provisions effectively and efficiently.

Union Budget 2019: As in the past SIRC had the Live Telecast, Panel Discussion and Clause by Clause Discussion on Union Budget.

SIRC and the Branches of SIRC also had other regular Meetings during the preceding month on varied subjects of professional interest. SIRC places on record the valuable support and contribution made by the learned resource persons of all the programmes held by SIRC and its Branches.

Regional Residential Course/Sub-Regional Conference: SIRC, having experienced very encouraging response from the members for the Residential Programmes, the latest being at Visakhapatnam, is organizing three more programmes during this month covering the State of Tamil Nadu, the details of which are given in this Newsletter, viz., at –

August 3 & 4, 2019: SIRC Residential Refresher Course at Courtallam hosted by Tirunelveli & Madurai Branches of SIRC of ICAI.

August 6 & 7, 2019: SIRC Regional Residential Course at Kanchipuram hosted by Kanchipuram District Branch of SIRC of ICAI.

August 10, 2019: Sub Regional Conference at Pondicherry, hosted by Pondicherry Branch of SIRC of ICAI

August 17, 2019: SIRC Sub-Regional Conference at Salem Hosted by Salem Branch of SIRC of ICAI.

SIRC invites members to join the deliberations of the above programmes.

Career Counselling for students to pursue CA Course: An indomitable task always brings with it challenges and satisfaction. When SIRC embarked on the task of organizing Career Counselling Programmes across the Region, the first of its dream came true last year when the Government of Tamil Nadu came forward to associate through a Memorandum of Understanding with ICAI to popularize the CA Course amongst the students in Government Schools in the State of Tamil Nadu to cover over 5000 schools and 50000 students. We have conducted numerous career counseling programmes since then across Tamil Nadu.

I am happy to share that in line with our avowed objective of taking it forward to other States in the Southern Region, the Government of Karnataka has associated with ICAI to offer career counselling to their students. Detailed modalities are being worked out and would be unveiled shortly.

To mark the 70th year of ICAI we have conducted Career Counselling in more than 70 schools assisted by 70 Counsellors and covering around 16000 students on a single day in different parts of Tamil Nadu, a history created in the annals of SIRC. SIRC conveys its thanks to the Government of Tamil Nadu and the Counsellors who have empanelled with SIRC to provide career counseling to the students and made these programmes a grand success.

We are also thankful to the Hon'ble Ministers Thiru K.A. Sengottayan, Minister for School Education, Govt. of Tamil Nadu, Thiru D. Jayakumar, Minister for Fisheries, Govt. of Tamil Nadu and Thiru R. Natraj, Member, Tamil Nadu Legislative Assembly for gracing the Career Counselling Programmes organized on 19th July 2019 at Chennai jointly by the Government of Tamil Nadu, ICAI and SIRC of ICAI.

Career Counselling Programmes for Accountancy, Commerce and Economics Post Graduate Teachers serving in Tamil Nadu Government and Government-aided Schools at 29 Districts in the State of Tamil Nadu were also held during CA Week. A total of 2500 teachers were attended.

These programmes were held successfully and were highly acclaimed and had given us fillip to bring the students of other States in the Region into the fold. SIRC is planning to hold more Career Counselling Programmes in the days to come.

Two Days National Conference on GST - 23rd and 24th August 2019 at Chennai: SIRC has been receiving encouraging response from the members for the ensuing National Conference on GST to be held on 23rd and 24th August 2019 at Kamarajar Arangam, Chennai which is organized under the aegis of Committee on Indirect Taxes & GST and hosted by SIRC of ICAI. The nucleus of the two day Conference revolves around the entire facets of Goods and Service Tax (GST). Here is an opportunity to hear the wisdom of expert resource persons on the subjects, the details of which are published in this issue of Newsletter as well.

Continued at Page no. 4



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



SIRC CALENDAR

AUGUST 2019 onwards...

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

Sl. No.	Date / Day / Time	Programme Topic / Speaker	Delegate Fee* (including GST)	CPE Credit
1	August 3, 2019 Saturday 10.00 a.m. to 05.30 p.m.	One Day Seminar on Digital Summit - ABCD of Technology...	1770	6
2	August 3 & 4, 2019 Saturday & Sunday	Drizzle 2019 - Residential Refresher Course at Courtallam Hosted by Tirunelveli and Madurai Branches of SIRC of ICAI		
3	August 6, 2019 Tuesday 05.30 p.m. – 08.30 p.m.	CPE meeting on Issues in Capital Gains under Income Tax CA. Venkat Narayan Vedantam	236	3
4	August 6 & 7, 2019 Tuesday & Wednesday	Regional Residential Course at Kanchipuram Hosted by: Kanchipuram District Branch of SIRC of ICAI (Details published in http://www.kanchiicai.org)		
5	August 9, 2019 Friday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Valuation-Needs, Opportunities and Challenges CA. Vishesh Unni Raghunathan	236	3
6	August 9 & 10, 2019 Friday & Saturday 10.00a.m. to 05.30 p.m.	Gyana Uthkarsha - Two Days AP State Level Conference Organised by Vijayawada Branch of SIRC of ICAI For complete details, please contact Vijayawada Branch of SIRC of ICAI		
7	August 10, 2019 Saturday 9.00a.m. to 12.00 Noon	Breakfast Meeting on Big Data and IFRS CA. Dilip Kumar Khabya and CA. Raja Kumar Chandrasekharan	236	3
8	August 10, 2019 Saturday 9.30 a.m. to 5.30 p.m.	Sub Regional Conference at Pondicherry - Hosted by Pondicherry Branch of SIRC of ICAI (Details at Page No. 5)		
9	August 14, 2019 Wednesday 05.30 p.m. - 08.30 p.m.	CPE Meeting on Do's and Don't's in Ind AS (Financial Instrument Standards) CA. Sanjeev Aditya	236	3
10	August 15, 2019 Thursday 8.00 a.m.	Independence Day Celebrations (Details at Page No. 7)		
11	August 17, 2019 Saturday	Sub-Regional Conference at Salem - Hosted by Salem Branch of SIRC of ICAI (Details at Page No. 6)		
12	August 20, 2019 Tuesday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Assessment of Trust & NPOs And Application Accumulation, Assessment& Taxation of NPOs	236	3
13	August 21, 2019 Wednesday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Corporate Social Responsibility CA. P. B. Sampath	236	3
14	August 23 & 24, 2019 Friday and Saturday 9.00 a.m. to 6.00 p.m.	Two Days National Conference on GST Organized by Committee on GST and Indirect Taxes of ICAI Hosted by SIRC of ICAI, All CPE Study Circles of SIRC of ICAI and All Study Circles for Members in Industry of CPAIB of ICAI in Chennai (Details at Page No. 8)		12
15	August 23, 2019 Friday 6.00 p.m. to 8.00 p.m.	Investor Awareness Programme (Details at Page No. 8)	No Delegate Fee	2
16	August 24 & 25, 2019 Saturday & Sunday 10.00 a.m. to 5.30 p.m.	Two Days Seminar on Corporate Audit Approach & Compliance Organised by SIRC of ICAI Hosted by Hyderabad Branch of SIRC of ICAI	1500	12
17	Sept. 3, 2019, Tuesday 05.30p.m. to 8.30p.m.	CA. N. C. Rajagopalan Memorial Lecture	No Delegate Fee	-
18	Sept. 4, 2019 Wednesday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Preparation of Financial Statements using MS-Excel CA. Deepak Kumar	236	3
19	Sept. 5, 2019 Thursday 05.30 p.m. – 08.30 p.m.	CPE Meeting on a) Audit Features in Tally b) MIS tool for Tally & Beyond CA. Vinod Kothari	236	3
20	Sept. 6, 2019 Friday 05.30 p.m. – 08.30 p.m.	CPE Meeting on RERA (Tamil Nadu) *Chief Guest: Thiru. K.Gnanadesikan, I.A.S. (Retd.) Chairperson, TNRERA* Being Confirmed	236	3
21	Sept. 13, 2019 Friday 6.00 p.m. to 8.00 p.m.	Investor Awareness Programme Shri V. Nagappan	No Delegate Fee	2
22	Sept. 14, 2019 Saturday 10.00 a.m. – 05.30 p.m.	One Day Seminar on Tax Audit	1770	6
23	Sept. 19, 2019 Thursday 05.30 p.m. – 08.30 p.m.	CPE Meeting on CA as Insolvency Professionals - Practical Issues	236	3
24	Sept. 20, 2019 Friday 05.30 p.m. – 08.30 p.m.	CPE Meeting on Audit of NBFCs - Role & Responsibilities of Auditors	236	3
25	October 11, 2019, Friday 06.00 p.m. – 08.00 p.m.	Investor Awareness programme on Demystifying Derivatives CA. Dungar Chand U.Jain	No Delegate Fee	2
26	October 18, 2019 Friday 6.00 p.m. to 8.00 p.m.	V. Sankar Aiyar Memorial Lecture on Fiscal Federalism in India and Pakistan by Dr. Y. V. Reddy, Former Governor of Reserve Bank of India		
27	November 29 & 30, 2019, Friday & Saturday	51st Regional Conference of SIRC of ICAI at Kochi. (Details will be hosted in www.sircicai.org)		



Chairman's Communique... Continues

As this Conference has high relevance both for members both in practice and industry, SIRC looks forward for more participation and heartily extends its warm welcome to all of you to be part of this significant and purposeful conference. SIRC also takes this opportunity to request you to disseminate this programme amongst your clients as well and encourage them to attend in large numbers.

Programmes of SIRC of ICAI: Besides the Residential programmes we have lined up many evening CPE Meetings on contemporary topics of professional interest, One Day Seminars, etc. The complete details are published in the Calendar of Events in this Newsletter which members may refer and participate to enhance their wisdom.

Lady R. Sivabhoam Memorial Lecture: Hon'ble Justice (Retd.) Prabha Sridevan delivered the Lady R. Sivabhogam Memorial Lecture on "Women Empowerment" organized jointly by SIRC of ICAI, Society of Auditors and D. Rangaswamy Academy for Fiscal Research on 23rd July 2019 at Chennai in honour and memory of CA. R. Sivabhogam, the First Women Member of the Institute and First Women Chairperson of SIRC for three consecutive terms from 1955 to 1958. On this occasion a book titled "Nightingales of the CA Profession" authored jointly by CA. R. Sivakumar and CA. V. Pattabhi Ram was released by the Hon'ble Justice (Retd.) Prabha Sridevan.

CA Students Talent Search: A laudable initiative taken by the Board of Studies of ICAI in the last two decades to showcase the talents of our students' fraternity, SIRC held a programme on 20th and 21st July 2019 at Chennai where enthusiastic students participated in the Elocution, Quiz, Nukkad Drama and Instrumental Music. SIRC congratulates the winners of the competitions and best wishes for other participants.

SIRC also request students of the branches to participate in large numbers in their concerned branches at the Branch Level Elocution and Quiz contests, enabling the winners of the same to attend the Regional Level Contests scheduled to be held on 16th and 17th August 2019.

Independence Day Celebrations: On the morning of 15th August 2019, the Indian National Flag will be hoisted at ICAI Bhawan, Chennai and at all the Branch Premises. It is an occasion to pay respects to our Nation; it is an occasion to recall the contributions made by the freedom fighters for achieving Independence; it is an occasion to rededicate ourselves for the welfare of our country; and it is also an occasion to show our solidarity and salutation to our great country. Please join on this memorable, momentous and joyous occasion to be held at the SIRC Headquarters at Chennai and at the Branch Premises in large numbers.

Prowess Database IQ at SIRC Library: SIRC has been serving the members and students with its library services and widely used by them over the years. We have equipped the library with around 20000 books and national and international journals on the accounting profession. We have facilities for students to read with capacity of 250 students to sit comfortably and an exclusive members' lounge with computers for access by members.

Recently we have added to our collection "Prowess Database – IQ" consisting of the financial performance of Indian companies. The database contains information on all listed companies and a larger set of unlisted companies. The database is built from the audited Annual Reports of companies and information submitted to the Ministry of Company Affairs; and in the case of listed companies, the database also includes company filings with stock exchanges and prices of securities listed on the major stock exchanges. The client server is developed and maintained by CMIE. Similarly, the Prowess database is also developed, maintained and updated by CMIE. Members can have access to this document. We invite all the members to make use of the database and be benefitted.

Certificate Courses: Certificate courses on various topics like Forex and Treasury Management, Arbitration, Mediation & Conciliation, Anti Money laundering Laws, Ind AS, Preparation of Appeals, Drafting of Deed & Documents and Representation before Appellate Authorities and Statutory Bodies, Insurance and Risk Management, Concurrent Audit of Banks, Forensic Accounting and Fraud Detection, Information Systems Audit, International Taxation, etc. are being conducted under the supervision of concerned committees. Members desirous of attending any of the said courses (a minimum of 30 delegates per certification course is required) may contact ICAI Chennai Office at balakrishnan@icai.in

All Roads Lead to Kochi for 51st SIRC Regional Conference: It is with great privilege and immense pleasure that I, on behalf of SIRC and on my own behalf, invite you all to the 51st Regional Conference to be held on 29th and 30th November 2019 at Kochi. It will be our endeavour to organize this annual event in a befitting way and your support, patronage is paramount to make the occasion fruitful, purposeful and knowledge-sharing.

I look forward to your participation in large numbers from across the Region. Please also inform your other colleagues in the profession to join with you to be part of this mega conference. The detailed programme structure would be shared through our SIRC Website and other modes of communication.

This SIRC Conference is being hosted by Ernakulam Branch of SIRC and the Chairmen and the Members of the Branch are looking forward to play host during your presence and make your stay an enjoyable and memorable one with their warm hospitality to make you feel "at home". The details of the programme would be published in the forthcoming issues of the Newsletter and also hosted in SIRC Website

Extension of "due date" for filing of Income Tax Returns: The Central Board of Direct Taxes (CBDT) had extended the "due date" for filing of Income Tax Returns from 31st July 2019 to 31st August 2019 in respect of certain categories of tax payers who were liable to file their Returns by 31st July 2019. Notwithstanding the extension, I am sure that most of our members would have completed the assignment by this time for concentrating on their ongoing and forthcoming professional assignments. As members of this elite



profession we have always been conscious of the compliance procedures set and framed by the regulatory authorities and let us continue to serve our clients and other stakeholders with aplomb and keep our profession in high esteem.

Books for Sales at SIRC at 20% Discounted Rate: In view of introduction of Online Centralized Distribution System for Institute's publication and Closure of Sales Counters at Branch level and Regional level, SIRC of ICAI is planning to sell the Institutes publications for Members and Students at a 20% Discount. The list of available publications have been hosted in the SIRC website.

Group on MEF issues: SIRC has constituted a group to analyze and represent issues relating to MEF with specific reference to the allotment of Bank Branch Audit.

Congratulations and Best Wishes from SIRC: SIRC congratulates the successful candidates in the CPT Examinations and wish them all the best in their pursuit to become Chartered Accountants.

The results of the Intermediate and Final Examinations are due to be released shortly and SIRC wish the students all the best.

"Please feel free to reach me at sircchairman@icai.in or on 98470 31343".

Yours in the Service of the Profession

CA. Jomon K. George
Chairman, SIRC of ICAI

SIRC Congratulates CA. G. Sekar



CA. G. Sekar, Cental Council Member-ICAI on being appointed as Non-Official Independent Member (Part Time) on the Board of Airports Authority of India, by Ministry of Civil Aviation, Government of India for a period of three years.



Mr. K. Arumugam, had joined the services of the Institute as LDC on 21.12.1983. After 5 years of service he was promoted as UDC on 21.12.1988. He has served the Institute for 36 years. He retires as Assistant Secretary - Head of Articles Section on 31.7.2019.

SIRC wishes him a happy retired life.



Dr. P. T. Giridharan, had joined the services of the Institute as Deputy Director on 26.10.1995. He has completed 23 Years 8 Months and 4 days of service in the Institute. Dr. P. T. Giridharan was superannuated from the post of Additional Director and Head, Chennai Office of ICAI on 30.06.2019.

SIRC wishes him a happy retired life

Sub Regional Conference at Pondicherry

Hosted by Pondicherry Branch of SIRC of ICAI

CPE Credit:
6 Hours

Saturday, 10th August 2019, 9.00 a.m. to 5.30 p.m.
Venue: Onyx Hall, Shenbaga Hotel and Convention Centre,
432, M.G. Road, Pondicherry – 605 001.

Chief Guest
Thiru V. Narayanasamy
Hon'ble Chief Minister of Puducherry

Session	Topic	Speaker
Technical Session - 1	Issues in Survey, Undisclosed Income vis-à-vis Sec 68 & 69 and Penalty Provisions	CA. NAVEEN KHARIWAL.G Bangalore
Technical Session - 2	Compliance under Companies Act including Loans, Deposit, MSME, Accounting Standards and Common Mistakes in Reporting	CA. K. GURURAJ ACHARYA Bangalore
Technical Session - 3	Recent Changes in GST in Real Estate and Construction Sector	CA. GURJIT SINGH BHULLAR Delhi

Delegate Fee (Inclusive of GST)
Members : Rs.1500/-
Students : Rs.750/-
Non-Members : Rs.1750/-
Cheques / DD may be drawn in favour of Pondicherry Branch of SIRC of ICAI

Bank Details
Bank : Bank of Baroda;
Branch : Pondicherry;
IFSC Code : BARBOPONDIC
Account Name : Pondicherry Branch of SIRC of ICAI;
Account No. : 05640100041293

Conference Convenors		Conference Co-ordinator
CA. JOMON K. GEORGE Chairman, SIRC of ICAI	CA. K. JALAPATHI Secretary, SIRC of ICAI	CA. DUNGAR CHAND U. JAIN Vice Chairman, SIRC of ICAI
Conference Co-Convenors		
CA. MS RAVICHANDRAN Chairman, Pondicherry Branch	CA. PRABAGARAN E. V. Secretary, Pondicherry Branch	

**Self Service Portal (SSP)
Frequently Asked Questions (FAQs)**

- Applicant**
 - User Manual for "Login of Fresh Applicant Foundation of Direct Entry"
 - User Manual for "Application for Registration to Foundation Course - Discrepancy Cases"
- Students**
 - User Manual for "Fresh Login creation for Students Already Registered with ICAI" Watch Video **(NEW)**
 - User Manual for Profile Change/Update for ICAI Students
 - User Manual for Intermediate Application for CPT/Foundation Pass **(NEW)**
- Articles**
 - User Manual for Articles
- Members**
 - User Manual for "Fresh Login creation for Members Already Registered with ICAI" Watch Video **(NEW)**
 - User Manual for Profile Change/Update for ICAI Member
 - User Manual for Membership Fee Payment **(NEW)**
- Firms**
 - FAQ for Firms

For complete details please visit
https://www.icai.org/new_post.html?post_id=15755



Unanimously elected to FTCCI Board



CA. Naresh Chandra Gelli



CA. Ritesh Mittal

CA. Naresh Chandra Gelli and CA. Ritesh Mittal were unanimously elected to the board of Federation of Telangana Chambers of Commerce and Industry as its Managing Committee Members.

SIRC Congratulates both of them

Sub Regional Conference Vidial

Hosted by: Salem Branch Of SIRC Of ICAI

CPE Credit:
6 Hours

Saturday, 17th August 2019

Timing	Details	Topics
09.00 am	Registration	
	Inauguration	
	Welcome Address	CA. Saradha Ashok, Chairperson - Salem Branch of SIRC of ICAI"
09.30 am	Honouring	Hon'ble President & Central Council Members
	Special Address	CA. Jomon K George, Chairman - SIRC of ICAI
	Inaugural Address	CA. Prafulla P. Chhajed, Hon'ble President - ICAI
10.30 am	Coffee Break	
10.45 am	Technical Session - I Recent Amendments and Other Developments in GST	CA. Rohini Aggarwal, Delhi
12.45 pm	Lunch	
01.30 pm	Technical Session - II Implication of Sec 115BBE with ref to Sec 68, 69 & 69A to 69D viz a viz related penalty provisions	CA. Kapil Goel, Delhi
03.30 pm	Tea Break	
03.45 pm	Technical Session - III Case Studies on Code of Ethics for SMP alongwith revised Code of Ethics	CA. Ranjeet Kumar Agarwal, Kolkatta Chairman - Ethical Standards Board, ICAI
05.45 pm	Vote of Thanks	CA. Parkavi R, Secretary - Salem Branch of SIRC of ICAI

Delegate Fees for Members - Rs. 1,200/- (Including GST)
(For members having GST Registration, we request you to provide GST Number for issuing GST Invoice)

For Online Registration:

Name : Salem Branch of SIRC of ICAI
Account No. : 10764103672
IFS Code : SBIN0001970
Bank Name : State Bank of India

For Offline Registration:

Cheques / DDs may be drawn in favour of :
Salem Branch of SIRC of ICAI

CA. Saradha Ashok
Chairperson, Salem Branch
98941 11190

CA. Parkavi R
Secretary, Salem Branch
97511 55332

CA. A.V. Arun
Programme Co-ordinator
98427 12336

SIRC Congratulates CA. Chinnasamy Ganesan



CA. Chinnasamy Ganesan on being appointed as Non-Official Independent Director on the Board of Directors of RailTel Corporation of India Limited (RCIL) for a period of three years.

UPDATES

Scan QR Code & Read



Corporate Laws

Contributed by:
Dr. P.T. Giridharan

FEMA

Contributed by:
CA. G. Murali Krishna, Hyderabad
gmk@sbsandco.com



Karnataka State GST

Contributed by:
CA. Annapurna D. Kabra, Bengaluru
annapurna@dnsconsulting.net

Goods and Services Tax

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



Kerala VAT

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

Tamil Nadu VAT

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



AP VAT - GST updates

Contributed by:
CA. Ambati Chinna Gangaiah, Hyderabad
agcpower@icai.org

Income Tax updates

Supreme Court, High Court and Tribunal Judgements
CA. Ambati Chinna Gangaiah, Hyderabad
agcpower@icai.org



SEBI

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

The online link for UPDATES:

<http://www.sircoficai.org/Professional-Updates.aspx>

DISCLAIMER

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



PROWESS DATABASE - IQ

The Prowess database consists of the financial performance of Indian companies. The database contains information on all listed companies and a larger set of unlisted companies. The database is built from the audited Annual Reports of companies and information submitted to the Ministry of Company Affairs; and in the case of listed companies, the database also includes company filings with stock exchanges and prices of securities listed on the major stock exchanges.

The client server is developed and maintained by CMIE. Similarly, the Prowess database is also developed, maintained and updated by CMIE.

Prowess Database is now available in SIRC Library for members' use. We invite all the members to use the database.

