



SIRC Newsletter

PRICE ₹5

OCTOBER 2020 | Volume 46 • Part 4

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

TECHNOLOGY

Technology won't replace Chartered Accountants...

*but
Chartered Accountants who use technology will
probably replace Chartered Accountants who do NOT...*



Virtual CPE Programme-All About Bonded Warehousing Scheme 4th September 2020
<https://youtu.be/eJeJMMTtdIA>



Resource Person CA. Sonal Prakash Jain, Ahmedabad seen along with CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. Pampanna B E, Chairman, Students Committee of SIRC of ICAI.

Virtual CPE Programme-Visualisation and Statistics for Audit using Ms-Excel and Power BI 5th September 2020
https://youtu.be/f5ezlxZ_XJE



Resource Person CA. S. Deephika, Chennai seen along with, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI, CA. Chengal Reddy Ramireddygar, Regional Council Member.

Virtual CPE Programme-3 Days Virtual Refresher Course on Companies Act 2013 (Day 1) 11th September 2020
<https://youtu.be/3Fceon0L0rk>



Resource Person CA. Chinnsamy Ganesan, Chennai seen along, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. China Masthan Talakayala, Regional Council Member.

Virtual CPE Programme-3 Days Virtual Refresher Course on Companies Act 2013 (Day 2) 12th September 2020
<https://youtu.be/PRgWvN85-ZQ>



Resource Persons CA. Manish Sampat, Mumbai and CA. Abhay Mehta, Mumbai seen along with, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. Revathi S. Raghunathan, Regional Council Member.

Virtual CPE Programme-3 Days Virtual Refresher Course on Companies Act 2013 (Day 3) 13th September 2020
<https://youtu.be/ZCVHp2y3NUE>



Resource Person CA. Gururaj Acharya, Bengaluru seen along with CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. Jomon K. George, Regional Council Member.

Virtual CPE Programme-Standards on Auditing : Documentation & External Confirmations 14th September 2020
<https://youtu.be/8yv7t9UQ5T4>



Resource Person CA. Sundararajan R, Chennai, seen along with, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. Panna Raj S, Regional Council Member.



Chairman's Communique...



My Dear Professional Colleagues,

Serving the Stakeholders in Post Covid Scenario

Government has been relaxing the lockdown measures and opening all sectors of the economy (except schools and colleges including our Institute's organs as on the date of penning this communication). While the overall economy has taken a hit, some sectors have converted this threat into an opportunity and are set to see immense growth in the post-COVID era. According to experts, even though the recovery of the underlying economy will be slow, but now most sectors have accepted this to be the new normal. While the overall economy has taken a hit because of the government lockdown, some sectors like Digital & Internet Economy, FMCG & Retail, Specialty Chemicals, Healthcare Sector to say a few have converted this threat into an opportunity and are set to see immense growth in the post-COVID era.

The market to the above-specified sectors is expected to see growth owing to this pandemic. Some are converting this into an opportunity by changing their product mix. New brands are coming up with essential supplies like hand sanitizers and disinfectant cleaners. While these brands are taking advantage of this opportunity, established brands that have built trust over the years are leading through this race.

The world has seen something like never before. The COVID-19 crisis has ultimately lead to an emergence of new FMCG products, a change in consumer behavior, and a shift in the market's focus on health protection and hygiene. In order to get the business and economy back on track, the companies are moving forward by taking the situation of the pandemic as an opportunity. Some are coming up with innovative ideas and resultantly getting the first-mover advantage, whose impact will entertain a long-lasting impact on the market.

For the survival of the business, growth plays a vital role and it depends on its internal environment and external environment. The trick lies in playing with the uncontrollable factors eventually budding them into opportunities. Members of our Institute both in industry and practice have to contribute to a great extent to bring back normalcy in the macro and micro economic management of our Country.

CABF Support for Covid 19 Treatment

Our Institute has always risen to the occasion when there is service / help needed for our members and their family members through Chartered Accountants Benevolent Fund (CABF). Recently the CABF has brought out a scheme for the treatment members and their family members affected by Covid 19. Details of the scheme are available at <https://resource.cdn.icaai.org/60383cabf-covid19-appform.pdf>

Teacher's Day Celebration

Teaching is a noble profession. Teachers are selfless, always ready to go to any extent to help their students. It gives a great feel of self-satisfaction to a teacher when they see their students achieve in life. The role of teachers in a professional course like ours is of paramount importance. SIRC held Virtual Teachers Day Celebrations on 5th September 2020 and felicitated the teachers associated with SIRC's Coaching Classes.

Due to unique articleship requirements for students and Continuing Professional Education for members, every member including the CPE resource persons, authors contributing articles / updates in the CA Journal, Regional and Branch level newsletters deserve to be greeted on the Teacher's Day.

Four Branches of SIRC celebrate Golden Jubilee

On 18th August 2020 Mangalore, Salem, Trichirapalli and Vijayawada Branches have completed 50 years of excellence in service to the members and students and other stakeholders of the Institute. We congratulate the members of the Managing Committee (past as well as present) of these Branches for their yeomen service.

Virtual CPE Programmes

SIRC and its Branches have been active throughout by conducting various CPE programmes through virtual mode on topics of contemporary relevance and attracting expert speakers from various parts of the Country. We request the members and other stakeholders to participate in the forthcoming Virtual CPE Programmes as well. I had the pleasant privilege of participating in the following programmes organised by the Branches and immensely impressed with the organisers in conducting these CPE Programmes with class.



- Golden Jubilee Celebrations cum Virtual CPE Programme of Mangalore Branch of SIRC of ICAI on 18th August 2020 which was graced by our Hon'ble President CA. Atul Kumar Gupta and Vice President CA. NiharNiranjan Jambusaria.
- Golden Jubilee Celebrations cum Virtual CPE Programme of Vijayawada Branch of SIRC of ICAI during 2nd September 2020 that was graced by Hon'ble President CA. Atul Kumar Gupta and Vice President CA. NiharNiranjan Jambusaria, beloved Central Council Members, Past Presidents of ICAI and members of the SIRC of ICAI.
- Golden Jubilee Celebrations cum Virtual CPE Programme of Salem Branch of SIRC of ICAI on 19th September 2020 was graced by Hon'ble President CA. Atul Kumar Gupta and Vice President CA. NiharNiranjan Jambusaria, beloved Central Council Members and members of the SIRC of ICAI.
- Career Counselling Programme of SICASA Madurai Branch on 23rd August 2020
- Mega Career Counselling Programme of Sivakasi Branch of SIRC on 25th September 2020 along with our respectful Vice President CA. Nihar Niranjan Jambusaria.
- Virtual Programme of Sivakasi Branch of SICASA on 26th September 2020 with our beloved past President CA. Chhajed Prafulla Premsukh as the Chief Guest.

SIRC has also conducted a joint programme with CPC-ITR Bangalore (of Income Tax Department) on e-filing and processing of ITRs on 3rd September 2020 wherein senior officials from the Department addressed the members.