SIRC of ICAI



Campus Placement Programme

Newly Qualified Chartered Accountants (NQCA's)

September- October, 2019

Campus Interview Schedule

Sr.No.	Centres	Dates
1	Mumbai & New Delhi	19 th , 20 th , 21 st , 23 rd , 24 th , 25 th , 26 th & 27 th September, 2019
2	Chennai	20 th , 21 st , 23 rd , 24 th , 25 th , 26 th & 27 th September, 2019
3	Kolkata	21 st , 23 rd , 24 th , 25 th , 26 th , 27 th & 28 th September, 2019
4	Bengaluru	23 rd , 24 th , 25 th , 26 th , 27 th , 28 th & 29 th September, 2019
5	Ahmedabad, Hyderabad, Jaipur & Pune	25 th , 26 th , 27 th , 28 th & 30 th September, 2019
6	Durgapur & Ernakulam	22 nd October, 2019
7	Bhubaneswar, Chandigarh, Coimbatore, Indore & Kanpur	24 th & 25 th October, 2019
8	Thane & Noida	24 th & 25 th October, 2019

For details, please visit: <https://cmib.icai.org/>

Organised By:

Committee for Members in Industry & Business (CMI&B)

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

'ICAI BHAWAN', Post Box No.: 7100, Indraprastha Marg,

New Delhi - 110002

Tel. No.: (011) 30110450/548/549/555

E-mail: campus@icai.in



Announcement for the Members

Requirement of Mentioning UDIN while Signing Audit Reports

1. The members may be aware that "Unique Document Identification Number (UDIN)" has been made mandatory as per the Council decision taken at its 379th meeting held on 17-18 December 2018 in the following phases:

- All Certification done by Practising CAs w.e.f. 1st February 2019.
- All GST & Tax Audit Reports w.e.f. 1st April 2019.
- All other attest functions w.e.f. 1st July 2019.

In this regard, an Announcement dated 14th March 2019 has been hosted on ICAI's website at the following link: https://www.icai.org/new_post.html?post_id=15505

2. With a view to bring uniformity in the manner of signing audit reports by the members of ICAI, it has been decided to require the members of ICAI to also mention the UDIN immediately after the ICAI's membership number while signing audit reports. This requirement will be in addition to other requirements relating to the auditor's signature prescribed in the relevant law or regulation and the Standards on Auditing.

3. This requirement has come into effect from 1st July 2019.

CA. G. Sekar
Chairman, Auditing and Assurance Standards Board

CA. Debashis Mitra
Vice-Chairman, Auditing and Assurance Standards Board

ASB INVITES COMMENTS ON THE EXPOSURE DRAFT

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Introduction

In this Exposure Draft, the International Accounting Standards Board (Board) proposes to amend IAS 12 Income Taxes. The proposed amendments would require an entity to recognise deferred tax on initial recognition of particular transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities. The proposed amendments would apply to particular transactions for which an entity recognises both an asset and a liability, such as leases and decommissioning obligations.

Invitation to comment

ASB invites comments on the Exposure Draft from the public. The downloadable version is available at: <https://resource.cdn.icai.org/55877asb45279.pdf>

How to comment

Comments should be submitted using one of the following methods, so as to be received not later than September 30, 2019.

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
3. Postal:	Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi 110 002
Further clarifications on this Exposure Draft may be sought by e-mail to asb@icai.in	

73rd INDEPENDENCE DAY CELEBRATIONS

Thursday, 15th August 2019 Time: 8.30 a.m.

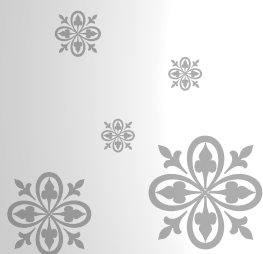
Venue: No.122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034

National Flag Hoisting

at the lawns of the Institute's Premises

by **CA. JOMON K. GEORGE**

Chairman, SIRC of ICAI





Two Days National Conference on GST

Organized By: Committee on GST and Indirect Taxes of ICAI
Hosted By: SIRC of ICAI, All CPE Study Circles of SIRC of ICAI and All Study Circles for Members in Industry of CPAIB of ICAI in Chennai

Date & Time	Venue	CPE Credit
23 rd and 24 th August 2019	Kamarajar Arangam, Anna Salai, Teynampet, Chennai – 600 006	12 Hours
DAY 1 – 23rd August 2019		
Timing	Topics	Speakers
08.30 am onwards	Registration	
09.00 am – 10.00 am	Inaugural Session	
10.00 am – 11.30 am	Tax Regulators Experiences and Expectations	Mr. J. M. Kennedy, IRS Commissioner of GST, Tiruchirapalli
11.30 am – 12.00 Noon	Networking Tea	
12.00 Noon – 01.30 pm	Exports, SEZ and Related Refunds	CA. S. Venkataramani, Bengaluru
01.30 pm – 02.30 pm	Lunch Break	
02.30 pm – 04.00 pm	Interest, Late Fee and Penalties	CA. Rajesh Saluja, New Delhi
04.00 pm – 04.30 pm	High Tea	
04.30 pm – 06.00 pm	GST – An International Perspective - VAT in UAE	CA. (Dr). Elavarasan, Dubai
8.00 PM - Dinner		
DAY 2 – 24th August 2019		
Timing	Topics	Speakers
09.45 am - 11.15 am	Possible Areas of Litigation and Probable Solution	Adv. N. Venkataraman, Senior Advocate, Supreme Court of India
11.15 am – 11.45 am	Networking Tea	
11.45 am - 01.15 pm	Charities, NGO, NPO and GST	CA. Rajendra Kumar P. Chennai
01.15 pm – 02.15 pm	Lunch Break	
02.15 pm – 03.45 pm	Place of Supply – Practical Issues	CA. A R Krishnan, Mumbai
03.45 pm – 04.15 pm	High Tea	
04.15 pm – 05.45 pm	ITC – the Foundation of GST	CA. Manish Gadia, Mumbai

Limited Seats, registration will be on first come-first serve basis.
For Registration, please click <https://www.sircofical.org/CPEDetailsnew.aspx?id=773>

Delegate Fees (Including 18% GST)	Members of Chennai based CPE Study Circles	Rs. 2950/-
	Other Members of the ICAI	Rs. 3540/-
	Non Members	Rs. 4720/-

Offline Registration and Group Registration are available at the Office of SIRC of ICAI, First Floor, No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034. Phone: 044 30210320, 323, 362

CA. Sushil Kumar Goyal Chairman - Committee on GST and Indirect Taxes of ICAI Conference Chairman	CA. Rajendra Kumar P. Vice Chairman – Committee on GST and Indirect Taxes of ICAI Conference Director	CA. Sekar G. Central Council Member, ICAI Conference Co-Director	CA. Vijay Kumar M.P. Central Council Member, ICAI Conference Co-Director
CA. Jomon K George Chairman, SIRC of ICAI	CA. K Jalapathi Secretary, SIRC of ICAI	Conference Conveners CA. China Masthan Talakayala, Chairman, Committee on GST and Indirect Taxes of SIRC of ICAI CA. Abhishek Murali, CA. Revathi S. Raghunathan & CA. R Sundararajan Members – SIRC of ICAI, Conveners of All CPE Study Circles of SIRC of ICAI and All Study Circles for Members in Industry of CPAIB of ICAI in Chennai	

Investors Awareness Programme

Date & Time	Venue	CPE Credit
23.08.2018 6PM-8 PM	Kamarajar Arangam, Teynampet, Chennai	2 Hours of CPE Credit
	Strategies for Personal Financial Planning for Present and Future –Investors Awareness Programme	NO DELEGATE FEE

Under the auspices of Investors Education and Protection Fund of Ministry of Corporate Affairs, Government of India
Conducted by Committee on Financial Markets and Investors Protection of ICAI and Hosted by SIRC of ICAI and All CPE Study Circles of SIRC of ICAI and All Study Circles for Members in Industry of CPAIB of ICAI in Chennai

Nationally renowned experts would address the delegates on topics of contemporary relevance focusing on Personal Financial Planning for Present and Future



Two Days National Conference on GST

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Hosted By: SIRC of ICAI, All CPE Study Circles of SIRC of ICAI and All Study Circles for Members in Industry of CPAIB of ICAI in Chennai

Sponsorship Avenues

Our endeavour is to bring to your notice that a most prestigious event is taking place in Chennai. A Conglomeration of around 2000 eminent Chartered Accountants from across India, will definitely be the choice of any dynamic company to showcase the products and services and enhancing its brand value. It is a great opportunity to be part of this conference to gain the maximum mileage. The company can select from the choices of becoming sponsors, participating in exhibition stalls, contributing to delegate kit, releasing reference materials and publishing advertisement in souvenir. Complete details of various options are mentioned herewith.

Exhibition Stalls at the Venue		Advertising Opportunities in Souvenir	
Pavilion Stall - 3'x6'	1 Lakh	Back Cover - Colour	1.5 Lakhs
Premium Stall- 3'x4'	50,000	Inside Cover - Colour-Front	75,000
Regular Stall - 3'x3'	25,000	Inside Cover - Colour-Back	50,000
Delegate Kit-	5 Lakhs	Inside Pager - Colour	25,000

Sl.	Privileges offered to Sponsors	Event Sponsors	Joint Event	Platinum
1.	Logo on Backdrop of Main Stage	Yes	Yes	Yes
2.	Exhibition stall at the Venue	Pavilion	Pavilion	Premium
3.	Full page advertisement in the souvenir	2 Full Page-Multicolor	2 Full Page- Multicolor	1 Full Page-Multicolor
4.	Banner advertisement as per below details: • Banners in Conference Hall • Banners outside the Conference Hall (within the venue)	4 4	2 2	1 1
5.	Complimentary registration of Delegates for the Conference	20 Delegates	15 Delegates	10 Delegates
6.	Branding/Products video of up to 5 minutes (running time) during break	Yes	Yes	Yes
7.	Presentation of the company & its products during conference	15 Minutes	10 Minutes	No
8.	Insert Literature in all conference participants kits	1	1	1
9.	Conference brochures to delegates acknowledges your name if finalized	Yes	Yes	No
10.	Acknowledgement in press meet/press releases, if any	Yes	Yes	No
11.	Announcements through MC	Twice on each day	Twice on each day	Once on each day
12.	Recognition on Stage through Guest	Yes	Yes	Yes
	Sponsorship Amount	15 Lakhs	10 Lakhs	5 Lakhs

For further details and sponsorship,
Please contact Office of SIRC of ICAI, First Floor,
No. 122, Mahatma Gandhi Road, Nungambakkam,
Chennai - 600 034. Phone: 044 30210320, 323, 362

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Mr. A. Rahman Ali
Sr. Executive Officer
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Resource Persons of CPE Meetings - July 2019



Shri V. Nagappan



CA. T. Banusekar



CA. Sivakumar G



Adv. K. Vaitheeswaran



CA. V. Prasanna Krishnan



CA. A. K. Narayan



CA. Rahul Jain



CA. Ganesh Prabhu



Adv. Avinash Krishnan R



Adv. Pawan Jabak



CA. A.P. Srinath



CA. T. V. Muthu Abirami



CA. Harini Sridharan



Two Days Seminar on Corporate Audit Approach & Compliance

Organised by: SIRC of ICAI

CPE Credit
12 Hours

Hosted by: Hyderabad Branch of SIRC of ICAI

Date: 24th & 25th August, 2019

Venue: K.L.N Prasad Auditorium FTCCI, Hyderabad

First Day - 24th August, 2019

Timing of Sessions	Session Details	Speakers Details
9:30 AM - 10:00 AM	Registration	
Technical Session - I		
10.00 AM - 11.30 AM	Special Consideration in Company Audit	CA. Jomon K George Chairman, SIRC of ICAI
11.30 AM - 11.45 AM	Tea Break	
Technical Session - II		
11.45 AM - 01.15 PM	Forensic Vs Audit - Experience of Forensic on IBC/NPA Bank/its impact on Statutory Audit	CA. Sarath Kumar P.
01:15 PM - 02:00 PM	Lunch Break	
Technical Session - III		
02.00 PM - 03.30 PM	TR/QR/PR Experience and Level of Compliance in SA/ AS. Common Deviations observed in TR/QR/PR in SA/AS Precautions	CA. Ganesh Balakrishnan
03.30 PM - 03.45 PM	Tea Break	
Technical Session - IV		
03.45 PM - 05.30 PM	Leveraging NFRA for a Symbolic Relationship with ICAI	CA. M. P. Vijay kumar Central Council Member, ICAI

Programme Directors

CA. Dayaniwas Sharma Central Council Member, ICAI	CA. Jomon K George Chairman, SIRC	CA. Jalapathi K. Secretary, SIRC
Programme Co-Directors		
CA. Chengal Reddy . R Regional Council Member	CA. China Masthan Talakayala Regional Council Member	CA. Naresh Chandra Gelli Regional Council Member

Second Day - 25th August, 2019

Timing of Sessions	Session Details	Speakers Details
Technical Session - I		
10.00 AM - 11.30 AM	Reporting Standards (New & Amended) SA 700,701,705 & 706	CA. Vijay Totapally
11.30 AM - 11.45 AM	Tea Break	
Technical Session - II		
11.45 AM - 01.15 PM	Fair Valuation -IND AS	CA. Chinnasamy Ganesan
01:15 PM - 02:00 PM	Lunch Break	
Technical Session - III		
02.00 PM - 03.30 PM	Recent Changes/ Modifications for Compliances Filing Notified Under Companies ACT 2013.Tagging of Information and E- Compliant	Dr. P. T. Girdharan
03.30 PM - 03.45 PM	Tea Break	
Technical Session - IV		
03.45 PM - 04.30 PM	CA Office in the Modern Cloud- Practical Approach & Practical Experiences	CA. Guru Prasad
Technical Session - V		
4.30 PM - 6.00 PM	IFC/ Risk Based Internal Auditing	CA. Premnath D

Programme Convenors - Hyderabad Branch of SIRC of ICAI

CA. Bhanu Narayan Rao Y.V Chairman	CA. Pankaj Kumar Trivedi Vice- Chairman	CA. Machar Rao Meenavalli Secretary
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Delegate Fee (Including GST)

Member : Rs 1500/-
Non-Member Rs 1800/-

For Registration Contact :

Hyderabad Branch of SIRC of ICAI, Phone No. 040-29707026,29700925, E-mail: hyderabad@icai.org
Payable in Cash or Cheque/DD drawn in favour of Hyderabad Branch of SIRC of ICAI. Also through online : www.hydciai.org

As per instruction of CPE Admin, CPE Hours credit will be given after uploading of attendance sheets by Branch and cross verification of signatures by ICAI HO

One Day Seminar on GST Annual Returns and Audit-23rd July 2019



CA. J. Murali



CA. V. Sankara Narayanan



CA. Shaik Abdul Samad Ahmed



CA. H. Saradha

Women Empowerment Programme-2nd July 2019



CA. Parvathi Anush



CA. Renuka Murali



CA. Revathi S. Ragnathan



CA. H. Saradha



CA. K. Sripriya



CA. S. Aneetha

Glimpses of CA Day Celebrations - 1st July 2019

Walkathon with "Go Green" concept



Members and Students wearing ICAI Logo printed T-shirt walking round the Haddows Road & Sterling Road, Nungambakkam, Chennai. Memento is being presented to Dr. R. Nataraj, MLA and Retired DGP for being the Chief Guest for the Walkathon.



Garlanding First President of ICAI



Garlanding the Statue of CA. G.P. Kapadia, First President of ICAI

Special Motivational Session for CA Students



"How to approach CA Examination" by CA. P.S. Prabhakar . He was presented with a memento by SIRC Chairman CA. Jomon K. George. SICASA Chairperson CA. Revathi S. Raghunathan and RCM Dr. CA. Abhishek Murali looks on.



ICAI Flag Hoisting



SIRC Chairman with RCMs, Members, Students and Staffs of ICAI during the Institute's flag hoisting

Blood Donation Camp



Blood Donation Camp was organized by SIRC in association with Government Children's Hospital, Egmore, Chennai. SIRC Chairman along with Past President ICAI CA. R. Bupathy and RCM CA. R. Sundararajan. Doctors, Nurses and Support staffs are being given memento by SIRC Chairman



Planting and Distribution of Saplings



Planting of saplings in the institute premises and distribution of saplings to Members, Students and others as part of Go Green Mission

Swachh Bharat Abhiyan



Cleaning the streets of Dr. Thirumurthy Nagar (Opposite to ICAI Institute) as part of Clean India Mission

Games for Members, Spouses and Children



Games like Lemon & Spoon, Rubik's cube, Clay Modelling, Memory Game, Book Balancing, etc. were organised for Members, Spouses and Children.



Honouring Senior Members and Distribution of Prizes to Winners of Games



SIRC Chairman CA. Jomon K. George along with CA. P.B. Santhanakrishnan, Past Regional Council Member-SIRC, SICASA Chairperson CA. Revathi S. Raghunathan and RCM Dr. CA. Abhishek Murali honouring Senior Members of the Profession and distributing prizes to winners of games.

Lady Sivabhogam Memorial Lecture and Book Release function – 23rd July 2019



Chief Guest Hon'ble Justice Smt. Prabha Sridevan, Retired Judge, Madras High Court along with SIRC Chairman CA. Jomon K. George, Authors of the book "Nightingales of the CA Profession"-CA. R. Sivakumar and CA.V. Pattabiram, Members of the Society of Auditors and D. Rangaswamy Academy for Fiscal Research and Family Members

Branch Level Elocution and Quiz Contest – 20th July 2019



SIRC Chairman CA. Jomon K. George, Vice Chairman CA. Dungar Chand U Jain, Secretary CA. K. Jalapathi, Treasurer CA. Pampanna B.E., SICASA Chairperson CA. Revathi S. Raghunathan and RCM CA. Geetha A.B. along with the winners of the Branch level elocution contest Ms. M.A Lalitha Lakshmi (SR00666328) and Mr. Hrithik Lodha (SR00630412), Judges and SICASA members

70 Career Counselling Programmes - 19th July 2019 at Chennai



650 students attended the Mass Career Counselling Programme at Rosary Matriculation School, Chennai

AP VAT / GST Update

Ambati Chinna Gangaiah

Supreme Court

1	Asst Commissioner (CT) Vs Nokia India Sales	Special Leave to Appeal Civil 24273-74/16 dt 13.2.2017 (Review Petition dismissed by SC in 1656-1657/19 dt 23.7.19)	SLP dismissed – Madras HC in WA No. 1118/2015 and WA No. 1119/2015 dt 12.4.16 specified “.....67. Therefore, when we look at the interplay between Section 12(1) of the Tamil Nadu VAT Act, 2006 and Section 12(1) of the Tamil Nadu SEZ Act, 2005, it could be seen easily that the former seeks to cover activities, while the latter seeks to cover the actors. A developer or entrepreneur enjoys exemption from levy of all taxes listed under Clauses (a) to (h) of Sub-section (1) of Section 12 of TNSEZ Act, 2005, because of being located in a SEZ and because of being a developer or entrepreneur within the meaning of the said Act. A dealer located in a SEZ and selling goods to another dealer, does not enjoy the benefit of non payment of tax on the sale price of his goods, merely because of any circumstances under which the activity of selling takes place. He enjoys such a benefit because of being a developer or entrepreneur in a SEZ. 68. Therefore, at the outset, Section 12(1) of the TNVAT Act, 2006 is not intended to cover developers and entrepreneurs located in Special Economic Zones. In any event, Clause (a) of Sub-section (1) of Section 12 of TNSEZ Act, 2005 exempted a developer or entrepreneur from the levy of taxes both on the sale as well as the purchase of goods, under the Tamil Nadu General Sales Tax Act, 1959. Therefore, we are unable to sustain the objections of the learned Advocate General.....”
2	State of MP Vs Lafarge Dealers Association	5302/19 dt 9.7.19	We would observe that it will be open to the private parties/assessee to challenge the adjudication orders in accordance with law and if required, by filing application under Section 14 of the Limitation Act, 1963, or other applicable provisions of the state enactments for exclusion of time during which the proceedings have remained pending before the High Court and this Court. In such cases, it would be appropriate for the authorities to exclude such time period as we are overruling the ratio laid down in paragraphs 29 and 30 in Swarn Rekha Cokes and Coals Pvt. Ltd.
3	S.E. Graphites Private Limited Vs State of Telangana	AC 7574/14 dt 10.7.19	16. Reverting to the factual position in the appeals under consideration, admittedly, the appellant assessee had deposited the specified tax dues before the date on which appeal preferred by them was taken up for consideration for the first time for admission on merits. In such a situation, the stated proviso becomes unavailable to reject the appeal on the ground of institutional defect. In this view of the matter, all these appeals must succeed. 17. While parting, we may observe that taking advantage of the interpretation given by us, it is possible that some unscrupulous litigant (assessee) may file an appeal within the limitation period but keep it under defect so that the same does not proceed for consideration before the Appellate Authority. To obviate such a mischief, we hold and direct that the Appellate Authority shall be obliged to take up every singular appeal for consideration for admission on merits and/or for consideration of delay in filing the appeal for first time, no later than thirty days from the date of its filing, institution or presentation in the office of the Appellate Authority. This direction shall be complied with by all concerned meticulously, without any exception. This is the only way to secure the interests of the Revenue and at the same time to effectuate the purpose underlying the proviso regarding the deposit of specified amount of tax dues.