As usual SIRC has conducted numerous Virtual CPE Programmes during September 2020 and lined up during October 2020 on topics of contemporary relevance. Details are given in this Newsletter for the benefit of ready reference for the members.

Extension of Timelines

The Council of ICAI has decided to extend the last date for payment of the Membership / COP fee for the year 2020-21 from 30th September, 2020 to 30th November, 2020. Members may be aware that the Government has extended the timeline for filing annual GST returns for 2018-19 by a month to October 31, 2020 in view of Covid 19 pandemic. Similarly Government has enabled the tax payers to file their revised or belated income tax returns for Assessment Year 2019-20 by November, 30, 2020. We sincerely believe that the Government is considerate of genuine difficulties being faced by the tax payers due to the outbreak of Covid 19.

Major Policy Changes

Many policy changes, as a public governance measure, impacting both individuals and business had took effect from 1st October 2020 select few (relevant to our profession) are:

- E-invoicing for business having turnover more than Rs. 500 crore
- TDS by ecommerce companies, TCS for sale consideration of over Rs. 50 lakhs
- Foreign Remittance of Rs. 7 lakhs or more in a financial year under LRS is liable to TCS of 5%

SIRC Coaching Classes

For May 2021 Examinations, SIRC of ICAI has scheduled Online Coaching Classes for Intermediate and Final students commencing from 7th October 2020. For Students appearing in the November 2020 CA Foundation Exams, SIRC has scheduled for Rapid Revision Classes from 12th October 2020. SIRC is offering these Coaching Classes at a very nominal cost and has best of subject experts. We seek the valuable cooperation of the members by disseminating this information to your article assistants and let them be benefited.

Address to Redress

Online platform with video interaction for members and students of the Institute on the administrative issues under the banner **Address to Redress** is happening every Friday between 11 AM to 12 NOON.

Stay Careful Stay Safe

Yours in professional Service

CA. Dungar Chand U Jain
Chairman, SIRC of ICAI

Chennai
7-October-2020



VIRTUAL CPE PROGRAMMES – OCTOBER 2020

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

Forthcoming VIRTUAL CPE

Meetings from SIRC of ICAI

(Limited to 1000 members registering on first come first served basis)

Date	Timings	Topic	Resource Person(s)	Structured CPE	Fees (Rs.)
6-Oct-2020 (Tue)	4 PM - 7 PM	RERA	Adv. Vaitheeswaran K, Chennai CA.E.Phalguna Kumar, Tiruapati	3 Hrs	200 + GST
8-Oct-2020 – 10-Oct-2020 (Thu-Sat)	4 PM - 7 PM	Tech Conclave 2020	Eminent speakers	9 Hrs	700 + GST
13-Oct-2020 (Tue)	6 PM - 8 PM	TCS on Supply of goods & recent circular	CA. Dr. Girish Ahuja, New Delhi	2 Hrs	100 + GST
15-Oct-2020 (Thus)	6 PM - 8 PM	FAQs in Tax Audit	CA. V Ramnath, Coimbatore	2 Hrs	100 + GST
17-Oct-2020 (Sat)	4 PM - 6 PM	Setting up an effective Internal Audit Practice	CA. Nandita Parekh, Mumbai	2 Hrs	100 + GST
19-Oct-2020– 22-Oct-2020 (Mon-Thu)	5 PM - 8 PM	Refresher Course on Accounting Standards (AS)	Eminent speakers	12 Hrs	1000 + GST
24-Oct-2020 (Thur)	4 PM - 7 PM	Evolution of Managed Services and Intelligent Automation	CA. Balasubramaniam Chandran, Hyderabad Shri. Satyen Makhija, Hyderabad	2 Hrs	Nil
6-Nov-2020 (Fri)	6 PM - 8 PM	13 th V. SANKAR AIYAR MEMORIAL LECTURE (Virtual mode) "India's Inward Turn: Causes and Consequences"	Dr. Arvind Subramanian Harvard and Ashoka Universities	Nil	Nil
10,11,12,13 Thu - Sun Dec 2020		52 nd Regional Conference of SIRC of ICAI (Virtual mode)	Details will be hosted in the www.sirc-icai.org		

EXTENSION IN THE LAST DATE FOR PAYMENT OF MEMBERSHIP /COP FEE - (29-09-2020)

M&C-MSS Section
The Institute of Chartered Accountants of India

The Council of ICAI considering the request from Members at large has decided to extend the last date for payment of Membership/ COP fee from 30th September, 2020 to 30th November, 2020.

Dr. Shivam Kumar
Additional Secretary,
M&C-MSS Section, ICAI, Noida



VIRTUAL CPE PROGRAMMES CONDUCTED BY SIRC OF ICAI

Date	Topic	Speaker(s)	View Link	Materials Link
29-Sep-2020	Controversies in Capital Gains	CA. T G Suresh, Chennai	https://youtu.be/nHpSf5Eg8j4	https://bit.ly/CGissues
28-Sep-2020	Valuation issues under GST	CA. Prasanna Krishnan. V, Chennai	https://youtu.be/WP3XSLdG3pA	https://bit.ly/gstvaluations
26-Sep-2020	Data Analytics - Reshaping Business	CA. Venkatesan M, Chennai	https://youtu.be/fa0ewcXmmcY	http://bit.ly/ReshapeBusi
25-Sep-2020	Virtual Refresher Course on GST (Day3) Form 9 and 9C	CA. Sushil Kumar Goyal, Vice Chairman GST & IDTC Kolkata	https://youtu.be/IKSePqtUYQ4	https://bit.ly/idtcgst3sirc
24-Sep-2020	Virtual Refresher Course on GST (Day2) Input Tax Credit	CA. Gaurav Gupta, New Delhi	https://youtu.be/nYIh-D36v3Q	
23-Sep-2020	Virtual Refresher Course on GST (Day1) Place of Supply	CA. Vishal Poddar, Nashik	https://youtu.be/pL1803fSfok	
21-Sep-2020	Income tax exemption for NPO's (Focus on 12A Renewals) Practical Aspects in renewal of 12A registrations	CA. Kandasami M, Chennai CA. Daniel Selvaraj I, Madurai	https://youtu.be/E9_2G3SRsw	http://bit.ly/ITexempNPO12A
19-Sep-2020	Managing Challenges post Pandemic - CFO's perspective & Emerging Challenges post Pandemic - Industry perspective	Shri V S Muralidar, CFO & Head Global services for India and Asia pacific, M/S Danfoss India & CA. Lakshmanan R, IAS Exec. Director, Rural Electrification Corp. Ltd.	https://youtu.be/n3MP56dKofc	http://bit.ly/emergingchall
14-Sep-2020	Standards on Auditing : Documentation & External Confirmations	CA. Sundararajan R, Chennai	https://youtu.be/8yv7t9UQ5T4	https://bit.ly/SA_230_505
13-Sep-2020	3 Days Virtual Refresher Course on Companies Act 2013 (Day3) * Acceptance of deposits (Sec. 73 to Sec 76) * Related party transactions (Sec. 188)	CA. Gururaj Acharya, Bengaluru	https://youtu.be/ZCVHp2y3NUE	https://bit.ly/SIRCcomp
12-Sep-2020	3 Days Virtual Refresher Course on Companies Act 2013 (Day2) * Loans and Investments by Companies (Sec. 185 and Sec 186) * Impact analysis on Private Limited Companies	CA. Manish Sampat, Mumbai CA. Abhay Mehta, Mumbai	https://youtu.be/PRgWvN85-ZQ	
11-Sep-2020	3 Days Virtual Refresher Course on Companies Act 2013 (Day1) * Accounts and Financial Statements (Sec. 128, 129, 133, 134 and Schedule III) * Audit and auditors (Sec. 139 to Sec 144)	CA. Chinnsamy Ganesan, Chennai	https://youtu.be/3Fceon0L0rk	
5-Sep-2020	Visualisation and statistics for Audit using Ms-Excel and Power BI	CA. S. Deephika, Chennai	https://youtu.be/f5ezlxZ_XJE	http://bit.ly/AuditXLpbi
4-Sep-2020	All about Bonded Warehousing scheme covering- 1) Basic understanding, 2) Advantages and disadvantages of scheme, 3) Eligibility and Registration process for applying for scheme, 4) How's it's different from other current schemes for exporter-importer 5) FAQs 6) Way forward and Conclusion.	CA. Sonal Prakash Jain, Ahmedabad	https://youtu.be/eJeJMMTtdIA	http://bit.ly/BondWH