High Court

1	Shanthakoti Enterprises v. State of Karnataka	STRP 192/15 dt 6.7.18	(Upheld Tribunal Judgment in STA 1160-71/12 dt 28.7.14) Business of extraction of rough granite blocks from quarries and sales thereof – Estimation of suppressed turnover based on information supplied by Mining Department – valid – Information from documents maintained
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			and compile by Mining Department cannot be said to be irrelevant evidence
2	Government of Karnataka Vs Gulbarga Electricity Supply	STRP 200001 /17 & 200013-15/18 dt 14.9.18	(Upheld Tribunal Judgment in STA 1434-37/12 dt 30.8.13) Electrical Meters installed at the premises of Customers by the licensee to the consumer are electric equipment which is for the distribution of electrical energy. If so same falls under Section 8(3)(b) of CST Act, which has been rightly used by the assessee to avail the concessional rate of tax.
3	Lakshmi Card Clothing Vs State of Tamil Nadu	WP 1592/19 dt 23.1.19 (Madras HC)	petitioner seeks for mandamus directing the respondents to issue "C" forms under the Central Sales Tax Act, 1956 to the petitioner for the purchase of High Speed Diesel from the suppliers in the other states.....respondents are directed to permit this petitioner to download 'C' form, as has been done in the past for the purpose of purchasing petroleum products against the issuance of 'C' declaration forms
4	Sri Krishna Traders vs. State of Gujarat	SCA 11017/19 dt 26.6.19 (Gujarat HC)	The vehicle bearing registration no.HR-55J-2914 as well as the goods, i.e. betel nuts, detained/seized under purported exercise of powers under Sections 129 and 130 of the GST Act shall be released immediately upon the writ-applicant depositing the amount of Rs.2,08,250=00 with the concerned department. The writ-applicant shall file an undertaking before this Court within a week from today to the effect that in case the writ-applicant ultimately does not succeed in the petition, he shall duly cooperate in the further proceedings.
5	Harsh Kumar Laxman Bhai & Co Vs Commissioner of Trade and Taxes New Delhi	WP(C) 9308/18 dt 3.7.19 (Delhi HC)	14. The Committee constituted by the CTT was only in aid of the above directions issued by this Court in the judgment dated 12th February, 2016. This was in the nature of a fact-finding exercise only to verify if the claims made by the Petitioners as regards the ownership of the goods in question were sustainable in law. The purpose of this Committee was not to make any assessment as claimed by the Petitioners. Therefore, the reference made by the Petitioners to Section 34 (2) of the DVAT Act in the above context is wholly misconceived. 15. Clearly, the goods cannot be released to the Petitioners unless they prove ownership of such goods. The directions issued by this Court in the judgment dated 12th February 2016 are clear. The DT&T was required to get to the bottom of the entire case and unearth the complete facts not only regarding the goods that were seized on 1st March 2014, but also with regard to the modus operandi deployed not only by the Petitioners but also in other similar instances. The Court had noted that this could not have and in fact was not a solitary instance where valuable goods in the form of gold and silver jewellery and even cash were being transported from one State to the other through road and rail without any proper checks either by the DT&T or the Police.
6	AAP And Co Vrs UOI	SCA 18962 of 18 dt 10.7.19	31. It would also be apposite to point out that the Notification No.10/2017 Central Tax dated 28th June 2017 which introduced mandatory filing of the return in Form GSTR-3B stated that it is a return in lieu of Form GSTR-3. However, the Government, on realising its mistake that the return in Form GSTR-3B is not intended to be in lieu of Form GSTR-3, rectified its mistake retrospectively vide Notification No.17/2017 Central Tax dated 27th July 2017 and omitted the reference to return in Form GSTR-3B being return in lieu of Form GSTR-3. 32. Thus, in view of the above, the impugned press release dated 18th October 2018 could be said to be illegal to the extent that its para-3 purports to clarify that the last date for availing input tax credit relating to the invoices issued during the period from July 2017 to March 2018 is the last date for the filing of return in Form GSTR-3B. 33. The said clarification could be said to be contrary to Section 16(4) of the CGST Act/GGST Act read with Section 39(1) of the CGST Act/GGST Act read with Rule 61 of the CGST Rules/GGST Rules.

CESTAT

1	TPL Developers Vs Commissioner of Central Excise	ST/20074/19 dt 15.2.19 (Bangalore Bench)	when the appellant availed the CENVAT credit on the input services, he was entitled to take the same and there was no provision in the CCR to reverse the same prior to 01.04.2016 and in the present case, the period covered is prior to the amendment in Rule 6(1) of CCR, 2004. Further, I find that the services provided by the appellant during the relevant period up to the date of obtaining the OC would not qualify as exempted services and therefore, the provisions of Rule 6 will not be applicable
2	Subway Systems India P Ltd Vs Commissioner of Service Tax	STA 50099 & 50101/16 dt 22-3-19	franchise service is not confined merely to the representational right to sale or manufacture goods or to provide the service but it extends to any process identified with franchiser with respect to the trade mark, service mark, trade name etc. The amount, in question, is the part of the weekly gross sales being given by the service recipient to the service provider mutually consenting for the same to be used for the process identified by SSIPL to advertise the subway brand/trade name. Hence, it is not simplicitor on advertising service, but is very much the part of the franchise service rather than by the appellant to the franchisees. Hence, definitely qualify for "for such service provided". From the above discussion, we are of the firm opinion that the amount of weekly gross sales @ 4.5% but for franchise advertisement fund is nothing but the part of gross value of the contract for providing the franchise service and, hence, was equally taxable as 8.5% of the said weekly gross sales is taxable.
3	Commissioner of Goods and Service Tax Vs Orange Business	ST/60579/18 dt 5.4.19 (Chandigarh Bench)	14. We further take note of the fact that the activity of the appellant is routine back office process outsourcings activities and are completely based on instructions/guidelines provided by ENSIL/AEs in this regard. The Revenue has not produced any evidence as to why providing of back office process outsourcing should be treated as intermediary. 15. In view of above discussion, we hold that the responder is not providing any intermediary service, therefore, no service tax is payable by the respondent.
4	National Health & Education Society Vs Commissioner of ST	STA 86822/16 dt 29.05.19 (Mumbai Bench)	Commissioner has dropped proceedings initiated for demand of service tax on use of hospital infrastructure facilities by the visiting doctors under 'Business Support Services', 'Health Check-ups and Treatment Services' under 'Business Auxiliary Services'. In view of above discussions and findings, we find no merit in the appeal filed by the department. Therefore, the department appeals are rejected.

National Anti Profiteering Authority

1	Shri Arjun Kumar Parwani Vs Signature Builders Pvt. Ltd	Case 45/2019 dt 28-06-19	It is clear from the above Section that there should either be reduction in the rate of tax or the benefit of ITC which is required to be passed on to the recipients by commensurate reduction in the price. Since there has been no reduction in the rate of tax or benefit of additional ITC to the Respondent the provisions of the above Section are not attracted in the present case and the allegation of profiteering is not established against the Respondent. 23. Based on the above facts it is established that the Respondent has not contravened the provisions of Section 171 (1) of the CGST Act, 2017 and we find no merit in the application filed by the above Applicants and the same is accordingly dismissed.
2	Sh. Rahul Sharma Mis Local Circles India Pvt. Ltd Vrs Mis H P India Sales Pvt. Ltd	Case 46/2019 dt 4-07-19	The provisions of Section 171 of the CGST Act, 2017 can be invoked only in cases where there was a reduction in the rate of tax or where the additional benefit of ITC was made available to the Respondent, that needed to be passed on to the recipients. Apparently in this case, the only allegation in that the benefit of rate reduction has not been passed on the above applicant by the respondent. However as per the facts mentioned above the allegation made by the applicant is not correct since there was no reduction in the rate of tax during the relevant period (between December 2018 to March 2019) on the

			alleged profiteering by the Respondent during the period January 'Computer Monitor of 19.5 inch'. We also find that the Applicant has
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			alleged profiteering by the Respondent during the period January 2019 whereas no such rate reduction has been affected on the said product after 22.07.2017. In view of the above discussion it has been found that the allegation of the Applicant No.1 is not sustainable. Hence it stands dismissed
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Addl Commissioners Order

1	Dr. Parimala Medical Agencies., Madanapalle	CCT's Ref.No.LII(2)/47/2018dt 08-07-19	There is sufficient force in the argument of the dealer. When excess claimed ITC is not utilized for the payment of arrears, payment of the output tax liability in the return and when it is not claimed/paid as refund, such excess claimed ITC cannot asked to be paid by the dealer. There is no sale of goods in the hands of the dealer in such claim
2	Manthena Satyanarayana Raju Charitable Trust	CCT's Ref. No.LII(2)/299/2016 dt 12.7.19	This is undoubtedly a composite transaction involving not only the supply of goods like diet of various kinds, including cooked food but also supply of services of admission, accommodation and consultancy with medical experts. This is not one of the fictional sales specified in Clause 29(A) of the Article 366 of the Constitution of India. Hence, we need to apply the dominant nature test to find out as to what is the dominant intention of the dealer and the patients, who approached it for the treatment of their diseases. It is a question of fact. It can't be said that an in-patient who is admitted in the hospital of the dealer approaches the dealer for the diet/therapeutic diet. The main intention of the in-patients of the dealer is to receive expert treatment for improving their health and curing their diseases. But, not to receive the diet supplied by the dealer. Thus, applying the test of dominant nature it cannot be said that these transactions constitute sales. During the process of treatment, diet is given to in-patients, which is incidental to the main activity of supply of medical service. Split up in the cash bills into 3 components is only by way of information to the patient and the same does not amount to agreement for the sale of diet items (47 APSTJ 193 STAT: A.P) The transaction of supplying the healthcare services which incidentally involves the supply of diet to the in-patients in its hospital is not a sale within the 7meaning of Section 2(28) of the Act. Under the provisions of Section 4 of the Act, only the transactions of sales (True and six fictional sales) are subjectable to tax. Not other composite transactions, as in the present case.
3	T.G.V Projects and Investments Pvt. Ltd,	CCT's Ref No.LII(2)/110/2016 dt 19.7.19	transactions of supply of food in the Hotel/Restaurant by the dealer are fictionally treated as sales, including therein even the service element of the said transactions. The decisions regarding the levy of VAT on the service tax component in the sale prices related to levy under Section 4(1) of Act are not applicable to the present controversy.

ADC Appeal Orders

1	M/s.APSEB District Stores Jattu Workers Labour Contract Co-Operative Society	Order No. 4280dt 3.7.19	AA has not having occasion/situation to peruse the September, 2018 return, wherein the appellant has supposedly made-up the unpaid tax amount through reversal of ITC. Hence, the determined under declared tax liability by AA, cannot be upheld as bonafide. Therefore, the tax levied basing on mismatch reports is annulled & the appellant contentions are found sustainable with reference to rational arguments and corroborative evidence. Thus, the appeal on this aspect is allowed and the tax so levied is annulled. In the end, the assessment is annulled on the levy made by the assessing authority.
2	Manikanta Traders, Machilipatnam.	Appeal No. VJA-II/59/2018-19 dt 4.7.19	A.A has also not established any collusion between seller & buyer to term transactions as bill trading and it is also not proved that the payments made by the appellant towards sale consideration have been recycled back to the appellant. Therefore, the assumption of bill trading and resultant levy of penalty cannot be upheld as per the provisions of Act. Hence, the assessment on the levy of penalty is set

			aside. The penalty appeal is allowed on this issue.
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3	Creamline Dairy Products Limited	Appeal No. ELR/01/2019-20 dt 24.7.19	entry 16 of Schedule-I of APVAT Act, 2005, exempts certain kind of milks particularly and mentioned other kind of milks as taxable. Further, since UHT milk and skimmed milk powder are only placed in Schedule IV of APVAT Act, resultantly flavoured milk shall be taxed @14.5% as part of Schedule V of APVAT Act, 2005 goods..... it can be affirmed that the flavoured milk does not fall in the category of pasteurized milk. The appellant in all could not establish that flavoured milk is exactly same as the pasteurized milk.
4	Hemadri Cements Limited	Appeal No. VJA.I/62/2018 -19 dt 29.7.19	any goods which are not transformed in to final product cannot be considered as inputs for the purpose of Entry Tax Act, 2001. So, it is an apparent aberration in the arguments of the appellant that disputed goods shall be used during the manufacture processing of final product dealt by the appellant.

Advance Rulings given in 2019

1	Sri Kanyakaparameshwari Oil Mills Karnataka	KAR / ADRG 11/2019 dt 15.5.19	<ol style="list-style-type: none"> 1. The "Perfume Deepam Oil" (Not for Cooking – which is prepared by adding perfume to either a mixture of Gingely Oil, Palmoline Oil and Rice bran Oil or to any of the above oils is covered under HSN Code 1518 & us taxable at 6% under KGST Act amd 12% under IGST Act. 2. Deepam Oil" (Not for Cooking – which is prepared either a mixture of Gingely Oil, Palmoline Oil and Rice bran Oil or to any of the above oils is covered under HSN Code 1518 & us taxavke at 6% under KGST Act amd 12% under IGST Act. 3. Each of the oils falling under chapter heading 1511 Gingely Oil & Rice Bran Oil falling under chapter Heading 1515 and the mixture of the said edible oils falling under Chapter Heading 1517 would attract CGST @2.5% KGST@ 2.5% and IGST 5%
2	TATA Marcopolo Motors Limited Karnataka	KAR/ADRG - 12-2019 dt 25.6.19	The supply of ready build body and the activity mere mounting the body on the chassis supplied by the owner amounts supply of goods and merits classification under HSN 8707 attracting 28% GST. The activity of step by step building on the chassis supplied using their own inputs and capital goods amount to supply of service in terms of circular dated 9.8.2018 and merits classification under SAC 9988 attracting 18% GST
3	Rohan Coach Builders MP	MP-03-2019 dt 10.4.19	fabrication of bus body on the chassis to be supplied by OEMs (Principle) on delivery challan or any other owner of the chassis on which bus body will be fabricated by collecting job work chagres including inputs required for such fabrication work and in no case the ownership of the chassis will be transferred by Principal to the applicant be taxable under SAC 99881 – "Motor Vehicle and trailer manufacturing services" and under entry no.26(ii) as "Manufacturing services on physical inputs(goods) owned by other" it is taxable @18% (9% CST and 9% SGST Act)
4	Network for Information & Computer M.P.	MP-4-2019 dt 10.4.19	The applicant shall not be entitled to avail benefit of exemption as envisaged under Sl.No.72 of Notification No.12/2017-Central Tax (Rated dtd 28.06.2017 and Sl.No.72 of Notification No.FA-3-42/2017/1/V(53) dtd 30.6.2017 in respect of the services of training provided to Uttar Pradesh Skill Development Corporation.
5	EDP Marketing Pvt. Ltd	MP-05-2019 dt 2.5.19	The applicant shall be liable to pay IGST on ocean freight paid on imported goods under Reverse Charge Mechanism in terms of Notification No.10/2017-IT-(R) and Notification No.8/2017 –IT(R) irrespective of the ocean freight component having been a part of the CIF Value of imported goods.
6	Alcon Resort Holding Pvt Limited	Goa-GAAR-6 / 2018-19dt.22.01.201	The applicant qualifies to be clinical establishment and services offered and provided qualify to be Health Care Services. The intra State Supplies of said services attract Nil rate of tax as per Sl No.74 of the Notification 12/2017 – Central (Rate) dt 28 th July 2017

7	Chowgule Industries Pvt Limited	ARA Order 07/2018-19/4786 dt 26.3.19	The Input tax Credit on Motor Vehicle purchased for demonstration purpose can be availed as Input Tax Credit Capital Goods and set off against Output Tax payable under GST.
8	Chowgule & Co. Pvt Ltd	ARA Order 11/2018-19/514 dt 21.5.19	The applicant is liable to pay IGST on import of Iron. The applicant is eligible to claim Input Tax Credit toward payment of IGST under Section 16 of IGST Act. The applicant is not eligible for refund of unutilized input tax credit on exports of goods or services as per proviso to sub-section 3 of Section 54 of CGST Act.

Notifications Issued under GST (CBIC)

1	Notification No. 25/2019 – Central Tax	21.6.19 [[F. No. 20/06/16/2018-GST (Pt. II)]	amendment in the notification of the Government of India, Ministry of Finance, Department of Revenue No.22/2019- Central Tax, dated the 23rd April, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 323(E), dated the 23rd April, 2019, namely:- In the said notification, for the figures, letters and words “21st day of June, 2019” the figures, letters and word “21st day of August, 2019” shall be substituted.
2	Notification No. 26/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST (Pt. I)]	in supercession of the notifications specified except as respects things done or omitted to be done before such supercession, the Commissioner hereby extends the time limit for furnishing the return by a registered person required to deduct tax at source under the provisions of section 51 of the said Act in FORM GSTR-7 of the Central Goods and Services Tax Rules, 2017 under sub-section (3) of section 39 of the said Act read with rule 66 of the Central Goods and Services Tax Rules, 2017 for the months of October, 2018 to July, 2019 till the 31st day of August, 2019.
3	Notification No. 27/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	hereby extends the time limit for furnishing the details of outward supplies in FORM GSTR-1 of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from July, 2019 to September, 2019 till the eleventh day of the month succeeding such month. 2. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 and sub-section (1) of section 39 of the said Act, for the months of July, 2019 to September, 2019 shall be subsequently notified in the Official Gazette.
4	Notification No. 28/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	hereby extends the time limit for furnishing the details of outward supplies in FORM GSTR-1 of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from July, 2019 to September, 2019 till the eleventh day of the month succeeding such month. 2. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 and sub-section (1) of section 39 of the said Act, for the months of July, 2019 to September, 2019 shall be subsequently notified in the Official Gazette.
5	Notification No. 29/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	the Commissioner, on the recommendations of the Council, hereby specifies that the return in FORM GSTR-3B of the said rules for each of the months from July, 2019 to September, 2019 shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month. 2. Payment of taxes for discharge of tax liability as per FORM GSTR-3B. – Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to

			furnish the said return.
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6	Notification No. 30/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person as the class of registered persons who shall follow the special procedure as mentioned below. 2. The said persons shall not be required to furnish an annual return in FORM GSTR-9 under sub-section (1) of section 44 of the said Act read with sub-rule (1) of rule 80 of the said rules. 3. The said persons shall not be required to furnish reconciliation statement in FORM GSTR-9C under sub-section (2) of section 44 of the said Act read with sub-rule (3) of rule 80 of the said rules.
7	Notification No. 31/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	“32A. Value of supply in cases where Kerala Flood Cess is applicable.- The value of supply of goods or services or both on which Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019 shall be deemed to be the value determined in terms of section 15 of the Act, but shall not include the said cess.”. 5. In the said rules, in rule 46, after the fifth proviso, with effect from a date to be notified later, the following proviso shall be inserted, namely:- “Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the tax invoice shall have Quick Response (QR) code.”. 6. In the said rules, in rule 49, after the third proviso, with effect from a date to be notified later, the following proviso shall be inserted, namely:- “Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the bill of supply shall have Quick Response (QR) code.”.
8	Notification No. 32/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	in supercession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 15/2019- Central Tax, dated the 28th March 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.242(E), dated the 28th March 2019, except as respects things done or omitted to be done before such supercession, the Commissioner, hereby extends the time limit for furnishing the declaration in FORM GST ITC-04 of the said rules, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to June, 2019 till the 31 st day of August, 2019.
9	Notification No. 33/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	Carry Changes in GST Rules
10	Notification No. 34/2019 – Central Tax	28.6.19 [F. No. 20/06/16/2018-GST]	“Provided that the due date for furnishing the statement containing the details of payment of self-assessed tax in said FORM GST CMP-08, for the quarter April, 2019 to June, 2019, or part thereof, shall be the 31st day of July, 2019.”.

Notifications - Rate

1	Notification No. 10/2019 – Central Tax (Rate)	10.5.19 [F. No.354/32/2019 -TRU]	hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017- Central Tax (Rate), dated the 28thJune, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 690(E), dated the 28thJune, 2017, namely:- In the said notification, - (i) in the Table, against serial number 3, in items (ie) and (if), in the entries in column (5), for the figures and letters “10th ”, wherever they occur, the figures and letters “20th ” shall be substituted; (ii) in Annexure IV, for the figures and letters “10th ”, at both the places where they occur, the figures
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			and letters "20th" shall be substituted.
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2	Notification No. 11/2019 – Central Tax (Rate)	29.6.19 [F. No. 354/90/2019-TRU]	specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund of applicable central tax paid on inward supply of such goods, subject to the conditions specified in rule 95A of the Central Goods and Services Tax Rules, 2017. Explanation. - For the purposes of this notification, the expression "outgoing international tourist" shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes. 2. This notification shall come into force with effect from the 1st day of July, 2019.
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Circulars issued Under CGST

1	Circular No. 102/21/2019-GST	28.6.19	6. It is further clarified that the transaction of levy of additional / penal interest does not fall within the ambit of entry 5(e) of Schedule II of the CGST Act i.e. "agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act", as this levy of additional / penal interest satisfies the definition of "interest" as contained in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. It is further clarified that any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.
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2	Circular No. 103/22/2019-GST	28.6.19	It is hereby clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property. Accordingly, the place of supply of such services will be determined as per the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be, depending upon the terms of the contract between the supplier and recipient of such services. Place of supply in case of performance based services is to be determined as per the provisions contained in clause (a) of sub-section (3) of Section 13 of the IGST Act and generally the place of services is where the services are actually performed. But an exception has been carved out in case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process. In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India are not put to any use in India, the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the IGST Act.
3	Circular No. 104/23/2019-GST	28.6.19	The matter has been examined and it is clarified that in such cases, where reassignment of refund applications to the correct jurisdictional tax authority is not possible on the common portal, the processing of the refund claim should not be held up and it should be processed by the tax authority to whom the refund application has been electronically transferred by the common portal. After the processing of the refund application is complete, the refund processing authority may inform the common portal about the incorrect mapping with a request to update it suitably on the common portal so that all

			subsequent refund applications are transferred to the correct jurisdictional tax authority.
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4	Circular No. 105/24/2019-GST	28.6.19	5. There may be cases where post-sales discount granted by the supplier of goods is not permitted to be excluded from the value of supply in the hands of the said supplier not being in accordance with the provisions contained in sub-section (3) of section 15 of CGST Act. It has already been clarified vide Circular No. 92/11/2019-GST dated 7th March, 2019 that the supplier of goods can issue financial / commercial credit notes in such cases but he will not be eligible to reduce his original tax liability. Doubts have been raised as to whether the dealer will be eligible to take ITC of the original amount of tax paid by the supplier of goods or only to the extent of tax payable on value net of amount for which such financial / commercial credit notes have been received by him. It is clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods in view of the provisions contained in second proviso to sub-rule (1) of rule 37 of the CGST Rules read with second proviso to sub-section (2) of section 16 of the CGST Act as long as the dealer pays the value of the supply as reduced after adjusting the amount of post-sale discount in terms of financial / commercial credit notes received by him from the supplier of goods plus the amount of original tax charged by the supplier.
5	Circular No. 106/25/2019-GST	28.6.19	10. The scheme shall be effective from 01.07.2019 and would be applicable in respect of all supplies made to eligible passengers after the said date. In other words, retail outlets would be eligible to claim refund of taxes paid on inward supplies of indigenous goods received by them even prior to 01.07.2019 as long as all the conditions laid down in Rule 95A of the CGST Rules and this circular are fulfilled.

6	Circular No. 107/26/2019-GST	18.7.19	6. It is also clarified that supplier of ITeS services, who is not an intermediary in terms of sub-section (13) of section 2 of the IGST Act, can avail benefits of export of services if he satisfies the criteria mentioned in sub-section (6) of section 2 of the IGST Act, which reads as under – —export of services means the supply of any service when,— (i) the supplier of service is located in India; (ii) the recipient of service is located outside India; (iii) the place of supply of service is outside India; (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; and (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8 .
7	Circular No. 108/27/2019-GST	18.7.19	The registered person dealing in specified goods shall maintain a record of such goods as per the format at Annexure to this Circular. a) As clarified above, the activity of sending / taking specified goods out of India is not a supply. b) The said activity is in the nature of “sale on approval basis” wherein the goods are sent / taken outside India for the approval of the person located abroad and it is only when the said goods are approved that the actual supply from the exporter located in India to the importer located abroad takes place. The activity of sending / taking specified goods is covered under the provisions of sub-section (7) of section 31 of the CGST Act read with rule 55 of Central Goods & Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”). c) The specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules. d) As clarified in paragraph 6 above, the activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, execution of a bond or LUT, as

			required under section 16 of the IGST Act, is not required.
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8	Circular No. 109/87/2019-GST	22.7.19	<p>Supply of service by RWA (unincorporated body or a non-profit entity registered under any law) to its own members by way of reimbursement of charges or share of contribution up to an amount of Rs. 7500 per month per member for providing services and goods for the common use of its members in a housing society or a residential complex are exempt from GST. Prior to 25th January 2018, the exemption was available if the charges or share of contribution did not exceed Rs 5000/- per month per member. The limit was increased to Rs. 7500/- per month per member with effect from 25th January 2018. [Refer clause (c) of Sl. No. 77 to the notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 as amended vide notification No. 2/2018- Central Tax (Rate), dated 25.01.2018]</p> <p>No. If aggregate turnover of an RWA does not exceed Rs.20 Lakh in a financial year, it shall not be required to take registration and pay GST even if the amount of maintenance charges exceeds Rs. 7500/- per month per member. RWA shall be required to pay GST on monthly subscription/ contribution charged from its members, only if such subscription is more than Rs. 7500/- per month per member and the annual aggregate turnover of RWA by way of supplying of services and goods is also Rs. 20 lakhs or more.</p> <p>RWAs are entitled to take ITC of GST paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/hardware fillings etc.) and input services such as repair and maintenance service</p> <p>The exemption from GST on maintenance charges charged by a RWA from residents is available only if such charges do not exceed Rs. 7500/- per month per member. In case the charges exceed Rs. 7500/- per month per member, the entire amount is taxable. For example, if the maintenance charges are Rs. 9000/- per month per member, GST @18% shall be payable on the entire amount of Rs. 9000/- and not on [Rs. 9000 - Rs. 7500] = Rs. 1500/- .</p>
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FEMA Updates for the month of August 2019

CA G. Murali Krishna

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I. Annual Return on Foreign Liabilities and Assets Reporting by Indian Companies

RBI vide A.P.(DIR Series) Circular No. 37 dated June 28, 2019 has replaced the present email-based reporting system for submission of the FLA return with the web-based system online reporting portal (<https://flair.rbi.org.in>) with an objective to enhance the security-level in data submission and further improve the data quality.

Following are the main features of the revised Foreign Liabilities and Assets Information Reporting (FLAIR) system:

- a. RBI launched web-portal <https://flair.rbi.org.in> to the reporting entities for submitting "User Registration Form" (containing entity identification and business user details, where LLPs and AIFs will no longer required to use dummy CIN). The successful registration on web-portal will enable users to generate RBI-provided login-name and password for using FLA submission gateway and would include system-driven validation checks on submitted data.

- b. As part of FLA, the form will seek investor-wise direct investment and other financial details on fiscal year basis as hitherto, where all reporting entities are required to provide information on FATS related variables (it was mandatory only for subsidiary companies earlier). In addition, the revised form seeks information on first year of receipt of FDI/ODI and disinvestment.
- c. Reporting entities will get system-generated acknowledgement receipt upon successful submission of the form.
- d. Till the time FLA is submitted, user can revise the data, if required, and view/download the information submitted.
- e. FLA once submitted can be revised only after approval from RBI for which an option is provided on the portal.
- f. Entities can submit FLA information for earlier year/s after receiving RBI confirmation on their request email.
- g. The existing mechanism of email-based submission of FLA forms will be discontinued.

II. Update on Compounding Orders issued under FEMA Regulations

a. Bravura Solutions India LLP

Regulation	Regulation 5(9) read with para 7(i) (applicable till 02.03.2017 in this case), para 6(i) (applicable from 03.03.2017 to 06.11.2017 in this case) of Schedule 9 of FEMA 20/2000-RB dated May 3, 2000 Regulation 13(7) of FEMA 20(R)/2017-RB dated November 7, 2017 (FDI Regulations)
Contravention	Delay in reporting the receipt of remittances [in Form Foreign Direct Investment – LLP(I)], beyond the stipulated time period of 30 days
Date of Order	28 th May 2019
Compounding Fee	₹ 1/- (Amount involved in contravention - ₹ 2/-)

b. Mr Joel Queirel and Mrs Benedicte Pascale Mireille Caille.

Regulation	Regulation 8 of Notification No. FEMA.21 /2000-RB dated May 03, 2000, as amended from time to time.
Contravention	Acquisition of immovable property by non-resident foreign national in India without RBI permission
Date of Order	26 th February 2019
Compounding Fee	₹ 30,00,000/- (Amount involved in contravention - ₹ 28,00,000/-)

c. Mr Jayant Nanda

Regulation	Regulation 8 of Notification No. FEMA.21 /2000-RB dated May 03, 2000, as amended from time to time, read with Regulation 3(a) of Notification No. FEMA.21 /2000-RB dated May 03, 2000
Contravention	Acquisition of immovable properties (agricultural land) in India by an NRI without RBI permission
Date of Order	20 th May 2019
Compounding Fee	₹ 29,25,000/- (Amount involved in contravention - ₹ 9,75,000/-)

Income Tax Judgments

Ambati Chinna Gangaiah

Gist of Judgments of Supreme Court

Sr. No	Name of the Appellant / Respondent	Appeal No and date of decision	Gist of Judgments / Orders passed
<i>Judgment on issue of notice on Non-Existing Person / Dead Person</i>			
1	Pr CIT Vs Maruti Suzuki India Limited	AC 5409/19 dt 25.7.19	<p>33.....despite the fact that the assessing officer was informed of the amalgamating company having ceased to exist as a result of the approved scheme of amalgamation, the jurisdictional notice was issued only in its name. The basis on which jurisdiction was invoked was fundamentally at odds with the legal principle that the amalgamating entity ceases to exist upon the approved scheme of amalgamation. Participation in the proceedings by the appellant in the circumstances cannot operate as an estoppel against law. This position now holds the field in view of the judgment of a co-ordinate Bench of two learned judges which dismissed the appeal of the Revenue in Spice Entertainment on 2 November 2017. The decision in Spice Entertainment has been followed in the case of the respondent while dismissing the Special Leave Petition for AY 2011-2012. In doing so, this Court has relied on the decision in Spice Entertainment.</p> <p>34 We find no reason to take a different view. There is a value which the court must abide by in promoting the interest of certainty in tax litigation. The view which has been taken by this Court in relation to the respondent for AY 2011-12 must, in our view be adopted in respect of the present appeal which relates to AY 2012-13. Not doing so will only result in uncertainty and displacement of settled expectations.</p>
<i>SLPs dismissed</i>			
1	DCIT Vs Delotte Haskin and Sells	SLP (Civil) Diary 2749/19 dt 2.7.19	SLP dismissed – Gujarat High Court in SCA 22407/17 dt 6.2.18 - If the Assessing Officer had any dispute about deduction of the said sum from the profit of the firm, he could have and ought to have raised such objection during the original assessment. At any rate, on such ground, the assessment framed after scrutiny cannot be reopened beyond the period of four years from the end of relevant ay
2	Pr CIT Vs Jayanth K Furnishres	SLP (Civil) Diary 20148/19 dt 4.7.19	SLP dismissed with the observation - there shall be liberty to the petitioner to proceed for recovery of amount under claim to be taxable in the Assessment Year 2006-07 under Section 153(6) of the Income Tax Act, 1961. Bombay HC in ITA 142/16 dt 6.8.18 – We find that the impugned order of the Tribunal records the fact that the Assessing Officer has brought amount to tax as per the unaccounted cash receipts only on the basis the opinion of the search party. This without having considered the documents on record and the submission that an arbitration between the parties was pending. Thus, there is no basis to hold that the preparation of final bill was postponed, so as to postpone the income to the next Assessment Year. Nothing has been shown to us which would indicate that the finding of the Tribunal is in any manner perverse.
3	Pr CIT Vs Sistema Shyam Teleservices Ltd	SLP(C) Diary 18936/19 dt 12.7.19	SLP dismissed – Delhi HC in ITA 1069/17 dt 15.11.18 (upheld ITAT Delhi orders in 3926/Del/14 dt 23.5.17) specified “.... Unutilized amount when the prepaid card lapses has to be treated as income or receipt of the respondent-assessee on the date when the card had lapsed. The respondent-assessee has accepted this position.....)

4	CIT Vs Jagdish Prasad Gupta	SLP(C) Diary 21503/19 dt 15.7.19	SLP dismissed – Delhi HC in ITA 933/11 dt 28.9.18 specified “55..... assessments were completed under Section 143 (3) of the Act accepting the claim for enhanced licence fee on the basis of accrued liability. This has been already adverted to earlier in this order. There was therefore no fresh tangible material that came to light for the first time for the AO to form reasons to believe that income had escaped assessment. This Court has, therefore, no hesitation in coming to the conclusion that the assumption of jurisdiction under Section 147 of the Act seeking to reopen the assessment for the aforementioned AYs was not legally sustainable.
5	Prathyusha Educational Trust, Vs Pr CIT	SLP(C) Diary 16360-16362 /19 dt 19.7.19	SLP dismissed – Madras HC in TCA 366-368/19 dt 27.6.19 specified : Assessing Officer pointed out that the assessee has violated its own objectives by diverting substantial portion of its funds by and to the Managing Trustee without truly recording in the books of accounts maintained by it and as these funds were diverted outside its books of accounts the audit report furnished does not reflect the true and correct affairs of the assessee. After referring to the facts discovered during the course of search coupled with the admission of the Managing Trustee and the officers incharge of the accounts in their deposition, the Assessing Officer held that such a contumacious conduct in running the affairs of the Trust to go against the basic tenets of the Trust and Trusteeship warrants cancellation of the approval. All these factual findings are perfectly justified and consequently, approved.
6	Pr CIT Vs Vembu Vaidyanathan	SLP(C) Diary 22033/19 dt 19.7.19	SLP dismissed – Bombay HC in ITA1459/16 dt 22.1.19 specified “..... Before the CIT appeals the assessee had produced additional evidence to suggest that the other units previously held by the assessee were discarded earlier and that at the relevant time the assessee did not hold any other residential unit. Quite apart from it being a pure question of fact, we do not find any indication in the impugned judgment of the Tribunal through the revenue had argued such a contention in its appeal before the Tribunal.
7	Pr CIT Vs SBI	SLP(C) Diary 22010/19 dt 19.7.19	SLP dismissed – Bombay HC in ITA1218/16 dt 4.1.19 specified “..... assessing officer was wholly incorrect in invoking sub-section (2) of Section 244A of the Act, since we do not find any reasons attributable to the assessee which delayed his refund claim. During the assessment proceedings itself, relying on the note to the return filed, the assessee had argued that certain interest income had not accrued and therefore, not chargeable to the tax. The assessing officer did not accept this stand . The CIT(A), however, allowed the claim of the assessee which resulted in the refund claim of the assessee. In plain terms, the assessing officer was incorrect in holding that the assessee was responsible for delay in the refund claim.
8	CIT Vs Sharad Mohanlal Shah	SLP(C) Diary 21900/19 dt 19.7.19	SLP dismissed – Gujarat HC in TA 489/18 dt 23.10.18 (upheld ITA 2877/Ahd/2013 dt 30.5.17) specified “.....one was the deployment of LIFO method for valuation of closing stock and the other was the portion declared by the assessee at the time of survey which remain unsold and which had come to the part of closing stock adopted certain rate per gram. He pointed out that, insofar as applying LIFO method is concerned, the Tribunal had confirmed the CIT (Appeal) and remand was merely for the purpose of later issued.

			<p>6. We have pursued the order of the Tribunal for the Assessment Year 2007-08 and confirmed this position. It is therefore not necessary to remand the matter for proceedings.</p> <p>7. the sole question arises in the present appeal is therefore confirmed to LIFO method.</p>
9	Pr CIT Vs Akshar Associates	SLP to Appeal Civil 16252/19 dt 19.7.19	<p>SLP dismissed – Gujarat HC in SCA 13579/18 dt 4.2.19 specified “.....The impugned order dated 6.2.2018 passed by the Settlement Commission (Annexure-F to the SCA No.13598 of 2018) as well as the impugned orders dated 2.2.2018 passed by the Settlement Commission (Annexure-F to the rest of the petitions) are hereby quashed and set aside. The applications are hereby restored before the Settlement Commission at the stage of section 245D(2C) of the Act. The Commission shall proceed further at that stage in accordance with law and pass an order under section 245D(2C) of the Act within a period of fifteen days from the date of receipt of a copy of this order. It is clarified that while deciding the applications, the Settlement Commission shall in no manner be influenced by the findings recorded in the impugned orders and shall decide the same in the spirit of section 245D(2C) of the Act. Rule is made absolute accordingly with no order as to costs.....”</p>
10	Pr CIT Vs Vijay S. Poojari	SLP(C) Diary 22926/19 dt 22.7.19	<p>SLP dismissed – Bombay HC in ITA 789/16 dt 8.1.19 specified “.....Assessee's turn over for the previous year did not exceed the statutory threshold is a finding of fact, not shown to be erroneous. The statutory provisions contained in Section 194 (c) of the Act applicable at the relevant time specifically excluded the requirement of deducting tax at source by the individual or HUF payees if during the previous year their turnover did not exceed the limit requiring them to be subjected to compulsory audit. No question of law arises. The appeal is dismissed.....”</p>
11	CIT Vs Matoshri Arts & Sports Trust	SLP(C) Diary 23102/19 dt 26.7.19	<p>SLP dismissed – Bombay HC in ITA 1680/16 dt 11.2.19 specified “.....Assessee trust was granted registration under Section 12A of the Act, and therefore, had claimed exemption under Section 11 of the Act. It is observed that different sports activities of the assessee were in the nature of single activity. Further the assessee had given the premises on rent to other entities to provide different facilities to the trust. The trust was nowhere engaged in running the restaurant, bar etc, and therefore, the question of maintaining separate books of accounts for such activities did not arise. These observations were confirmed by the Tribunal. No questions of law, therefore, arises.....”</p>
12	Pr CIT Vs Usdev International Limited	SLP(C) Diary 22001/19 dt 26.7.19	<p>SLP dismissed – Bombay HC in ITA 1197/16 dt 10.1.19 specified “...The Revenue has contested the claim of the assessee depreciation of Rs.3.76 Crores on the leased assets on the ground that the transaction was not genuine. However by the impugned judgment, the Tribunal discussed the same at some length and noted that the Assessee had produced reliable documentary evidence.....”</p>
13	Pr CIT Vs Rajesh D. Nandu (HUF)	SLP(C) Diary 21954/19 dt 26.7.19	<p>SLP dismissed – Bombay HC in ITA 829/16 dt 18.12.18 specified :....The reopening of the assessment has to be based on same material which is available with the Assessing Officer which give rise to reasons to believe that the income chargeable to tax has escaped assessment. The reasons as recorded in support of the impugned notice to doubt the genuineness of the gift is not based on any material. At the highest, it is only a suspicion subjecte to to enquiry. In fact, this is a case of fishing enquiry. Thus, there is no material</p>

			with Assessing Officer to have the reason to believe income chargeable to tax has escaped assessment. The view taken by the impugned order of the Tribunal cannot be found fault with.
14	Pr CIT Vs BMC Software India Pvt Ltd	SLP(C) Diary 20159/19 dt 29.7.19	SLP dismissed referring SC judgment in the case of CIT Vs HCL Technologies in CA 8489-90/13 dt 24.4.18 (reported in (2018 (6) SCALE 524)20) Even in common parlance, when the object of the formula is to arrive at the profit from export business, expenses excluded from export turnover have to be excluded from total turnover also. Otherwise, any other interpretation makes the formula unworkable and absurd. Hence, we are satisfied that such deduction shall be allowed from the total turnover in same proportion as well. 21) On the issue of expenses on technical services provided outside, we have to follow the same principle of interpretation as followed in the case of expenses of freight, telecommunication etc., otherwise the formula of calculation would be futile. Hence, in the same way, expenses incurred in foreign exchange for providing the technical services outside shall be allowed to exclude from the total turnover.
15	CIT Vs Glenmark Pharmaceuticals Ltd	SLP(C) Diary 21290/19 dt 29.7.19	SLP dismissed – Bombay HC in ITA 834/16 dt 10.12.18 specified “.....Tribunal by the impugned order dated 27.2.2015 set aside the issue of allocation of R&D expenses to the unit in Himachal Pradesh i.e Baddi for computing deduction under Section 80IC of the Act to the Assessing Officer. This after directing him to give a definite finding as to whether any part of the expenditure for R&D has any nexus to the Baddi unit in Himachal Pradesh and thereafter follow the decision of this Court in Zandu Pharmaceuticals Works Ltd (supra). (f) The grievance of the Revenue is to the issue being restored to the Assessing Officer with the above directions..... not give rise to substantial question of law. It merely restored the issue for the Assessing Officer to determine facts and apply the law in accordance with the binding decision of this Court in Zandu Pharmaceuticals Works Ltd
16	K.P. Abdul Majeed Vs ACIT	SLP(C) Diary 17171-75/19 dt 29.7.19	SLP dismissed – Kerala HC in ITA 303/13 dt 25.2.19 specified We however notice that when incremental peak credits are taken as the income of the assessee for a particular year the said quantum shall not be treated for the purpose of 2% commission and no addition shall be made on that count. Hence the commission shall be only on the amounts deposited, other than the incremental peak credit adopted for each year.

Gist of Judgments of High Courts

1	Vijay Gupta Vs CIT	WP (C) 1572 /13 Dt 23-3-16 (Delhi HC)	37. The Commissioner further erred in rejecting the application under section 264 holding that intimation u/s 143(1) could not be regarded as an order and was thus not amenable to revisionary jurisdiction u/s 264 of the Act. The Intimation u/s 143(1) is regarded as an order for the purposes of section 264 of the Act. 2 He failed to appreciate that the petitioner was not only impugning the intimation u/s 143(1) but also the rejection of the application u/s 154 .
2	Reliance Industries Ltd Vs CIT	ITA 993/16 dt 15.1.19 (Bombay HC) (SLP against ITA 1024/16 dt 15.1.19 was dismissed on the same	CIT(A), however, in detail order while reversing the disallowance made by the Assessing Officer, observed that there was no evidence that the assessee had paid any such illegal commission. He noted that except for the Volcker Committee Report, there was no other evidence for making such addition. He noted that even in the said report, there is no finding that the assessee had made illegal payment. It appears that the payments were made by an agent and there

		issue)	was no evidence to suggest that the assessee had made any illegal commission payment to Iraqi government. The Tribunal confirmed this view of the CIT(A).
3	Shilpi Jewellers Pvt Ltd Vs UOI	WP 3540/18 dt 8.2.19 (Bombay HC)	7. Second element is that the assessee had not fully disclosed the material facts since the transactions were not genuine. However, we find that the very foundation for the Assessing Officer to make such a suggestion is bereft of any material logic, thus, the later suggestion on his part, would automatically not survive. In plain terms, thus, the Assessing Officer wishes to carry out fishing inquiry through reopening of assessment which as per settled law is impermissible.
4	CIT Vs M/s. Dharma Productions Pvt Ltd	ITA 1140/14 dt 19.3.19 (Bombay HC)	13. Learned counsel Mr. Chhotaray, however, raised a contention that the assessee's claim of expenditure under Section 37(1) of the Act had to be established. The same had to be examined by the Revenue Authorities before the same could have been granted. This contention is not sustainable at the hands of the Revenue in the present appeal. The Commissioner, while enhancing the assessment and disallowing the claim of expenditure of the assessee, had merely referred to and relied upon Rule 9A of the Rules. He never stated in his order that even if the assessee is right in claiming the expenditure under Section 37(1) of the Act, the same is not allowable for whatever reason. In the present appeals, such question would be wholly impermissible.
5	Pr CIT vs. Aditya Birla Telephone Ltd. 105 taxman. com 206	ITA 1502 of 16 dt 26.3.19 (Bombay HC)	basic duty would be on the assessee to establish the genuineness of the transaction, credit worthiness of the investor and the source of funds. Equally well settled principle through series of judgments is that the Department cannot insist on the assessee establishing source of the source.
6	Harrisons Malayalam Ltd. vs. CIT	ITA 252/15 dt 14.6.19 (Kerala HC)	we hold that, in order to claim the benefit of deduction under Section 36(1)(va) of the Act, payment of employees' contribution to Employees' Provident Fund, Labour Welfare Fund and Employees' State Insurance has to be made before the due date prescribed under the relevant statute.
7	The Swastic Safe Deposit and Investments Ltd Vs ACIT	WP 1230/19 dt 25.6.19 (Bombay HC)	Assessing Officer was unable to demonstrate before us on the grounds stated and the reasons recorded that income chargeable to tax had escaped assessment. His i.e. Assessing Officer's attempt of further verification would amount to rowing inquiry. There is further verification would amount to rowing inquiry.
8	Cognizant Technology Solutions India Pvt Ltd Vs DCIT	WP 7354/18 dt 25.6.19 (Madras HC)	reasons stated for purchasing the shares under the Scheme of Arrangement under Sections 391 to 393 of the Companies Act, prima-facie I find no merit in the contention of the learned Senior Counsel for the petitioner that the shares purchased pursuant to the order of the Company Court would be a capital gain and not to be treated as dividend
9	Epcos Electronic Components S.A. Vs UOI	WP(C)10477/18 dt 10.6.19 (Delhi HC)	Indeed for determining whether intimation under Section 143(1) of the Act should be construed as „order“ the only limited context is that of Section 264 of the Act. In the context of Section 147 and 148 of the Act it may have a different connotation. However, the fact remains that the consistent view of the High Court has been that for the purposes of Section 264 of the Act a revision petition seeking rectification of the return accepted by the Department in respect of which intimation is sent under Section 143(1) of the Act is indeed maintainable.