LEADER'S THOUGHT



Dear Member

At the outset, my warm greetings to each member for the ensuing season of festivals and professional work.

It is the 1st time, in last century, where lives of people all round world is affected by the virus "COVID 19"

Since physical meetings are the reasons for spreading the virus, it has affected every business and our profession is no exception.

To overcome this situation, every opportunity of interacting through the use of technology is being implemented. Our profession needs more of such interactions.

Friends, it is affecting members in practice very badly as most of our article students who have come from different places are back to their homes and are now not able to come back as they have issues like hostels not open, no local conveyance, or hotels not opened as there is every possibility of corona community spread and above all the parents of these students are restricting them to go to offices on health issues

The rules and regulations are fast changing and dues dates are being postponed number of times. Responsibility and pressure is on us Professionals to ensure that these laws & regulations are implemented perfectly. With limited resources available at our end, pressure is being built up at our end to comply with all these, without paying any penalty or getting any notices to our clients.

My thoughts on overcoming these issues in these times are

1. Educate the clients about the fast changing laws which are applicable to them and make them understand their responsibility and our limitations
2. Have proper documentation with reference to scope of work, have Engagement letter, finalise the fee chargeable keeping ICAI minimum recommended fee in mind
3. Interact and Review with client on monthly or quarterly basis
4. Communicate every time in writing, so that an effective file is build, which will also secure us when situation demands.

The best few lessons we all learn because of covid 19 are (a). Increase our communication using technology, (b). Reduce our interaction physically for our work (c). Work from home is a New norm (d). Ensure none of us or our families are affected by this dreaded virus. (E), Travel time is reduced for all.

I thank the Chairman for giving this great opportunity to communicate with each one of you through this news letter. Stay safe and stay healthy.

CA. Naresh Chandra Gelli
Member – SIRC of ICAI

UPDATES

Scan QR Code & Read



Corporate Laws

Contributed by
CA. Chinnsamy Ganesan, Chennai
ganesanca@yahoo.com

FEMA

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



Goods and Services Tax

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

Income Tax

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



Karnataka VAT-GST

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

SEBI

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



Tamil Nadu VAT

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

The online link for UPDATES:

<https://www.sirc-icai.org/professional-updates.php>

DISCLAIMER

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



IMPORTANT ANNOUNCEMENTS

Online Rapid Revision Classes for Foundation Students appearing in November 2020 Examinations

SIRC is organising 10 Days Rapid Revision Classes for Foundation Students appearing in November 2020 Examination.

DATES : 12 th October to 21 st October 2020	ALL SUBJECTS : FEE: RS. 500/-	TIMINGS : MORNING: 8.00 A.M. TO 11.00 A.M. EVENING: 5.00 P.M. TO 8.00 P.M.
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Subject & Faculty Details	Classes	Individual Paper Fees
Principles and Practice of Accounting Faculty: CA. S S Prathap, CA. Hiranmai, CA. D Suman	4	Rs. 150/-
Business Laws and Business Correspondence and Reporting Faculty: CA. C Jayanthi, CA. R Magesh, Dr. Niramal Raghavan	6	Rs. 200/-
Business Mathematics and Logical Reasoning & Statistics Faculty: Dr. M Sriram, Dr. P. R. Vittal	6	Rs. 200/-
Business Economics and Business and Commercial Knowledge Faculty: Dr. P V Raghavan, Dr. R Vaithyanathan, CA. Kavitha Umapathy	4	Rs. 150/-

No Fee for students who had attended the 10th June 2020 Batch of SIRC Online Foundation Coaching Classes.

For Other students, you can either register for all subjects or for individual subject.

For Registrations, please visit : <https://www.sirc-icai.org/view-batches.php>

For further details, please contact SIRC Coaching Classes: **044 30210380, 99400 20956**

The Chairman & Members of the Southern India Regional Council of The Institute of Chartered Accountants of India

cordially invite you to the
13th V. SANKAR AIYAR MEMORIAL LECTURE
(Virtual mode)

on Friday, 6th November 2020, from 6.00 p.m.

Dr Arvind Subramanian

Harvard and Ashoka Universities

Has kindly consented to deliver the Memorial Lecture on
India's Inward Turn: Causes and Consequences

CA. Dungan Chand U. Jain
Chairman
SIRC of ICAI

Dr. CA. Abhishek Murali
Secretary
SIRC of ICAI

Link for registration : <http://bit.do/sirclogin>

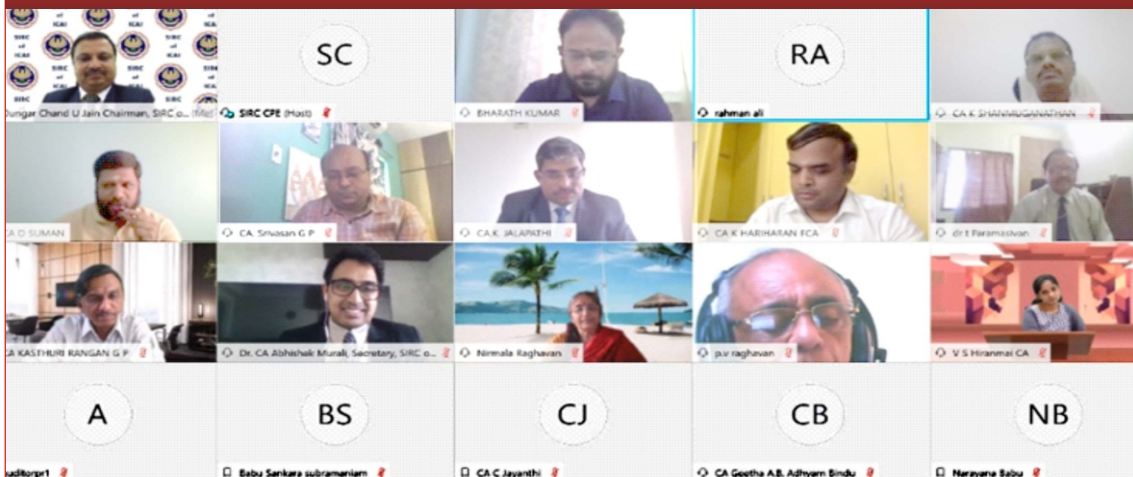


Webinar on Moulding and Motivating of CA Students Lifestyle Post COVID 19 organised by Madurai SICASA on 23rd August 2020.