10	Bently Neveda LLC Vs ITO	WP(C) 7744 /19 dt 29.7.19 (Delhi HC)	32. The Court accordingly finds that in the present case the impugned withholding certificate which directs TDS to be deducted at 5% on the payments made by the Indian entities to the Petitioner is unsustainable in law, inasmuch as it is not based on valid reasons and is contrary to the legal requirement spelt out in Section 197(1) of the Act read with Rule 28AA of the Rules. The impugned certificate is hereby quashed. 33. The Court directs Respondent No.1 to once again consider the application made by the Petitioner on 30th April 2019 for issuance of a lower withholding certificate under Section 197(1) of the Act afresh in accordance with law
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Income Tax Appellate Tribunal

1	Prashant Jayantilal Patel Vs DCIT	ITA 5310/ Mum /17 dt 3.4.19	It is pertinent to note that against the rental income, the assessee has already been allowed statutory deduction u/s 24 and this depreciation is being claimed as business expenditure over and above the statutory deduction which has been allowed u/s 24. The primary condition as envisaged by Section 32 to claim the depreciation is that the assets should be used for the purposes of assessee's business which has remained unfulfilled for galas given on rent
2	Mahindra & Mahindra Ltd Vs DCIT	ITA 382/ Mum 17 dt 14-5-19	free services provided by the dealers to the ultimate customers was in discharge of the obligation cast upon the assessee company towards the customers to provide such services, therefore, the payments made by the assessee company to the dealers obligated the assessee to deduct tax at source under Sec. 194C at the time of making of such payments to them.
3	DCIT Vs Emami Ltd	ITA 873/Kol/17 dt 3.6.19	working capital adjustment, if any, ought to have been made with reference to the international cost of funds as opposed to the interest rate charged on the loans advanced to the AEs.
4	Deepak Spinners Ltd.	ITA 2055/Koll /18I dt 12.6.19	When such subsidy cannot be directly relatable to the asset acquired, then such subsidy shall not be included in the actual cost of the asset. That is, to reduce from the cost of asset, the subsidy should be directly or indirectly used for acquiring an asset. In the assessee's case under consideration no asset was being acquired by using TUF subsidy therefore it should not be reduced from fixed assets.
5	Sudip Roy Choudhury Vs JCIT	ITA No.1890/Kol /18 dt 12.6.19	accountant left the job without notice. No list of pending job was handed over. The new accountant and the assessee was not aware of the fact of non-filing of TDS return till they visited NSDL. And as soon as the same was noticed, returns for both the quarters were filed..... assessee had shown reasonable cause for his failure in complying with the provisions of section 200(3) of the Act, hence no penalty could be levied.
6	Anil Kisanlal Marda Vs ITO	ITA 1763/PUN /13 dt 1.7.19	notice which was issued on 08-09-2010 was returned by the postal authorities and thereafter no effort was made to serve another notice before the deadline. Since the requirement of 'service' of notice u/s. 143(2) and not its 'issue', is a jurisdictional condition, which is unfortunately lacking in the instant case, the sequitur is that the AO lacked jurisdiction to make the assessment. Ex consequenti, the assessment order passed in absence of a valid jurisdiction has to be and is hereby quashed
7	Agencies Rajasthan Pvt. Ltd. Vs. ITO	ITA 567/JP/19 dt 1.7.19	settled law that a businessman is the best judge to take care of its own interest & to take decisions. Here, whatever decisions were taken by the assessee, has to be understood as taken out of commercial expediency. Accordingly, we do not find any justification for the disallowance

8	Sunil Kumar Vs ITO	ITA 1787/Hyd /18 dt 3.7.19	Unless and until there is a cogent material brought on record to establish that accommodation entry services were actually utilized by the assessee himself, addition cannot be made u/s 68 merely based on the presumptions and conjectures. However, since the Id. CIT(A) presumptions and conjectures.
9	Anil Bhalla Vs ACIT	ITA 1752-53/ Del./17 dt 4.7.19	history of the assessee and group cases and that additional evidences are relevant to the matter in issue and shall have to be looked into by the authorities below, the Ld. CIT(A) being the First Appellate Authority having co-terminus power to that of the A.O. should have admitted the additional evidences.
10	Kantilal Manilal Patel Vs ITO	ITA .2536/Ahd /17 dt 8.7.19	the assessee has transferred his land prior to 1.7.2012, even the amended proviso is not applicable on merit also. Addition by reducing the cost of acquisition on the basis of DVO's report cannot be made.
11	S.B. Kwality Chains Pvt. Ltd Vs DCIT	ITA 819/PUN /17 dt 8.7.19	A bare perusal of provisions of section 40A(2) shows that the disallowance u/s. 40A can be made by Assessing Officer if in his opinion the expenditure is excessive or unreasonable having regard to fair market value of the services. In the instant case, we observe that Assessing Officer has not carried out any exercise to determine fair remuneration paid to the Directors in the similar line and scale of business. There is no comparative analysis of remuneration paid to the Directors in the similar trade. As is evident from chart furnished, increment in payment of remuneration to the Directors has no co-relation to the turnover of business of assessee. Therefore, in our considered view reasons for making disallowance of remuneration u/s. 40A(2) by the authorities below are not sustainable
12	ACIT vs. Bansal Ship Breakers Pvt. Ltd.	ITA 151 / Ah d / 17 dt 9.4.19 [Thus, on first principles, the items sold which are capable of being used as such are discharged from the obligations fastened under s.206C of the Act. The CIT(A) in our view has looked into the controversy objectively after taking cognizance of remand report and replies of the assessee and in the light of evidence placed before it. The action of the CIT(A) is in tune with law and cannot be faulted.
13	Samrat Plywood Ltd Vs DCIT	ITA 01/Chd /19 dt 10.7.19	where there is a common order of the ITAT covering the several appeals, the limitation would begin to run when a certified copy is received first by either the CIT (Judicial) or one of the officers of the Department and not only when the CIT concerned receives it
14	Anil Verma Vs DCIT	ITA 931-32 / CHD/14 dt 10.7.19	21. A perusal of the cash flow statement as well as opening and closing balance of the year proves that the assessee had funds available on the relevant dates to make the deposits in the bank account of the assessee. The source of the deposits in the bank account of the assessee, thus, stands explained by the assessee. In view of this, the addition made by the lower authorities on this issue is also held to be not justified and the same is accordingly ordered to be deleted.
15	DCIT Vs M/s Jamini Industries Pvt.Ltd	ITA 5516/ MUM / 17 dt 10.7.19	assessee filed the details before the AO on 26.12.2016 which was received in the office of the AO on 27.12.2016. The AO completed the assessment on 30.12.2016. A perusal of the appellate order passed by the Ld. CIT(A) dated 27.06.2017 clearly indicates that reliance has been placed by him on the submissions by the assessee. The Ld. CIT(A) could have directed the AO u/s 250(4) of the Act to conduct proper inquiry of the details filed by the assessee.

16	Yazaki India Private Limited Vs DCIT	ITA 621/Pun /14 dt 11.7.19	sections 92A and 92B require transfer pricing adjustment to be done only in respect of the transactions entered into between the assessee with its AEs and not with the non-AEs.
17	ACIT Vs Minda Corporation Ltd	ITA.2210-11/ Del/17 dt 12.7.19	no incriminating material was unearthed which have not been produced or not already disclosed or made known in the course of the original assessment. Therefore, completed assessment cannot be interfered with by the A.O. while making the assessment under section 153A of the I.T. Act
18	Rotary Charitable Trust Vs JCIT	ITA 2613-14/ Bang/18 dt 12.7.19	provisions of section 139(4A) are applicable only in case where exemption is claimed u/s 11 and 12 of the Act and not in case where income of an organization does not form part of the total income under the Act in view of the provisions of Sec.10(23C)(iiiad) of the Act. Provisions of Sec.139(4A) makes a reference only to provisions of Sec.11 and 12 and not to the provisions of Sec.10(23C)(iiiad) of the Act.
19	Kamal Kumar Vs ACWT	WTA 6/Del/18 dt 12.7.19	Now the only condition left which is required to be examined, whether any construction of a building is permissible is situated. If it is ascertained that construction of a building is permissible, then ostensibly it will be held as taxable asset for the purpose of imposing wealth tax. However, if construction of a building is not permissible, then it shall be outside the scope of taxable asset
20	Santoshdevi Prakashchandra Goyal VS Pr CIT	ITA 273 /SRT /19 dt 12.7.19	12. In so far as 44AD is concerned, simply because the assessee has filed a return of income as per the provisions of section 44AD it does not mean that AO has prevented to make an enquiry and pass correct assessment order
21	DCIT Vs Madhuri Pradipkumar Kawadiya	ITA 1803/Ahd /15 dt 15.7.19	Section 41(1) of the Income Tax Act has been incorporated to cover a particular fact situation. The section applies where a trading liability was allowed as a deduction in an earlier year in computing the business income of the assessee and the assessee has obtained a benefit in respect of such trading liability in a later year by way of remission or cessation of the liability.
22	DCIT Vs CITI Bank Overseas Investment	ITA 831/ Mum/18 dt 16.7.19	During the year, it earned gains of Rs.85.68 Crores on cancellation and rollover of forward foreign exchange contracts which were claimed to be in the nature of capital receipts not chargeable to tax on the logic that contracts were entered into to protect the investment in India from foreign currency fluctuation and there being no cost for entering into these transactions. In the alternative, the attention was, inter-alia, drawn to the fact that in terms of Tribunal's decision for AY 2001-02, the gains were to be assessed as Short-Term Capital Gains. However, disregarding the same, Ld. AO proceeded to assess the same under the head Income from other sources. As stated earlier, the first appellate authority concurred with assessee's stand, relying upon its own decision in AY 2012-13, which, in turn, relied upon Tribunal's order for other years.
23	Vishwadeepa Trading Co Vs ITO	ITA 155/Bang /19 dt 17.7.19	order of assessment for Assessment Year 2009-10 in the case on hand was despatched by the AO to the assessee by speed post No.EK633148875N on 24.01.2012 and served on 25.01.2012; which is beyond the date of limitation for the Assessment Year 2009-10 i.e., 31.12.2011 as per the provisions of section 153(1)(a) of the Act. In the case on hand, the question which arises for consideration is, whether the date of dispatch has to be construed as the date of order of assessment and consequently the order of assessment for Assessment Year 2009-10 has to be held as bad in law.

24	ACIT Vs Kethireddy Venkata Mohan Reddy	ITA 259/Hyd/19 dt 17.7.19	the provisions of section 50C of the Act which has a legal fiction "to adopt the value determined by the State Stamp Valuation Authority as the sale value where the sale value is less than the value determined by the Stamp Valuation Authority" cannot be superimposed while giving effect to the provisions of section 45(3) of the Act which is also a provision with legal fiction. C
25	HSBC Electronic Data Vs ACIT	ITA 2388/Hyd/ 18 dt 17.4.19	loss suffered by an assessee on account of foreign exchange difference as on date of Balance Sheet is an item of expenditure u/s 37(1)
26	Rajendra Kumar Agrawal Vs ITO	ITA. 592/Kol /19 dt 17.7.19	reasons recorded by the AO to reopen has to be considered on a stand-alone basis and no addition/deletion or assumption of facts can be made while testing the validity of the reason recorded before reopening of assessment u/s. 147 of the Act. So therefore, we allow appeal of the assessee on this legal issue
27	AT & T Global Network Services Vs Addl CIT	ITA 7001/Del /18 dt 18.7.19	27.....assessee company has given break up of foreign exchange loss of Rs. 1.29 crores which is claimed in return of income as a tax deductible expense. The loss is on account of exchange fluctuation in debtors, creditors, and other items which are revenue in nature. Therefore, such loss is allowable expenditure u/s 37(1) of the Act.
28	DCIT Vs. Sahara Care Ltd,	ITA 2477 & 981/Del/11 dt 18.7.19	On analysis of the annual accounts of the assessee and further when deduction u/s 35D of the income tax act under the head profits and gains of the business has been allowed to the assessee as per the decision of the honourable Supreme Court, it cannot be said that assessee does not have any business, therefore, the interest expenditure incurred by the assessee is allowable as deduction under both the heads. In AY 2005-06, we have also held that assessee „s loss of sales of securities is chargeable to tax under the head business income and ld AO himself has accepted in AY 2004-05 that profit earned by the assessee on sale of securities is business income of the appellant, now it cannot be said that assessee does not have any business in this year.
29	Priya Rahul Abhani Vs ITO	ITA 4581/Mum /18 dt 18.7.19	shares have been received in the D-mat account of the assessee and they have been sold through the D-mat account only. Hence the delivery of shares also stand proved. The AO has not brought any material on record to show that the assessee was part of fraudulent price rigging. Accordingly, in the absence of any evidence to implicate the assessee or to prove that the transactions are bogus,
30	Ritesh Ramesh Jain Sanghvi Vs ITO	ITA 4160/Mum /18 dt 18.7.19	Assessing Officer has relied on certain information received from the Investigations Wing of the Department. However, said information was not provided to the assessee. It is also noticed that the assessee has claimed that he has not purchased any flat from the builder and the said fact was also confirmed by the said builder. Since both alleged seller and the alleged buyer (assessee herein) have denied transactions, it is the duty of the AO to substantiate the information so received by him.
31	Yaskawa India Pvt. Ltd Vs ACIT	IT(TP)A 2020/ Bang/17 dt 19.7.19	Even if the assessee has voluntarily disallowed this amount, since the same is contrary to the binding decision of the Hon'ble jurisdictional High Court (supra), assessee is well within its rights to make a fresh claim in accordance therewith. In this view of the matter, we hereby remand this issue of the assessee's claim for being allowed deduction in respect of employees' contribution to PF amounting to Even if the assessee has voluntarily disallowed this amount, since the same is contrary to the binding decision of the Hon'ble j

			urisdictional High Court (supra), assessee is well within its rights to make a fresh claim in accordance therewith. In this view of the matter, we hereby remand this issue of the assessee's claim for being allowed deduction in respect of employees' contribution to PF amounting to Rs.22,49,827/- to the file of the AO for factual examination , verification and adjudication thereon and to allow the assessee's claim if the same is found to be in accordance with the binding decision of the Hon'ble Karnataka High Court in the case of CIT Vs. Sabari Enterprises (2008) 298 ITR 141 (Kar).
32			employees' contribution to PF amounting to Rs.22,49,827/- to the file of the AO for factual examination , verification and adjudication thereon and to allow the assessee's claim if the same is found to be in accordance with the binding decision of the Hon'ble Karnataka High Court in the case of CIT Vs. Sabari Enterprises (2008) 298 ITR 141 (Kar).
33	DCIT Vs Yaduka Financial Services Ltd.	ITA 1646/Kol /17 dt 19.7.19	50. We are therefore of the opinion that the Commissioner had mechanically accorded permission. Thus, we hold that the sanction granted by the Commissioner u/s 151 is invalid and so, the notice of the AO dated 22.03.2016 is bad in law and has to be necessarily struck down.
34	ACIT Vs Anmol Stainless Pvt. Ltd., AY 2012- 13	TA 1862/Kol /17 dt 19.7.19	section 68 of the Act provides that if any sum found credited in the year in respect of which the assessee fails to explain the nature and source shall be assessed as its undisclosed income. In the facts of the present case, both the nature & source of the share application received was fully explained by the assessee. The assessee had discharged its onus to prove the identity, creditworthiness and genuineness of the share applicants. The PAN details, bank account statements, audited financial statements and Income Tax acknowledgments were placed on AO's record. Accordingly all the three conditions as required u/s. 68 of the Act i.e. the identity, creditworthiness and genuineness of the transaction was placed before the AO and the onus shifted to AO to disprove the materials placed before him.
35	Tulsi Extrusions Ltd Vs JCIT	ITA 556 & 823/PUN /13 dt 19.719	Special Bench of the Tribunal reversed the action of the AO in rejecting the books of account on the ground that such books of account were audited and the statutory registers were maintained which were accepted by the Excise and Taxation Department etc. The facts of the instant case are almost similar to those as considered by the Special Bench of the Tribunal in Shanker Rice Company
36	Tirumalasetti Srinivasa Rao Vs DCIT	ITA 27/Viz/19, dt 19.7.19	once the assessee had entered into agreement of sale coupled with power of attorney and handed over the possession of the property to the vendee, the transfer is complete as provided u/s 47 of the Act. This view is supported by the decision of Hon'ble Jurisdictional High Court decision in the case of Potla Nageswara Rao vide ITTA No.245 OF 2014 dated 09.04.2014. Therefore, we hold that the sale of property attracts capital gains tax and the AO rightly brought the sale of property under the capital gains
37	M. Malarvizhi Vs ITO,	ITA 779/Chny /19 dt 19.7.19	having concealed the particulars of income and furnishing of inaccurate particulars of such income, the assessee clearly understood the purport and import of notice issued under section 274 r.w.s. 271 of the Act,. Thus, the Id. CIT(A) has rightly followed the above decision of the Hon'ble High Court. We find no reason to interfere with the order passed by the Id. CIT(A). thus, the ground raised by the assessee stands dismissed.

38	K. Babu, Vs ACIT	ITA.181/Chny /19 dt 19.7.19	the suppliers/ exporters of finished leather purchase the raw material from the butchers on cash basis and to safeguard them, the Legislature intended to make a provision under Rule 6DD(k) that "where the payment is made by any person to his agent who is required to make payment in cash for goods or services on behalf of such person". There is no hard and fast rule that the agent should not be a supplier. In view of the above facts, we delete the addition made under section 40A(3) of the Act.
39	Home Theatre Solutions Vs ITO,	ITA 2732/Chny /18 dt 19.7.19	40(a)(ia) of the Act makes it very clear that expenditure is allowed in the year in which the tax has been remitted to. Thus, the assessee is entitled for claiming the expenditure in the year in which it was paid. In the assessee's case, though the tax was deducted but remitted to the Government account in the subsequent year. Therefore, the Assessing Officer has rightly applied the provisions of section 40(a)(ia) of the Act and disallowed the claim of the assessee and the ld. CIT(A) has confirmed the disallowance
40	BGR Mining and Infra P Ltd Vs ACIT	ITA 1911 1912 1913 and 1914 2012 of 18 dt 19.7.19	reasons for initiating penalty and the assessee gets an opportunity to explain the circumstances under which the default, if any, was committed and as to why the penalty was not leviable. By issuance of notice u/s 271AAB of the Act, the AO is seeking assessee's explanation as to why the penalty should not be levied on the undisclosed income declared in the returns of income, whereas u/s 271(1)(c) of the Act he is seeking assessee's explanation for furnishing of inaccurate particulars or concealment of income. Therefore, we agree with the findings of the CIT (A) that these two provisions operate in different circumstances and by issuance of notice u/s 271AAB of the Act, the AO cannot thereafter change it to section 271(1)(c) of the Act and levy penalty thereunder.
41	DCIT Vs Yaduka Financial Services Ltd	ITA 646/Kol/ 17 dt 19.7.19	We are therefore of the opinion that the Commissioner had mechanically accorded permission. Thus, we hold that the sanction granted by the Commissioner u/s 151 is invalid and so, the notice of the AO dated 22.03.2016 is bad in law and has to be necessarily struck down.
42	I.S. Leather Vs ACIT	ITA 334/Kol /17 dt 19.7.19	10. Therefore, we note that the Assessing Officer should have tangible material to reopen the concluded assessment. We note that the concept of "change of opinion" must be treated as an in-built test to check the abuse of power by assessing officer and hence the Assessing Officer even after the amendments made in the relevant provisions from April 1, 1989 has the power to reopen an assessment provided there is tangible material to come to the conclusion that there was escapement of income from assessment.
43	Sh. Sameer Mittal Vs DCIT	ITA 270- 271/ ASR/19 dt 22.7.19	CBDT Circular referred supra has also stated that trade advances which are in the nature commercial transactions would not fall within the ambit section 2(22)(e) of the Act. Therefore, we find that the agreement entered into between the two companies which is placed on record by virtue of which the funds have been lend is clearly a relevant piece of document which needs to be examined.
44	Vistaar Financial Services Pvt. Vs ACIT	ITA. 684/Bang /19 dt 22.7.19	availability of surplus funds are of the opinion that the assessee has granted interest free advance to its Welfare Trust not out of the Borrowed funds as envisaged by the learned Authorised Representative duly supported by the financial statements and the Hon'ble Apex Court decisions. The assessee has to prove that the advances are not out of Borrowed funds and the onus lies on the assessee to satisfy that non-interest bearing funds have been provided to the

			Welfare Trust. Accordingly, we are of the opinion that the assessee company as per the Balance Sheet has Reserves and Surplus of Rs.30,01,46,634 and whereas the amount advanced is Rs.5,08,10,000 to Welfare Trust out of surplus funds. We are of the substantive opinion that the addition made by the Assessing Officer cannot be sustained on applying the above said judicial decisions and provisions of Section 36(1)(iii) of the Act.
45	Vijaya Bank Vs DCIT	ITA 1835/Bang /18 and batch dt 22.7.19	The main objection of the assessee-bank is that the reopening of assessment is based on the existing material and it is merely a change of opinion and the assessee filed the information.....the assessee-bank has discharged its duty by disclosing all material facts fully and truly and if the information submitted is untrue or on account of omission or failure to discharge fully and truly, the provisions of section 147(a) shall not apply.
46	Tamil Nadu Salt Corporation Ltd Vs ACIT	ITA 834/Chny/ 18 dt 22.7.19	the roads etc., in salt pans on which the assessee has claimed 100% depreciation, is made of clay and sand and as it is noticed that the issue is squarely covered by the decision of Hon'ble Gujarat High Court in the case of C.I.T Vs. Salt and Allied Industries Ltd., referred to supra, respectfully following the decision of Hon'ble Gujarat High Court in the case of C.I.T Vs. Salt and Allied Industries Ltd.,(supra), the Assessing Officer is directed to allow the depreciation claimed @ 100% in respect of temporary roads adjacent to salt pans by the assessee.
47	Shri Jayeshbhai J Amin Gujarat Tyres Vs ITO	ITA 605/Ahd /17 dt 22.7.19	issuing notice under section 148 of the I.T. Act time for issuing of notice under section 143(2) had not expired, therefore, re-assessment proceedings are invalid, bad in law and liable to be quashed.
48	Channel V Music Networks Vs DCIT	ITA.1519 & 1637/Mum/ 16 dt 22.7.19	has dealt with additions to the income by computing profitability @28% on non AE transactions.....we hold that no adjustment to income is required by computing ALP @28% on transactions of the assessee with non AE"s
49	DCIT Vs Dawat Properties	ITA 261/ Ahmd/18 dt 23.7.19	the income from trust property should have been applied for charitable or religious trusts only in the year in which such income has arisen. The expenditure incurred in an earlier year can be met out of the income of the subsequent year and utilization of such income for meeting the expenditure of the earlier year would amount to such income being applied for charitable or religious trusts
50	Late Shri Bhairu Prasad Vs ITO	ITA. 723/JP /19 dt 23.7.19	fact that at the time of issuing the notice under section 148 the assessee was already dead, the said notice is invalid and consequent reassessment framed under section 147 is also not sustainable in law and liable to be quashed.
51	ITO Vs M/s Eid Mohammad Nizamuddin,	ITA 17-19/JP/ 19 dt 23.7.19	four years' time period was considered as reasonable for passing any order u/s 201 or u/s 206C of the Act. 12. The ld. CIT(A) after applying the proposition of law laid down by the Tribunal in assessee's own case concluded that the order passed in all the years under consideration are beyond the period of four years from the end of the relevant financial year, accordingly held that the impugned orders are barred by limitation
52	Madan Lal Saboo vs. DCIT	ITA 1220/JP /18 dt 23.7.19	existing asset sold by the assessee. In the case in hand the assessee has not disputed that the plot of land were allotted to the assessee for commercial purpose and the assessee construction the shops on these plots as per allotment made by the Urban Improvement Trust, Jaipur. Hence, if any extra

			construction is made by the assessee above the shops the same will not be regarded as a different and independent unit being a residential house.
53	Shri Rupam Rajendra Gorecha vs. ITO	IT(ss)A 151/Ahd/18 dt 24.7.19	recording of satisfaction note for invoking the provision of section 153C is a mandatory requirement as it reveals that the AO has applied his mind to reach to the conclusion that the materials belong to the other person. If the AO of the person searched not recorded the satisfaction note, then initiation of proceedings u/s 153C of the Act was not held to be valid.....As the assessee, has succeeded on the technical contention raised by the Ld. AR for the assessee as discussed above, we are not inclined to adjudicate other contentions raised by the Ld. AR on technical grounds as well as on merits. Accordingly, we hold that the assessment framed under section 153C is not sustainable
54	DCIT Vs Raj Corporation	IT(SS)A 357-62/Ahd/17 dt 25.7.19	A perusal of the assessment order would indicate that the ld.AO has not made reference to any seized material found during the course of search while considering this issue. Therefore, impugned additions made by the AO are beyond the scope of section 153A and not sustainable, because no relevance or nexus has been established by the AO with the seized papers found during the course of search.
55	Sanjay Kumar Jain Vs ITO	ITA 825/Del/19 dt 25.7.19	'information' was received from Asstt. Director of Income Tax (Investigation) Unit- 1(3), Ahmedabad and the AO has only relied on the said information and has not made any independent inquiry before recording his reasons to believe for opening assessment under section 147 of the Act which is also corroborated from the fact that he himself mentioned that, the name and details of the assessee has been mentioned in the data of CD sent by the ADIT(Inv.) Unit 1(3), Ahmedabad and believed that income of the assessee has escaped assessment
56	Atul Bansal Vs ACIT	ITA. 1247/Del/19 dt 25.7.19	response to the notices u/s 133(6) of the Act and considering the nature of entries in the impounded documents, we are of the considered view that the Revenue has failed to demonstrate that there was any investment outside the books of accounts to attract the provisions of section 69 of the Act. Considering the peculiar facts of the case in hand, we do not find any merit in the impugned addition, we accordingly direct the AO to delete the additions of Rs.94 lakhs.
57	Aushilben D Shah Vs ITO	ITA 527/Ahd /18 dt 26.7.19	we bear in mind that incidence of penalty under s. 271(1)(c) of the Act is not automatic and should not be imposed merely because it is lawful to do. Considering the smallness of the amount involved, we consider it expedient to give benefit of doubt to the assessee owing to mitigating circumstances viz; the absence of copy of statement of Mr. Mukesh Chokshi or any other substantive material
58	Monica Chakraborty Vs. ITO	ITA 117/Kol /19 dt 29.7.19	sec. 56(2)(vii)(b) proviso makes it clear that the Assessing Officer may also make reference to the DVO as in sec. 50C(2) of the Act. Learned departmental representative at this stage submits that the assessee had never raised such valuation plea in lower proceedings. I find no merit in the instant argument as hon'ble jurisdictional high court's decision in (2014) 372 ITR 83 (Cal) Sunil Kumar Agarwal vs. CIT holds that such a reference is mandatory even if an assessee does not pray for the same before the Assessing Officer
59	Mumbai SEZ Limited Vs DCIT	ITA 4939/Mum. /14 dt 29.7.19	Undisputedly, the Assessing Officer had observed that assessee's business has not commenced. however, learned Commissioner (Appeals) has held that assessee's business

			has commenced from the assessment year 2003-04. Therefore, when assessee's business has already commenced, there is no question of allowing or disallowing capitalization of interest expenditure. Undisputedly, the assessee has debited
60			the interest expenditure to the Profit & Loss account. Therefore, such expenditure has to be set-off against the business income.
61	Trio Elevators Company (India) Ltd Vs DCIT	ITA 793 & 795 /Ahd/17 dt 29.7.19	essential controversy involves maintainability of claim of depreciation on cost of goodwill by the assessee. The assessee has claimed certain costs towards goodwill being extra consideration paid towards acquisition of net value of assets of Alps Technologies Ltd. on slump sale basis with a view to acquire its business operations. There can be no quarrel that extra consideration paid for acquisition of assets and the business of a concern represents cost of goodwill. This being so, the assessee would be entitled in law for claim of depreciation
62	DCIT Vs vs. Canton Laboratories P Ltd	ITA.3 1 6 6 / Ah d / 1 5 DT 29.07.19	We straightway notice that exempt income is out of investments in mutual funds.....separate disallowances towards administrative expenses is not called for where exempt income is generated from mutual funds.
63	Brij Basant Hospitals Pvt. Ltd Vs ACIT	IT (SS)A 482/ Ahd/11 dt 29.7.19	We have also perused the order of the CIT(A). it is the contention of the assessee that the total receipts declared in the cash book exceeds the receipts recorded in the seized documents and therefore, the AO was not justified in making the additions on account of suppressed professional income.
64	DCIT Vs Mahesh Bansal,	ITA 199/Ind/18 dt 29.7.19	additions cannot be made merely based on the basis of random sheets, loose papers, computer prints, hard disk and pen drive etc found from the third party without there being any nexus with other incriminating material establishing the live link of the assessee with the alleged transaction.
65	Ensim India Pvt. Ltd Vs DCIT	ITA 339/PUN /18 dt 29.7.19	it is clear that the dispute is with regard to selection of comparables and in such case, every assessee is choosing comparables or rejecting comparables based on their study report and analysis. If we were to sustain the findings of the Ld. CIT(Appeals) then in every case, there will be lack of "good faith" and "due diligence" on the part of the assessee which is not correct. In this case though there may have been some differences as to comparables but there is neither "concealment of income" nor "furnishing of inaccurate particulars of income". Therefore, penalty levied u/s.271(1)(c) of the Act is not justifiable.
66	Anil Kumar Goyal, HUF Vs ITO,	ITA 189/Agr /17 dt 30.7.19	On account of technical reasons, as mentioned above or on account of fraud or unscrupulous activities of the builder where said residential units without having proper clearance (not disclosed to the assessee at the time of booking or subsequent thereto) cannot be made a ground for denial of benefit of section 54F. In our view, the assessee is entitled to benefit of section 54F. However, on account of interdiction by Karnataka High Court, the possession had not been handed over to the assessee. We may fruitfully apply the mechanism that no order of the court was intending to harm any person. For no fault of the assessee, the assessee cannot be denied benefit of section 54F merely because the clearance of the project is pending before the Hon'ble Karnataka High Cour
67	Rajendra A. Makhijani Vs ACIT	IT(SS)A 251 to 255/Ahd/14 dt 30-7-19	11. A perusal of Note No.3 would indicate that the assessee has admitted discovery of loose papers, documents/electronic data and whose basis he has prepared his return showing

			additional income. In the face of the above discovery of evidence, it could not be said that Explanation 5A is not applicable. Therefore, the facts in the present appeal are quite distinguishable. Explanation 5A has been invoked on the basis of seized material admitted by the assessee persuading it to disclose additional income.
68	ITO Vs Shri Sudhir M. Khurana	IT(SS)A 326/Ahd /11 dt 30.7.19	13. The scheme of the block assessment indicates that assessee has to compute its undisclosed income for the purpose of filing a block return on the basis of seized material. If he failed to compute the true undisclosed income on the basis of the seized material and the AO determined a different undisclosed income than the one disclosed by the assesses, the assessee would be liable to penalty under Section 158BFA(2). 14. In the light of the above, if we examine the facts of the present case, then it would reveal that the assessee has accounted for this cash credit in the regular books of accounts, and these were part of the balance sheet and other details. The assessee has also filed return under section 139(1). According to the finding of the Id.CIT(A) this fact was admitted by the AO. Therefore, these cash credits cannot be inquired in the proceedings under section 158BC of the Act.
69	Nissin Brake India P. Ltd. Vs ACIT	ITA 6962/Del /18 dt 30.7.19	assessee had been consistently following the TNMM method as accepted by the authorities and, therefore, it is not open for the TPO to apply the CUP method abruptly without assigning any reason and such an act of the TPO amounts to deciding the issue by sitting in the armchair of the businessman/assessee. The Tribunal further held that the application of benefit test is impermissible and as a matter of fact the payment of royalty and product development fee are intrinsically interlined with the production and sales and can only be decided under TNMM.
70	ACIT Vs Vs. Subhash Dabas	ITA 2330/Del /16 dt 30.7.19	In view of the decision of the Hon'ble Delhi High Court in the case of Kabul Chawla(supra), if the two conditions of no incriminating material and completed assessments are satisfied, no addition would have been made in the assessment proceeding under section 153A of the Act.
71	DCIT Vs GGC Constructions	ITA 1258/Del /16 dt 30.7.19	CIT(A) deleted the addition on the ground that assessee in the subsequent letter to the Assessing Officer has not only retracted from the surrender but also had filed detailed explanation that the creditors were not static since some of the creditors in subsequent period were squad off / either paid off or written off on account of building material of J-174 project. Since the assessee had already retracted from the surrender made before the Assessing Officer and the Assessing Officer is fully aware of the same, therefore, ignoring such letter of retraction the Assessing Officer could not have made the addition on account of static creditors by invoking the provisions of section 41 (1).
72	Shri Shalin Tandon Vs JCIT	ITA 3284 /Mum /18 dt 30.7.19	The explanation furnished by the legal heir vide its earlier reply dated 01/08/2013 with respect to Bank Account No.5090181079 were duly accepted by the revenue and no penalty proceedings were initiated against those submissions. However, similar submissions advanced with respect to Account No. 5090186352 were disbelieved and it was alleged that the legal heir failed to comply with notice u/s 133(6) and hence, liable for penalty u/s 272A(2)(c). It is observed that the legal heir had duly replied to notice u/s 133(6) and explained its position with respect to allegations made by the revenue.

			Nothing on record would establish that the said information was ever in the possession of legal representative and he refused to part with the same. Further, the consent waiver form, in our opinion, could not be termed as information or statements of account and affairs within the meaning of Section 133(6) of the Act, the non-compliance of which is the primary ingredient to invoke the penal provisions u/s 272A(2)(c).
73	Hellion Finance & Leasing Vs ITO	ITA 3814/Mum /17 dt 30.7.19	The law being very clear and unambiguous, the claim for set off as set out by assessee by setting off business expenses and depreciation against 'Income from House Property' was non-genuine act of the assessee which lacked bonafide which was undertaken to reduce taxliability and was rightly held against assessee in quantum by all the three authorities upto ITAT , concurrently. Under these circumstances and factual matrix of the case , we are not inclined to interfere with the well reasoned appellate order passed by learned CIT(A), which we uphold/confirm
74	Nishith Prabhatbhai Desai Vs ITO	ITA 400/ Ahd / 18 dt 31.7.19	The AO has admitted the claim of interest expenditure to the extent of interest income and therefore one cannot definitely say that interest expenditure was not utilized for the purpose of earning interests. The disallowance of excess expenditure over and above similar income generated, cannot, in our view, invite penal action in the form of penalty.
75	Sri Gurulingappa Bhimsha Kalshetty Vs JCIT	ITA 111 & 112 /Bang/17 dt 31.7.19	The copy of cash book furnished by the assessee would show that the assessee has debited purchases account with the above said amount of Rs.1,22,730/- and has given corresponding credit to HUF account. Hence, as per the cash book, the credit of Rs.1,22,730/- made in the account of HUF represents purchase transaction. Since the purchase transaction was entered in cash book, it has been reflected as Cash receipt in the account of HUF, as per the software program. There should not be any dispute that the purchase transactions entered on credit basis would not attract the provisions of sec.269SS, since the same cannot be considered as loan transactions.
76	ACIT Vs Vs. Smt. Deepa Malini Devi,	ITA 1733/Bang /16 dt 31.7.19	8. We notice that the Ld CIT(A), who passed the order in the hands of Shri Chanduranga Kanth Raje Urs, has given a finding that the JDA has not resulted in any transfer of property, since the possession was not given. He has given the finding after duly examining the back ground of the case. The Ld CIT(A), in the impugned order, has followed the above said decision of his counterpart, Before us, the revenue did not furnish any material to contradict the findings given by Ld CIT(A). Hence we have no other option, but to confirm the order passed by Ld CIT(A).
77	Chinnappa Anthonappa Vs ACIT	ITA 663/Bang /15 dt 31.7.19	the assessee has complied with the conditions for grant of deduction u/s. 54B of the Act inasmuch as he has utilised, within a period of two years from the date of transfer of capital asset, the capital gain in purchasing another land for being used for agricultural purposes. The fact that the assessee did not get legal title to the lands is no ground to deny the benefit of deduction u/s. 54B.
78	ACIT Vs. M/s. Amtek Crank Shaft Ltd and . Amtek Crank Shaft Ltd Vs ACIT	ITA 5016-18/ Del/14 & ITA 4935-37/Dell /14 31.7.19	It is pertinent to note that according to the provision of Section 14 of the Insolvency and Bankruptcy Code, 2016 the moratorium has been declared and the continuation of any pending suit is barred. Therefore till the insolvency process continues these appeals cannot be proceeded with. Therefore, till the company is revived in terms of

			the Act any appeal filed by the assessee and the Revenue becomes infructuous. Therefore we dismiss all the appeals filed by the assessee as well as the revenue, However, in the interest of justice, we give liberty to the assessee as well as to the revenue to file an application for revival of these appeals as and when the moratorium period is over or revival of the company takes place
79	ITO Vs Bhagwat Marcom Pvt. Ltd.	ITA 2236/Kol/17 dt 31.7.19	it was held by their lordship that when the cash did not pass at any stage and since the respective parties did not receive cash nor did pay any cash, there was no real credit of cash in the cash book and the question of inclusion of the amount of the entry as unexplained cash credit could not arise.
80	Shivakumar Kheny (HUF) Vs ITO	ITA 792/Bang/ 19 dt 31.7.19	The requirement of Sec.54 of the Act in the second limb is that capital gain should be used in construction of residential house and nothing more. The Assessee in the present case is the owner of the superstructure constructed by utilizing the capital gain and this is clear from clause-10 of the lease deed by which the land over which the construction has been put up was given on lease to the Assessee. Therefore, the deduction u/s.54 of the Act ought to be allowed to the Assessee as claimed by the Assessee. We hold and direct accordingly
81	Gogga Gurusanthiah & Bros Vs DCIT	ITA 503/Bang /14 dt 31.7.19	assessee is entitled to carry forward the value of closing stock which is added back to the income of assessee for AY 2007-08 in AY 2008-09, the AO ought to have given appropriate set off. In fact the AO has given such a set off in respect of enhanced value of stock as per books of account as well as the enhanced value of stock which was found in excess at the time of survey, but did not extend the same benefit in respect of stock found at the time of survey which was valued at Rs.200 / metric ton. This was clearly impermissible in law
82	DCIT Vs Sum Total Systems India Pvt. Ltd	ITA . 487/Hyd /19 dt 31.7.19	As per the provisions of section 153(3), the time limit for completion of assessment, reassessment and re-computation in pursuance of an order under section 254 or section 263 or section 264, setting aside or cancelling an assessment, may be made at any time before the expiry of nine months from the end of the FY in which the order u/s 254 is received by the respective jurisdictional Commissioner. In the case under consideration, the AO passed the consequential order after a period of 21 months, which is time barred.
83	DCIT Vs PCL Intertech Lenhydro Consortium Joint Venture	ITA 461/Hyd /19 dt 31.7.19	we notice that in the immediate previous AY, i.e. AY 2008-09, income of the assessee was estimated @ 2% and there is no change in the business model, in our considered view, AO cannot increase the rate of estimation without any major deviation in the business model of the assessee.

Kerala VAT

C.SESHADRI NADAN

1. Advance Ruling No. KER / 41 /2019 dated 12/04/2019: The issue involved was whether diagnostic service provider is liable for registration and falls under Entry 74 of Notification No. 12 / 2007 – CT (Rate) dated 28/06/2017. The Kerala Authority for Advance Ruling held that the service provider may have to register under GST Act only if it is liable for reverse charge u/s. 9 (3) and the service provided is covered by Entry 74 of Notification No. 12 / 2007 – CT (Rate) dated 28/06/2017.
2. Advance Ruling No. KER / 36 /2019 dated 02/03/2019: The question raised for advance ruling was the rate of tax applicable for fresh raw green pepper. The applicant had contended that raw pepper was covered by HSN 0709.99.10. The Authority held that green pepper plucked from vine did not have the characteristic of spices. It was also noticed by the Authority that in its final order No. 21830-20843/2018 dated 30/11/2018, CESTAT, South Zone Bangalore Bench had held that green pepper is a vegetable. Thus, the issue was answered by holding that green peppercorns from plucked fresh vines will fall under Chapter 7 of Customs Tariff Act; green pepper subjected to further processing will be covered by HSN 0904.11.90; purchase or sale of green pepper picked from vine is covered by entry 43 of Notification No. 02/2017 Central Tax (Rate) dated 28/06/2017

MADRAS HIGH COURT Judgments in VAT CST GST

Sampathkumar V V

Remand directions: The reason put forth before this Court for non-compliance with the aforesaid notice had been that the petitioner had met with a very serious accident on 02.05.2013 suffering brain as well as spinal injuries. This Court, vide its earlier order, has been of the view that the seriousness of the accident of the petitioner justified non-compliance by the petitioner with the pre-assessment notice issued by the Officer. In the circumstances as noted above, particularly the fact that petitioner was under medical treatment from 02.05.2013, the Court was of the view that the petitioner should be afforded one opportunity to set things in order. **Vijay Industries, Vs. The AC CT), Palani, W.P (MD).Nos.14259 and 14260 of 2019 DATED: 26.06.2019**

Personal Hearing: Department has issued several Circulars reiterating this position and informing the AOs of the proper procedure to be followed in the matter of framing of assessment, which should include the grant of personal hearing. The Commissioner states that the dealer shall be afforded an opportunity of personal hearing irrespective of whether it has been sought. Hence, the Court set aside the impugned order. **Tvl.ESS ESS Exports, Vs. CTO (Addl.), Sattur, Virudhunagar District. W.P.(MD)No.17350 of 2015 DATED: 10.06.2019**

Objections: For the Revision notice dated 30.10.2012 received by petitioners on 24.01.2013, objections were filed on 12.02.2013, and impugned order was also received by the petitioners on 21.02.2013 though dated 11.02.2013. The objections raised by the petitioner in his reply dated 12.02.2013 is that the sales turnover of Rs.88,67,335/- are only sales of Information Technology products and therefore, the tax that was assessed at 4% is in order. Since the petitioner's claim of having received the notice belatedly, but by taking into consideration that the petitioner seems to have raised valid objection, which of course, requires to be considered by the Authorities, this Court is of the view that the petitioner can be given an opportunity to raise his objections once again before the respondents herein and set-aside the order and remanded the matter. **M/s. Young Computers (India) Pvt. Ltd., V. The AC (CT), Saligramam Assessment Circle, W.P.No.5341 of 2013 DATED: 20.06.2019**

Opportunity :For the observation in the notice of the AO that the dealer may also avail the opportunity of being heard in person within the above said period of 15 days, the court held that the officer is expected to stipulate a specific date and time, when the assessee should appear before him and put forth its submissions. It is only in the aforesaid circumstances that an argument may be taken to the effect that an opportunity was extended but not availed of. **Tvl.Maruthi Hospital Vs. The Assistant Commissioner (CT), Woraiyur Assessment Circle, W.P.[MD]No.9830 of 2019 DATED: 17.06.2019**

Natural Justice: The impugned order refers to a pre-assessment notice dated 24.02.2015. The Assessing Officer states that there was no response to the notice as a result the proposals contained stood confirmed, rejecting the claim of the petitioner for exemption. The records reveal that the petitioner had sent a reply on 11.12.2014 along with annexures, duly received and acknowledged by the Assessing Officer on 12.12.2014. Therefore,, there has been a violation of the principles of natural justice and the impugned assessment order is thus set aside. **Tvl. Vivek Scientific Industrial Suppliers, Vs. The AC (CT) Thirunelveli Junction Assessment Circle, W.P (MD) No.17073 of 2015 DATED: 11.06.2019**

Input tax credit: The vires of Section 19(11) of the Act (time limit to claim ITC) has been ultimately upheld by the Supreme Court in the case of ALD Automotive Private Limited Vs. The CTO [AIR 2018 SC 5235] confirming the decision of the Madras High Court and hence there is no merit in this writ petition. However, in the interests of justice, the petitioner is permitted to file a statutory appeal challenging the impugned order of assessment. Such appeal, if filed within a period of two weeks from today (i.e., 11.06.2019), shall be taken on file by the appellate authority without reference to limitation and disposed, after hearing the petitioner and in accordance with law, as expeditiously as possible. **N.Gnanasekaran Vs. The Commercial Tax Officer, Lalgudi Assessment Circle, W.P (MD) No.7401 of 2010 DATED: 11.06.2019**

Industrial Input Certificate: Industrial input certificated received and filed latter to the passing of the order can be considered if and when a petition is filed under section 84 of the TNVAT act 2006 **Tvl. Duracon Automation vs. Assistant Commissioner (ST) Hosur (South) W.P.No.17622 of 2019 Dated : 27.06.2019**

Alternative Remedy: In the light of alternate remedy or in other words by applying the rule of alternate remedy on the touchstone of Satyawati Tandon principle, this Court is not interfering with the impugned order. It is open to the writ petitioner to prefer an appeal to the aforesaid Appellate Authority i.e, Appellate Deputy Commissioner of Commercial Taxes (East). If the Appellate Authority entertains the matter on merits in the light of sub-sections (2) and (3) of Section 27 of TNVAT Act, it is made clear that it is open to the Appellate Authority to look into books of accounts, sales / purchase bills and other documents. **Tvl.Jeyapathi Marketing Vs. The AC (ST) Madipakkam Assessment Circle W.P.No.16888 of 2019 DATE: 21.06.2019**

Stay Order : WPs are filed to call for the records in S.P.Nos.29, 30, 31 and 32 of 2019 in AP No.53/2019 dated 24.05.2019 and quash the same in so far as it relates to the furnishing of security bond or bank guarantee of balance of arrears and direct the second respondent to accept the personal bond to be executed Identical requests made have been considered by this Court and hence the petitioner is permitted to furnish a personal bond within a period of seven days from date of receipt of a copy of this order. **M/s. Hari Plastics, Vs. The ADC (ST)(FAC), Trichy and the STO, Thiruverumbur Assessment Circle, W.P (MD). Nos. 14096 to 14099 of 2019 DATED: 24.06.2019**



Corporate Laws & Corporate Governance Committee

Summary of Provisions of The Companies (Amendment) Act, 2019



**CORPORATE LAWS & COPRORATE GOVERNANCE COMMITTEE, ICAI
(Set up under an Act of Parliament)**



Summary of Provisions of The Companies (Amendment) Act 2019

The Companies (Amendment) Act, 2019 has been passed by the Parliament and got the assent of the President on 31st July, 2019.