SIRC Chairman CA. Dungal Chand U Jain addressing as Chief Guest. Others seen in the picture are CA. S.T. Venkatesh, SICASA, Chairman, Madurai, SIRC of ICAI, CA. E. Vignesh Kumar, Salem & CA. A. M. Madhuri Devi, Madurai

Teacher's Day Celebrations by SIRC of ICAI on 5th September 2020



Chairman SIRC CA. Dungal Chand U Jain, CA. Jalapathi, Vice Chairman, SIRC of ICAI and Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI addressing the teachers.

**Career Counselling Programme
26th September 2020 organised by Sivakasi Branch of SIRC of ICAI.**



CA. Nihar Niranjan Jambusaria addressing the students. Others seen in the picture are CA. Dungal Chand U Jain, Chairman, SIRC of ICAI, CA. Jalapathi, Vice Chairman, SIRC of ICAI, CA. Selvaraj, Chairman, Sivakasi Branch of SIRC of ICAI & CA. Chitra K



Virtual CPE meeting on Entrepreneurship in Capital Market organised by Central India Regional Council of ICAI on 26th September 2020.



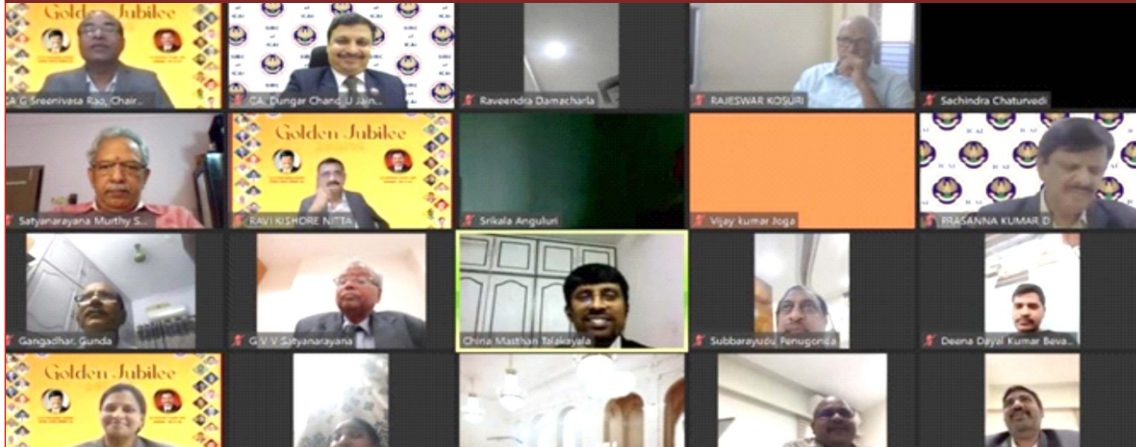
SIRC Chairman CA. Dunga Chand U Jain addressing as Special Guest. Others seen in the picture are CA. Nitesh Kumar More, Chairman, EIRC of ICAI, CA. Shashank Agrawal, Chairman, NIRC of ICAI, CA. Devendra Kumar Somani, Chairman, CIRC of ICAI, CA. Anand Rathi and Mr. Suresh

CA Student's Online Youth Fest on 27th September 2020 organised by Sivakasi Branch of SIRC of ICAI.



CA. Chhajed Prafulla Premasukh, Past President addressing. Others seen in the picture are CA. Dunga Chand U Jain, Chairman, SIRC of ICAI, CA. Selvaraj, Chairman, Sivakasi Branch of SIRC of ICAI, CA. Chitra K & Mr. R. Maalai Madhan Kumar.

Golden Jubilee Conference organised by Vijayawada Branch of SIRC of ICAI



CA Dunga Chand U Jain, Chairman, SIRC of ICAI, addressing. Others seen in the picture are CA. D. Prasanna Kumar, Central Council Member, CA. China Masthan Talakayala, Regional Council Member, CA. Sreenivasa Rao Godavarthi, Chairman, Vijayawada Branch of SIRC of ICAI & others

Virtual CPE Programme-Managing Challenges Post Pandemic - CFO's Perspective & Emerging Challenges Post Pandemic - Industry Perspective 19th September 2020

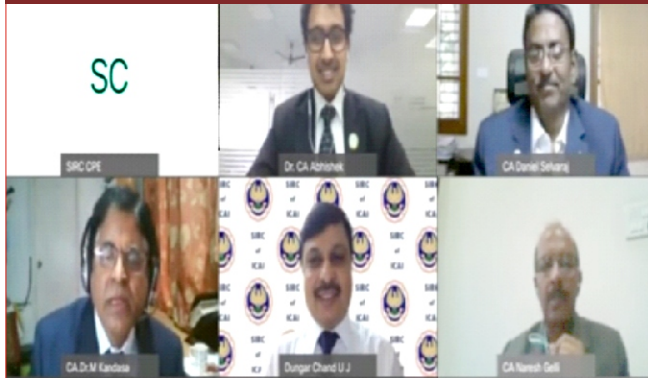
<https://youtu.be/n3MP56dKoFc>



Resource Persons CA. Lakshmanan R, IAS Exec. Director, Rural Electrification Corp. Ltd. & Shri V S Muralidar, CFO & Head Global services for India and Asia pacific, M/S Danfoss Indiaseen along with CA.T G Suresh, Chennai CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme-Income Tax Exemption for NPO's (Focus on 12A Renewals) Practical Aspects in Renewal of 12A Registrations 21st September 2020

https://youtu.be/E9_2G3SRsrw



Resource Persons CA. Kandasami M & CA. Daniel Selvaraj I seen along with CA. Naresh Chandra Gelli., Regional Council Member, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual Refresher Course on GST (Day1) Place of Supply 23rd September 2020

<https://youtu.be/pL1803fSfok>



Resource Person CA. Vishal Govindprasad Poddar seen along with CA. Rajendra Kumar P, Chairman, GST & Indirect Taxes Committee, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI & Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

Virtual Refresher Course on GST (Day2) Input Tax Credit 24th September 2020

<https://youtu.be/nYIh-D36v3Q>



Resource Person CA. Gaurav Gupta seen along with CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. China Masthan Talakayala, Regional Council Member

Virtual Refresher Course on GST (Day3) Form 9 and 9C 25th September 2020

<https://youtu.be/IKSePqtUYQ4>



Resource Person CA. Sushil Kumar Goyal, Vice Chairman GST & IDTC seen along with CA. Rajendra Kumar P, Chairman, GST & Indirect Taxes Committee, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, CA. Jalapathi, Vice-Chairman, SIRC of ICAI & Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

Virtual CPE Programme-Data Analytics - Reshaping Business 26th September 2020

https://youtu.be/E9_2G3SRsrw



Resource Person CA. Venkatesan M seen along with CA. Sundararajan R, Regional Council Member, CA. Dungan Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI.

Virtual CPE Programme - Valuation issues under GST 28th September 2020

<https://youtu.be/WP3XSLdG3pA>



Resource Person CA. Prasanna Krishnan, V, Chennai seen along with, CA. Rajendra Kumar P, Central Council member, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI & Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI

Virtual CPE Programme - Controversies in Capital Gains 29th September 2020

<https://youtu.be/nHpSf5Eg8j4>



Resource Person CA. T G Suresh, Chennai seen along with, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, Dr. CA. Abhishek Murali, Secretary, SIRC of ICAI & CA. Geetha AB, Treasurer, SIRC of ICAI.

Golden Jubilee Celebration Salem of Branch of SIRC of ICAI on 19th September 2020



Inaugural address by CA. Atul Kumar Gupta, President, ICAI, seen along with CA. Nihar Niranjan Jambusaria, Vice President, ICAI, CA. M. P. Vijay Kumar, Central Council Member, ICAI, CA. P. Rajendra Kumar, Central Council Member, ICAI, CA. Dungar Chand U Jain, Chairman, SIRC of ICAI, CA. K. Jalapathi, Vice Chairman, SIRC of ICAI, CA. R. Parkavi, Chairperson, Salem SIRC of ICAI, CA. R. Saranya, Secretary, Salem SIRC of ICAI, CA. M. V Rengarajan, CA. R. Suresh, CA. Venkataraman Natarajan, CA. S. Venkatraman, CA. S Natarajan

SIRC of ICAI has started organizing online courses for

- Advanced Information Technology Training (AICITSS-AIT)
- Advanced MCS Course (ICITSS-MCS)
- Information Technology Training (ICITSS-IT)
- Orientation Course (ICITSS-OC)

The enrolment of students shall be done on First come Frist Served basis.

Please register through this link:

<http://www.icaionlineregistration.org/>



IMPORTANT ANNOUNCEMENTS

Examination Department

The Institute of Chartered Accountants of India - (27-09-2020)

The Election Commission of India through its press conference held on 25th September 2020 has announced Schedule of General Election to the Legislative Assembly of the State of Bihar whereby election to the State of Bihar is to be held on 28th October, 3rd November & 7th November 2020. Chartered Accountant Examinations, November 2020 are also scheduled to be held during 1st to 18th November 2020.

The Students who have opted for the examination Centre from the State of Bihar and other stake holders may please note that the Institute has taken note of the schedule of Election and shall take needful appropriate steps to ensure interests of its students appearing from the examination Centres from the State of Bihar.

Please remain in touch with the official website of the Institute www.icai.org for further announcement in this regard.

(S. K. Garg)

Additional Secretary (Exams)

Extension for completion of Orientation /IT Training Course by the Intermediate students, through the foundation route, to on or before 31st December, 2020 instead of on or before 31st October, 2020 and then be allowed to sit for their Final examination to be held in November, 2022 - (26-09-2020)

Students Skills Enrichment Board
The Institute of Chartered Accountants of India

Due to suspension of IT and Soft Skill classes all across the country because of the prevailing COVID situation, the competent authority has decided to relax the requirement for completing OC/ITT course for Intermediate students, through the foundation route, as a one-time measure, which is as under:

Student shall complete OC and IT training on or before 31st December, 2020 instead of on or before 31st October, 2020 and then be allowed to sit for their Final examination to be held in November, 2022.

SIRC Library invites suggestions from Members

Members are aware that the SIRC Library has large collection of books pertaining to accounting profession and it constantly improves and improvises the functions of library to render the best services to its members.

In order to augment the library facilities with addition of publications physical as well as online relevant to CA profession thereby enhancing and enriching the knowledge of the members, **SIRC invites suggestions from members for procurement of publications and other knowledge enrichment resources.**

Members may consider giving the following details to enable SIRC of ICAI to do the needful

1. Title of the Book/ Resources etc.
2. Author(s) of the Book
3. Publisher's Name and Contact Details
4. Name of the Journal (Indian/Foreign) and Publishing House Contact Details

SIRC assures its members to offer its best services always in their pursuit of value addition.

The suggestions may be sent to yamuna@icai.in

For any further details members may contact 9952066065 and/or e-mail id yamuna@icai.in

CA. DUNGAR CHAND U. JAIN

Chairman, SIRC of ICAI



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



TECH CONCLAVE 2020...

Oct. 8, 9 & 10, 2020
4PM to 7PM

08-Oct-20 4PM		Digital Era & Chartered Accountancy Profession Inauguration & Key note address CA. Atul Kumar Gupta President, ICAI
08-Oct-20 5PM		Cyber Frauds CA. Sachin Patil, IPS Superintendent of Police, Nasik
08-Oct-20 6PM		Fraud investigation & Forensic Accounting CA. Chetan Dalal, Mumbai CMD, CDIMS

09-Oct-20 4PM		Fireside chat on E-commerce Market Shri Sakait Chaudhary, Bengaluru CFO, Flipkart Moderator : CA. Pattabhi Ram V
09-Oct-20 5PM		Personal Data Protection Bill- Implication for Industry and Members CA. Chandrasekhar R, Chennai Expert, Information security audit and assurance
09-Oct-20 6PM		Cyber Security In the Digital Age for CAs CA. Praveen Kumar S, Chennai Partner, Finstein Advizory Service LLP

10-Oct-20 4PM		Emerging Challenges in Digital Era CA. Manish Naramdeo, Bengaluru Director, HP Computing and Printing Systems India Pvt Ltd.
10-Oct-20 5PM		Digital Forensics Ms. Mauli Shah, Mumbai Certified Hacking and Forensic Investigator
10-Oct-20 6PM		Inter-Party Trust using Blockchain- with Practical cases Shri Parag Jain, Hyderabad Co-Founder & CEO, ThynkBlynk Technologies Ltd.