A total of 41 sections have been amended were amended and 2 new sections have been inserted through the Companies (Amendment) Act, 2019.

- The provisions of this Act, except sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall be deemed to have come into force on the 2nd day of November, 2018.
- The provisions of sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for these provisions and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

The Companies (Amendment) Act, 2019 which seeks to replace the Companies (Amendment) Second Ordinance, 2019 with certain additional amendments, *inter alia*, provides for the following, namely:—

- (i) to amend clause (41) of section 2 of the Companies Act, 2013 so as to empower the Central Government to allow certain companies to have a different financial year instead of as determined by the Tribunal;
- (ii) to amend section 12 of the Act empowering the Registrar to initiate action for the removal of name of the company from register of companies, if the company is not carrying on any business or operation in accordance with the provisions of the Act;
- (iii) to amend sixteen sections of the Act so as to modify the punishment as provided in the said sections from fine to monetary penalties to lessen the burden upon the Special Courts;
- (iv) to amend section 132 of the Act to enable the National Financial Reporting Authority to perform its functions through divisions and the Executive Body;
- (v) to amend section 135 of the Act so as to bring clarity to—
 - (a) carry forward the unspent corporate social responsibility amount, to a special account to be spent within three financial years and transfer thereafter to the Fund specified in Schedule VII, in case of an ongoing project; and
 - (b) transfer the unspent amount to the Fund specified under Schedule VII, in other cases;
- (vi) to amend sections 241, 242 and 243 of the Act so as to empower the Central Government to approach Tribunal to issue an order against the persons who are connected with the conduct and management of the company as not fit and proper persons for the acts committed by them which amount to mismanagement; and



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(vi) to amend section 441 of the Act so as to enhance the jurisdiction of the Regional Director for compounding the offences.

Amongst others, the following are the important amendments:

- Recategorization of 16 minor offences as purely civil defaults which will declog special courts.
- Stringent provisions with reduced timelines for creation and modification of charges.
- Transfer of approval for certain routine functions such as change of financial year and conversion of public to private companies from The National Company Law Tribunal to the Central Government.
- Breach of ceiling on directorship being made a ground for disqualification to be appointed as a director in a company.
- Making non-maintenance of registered office and non reporting of commencement of business grounds results in removal of names of companies from the Register Of Companies.

Summary of Provisions of The Companies (Amendment) Act 2019

S. No	Chapter/ Section number/ Subsection(s) in the Companies Act, 2013	Section	The Companies Act 2013	Section number of Act	The Companies (Amendment) Act 2019	Remarks
1.	Chapter I- Short Title, Commencement and Definitions	2 (41) Financial year	Financial year, in relation to any company or body corporate, means the period ending on the 31 st day of March every year, and where it has been incorporated on or	2	For the first proviso the following shall be substituted: "Provided that where a company or body	Instead of Tribunal, the application for following a different financial year is to be



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		<p>after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:</p> <p>Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year:</p> <p>Provided further that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;</p>	<p>corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Central Government may, on an application made by that company or body corporate in such form and manner as may be prescribed, allow any period as its financial year, whether or not that period is a year:</p> <p>Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement.";</p> <p>(b) in the second proviso, for the words "Provided further that", the</p>	<p>submitted to Central Government.</p> <p>For pending applications, disposal shall be made by the Tribunal as per the existing provisions.</p>
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					words "Provided also that" shall be substituted.	
2.	CHAPTER II Incorporation Of Company And Matters Incidental Thereeto	Insertion of new section 10(A) (Commencement of Business etc)	New insertion	3	<p>After section 10 of the principal Act, the following section shall be inserted, namely:—</p> <p>(1) A company incorporated after the commencement of the Companies (Amendment) Act, 2019 and having a share capital shall not commence any business or exercise any borrowing powers unless—</p> <p>(a) a declaration is filed by a director within a period of one hundred and eighty days of the date of incorporation of the company in such form and verified in such manner as may be prescribed, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration; and</p>	<p>This Section has been inserted as a new Section after certain modifications in Section 11 which was omitted by Companies (Amendment) Act 2015.</p> <p>Declaration by the directors to ROC for payment of value of shares by the subscribers to the memorandum is required to be filed for amount of share capital agreed to be taken with by him in 180 days of Incorporation.</p> <p>Further, Verification of Registered Office as provided in Section 12(2)</p>



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					<p>(b) the company has filed with the Registrar a verification of its registered office as provided in sub-section (2) of section 12.</p> <p>(2) If any default is made in complying with the requirements of this section, the company shall be liable to a penalty of fifty thousand rupees and every officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such default continues but not exceeding an amount of one lakh rupees.</p> <p>(3) Where no declaration has been filed with the Registrar under clause (a) of sub-section (1) within a period of one hundred and eighty days of the date of incorporation of the company and the Registrar</p>	<p>needs to be done within the aforesaid period.</p> <p>In case declaration has not been filed and ROC has reasons to believe that no business has been transacted, the process of removal of the company u/s 248 of the Act can be initiated.</p> <p>Consequential amendment has been made u/s 248 of the Act.</p>
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					has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of sub-section (2), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.	
3.	CHAPTER II Incorporation Of Company And Matters Incidental Thereeto	Insertion of new sub-section (9) after Section 12 sub section 8	New insertion	4	<p>In section 12 of the principal Act, after sub-section (8), the following sub-section shall be inserted, namely:—</p> <p>"(9) If the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may cause a physical verification of the registered office of the company in such manner as may be prescribed and if any default is found to be made in complying with the requirements of sub-section (1), he may without prejudice to the provisions of sub-section (8), initiate action for the removal of</p>	<p>In case the Registrar has reasons to believe that the company is not carrying on any business, physical verification may be made to verify existence of Registered Office.</p> <p>In case of default, even removal of name of the company may be initiated.</p>



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					the name of the company from the register of companies under Chapter XVIII."	
4.	CHAPTER II Incorporation Of Company And Matters Incidental Thereeto	Section 14(1) and (2) - Alteration of articles	(1) Subject to the provisions of this Act and the conditions contained in its memorandum, if any, a company may, by a special resolution, alter its articles including alterations having the effect of conversion of— (a) a private company into a public company; or (b) a public company into a private company: Provided that where a company being a private company alters its articles in such a manner that they no longer include the restrictions and limitations which are required to be included in the articles of a private company under this Act, the company shall, as from the date of such alteration, cease to be a private company: Provided further that any alteration having the effect of conversion of a public company into a private company shall not take effect	5	(i) in sub-section (1), for the second proviso, the following proviso shall be substituted, namely:— "Provided further that any alteration having the effect of conversion of a public company into a private company shall not be valid unless it is approved by an order of the Central Government on an application made in such form and manner as may be prescribed: Provided also that any application pending before the Tribunal, as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement."; (ii) in sub-section (2),	Instead of Tribunal, the application for conversion of public company to private company and vice-versa is to be submitted to Central Government. For pending applications, disposal shall be made by the Tribunal as per the existing provisions.



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			<p>except with the approval of the Tribunal which shall make such order as it may deem fit.</p> <p>(2) Every alteration of the articles under this section and a copy of the order of the Tribunal approving the alteration as per sub-section (1) shall be filed with the Registrar, together with a printed copy of the altered articles, within a period of fifteen days in such manner as may be prescribed, who shall register the same.</p>		<p>for the word "Tribunal", the words "Central Government" shall be substituted.</p>	
5.	<p>CHAPTER III Prospectus and Allotment of Securities PART I.—Public offer</p>	<p>Section 26 - Matters to be stated in prospectus</p>	<p>(4) No prospectus shall be issued by or on behalf of a company or in relation to an intended company unless on or before the date of its publication, there has been delivered to the Registrar for registration, a copy thereof signed by every person who is named therein as a director or proposed director of the company or by his duly authorised attorney.</p> <p>(5) A prospectus issued under sub-section (1) shall not include a</p>	6	<p>In section 26 of the principal Act,— (i) in sub-sections (4), (5) and (6), for the word "registration", the word "filing" shall be substituted; (ii) after sub-section (1), sub-section (7) shall be omitted.</p>	<p>Section 26 (4), (5) and (6) of the Act have been amended so as to substitute the requirement of registration of prospectus with filing of prospectus with the Registrar.</p>



			<p>statement purporting to be made by an expert unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the company and has given his written consent to the issue of the prospectus and has not withdrawn such consent before the delivery of a copy of the prospectus to the Registrar for registration and a statement to that effect shall be included in the prospectus.</p> <p>(6) Every prospectus issued under sub-section (1) shall, on the face of it,—</p> <p>(a) state that a copy has been delivered for registration to the Registrar as required under sub-section (4); and</p> <p>(b) specify any documents required by this section to be attached to the copy</p>			
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			so delivered or refer to statements included in the prospectus which specify these documents.			
6.	CHAPTER III Prospectus and Allotment of Securities PART I.—Public offer	Section 29 - Public offer of securities to be in dematerialised form.	(1) Notwithstanding anything contained in any other provisions of this Act,— (a) every company making public offer; and (b) such other class or classes of public companies as may be prescribed, shall issue the securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder. (2) Any company, other than a company mentioned in sub-section (1), may convert its securities into dematerialised form or issue its securities in physical form in	7	In section 29 of the principal Act,— (i) in sub-section (1), in clause (b), the word “public” shall be omitted; (ii) after sub-section (1), the following sub-section shall be inserted, namely:— “(1A) In case of such class or classes of unlisted companies as may be prescribed, the securities shall be held or transferred only in dematerialised form in the manner laid down in the Depositories Act, 1996 and the regulations made thereunder.”	Section 29 (1) of the Act has been amended to insert sub-section (1A) therein to provide for the requirement of issuance, holding or transferring of securities in dematerialised form for any class of unlisted companies, as may be prescribed by the Central Government.



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			accordance with the provisions of this Act or in dematerialised form in accordance with the provisions of the Depositories Act, 1996 and the regulations made thereunder.			
7.	CHAPTER III Prospectus and Allotment of Securities PART I.—Public offer	Section 35 - Civil liability for mis-statements in prospectus.	(c) that, as regards every misleading statement purported to be made by an expert or contained in what purports to be a copy of or an extract from a report or valuation of an expert, it was a correct and fair representation of the statement, or a correct copy of, or a correct and fair extract from, the report or valuation; and he had reasonable ground to believe and did up to the time of the issue of the prospectus believe, that the person making the statement was competent to make it and that the said person had given the consent required by sub-section	8	In section 35 of the principal Act, in sub-section (2), in clause (c), for the words "delivery of a copy of the prospectus for registration", the words "filing of a copy of the prospectus with the Registrar" shall be substituted.	Clause (c) in section 35 (2) of the Act has been amended to provide that the copy of the prospectus shall be filed with the Registrar instead of delivery for registration.



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			(5) of section 26 to the issue of the prospectus and had not withdrawn that consent before delivery of a copy of the prospectus for registration or, to the defendant's knowledge, before allotment thereunder.]			
8.	CHAPTER IV Share Capital And Debentures	Section 53(3) - Prohibition on issue of shares at discount	(3) Where a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.	9	In section 53 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:— "(3) Where any company fails to comply with the provisions of this section, such company and every officer who is in default shall be liable to a penalty which may extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less, and the company shall also be liable to refund all monies received with interest at the rate of twelve per cent. per annum	Penalty has been linked with amount raised through the issue of shares at a discount or a penalty of Rs. 5 lakhs whichever is less. Further, in case of default, the company is required to refund the amount alongwith 12% interest per annum.



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					from the date of issue of such shares to the persons to whom such shares have been issued."	
9.	CHAPTER IV Share Capital And Debentures	Section 64(2) -Notice to be given to Registrar for alteration of share capital	2) If a company and any officer of the company who is in default contravenes the provisions of sub-section (1), it or he shall be punishable with fine which may extend to one thousand rupees for each day during which such default continues, or five lakh rupees, whichever is less.	10	In section 64 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:— "(2) Where any company fails to comply with the provisions of sub-section (1), such company and every officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such default continues, or five lakh rupees whichever is less."	Minimum penalty has been raised to Rs 1000 for each day. The word 'penalty' replaces the word 'fine'.
10.	CHAPTER VI Registration Of Charges	Section 77(1) -Duty to register charges, etc.—	—(1) It shall be the duty of every company creating a charge within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, to register the particulars of the charge signed by the company and the charge-holder together with the instruments, if any,	11	In section 77 of the principal Act, in sub-section (1), for the first and second provisos, the following provisos shall be substituted, namely:— "Provided that the Registrar may, on an application by the company, allow such registration to be made—	The Registrar may not allow to register charge after 60 days. Pre amendment the Registrar could allow to register charges within a period of 300 days of creation of



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			<p>creating such charge in such form, on payment of such fees and in such manner as may be prescribed, with the Registrar within thirty days of its creation:</p> <p>Provided that the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed:</p> <p>Provided further that if registration is not made within a period of three hundred days of such creation, the company shall seek extension of time in accordance with section 87:</p>	<p>(a) in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation; or</p> <p>(b) in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation, on payment of such additional fees as may be prescribed: Provided further that if the registration is not made within the period specified—</p> <p>(a) in clause (a) to the first proviso, the registration of the charge shall be made within six months from the date of commencement of the Companies (Amendment) Act, 2019, on payment of such additional fees as may be prescribed and different fees may be prescribed for</p>	<p>charge.</p> <p>Post amendment further period of 60 days is allowed to register charge for charges created after the commencement of the Amendment Act.</p> <p>Extension under section 87 to be given by the Central Government under specific circumstances.</p>
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					different classes of companies; (b) in clause (b) to the first proviso, the Registrar may, on an application, allow such registration to be made within a further period of sixty days after payment of such advalorem fees as may be prescribed."	
11.	CHAPTER VI Registration Of Charges	Section 86- Punishment for contravention New insertion of sub section (1) and (2)	If any company contravenes any provision of this Chapter, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.	12	Section 86 of the principal Act shall be numbered as subsection (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:— "(2) If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447."	New Subsection inserted to provide for wilful default. In case of wilful default, a person shall be liable under section 447 of the Act.
12.	CHAPTER VI Registration Of Charges	Section 87 - Rectification by Central	(1) The Central Government on being satisfied that— (i) (a) the omission to file with	13	For section 87 of the principal Act, the following section shall be substituted,	Rectification is allowed only in case of accidental



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		<p>Government register of charges in of</p>	<p>the Registrar the particulars of any charge created by a company or any charge subject to which any property has been acquired by a company or any modification of such charge; or <i>(b)</i> the omission to register any charge within the time required under this Chapter or the omission to give intimation to the Registrar of the payment or the satisfaction of a charge, within the time required under this Chapter; or <i>(c)</i> the omission or misstatement of any particular with respect to any such charge or modification or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83, was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company; or <i>(i)</i> on any other grounds, it is just and equitable to grant</p>		<p>namely:— "87. The Central Government on being satisfied that — (a) the omission to give intimation to the Registrar of the payment or satisfaction of a charge, within the time required under this Chapter; or (b) the omission or misstatement of any particulars with respect to any such charge or modification or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83, was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company, it may, on the application of the company or any person interested and on such terms and conditions as the Central Government deems just</p>	<p>or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company.</p>
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			relief, it may on the application of the company or any person interested and on such terms and conditions as it may seem to the Central Government just and expedient, direct that the time for the filing of the 63 particulars or for the registration of the charge or for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or mis-statement shall be rectified.		and expedient, direct that the time for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or misstatement shall be rectified”	
13.	CHAPTER VII Management and Administration	New Insertion Section 90 (4A) -Register of significant beneficial owners in a Company.	New Insertion	14	(4A) Every company shall take necessary steps to identify an individual who is a significant beneficial owner in relation to the company and require him to comply with the provisions of this section.	Section 90 of the Act has been amended by inserting sub-section (4A) to provide that the company shall take necessary steps to identify an individual who is a significant beneficial owner. Failure to take necessary steps shall lead to action under sub-



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14.	CHAPTER VII Management and Administration	Section 90 (9) and (10) -Register of significant beneficial owners in a Company.	(9) The company or the person aggrieved by the order of the Tribunal may make an application to the Tribunal for relaxation or lifting of the restrictions placed under sub-section (8). (10) If any person fails to make a declaration as required under sub-section (1) he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.	14	For section 90 of the principal Act, the following sub-section shall be substituted, namely:— "(9) The company or the person aggrieved by the order of the Tribunal may make an application to the Tribunal for relaxation or lifting of the restrictions placed under sub-section (8), within a period of one year from the date of such order. Provided that if no such application has been filed within a period of one year from the date of the order under sub-section (8), such shares shall be transferred to the authority constituted under sub-section (5) of section 125, in such manner as may be prescribed; (ii) in sub-section (10),— (a) after the word "punishable", the words	section (11). Sub-section (9) of section 90 of the Act has been amended to provide that the company or the person aggrieved by the order of the Tribunal may make an application to the Tribunal for relaxation or lifting of the restrictions placed under sub-section (8), within a period of one year from the date of such order and if no such application is filed, such shares shall be transferred without any restrictions to Investor Education and Protection Fund Authority.
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					<p>"with imprisonment for a term which may extend to one year or" shall be inserted;</p> <p>(b) after the words "ten lakh rupees", the words "or with both" shall be inserted.</p>	<p>In the Act, sub-section (9A) has been inserted to provide the power to the Central Government to make rules for the purposes of this section.</p> <p>The penalty has been extended to include Imprisonment along with fine.</p>
15.	CHAPTER VII Management and Administration	Section 92(5) - Annual return.	(5) If a company fails to file its annual return under sub-section (4), before the expiry of the period specified therein, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakhs rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than fifty thousand rupees but which may extend to five	15	<p>For section 92 of the principal Act, the following section shall be substituted, namely:—</p> <p>"(5) If any company fails to file its annual return under sub-section (4), before the expiry of the period specified therein, such company and its every officer who is in default shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such</p>	<p>For non-filing of Annual Return in time, monetary penalty has been levied.</p> <p>Imprisonment punishment has been withdrawn.</p> <p>Penalty for continuing default has been inserted.</p>



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			lakh rupees, or with both.		failure continues, subject to a maximum of five lakh rupees.".	
16.	CHAPTER VII Management and Administration	Section 102 (5) -Statement to be annexed to notice.	(5) If any default is made in complying with the provisions of this section, every promoter, director, manager or other key managerial personnel who is in default shall be punishable with fine which may extend to fifty thousand rupees or five times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is more.	16	13. In section 102 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:— "(5) Without prejudice to the provisions of sub-section (4), if any default is made in complying with the provisions of this section, every promoter, director, manager or other key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees or five times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is higher.".	Minimum Penalty has been fixed to Rs 50000.
17.	CHAPTER VII Management and Administration	Section 105 (3) -Proxies	(3) If default is made in complying with sub-section (2), every officer of the company who is in default shall be punishable with fine which may extend to five	17	In section 105 of the principal Act, in sub-section (3), for the words "punishable with fine which may extend to five thousand rupees", the	Penalty has been fixed to Rs 5000.