Regn. Fees : Rs. 700 plus GST;
Register @ <http://bit.do/sirclogin>

CA. Dungar Chand U Jain
Chairman, SIRC of ICAI

Dr. CA. Abhishek Murali
Secretary, SIRC of ICAI



NEW TECHNICAL PUBLICATIONS OF ICAI

Frequently Asked Questions
on
The Banning of Unregulated Deposit Schemes Act, 2019

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

<https://resource.cdn.icai.org/55285faqbudicai.pdf>

STATEMENT
ON
PEER REVIEW
(REVISED 2020)

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

<https://resource.cdn.icai.org/60104prb48957peer-review-stmt2020.pdf>

RELIEF MEASURES INTRODUCED IN
INSOLVENCY RESOLUTION PROCESS
IN THE COUNTRY DUE TO OUTBREAK
OF COVID-19 PANDEMIC

Committee on Insolvency & Bankruptcy Code
The Institute of Chartered Accountants of India

<https://resource.cdn.icai.org/61063cibc49704.pdf>

Municipal Bonds for Financing Urban
Infrastructure in India: An Overview
(Revised 2020)

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

<https://resource.cdn.icai.org/61217cpfgm49796.pdf>

2020 Volume : I
(Ind AS 101 – Ind AS 116)

Compendium of Indian Accounting Standards
(Indian Accounting Standards as on April 1, 2020)

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

<https://www.icai.org/post/compendium-of-indian-accounting-standards>

2020 Volume : II
(Ind AS 1 – Ind AS 41)

Compendium of Indian Accounting Standards
(Indian Accounting Standards as on April 1, 2020)

The Institute of Chartered Accountants of India
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New Delhi

<https://www.icai.org/post/compendium-of-indian-accounting-standards>



IMPORTANT ANNOUNCEMENTS

Extension of validity of Registration Period on account of cancellation and merging of May 2020 examination with November, 2020 examination due to outbreak of COVID-19.

Students at all levels may please note that the Institute on account of cancellation and merging of May 2020 examination with November, 2020 examination due to Covid-19 pandemic as a one-time measure has granted upto one year extension in the validity period of registration at all levels. In other words, students whose validity of registration has expired between 1st May, 2020 and 30th April, 2021 (including both the dates) will remain valid till 1st May, 2021 at Foundation, Intermediate and Final Level.

The students may refer the below table for easy understanding:-

S.No.	In case, validity of Registration expiring / expired at any of the levels of CA Course	Remarks
1.	On or before 30 th April, 2020	Student must revalidate his / her registration.
2.	Between 1 st May, 2020 and 30 th April, 2021 (including both the dates)	No need to revalidate his / her registration. Such students can appear in Nov. 2020 and May, 2021 examinations as the case may be without revalidating their registrations.
3.	On 1 st May, 2021	Student will be eligible to appear in May, 2021 examination without revalidation.
4.	On or after 2 nd May, 2021	Student has to revalidate his / her registration for November, 2021 examination.

**Director Board of Studies,
ICAI**





ANNOUNCEMENT - STUDENTS



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

For further query, please contact
SIRC Coaching Classes Helpline

Phone No.: 044-30210380

Mobile No.: 7358506400

Email: sirc.final@icai.in

**Online Coaching Classes for
CA Final Course**

The next batch of **Online Coaching Classes for CA Final** is scheduled to commence from **7th October 2020** (Tentatively will end by 15th March 2021) for students appearing for May 2021 Examination.

Days	Class Timings
All Days	Group 1: Morning: 6.00 a.m. to 9.00 a.m.
	Group 2: Evening: 6.00 p.m. to 9.00 p.m.
Course Fee	Group I: Rs. 12,000/-
	Group II: Rs. 9,000/-
	Both Groups: Rs. 18,000/-

Some of the SIRC Faculty Members

Financial Reporting



CA.M.F.Jaison



CA.K.Shanmughanathan



CA.G.P.Kasthuri Rangan

Strategic Financial Management



CA.Santhi Ganapathy



CA.B.Hari Gopal



CA.Vikas Ostwal



CA.S.Ganapathy

Advanced Auditing and Professional Ethics

Corporate and Economic Laws



CS.S.S.Babu



CS.Bharath Kumar



CA.R.Magesh

Strategic Cost Management and Performance Evaluation



CA.Venkata Sivakumar



CA.B.Saravana Prasath



CA.K.Hariharan

Direct Tax Laws and International Taxation



CA.S.Sriram



CA.S.Durgesh Singh

Indirect Tax Laws



A.S.Harihara Kumar



CMA.Tharun Raj



CA.S.Seetharaman

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Setup by an Act of Parliament)

SOUTHERN INDIA REGIONAL COUNCIL

“ICAI Bhawan”, No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai - 600034.



ANNOUNCEMENT - STUDENTS

For Registration, please visit

<https://bit.ly/3i7duqf>

Individual paper registrations are also available. Click on the above link for complete details

If students are facing issues in payment gateway / failed transaction, you may use RTGS / NEFT option to pay your coaching class fees.

Account Name : SIRC OF ICAI

Bank Name : Indian Bank

Account No. : 764903128

IFSC Code : IDIB000N061

Account Type : Savings

Branch : Uthamar Gandhi Salai

After paying the fees through Netbanking-NEFT/RTGS, please send your following details (All fields are mandatory)

Student Registration No.:

Name :

Mobile No.:

Email Id :

Course Registered for :

Amount Transferred :

to sirc.intermediate@icai.in for Intermediate Coaching Classes Registrations

to sirc.final@icai.in for Final Coaching Classes Registrations

Today is your Opportunity...
to build the tomorrow you want
Join... SIRC Coaching Classes



Online Coaching Classes for CA Intermediate Course

The next batch of **Online Coaching Classes for ICAI Intermediate** is scheduled to commence from **7th October 2020** (Tentatively will end by 15th March 2021) for students appearing for May 2021 Examination.

Days	Class Timings		
All Days	Group 1: Morning: 6.00 a.m. to 9.00 a.m.	Group 2: Evening: 6.00 p.m. to 9.00 p.m.	
Course Fee	Group I: Rs. 10,000/-	Group II: Rs. 10,000/-	Both Groups: Rs. 18,000/-

- SIRC of ICAI is the leader in grooming CAs for the past 50 years.
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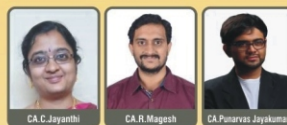
Some of the SIRC Faculty Members

Accounting & Advanced Accounting



CA. S.S. Prathap, CA. G.P. Kishore Rangam, CA.K.Shanmughasathian, CA.D.Suman

Corporate Law



CA.C.Jayanthi, CA.R.Magesh, CA.Ponnavas Jayakumar

Costing



CA.Venkata Sivakumar, CA.K.Harisharan, CA.S.Saravana Prasad, CA.Santhi Ganapathy

Direct Tax



CA.P.Ramaswamy, CA.Durgesh Singh, CA.Vineth Kumar Maxilla

Indirect Tax



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Auditing and Assurance



CA. Vikas Ostwal, CA.S.Ganapathy, CA.R.S.Sivaraman

EISM



CA. S.J.John Kennedy, R.S.Narayana Babu, CA. Sanjay Kadel

Financial Management



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CS. Bharath Kumar, CA. Alexander Cherian

Avail this opportunity and get through your May 2021 Examination.

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

For further query, please contact SIRC Coaching Classes Helpline
Phone No.: 044-30210380 | Mobile No.: 8220522669 | Email: sirc.intermediate@icai.in

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



CORPORATE LAW UPDATE

Contributed by CA.Chinnsamy Ganesan, Chennai

The following are some of the important updates in Companies Act during September 2020

I. Extension of time for holding Annual General Meeting (AGM)

Bringing a big relief to all companies, the Ministry of Corporate Affairs through the respective Registrar of Companies issued a clarification in respect of extension of time to hold Annual General Meetings. According to such notification, companies are not required to file Form GNL2. As per the latest guidelines, the date of conducting Annual general meeting is extended by 3 months from the due date as per the provisions of sub section (1) to section 96 of companies act 2013. It may be noted that the extension is not till December 31, 2020 in all cases. It is only extension by 3 months from the due date as per the provisions of Section 96(1).

Let us analyse the situation with some case studies

Case 1: If the last Annual general meeting for the financial year ending March 31, 2019 has been held on 30.09.2019

In this case as per the rule i.e (15 months from the date of last annual general meeting or 6 months from the date of closure of financial year whichever is earlier) the due date of AGM to be held for the financial year 2019-2020 will be 30.09.2020. Accordingly, the Company has extension to hold AGM till 31.12.2020 (i.e. Due date + 3 months).

Case 2: If the last Annual general meeting for the financial year ending March 31, 2019 has been held on 31.05.2019

In this case as per the rule i.e (15 months from the date of last annual general meeting or 6 months from the date of closure of financial year whichever is earlier) the due date of AGM to be held for the financial year 2019-2020 will be 31.08.2020. Accordingly, the Company has extension to hold AGM till 30.11.2020 (i.e. Due date + 3 months).

Case 3: If the last Annual general meeting for the financial year ending March 31, 2019 has been held on 31.07.2019

In this case as per the rule i.e (15 months from the date of last annual general meeting or 6 months from the date of closure of financial year whichever is earlier) the due date of AGM to be held for the financial year 2019-2020 will be 30.09.2020. Accordingly, the Company has extension to hold AGM till 31.12.2020 (i.e. Due date + 3 months).

II. Relaxation of additional fees and extension of last date for filing Form CRA 4 (Form for filing cost audit report)

If the cost audit report for the year ended March 31, 2020 by the cost auditor to the Board is submitted by November 30, 2020, then the same would not be viewed as a violation of rule 6 (5) of the Companies (Cost records and Audit) Rules 2014. The eform CRA4 shall be filed within 30 days from the date of receipt of the report.

In case a company availed extension of time for holding AGM, then CRA4 may be filed within the timeline provided as per rule 6 (6) of the Companies (Cost records and Audit) Rules 2014



FEMA UPDATES

Contributed by CA. G. Murali Krishna, Hyderabad

I. Changes to Foreign Trade Policy Foreign Direct Investment in Defence Sector

Vide Press Note 4 (2020 Series) dated September 17, 2020, Department for Promotion of Industry and Internal Trade (DPIIT) brought changes to Foreign Trade Policy regarding FDI in Defence Sector. Currently investment in Defence Sector up to 49% is under automatic route and thereafter it shall be under Govt approval route. Now, the said limit for automatic route is increased to 74%. FDI up to 74% under automatic route shall be permitted for companies seeking new industrial licenses only.

This Press Note shall be effective from the date necessary amendments are carried in the FEM (NDI) Rules, 2019

II. Update on Compounding Orders issued under FEMA Regulations

a. Triterras Smart Id Systems India Pvt Ltd

Regulation	Paragraph 9(1)A and Paragraph 8 respectively, of Schedule I to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000
Contravention	i. Delay in reporting of inflow of funds from a person resident outside India ii. Delay in allotment of shares to person resident outside India
Date of Order	December 31, 2019
Amount of Contravention	INR 20.24 Cr
Compounding Fee	INR 11.61 Lacs

b. William Scott Pinckney, an Australian Citizen

Regulation	Regulation 4(2) of Foreign Exchange Management (Remittance of Assets) Regulations, 2000 notified vide Notification No. FEMA 13/2000-RB, dated May 03, 2000
Contravention	Remittance of assets outside India beyond the limit (USD 1 Mn) stipulated in regulations
Date of Order	January 30, 2020
Amount of Contravention	INR 4.14 Cr
Compounding Fee	INR 3.18 Lac

c. Mr Raiomand Billimoria and Mrs Anita Nirody, US Citizens and Persons of Indian Origin

Regulation	Regulation 8 of Notification No. 21/2000-RB, dated May 3, 2000 - FEM (Acquisition and transfer of immovable property in India) Regulations 2000
Contravention	Acquisition and holding of immovable property in India by persons resident outside India without prior approval of RBI
Date of Order	June 27, 2019
Amount of Contravention	INR 1.2 Cr
Compounding Fee	INR 3.00 Lac



GST UPDATES

Contributed by CA. G. Saravana Kumar, Madurai

I. Notification Updates

1. Extension of due date for filing GSTR 4 for financial year 2019-20 Notification no 64/2020-CT dated 31st August, 2020

Time limit for filing GSTR -4 for the financial year 2019-20 has been extended to 31st day of October, 2020 from the earlier extended due date of 31st day of August, 2020.

2. Extension of time limit for completion of any action by the authority with reference to Anti-profiteering : Notification No 65/2020-CT dated 01st September, 2020

The time limit specified under section 171 of the Act for completion or compliance of any action by any authority, which falls during the period from the 20th day of March, 2020 to the 29th day of November, 2020, and where completion or compliance of such action has not been made within such time, then, the time-limit for completion or compliance of such action, has been extended up to the 30th day of November, 2020 as per above notification.

3. One time extension for the time limit for raising tax invoice in case of goods sent or taken on sale or return basis Notification No 66/2020-CT dated 21st September, 2020

As per the provisions of section 31(7) of the CGST Act, where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal whichever is earlier.

By virtue of above notification, the time limit for raising invoice in case of sending the goods for sale or return if it expires between 20th day of March, 2020

to the 30th day of October, 2020 the time limit has been extended up to the 31st day of October, 2020.

4. Waiver of Late fee for filing GSTR 4 for the tax period July 2017 to March 2019 Notification No 67/2020-CT dated 21st September, 2020

Late fee for filing GSTR 4 for the tax period July 2017 to March 2019 has been waived as per above notification as follows:

In case of Nil GSTR 4 return Full waiver of late fee

In case of return other than Nil return Late fee is waived in excess of Rs. 250 CGST (similar notification would be issued by the states for waiver of late fee in excess of Rs. 250).

Above waiver is subject to the condition that the said returns are to be filed between the period 22nd day of September, 2020 to 31st day of October, 2020.

5. Waiver of Late fee for filing GSTR 10 in excess of Rs. 250 Notification No 68/2020-CT dated 21st September, 2020

Late fee for filing GSTR 10 has been waived which is in excess of Rs. 250 by virtue of above notification. Similar notification would be issued by the states for waiver of late fee in excess of Rs. 250. However this waiver is subject to the condition that said return is filed between the period 22nd day of September, 2020 to 31st day of October, 2020.

II. Administrative Instructions

Administrative instructions for recovery of interest on net cash tax liability w.e.f. 01.07.2017 GST - F. No. CBEC- 20/01/08/2019-GST dated 18th September, 2020

The CBIC has issued above administrative



instructions to all its Principal Commissioners, chief commissioners, commissioners for recovery of interest on net cash liability with effect from 01st July 2017. Extracts of the instruction is given below.