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			thousand rupees.		words "liable to a penalty of five thousand rupees" shall be substituted.	
18.	CHAPTER VII Management and Administration	Section 117 (2) - Resolutions and agreements to be filed	(2) If a company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default, including liquidator of the company, if any, shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.	18	In section 117 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:— "(2) If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of twenty-five lakh rupees and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with further penalty of five	In case of default, per day penalty has been introduced. Penalty for continuing default has been inserted. The word 'fine' has been replaced with the word 'penalty'. For Company Minimum- Rs 1 lakh Further Penalty Per Day – Rs 500 Subject to Rs 25 lakh For Officer including liquidator



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					hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees."	Minimum- Rs 0.50 lakh Further Penalty Per Day – Rs 500 Subject to Rs 5 lakh
19.	CHAPTER VII Management and Administration	Section 121 (3) - Report on annual general meeting	(3) If the company fails to file the report under sub-section (2) before the expiry of the period specified therein, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees	19	In section 121 of the principal Act, for sub-section (3), Amendment of the following sub-section shall be substituted, namely:— Section 121. "(3) If the company fails to file the report under sub-section (2) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh	In case of default, per day penalty has been introduced. Penalty for continuing default has been inserted. The word 'fine' has been replaced with the word 'penalty'. For Company Minimum- Rs 1 lakh Further Penalty Per Day – Rs 500



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					<p>rupees and every officer of the company who is in default shall be liable to a penalty which shall not be less than twenty-five thousand rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees."</p>	<p>Subject to Rs 5 lakh</p> <p>For Officer</p> <p>Minimum- Rs 0.25 lakh</p> <p>Further Penalty</p> <p>Per Day – Rs 500</p> <p>Subject to Rs 1 lakh</p>
20.	CHAPTER IX Account Companies	Section 132 – National Financial Reporting Authority	New Insertion and change in the penalty	20	<p>In section 132 of the principal Act,—</p> <p>(a) after sub-section (1), the following sub-section shall be inserted, namely:—</p> <p>“(1A) The National Financial Reporting Authority shall perform its functions through such divisions as may be prescribed.”;</p> <p>(b) after sub-section (3), the following sub-sections shall be inserted, namely:—</p> <p>“(3A) Each division of the National Financial Reporting Authority shall be presided over by the Chairperson or a full-time Member</p>	<p>Section 132 of the Act has been amended to provide that the National Financial Reporting Authority shall perform its functions through such divisions as may be prescribed by the Central Government. It also seeks to provide that there shall be an</p>



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					<p>authorised by the Chairperson. (3B) There shall be an executive body of the National Financial Reporting Authority consisting of the Chairperson and full-time Members of such Authority for efficient discharge of its functions under sub-section (2) [other than clause (a)] and sub-section (4)." (c) in sub-section (4), in clause (c), for sub-clause (B), the following sub-clause shall be substituted, namely:—</p>	<p>executive body of the National Financial Reporting Authority consisting of the Chairperson and full-time Members for efficient discharge of its certain functions.</p>
21.	CHAPTER IX Account of Companies	Section 132 – National Financial Reporting Authority	(B) debaring the member or the firm from engaging himself or itself from practice as member of the Institute of Chartered Accountant of India referred to in clause (e) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 for a minimum period of six months or for such higher period not exceeding ten years as may be decided by the National Financial Reporting Authority.	20	“(B) debaring the member or the firm from— I. being appointed as an auditor or internal auditor or undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate; or II. performing any	Sub-clause (B) of clause (c) of sub-section (4) of section 132 have been amended with respect to the extent of debaring of the member or firm by National Financial Reporting Authority in case professional or



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					valuation as provided under section 247, for a minimum period of six months or such higher period not exceeding ten years as may be determined by the National Financial Reporting Authority."	other misconduct is proved. Consequent to the amendment, NFRA cannot debar a member/firm from engaging in practice but can debar a member or the form from being appointed as an Auditor or Internal Auditor or a Valuer.
22.	CHAPTER IX Account of Companies	Section 135 – Corporate Social Responsibility		21	In section 135 of the principal Act,— (a) in sub-section (5), — (i) after the words "three immediately preceding financial years," the words "or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years," shall be inserted; (ii) in the second proviso, after the words, "reasons for not spending the amount" occurring at the	Sub-section (5) of section 135 has been amended and sub-sections (6), (7) and (8) have been inserted in the said section of the Act to provide, <i>inter alia</i> for (a) carrying forward the unspent amounts, to a special account to be spent within three



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				<p>end, the words, brackets, figure and letters "and, unless the unspent amount relates to any ongoing project referred to in subsection (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year" shall be inserted;</p> <p>(b) after sub-section (5), the following sub-sections shall be inserted, namely:—</p> <p>"(6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent</p>	<p>financial years and transfer thereafter to the Fund specified in Schedule VII, in case of an ongoing project; and</p> <p>(b) transferring the unspent amounts to the Fund specified under Schedule VII, in other cases.</p>
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				<p>Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.</p> <p>(7) If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty</p>	
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					<p>thousand rupees but which may extend to five lakh rupees, or with both.</p> <p>(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions."</p>	
23.	CHAPTER IX Account of Companies	Section 137 (3) - Copy of financial statement to be filed with Registrar	(3) If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified therein, the company shall be punishable with fine of one thousand rupees for every day during which the failure continues but which shall not be more than ten lakh rupees, and the managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the	22	<p>In section 137 of the principal Act, in sub-section (3),— Amendment of section 137.</p> <p>(a) for the words "punishable with fine", the words "liable to a penalty" shall be substituted;</p> <p>(b) for the portion beginning with the words "punishable with imprisonment", and ending with the words "five lakh rupees or with both", the words "shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further</p>	<p>For non-filing of Financial Statements in time, monetary penalty has been levied.</p> <p>Penalty for continuing default has been inserted.</p> <p>In case of default, per day penalty has been introduced.</p> <p>Imprisonment punishment has been withdrawn.</p>



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			Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.		penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees" shall be substituted.	<p>For Company</p> <p>Per Day – Rs 1000</p> <p>Subject to Rs 10 lakh</p> <p>For Officer including Directors</p> <p>Minimum- Rs 1 lakh</p> <p>Further Penalty</p> <p>Per Day – Rs 100</p> <p>Subject to Rs 5 lakh</p>
24.	CHAPTER X Audit And Auditors	Section 140 (3) Removal, resignation of auditor and giving of special notice.	(3) If the auditor does not comply with sub-section (2), he or it shall be punishable with fine which shall not be less than fifty thousand rupees or the remuneration of the auditor, whichever is less, but which may extend to five lakh rupees.	23	In section 140 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:— "(3) If the auditor does not comply with the provisions of sub-section (2), he or it shall be liable to a penalty of fifty thousand rupees or	For non-compliance by the auditor of the provisions of resignation, penalty for continuing default has been inserted. For Auditor



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					an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees”	Rs 0.50 lakh or an amount equal to remuneration whichever is less. Further Penalty Per Day – Rs 500 Subject to Rs 5 lakh
25.	CHAPTER XI Appointment And Qualifications Of Directors	Section 157 (2) - Company to inform Director Identification Number to Registrar	(2) If a company fails to furnish Director Identification Number under sub-section (1), the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees	24	In section 157 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:— "(2) If any company fails to furnish the Director Identification Number under sub-section (1), such company shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees, and every officer of the company who is in	Penalty for continuing default has been inserted. In case of default per day penalty has been introduced. The word 'fine' has been replaced with the word 'penalty'. For Company Minimum- Rs 0.25 lakh Further Penalty



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					<p>default shall be liable to a penalty of not less than twenty-five thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees."</p>	<p>Per Day – Rs 1000</p> <p>Subject to Rs 1 lakh</p> <p>For Officer</p> <p>Minimum- Rs 0.25 lakh</p> <p>Further Penalty</p> <p>Per Day – Rs 100</p> <p>Subject to Rs 1 lakh</p>
26.	CHAPTER XI Appointment And Qualifications Of Directors	Section 159 Substitution of new section for section 159. Penalty for default of certain provisions.	Punishment for contravention.— If any individual or director of a company, contravenes any of the provisions of section 152, section 155 and section 156, such individual or director of the company shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to five	25	<p>For section 159 of the principal Act, the following section shall be substituted, namely:—</p> <p>"159. If any individual or director of a company makes any default in complying with any of the provisions of section 152, section 155 and section 156, such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where</p>	<p>Imprisonment has been withdrawn.</p>



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			hundred rupees for every day after the first during which the contravention continues		the default is a continuing one, with a further penalty which may extend to five hundred rupees for each day after the first during which such default continues."	
27.	CHAPTER XI Appointment And Qualifications Of Directors	Section 164(1) - Disqualifications for appointment of director	(1) A person shall not be eligible for appointment as a director of a company, if (a) he is of unsound mind and stands so declared by a competent court; (b) he is an undischarged insolvent; (c) he has applied to be adjudicated as an insolvent and his application is pending; (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more,	26	In section 164 of the principal Act, in sub-section (1), after clause (h), the following clause shall be inserted, namely:— "(i) he has not complied with the provisions of sub-section (1) of section 165."	An additional criteria has been inserted for ineligibility for appointment as a director under the Act. It states that if a director is holding the directorship in more than 20 companies at the same time, he shall be disqualified from appointed as a director in a company.



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			<p>he shall not be eligible to be appointed as a director in any company;</p> <p>(e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;</p> <p>(f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;</p> <p>(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or</p> <p>(h) he has not complied with sub-section (3) of section 152.</p>			
28.	CHAPTER XI Appointment And Qualifications Of Directors	Section 165 (6) - Number of directorships	<p>(6) If a person accepts an appointment as a director in contravention of sub-section (1), he shall be punishable with fine which shall not be less than five thousand rupees but which may extend to</p>	27	In section 165 of the principal Act, in sub-section (6), for the portion beginning with "punishable with fine" and ending with "contravention continues", the words "liable to a	<p>The penalty provision has been amended.</p> <p>Maximum capping for penalty has been provided.</p>



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			twenty-five thousand rupees for every day after the first during which the contravention continues.		penalty of five thousand rupees for each day after the first during which such contravention continues" shall be substituted.	
29.	CHAPTER XII Meeting of Board and its Powers	Section 191 (5) - Payment to director for loss of office, etc., in connection with transfer of undertaking, property or shares.	(5) If a director of the company contravenes the provisions of this section, such director shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.	28	In section 191 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely: "(5) If a director of the company makes any default in complying with the provisions of this section, such director shall be liable to a penalty of one lakh rupees."	In case of default, director shall be liable for a penalty of Rs 1 lakh. Penalty has been fixed.
30.	CHAPTER XIII Appointment And Remuneration Of Managerial Personnel	Section 197 (7) and (15) - Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits.	(7) Notwithstanding anything contained in any other provision of this Act but subject to the provisions of this section, an independent director shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5), reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.	29	In section 197 of the principal Act,— (a) sub-section (7) shall be omitted; (b) for sub-section (15), the following sub-section shall be substituted, namely:— "(15) If any person makes any default in complying with the provisions of this section, he shall be liable to a penalty of one lakh rupees and where any default has been made by a company, the company	Sub Section (7) prohibited an Independent Director to accept Stock Option. With the omission of the said sub-section, an independent director shall be entitled to any stock option. Penalty has been fixed.



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			(15) If any person contravenes the provisions of this section, he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.		shall be liable to a penalty of five lakh rupees."	In case of default, director shall be liable for a penalty of Rs 1 lakh. In case of default, company shall be liable for a penalty of Rs 5 lakh.
31.	CHAPTER XIII Appointment And Remuneration Of Managerial Personnel	Section 203 (5) - Appointment of key managerial personnel	(5) If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every director and key managerial personnel of the company who is in default shall be punishable with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues.	30	In section 203 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:— "(5) If any company makes any default in complying with the provisions of this section, such company shall be liable to a penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first	Penalty has been fixed. In case of default, director shall be liable for a penalty of minimum Rs 50,000. In case of default, company shall be liable for a penalty of Rs 5 lakh.



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					during which such default continues but not exceeding five lakh rupees."	
32.	CHAPTER XIV Inspection, Inquiry and Investigation	Section 212- Investigation into affairs of company by Serious Fraud Investigation Office.		31	(a) in sub-section (8), for the words "If the Director, Additional Director or Assistant Director", the words "If any officer not below the rank of Assistant Director" shall be substituted; (b) in sub-section (9), for the portion beginning with the words "The Director" and ending with the word, brackets and figure "sub-section (8)", the words, brackets and figure "The officer authorised under sub-section (8) shall, immediately after arrest of such person under such sub-section" shall be substituted; (c) in sub-section (10)— (i) for the words "Judicial Magistrate", the words "Special Court or Judicial Magistrate" shall be substituted; (ii) in the proviso, for the	Section 212 of the Act has been amended to provide that any officer not below the rank of Assistant Director of Serious Fraud Investigation Office (SFIO), if so authorised, may arrest any person in accordance with the provisions of this section. It also provides that the person so arrested may be taken to a Special Court or Judicial Magistrate or Metropolitan Magistrate within twenty four hours of his arrest.



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				<p>words "Magistrate's court", the words "Special Court or Magistrate's court" shall be substituted;</p> <p>(d) after sub-section (14), the following sub-section shall be inserted, namely:—</p> <p>"(14A) Where the report under sub-section (11) or sub-section (12) states that fraud has taken place in a company and due to such fraud any director, key managerial personnel, other officer of the company or any other person or entity, has taken undue advantage or benefit, whether in the form of any asset, property or cash or in any other manner, the Central Government may file an application before the Tribunal for appropriate orders with regard to disgorgement of such asset, property or cash and also for holding such director, key managerial personnel, other officer or any other person liable personally without any</p>	<p>Further, the section also provides to provide that where an investigation report submitted by SFIO states that a fraud has taken place and any director, key managerial personnel or officer has taken undue advantage or benefit, then the Central Government may file an application before Tribunal with regard to disgorgement and such director, key managerial personnel or officer may be held personally liable without any limitation of liability.</p>
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					limitation of liability.”	
33.	CHAPTER XV Compromises, Arrangements And Amalgamations	Section 238 (3) - Registration of offer of schemes involving transfer of shares	(3) The director who issues a circular which has not been presented for registration and registered under clause (c) of sub-section (1), shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees.	32	In section 238 of the principal Act, in sub-section (3), for the words "punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees", the words "liable to a penalty of one lakh rupees" shall be substituted.	Penalty has been fixed. In case of default, director shall be liable for a penalty of Rs 1 lakh.
34.	CHAPTER XVI- Prevention, Oppression and Mismanagement	Section 241-	New Provisions Inserted	33	In section 241 of the principal Act,— (a) in sub-section (2), the following proviso shall be inserted, namely:— "Provided that the applications under this sub-section, in respect of such company or class of companies, as may be prescribed, shall be made before the Principal Bench of the Tribunal which shall be dealt with by such Bench."; (b) after sub-section (2), the following sub-sections shall be inserted, namely:— "(3) Where in the opinion of the Central Government there exist	Sub-section (2) of section 241 of the Act has been amended by inserting a proviso to empower the Central Government to prescribe such company or class of companies in respect of which, applications under such sub-section, shall be made before the Principal Bench of the Tribunal and shall be dealt with by such Bench. It



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				<p>circumstances suggesting that—</p> <p>(a) any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law or of breach of trust;</p> <p>(b) the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices;</p> <p>(c) a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains; or</p> <p>(d) the business of a company is or has been</p>	<p>also seeks to provide that in certain circumstances, the Central Government may refer the matter and request to the Tribunal to inquire into the case and record a decision about whether the person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.</p>
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					<p>conducted and managed by such person with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest, the Central Government may initiate a case against such person and refer the same to the Tribunal with a request that the Tribunal may inquire into the case and record a decision as to whether or not such person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.</p> <p>(4) The person against whom a case is referred to the Tribunal under sub-section (3), shall be joined as a respondent to the application.</p> <p>(5) Every application under sub-section (3)—</p> <p>(a) shall contain a concise statement of such</p>	
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					circumstances and materials as the Central Government may consider necessary for the purposes of the inquiry; and (b) shall be signed and verified in the manner laid down in the Code of Civil Procedure, 1908, for the signature and verification of a plaint in a suit by the Central Government."	
35.	CHAPTER XVI- Prevention, Oppression and Mismanagement	Section 242 -	New Sub- Section Inserted	34	"(4A) At the conclusion of the hearing of the case in respect of sub-section (3) of section 241, the Tribunal shall record its decision stating therein specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.	Section 242 of the Act has been amended to provide that at the conclusion of the hearing of the case in respect of section 241, the Tribunal shall record its decision stating specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and



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						management of any company.
36.	CHAPTER XVI- Prevention, Oppression and Mismanagement	Section 243- Consequence of termination or modification of certain agreements	New Sub- Section Inserted	35	In section 243 of the principal Act,— (a) after sub-section (1), the following sub-sections shall be inserted, namely:— “(1A) The person who is not a fit and proper person pursuant to sub-section (4A) of section 242 shall not hold the office of a director or any other office connected with the conduct and management of the affairs of any company for a period of five years from the date of the said decision: Provided that the Central Government may, with the leave of the Tribunal, permit such person to hold any such office before the expiry of the said period of five years. (1B) Notwithstanding anything contained in any other provision of this Act, or any other law for the time being in force or any contract, memorandum or articles, on the removal of	Section 243 of the Act has been amended to provide that the person who is not a fit and proper person pursuant to section 242 shall not hold the office of a director or any other office connected with the conduct and management of the affairs of any company for a period of five years from the date of the relevant decision of the Tribunal. It also provides that the Central Government may, with the leave of the Tribunal, permit such person to hold any such office



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					<p>a person from the office of a director or any other office connected with the conduct and management of the affairs of the company, that person shall not be entitled to, or be paid, any compensation for the loss or termination of office.”;</p> <p>(b) in sub-section (2), after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted.</p>	<p>before the expiry of the said period of five years. The section also provides that the person so removed from the office of a director or any other office connected with the conduct and management of the affairs of the company shall not be entitled to, or be paid, any compensation for the loss or termination of office.</p>
37.	CHAPTER XVIII Removal Of Names Of Companies From The Register Of Companies	Section 248 (1) - Power of Registrar to remove name of company from register of companies	(1) Where the Registrar has reasonable cause to believe that— (a) a company has failed to commence its business within one year of its incorporation; 1[or] (b)***** (c) a company is not carrying on any business or operation for a period of two immediately preceding	36	In section 248 of the principal Act, in sub-section (1), (a) in clause (c), for the word and figures "section 455," the words and figures "section 455; or" shall be substituted; (b) after clause (c) and before the long line, the	Effect of insertion of Section 10A. Name of the company may be removed in case subscribers to the memorandum have not paid the subscription which they had undertaken to



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			financial years and has not made any application within such period for obtaining the status of a dormant company under section 455, he shall send a notice to the company and all the directors of the company, of his intention to remove the name of the company from the register of companies and requesting them to send their representations along with copies of the relevant documents, if any, within a period of thirty days from the date of the notice.		<p>following clauses shall be inserted, namely:—</p> <p>"(d) the subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation.</p> <p>(e) the company is not carrying on any business or operations, as revealed after the physical verification carried out under sub-section (9) of section 10A; or</p> <p>"(e) the company is not carrying on any business or operations, as revealed after the physical verification carried out under sub-section (9) of section 12."</p>	<p>pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation.</p> <p>If a company fails to comply with the provisions of maintenance of a registered office and is not found to be carrying out any business, the name of the company shall be removed from the Register of Companies.</p>
38.	CHAPTER XX Winding Up PART I.— Winding up by the Tribunal	Section 272- Petition for winding up.		37	<p>In section 272 of the principal Act, in sub-section (3), for the words, brackets and letter "or clause (e) of that sub-section", the words "of that section" shall be substituted.</p>	<p>Sub-section (3) of section 272 of the Act has been amended to allow the Registrar to present a petition of winding up on the ground that it is just and equitable to do so</p>



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						under clause (e) of section 271.
39.	CHAPTER XXIV Registration Offices and Fees	Section 398- Provisions relating to filing of applications, documents, inspection, etc., in electronic form.		38	In section 398 of the principal Act, in sub-section (1), in clause (f), the word "prospectus," shall be omitted.	Clause (f) of sub-section (1) of section 398 of the Act has been amended by omitting the word "prospectus" as it would not be required to be registered by the Registrar.
40.	CHAPTER XXVIII Special Courts	Section 441 (1) and (6) -Compounding of certain offences	(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), any offence punishable under this Act (whether committed by a company or any officer thereof) not being an offence punishable with imprisonment only, or punishable with imprisonment and also with fine, may, either before or after the institution of any prosecution, be compounded by— (a) the Tribunal; or (b) where the maximum amount of fine which may be imposed for such offence does not exceed five lakh rupees, by the Regional Director or	39	In section 441 of the principal Act,— (a) in sub-section (1), in clause (b), for the words "does not exceed five lakh rupees", the words "does not exceed twenty-five lakh rupees" shall be substituted; (b) for sub-section (6), the following sub-section shall be substituted, namely:— "(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence which is punishable under this Act	Any offence which is punishable under this Act with imprisonment only or with imprisonment and also with fine shall not be compoundable. The limit for compounding by the Regional Director has been increased from Rs 5 lakhs to Rs. 25 lakhs.



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			any officer authorised by the Central Government, on payment or credit, by the company or, as the case may be, the officer, to the Central Government of such sum as that Tribunal or the Regional Director or any officer authorised by the Central Government, as the case may be, may specify:		with imprisonment only or with imprisonment and also with fine shall not be compoundable."	
41.	CHAPTER XXVIII Special Courts	Section 446 B - Lesser penalties for One Person Companies or small companies.	Notwithstanding anything contained in this Act, if a One Person Company or a small company fails to comply with the provisions of sub-section (5) of section 92, sub-section (2) of section 117 or sub-section (3) of section 137, such company and officer in default of such company shall be punishable with fine or imprisonment or fine and imprisonment, as the case may be, which shall not be more than one-half of the fine or imprisonment or fine and imprisonment, as the case may be, of the minimum or maximum fine or imprisonment or fine and imprisonment, as the case may be, specified in such	40	In section 446B of the principal Act, for the portion beginning with "punishable with fine" and ending with "specified in such sections", the words "liable to a penalty which shall not be more than one half of the penalty specified in such sections" shall be substituted.	Penalties for One Person Companies and Small companies have been linked with the respective section.



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			sections.".			
42.	CHAPTER XXIX Miscellaneous	Section 447 (3) - Punishment for fraud	Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, involving an amount of at least ten lakh rupees or one per cent of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud: Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years. "Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower,	41	In section 447 of the principal Act, in the second proviso, for the words "twenty lakh rupees", the words "fifty lakh rupees" shall be substituted	Penalty for Fraud has been raised from Rs 25 lakh to Rs 50 lakh.



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			and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both."			
43.	CHAPTER XXIX Miscellaneous	Section 454 (3) - Adjudication of penalties	(3) The adjudicating officer may, by an order impose the penalty on the company and the officer who is in default stating any non-compliance or default under the relevant provision of the Act.	42	31. In section 454 of the principal Act, — (i) for sub-section (3), the following sub-section shall be substituted, namely: — "(3) The adjudicating officer may, by an order— (a) impose the penalty on the company, the officer who is in default, or any other person, as the case may be, stating therein any non-compliance or default under the relevant provisions of this Act; and (b) direct such company, or officer who is in default, or any other person, as the case may be, to rectify the default, wherever he considers fit."; (ii) in sub-section (4), for the words "such company	Rectification of default has been introduced. Subsection 8 rephrased by including non compliance with the Order.



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					<p>and the officer who is in default", the words "such company, the officer who is in default or any other person" shall be substituted;</p> <p>(iii) in sub-section (8), —</p> <p>(a) in clause (i), for the words "does not pay the penalty imposed by the adjudicating officer or the Regional Director", the words, brackets and figures. fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be," shall be substituted;</p> <p>(b) in clause</p> <p>(i) for the words "Where an officer of a company", the words "Where an officer of a company or any other person" shall be substituted;</p> <p>(ii), for the words "does not pay the penalty", the</p>	
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					words, brackets and figures "fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be," shall be substituted.	
44.	CHAPTER XXIX Miscellaneous	Insertion of a new section 454A. Penalty for repeated default.	New Insertion	43	After section 454 of the principal Act, the following section shall be inserted, namely:— "454A. Where a company or an officer of a company or any other person having already been subjected to penalty for default under any provisions of this Act, again commits such default within a period of three years from the date of order imposing such penalty passed by the adjudicating officer or the Regional Director, as the case may be, it or he shall be liable for the second or subsequent defaults for an amount equal to twice the amount of penalty provided for such default under the relevant provisions of this Act."	New Section inserted for repeated defaults. In case of repeated default an amount equal to twice the amount of penalty provided for such default under the relevant provisions of this Act.