- i. Based on the recommendations of the 35th meeting of the GST Council held on 21st June, 2019, the provision of section 50 was amended vide section 100 of the Finance (No. 2) Act, 2019 to provide for charging interest on the net cash tax liability. The said amendment was to be made effective from a date to be notified by the Government. Accordingly, the said provision was made effective vide notification No. 63/2020 - Central Tax dated the 25th August, 2020, w.e.f. 01.09.2020.
- ii. The GST Council, in its 39th meeting, held on 14th March, 2020 recommended interest to be charged on the net cash tax liability w.e.f. 01.07.2017 and accordingly, recommended the amendment of section 50 of the CGST Act retrospectively w.e.f. 01.07.2017. The retrospective amendment in the GST laws would be carried out in due course through suitable legislation.
- iii. Post issuance of notification 63/2020 - Central Tax dated the 25th August, 2020, there were apprehensions raised by taxpayers that the said notification is issued contrary to the Council's recommendation to charge interest on net cash liability w.e.f. 01.07.2017. Consequently, a press release, dated 26.08.2020 was issued to clarify the position. Further, in order to implement the decision of the Council in its true spirit, and at the same time working within the present legal framework, it has been decided to address the issue through administrative arrangements, as under:
 - a. For the period 01.07.2017 to 31.08.2020, field formations in your jurisdiction may be instructed to recover interest only on the net cash tax liability

(i.e. that portion of the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger); and

- b. wherever SCNs have been issued on gross tax payable, the same may be kept in Call Book till the retrospective amendment in section 50 of the CGST Act is carried out

III. CASE LAW UPDATES

Refund of 'Input Services' along with Inputs under Inverted Duty Structure whether eligible? 2020 (9) TMI 931 Madras High Court - TVL. TRANSTONNELSTROY AFCONS JOINT VENTURE, TVL. ESSA GARMENTS PRIVATE LIMITED, INDIA DYEING MILLS (P) LIMITED, M/S. VEEKESY FOOTCARE (INDIA) PVT. LTD., KALEESUWARI REFINERY PVT LTD., VICTUR DYEINGS VERSUS UNION OF INDIA, THE GOODS AND SERVICES TAX COUNCIL, ASSISTANT COMMISSIONER STAND OTHERS

Substantial Question of law raised:

- i. Whether it is necessary to read the word "inputs" in Section 54(3)(ii) as encompassing both goods and services so as to ensure that the said provision is not struck down?
- ii. Whether the words input services may be read into Section 54(3)(ii) as an exception to the general rule of casus omissus?
- iii. Whether the proviso to Section 54(3) qualifies and curtails the scope of the principal clause to the limited extent of specifying the two cases in which registered persons become eligible for a refund of the unutilised input tax credit?
- iv. Whether sub-clause (ii) of the proviso merely stipulates the eligibility conditions for claiming a refund of the unutilised input tax credit or whether it also curtails the entitlement to refund to unutilised input tax credit from a particular source, namely, input goods and excludes input services?



- v. Whether the rule making power under Section 164 empowers the Central Government to make Rule 89(5) as amended?
- vi. Whether Rule 89(5) of the CGST Rules, as amended, is ultra vires Section 54(3) of the CGST Act?
- vii. Whether the definition of the term Net ITC, as contained in Rule 89(5), is liable to be read as encompassing both input goods and input services?

of payment for services, supplied non-gratuitously and without a formal contract. While there has been a legislative trend towards a more uniform treatment as between goods and services, the distinction has certainly not been obliterated as is evident on perusal of the CGST Act, including provisions such as Sections 12 & 13, etc., which are specifically targeted at goods and services.

Ruling

- i. If the intention of Parliament was to curtail the quantity of unutilised input tax credit in respect of which a refund claim may be made, it would have been indicated in Section 54(3) by qualifying the words used therein. However, no such qualification is contained therein.
- ii. Explanation to Section 54 uses the terms "inputs" and "input services" separately and distinctively, thereby indicating the legislative intent to distinguish one from the other.
- iii. Although there is a constitutional challenge in this case, the challenge is to a refund provision and this is not a refund claim arising out of a successful challenge to a provision under a tax statute that had imposed a liability. This issue can be approached from another perspective: would a registered person be entitled to such refund but for the statutory prescription in Section 54(3)(i) & (ii)? The answer is a resounding 'no'.
- iv. Under Section 54(3)(ii), Parliament has provided the right of refund only in respect of unutilised credit that accumulates on account of the rate of tax on input goods being higher than the rate of tax on output supplies. Goods and services have been treated differently from time immemorial, as reflected in the use of the expressions, quantum valebant, as regards the measure of payment for goods, and quantum meruit, as regards the measure

v. Following conclusions are reached at:

- a. Section 54(3)(ii) does not infringe Article 14.
- b. Refund is a statutory right and the extension of the benefit of refund only to the unutilised credit that accumulates on account of the rate of tax on input goods being higher than the rate of tax on output supplies by excluding unutilised input tax credit that accumulated on account of input services is a valid classification and a valid exercise of legislative power.
- c. Therefore, there is no necessity to adopt the interpretive device of reading down so as to save the constitutionality of Section 54(3)(ii).
- d. Section 54(3)(ii) curtails a refund claim to the unutilised credit that accumulates only on account of the rate of tax on input goods being higher than the rate of tax on output supplies. In other words, it qualifies and curtails not only the class of registered persons who are entitled to refund but also the imposes a source-based restriction on refund entitlement and, consequently, the quantum thereof.
- e. As a corollary, Rule 89(5) of the CGST Rules, as amended, is in conformity with Section 54(3)(ii).
- f. Consequently, it is not necessary to interpret Rule 89(5) and, in particular, the definition of Net ITC therein so as to include the words input services.
- g. All the writ petitions challenging the constitutional validity of Section 54(3)(ii) are dismissed.



INCOME TAXES – UPDATE

Contributed by CA. Subramani, V.K. Erode

1. Guidelines for compulsory selection of returns for complete scrutiny during the financial year 2020-21:

The CBDT in F.No.225/126/2020/ITA-II dated 17.09.2020 has given the guidelines for compulsory selection of returns for complete scrutiny for the financial year 2020-21. They are as under:

S.No.	Parameter	Assessment proceedings to be conducted by
1.	Cases pertaining to survey under section 133A of the Act, excluding those cases where books of accounts, documents etc were not impounded and returned income (excluding any disclosure made during the survey) is not less than returned income of preceding assessment year. However, where the assessee has retracted from disclosure made during the survey, such cases will be considered for scrutiny.	
	(i) In respect of such cases selected for compulsory scrutiny and where there is impounded material	(i) After the issue of notice under section 143(2) of the Act by the jurisdictional Assessing Officer for compulsory selection, such cases shall be transferred to Central Charges under section 127 of the Act within 15 days of issue of notice under section 143(2) of the Act.
	(ii) In respect of such cases selected for compulsory scrutiny and where there is no impounded material	(ii) After the issue of notice under section 143(2) of the Act by the jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC. The Assessing Officer shall upload the survey report in the ITBA at the time of issue of notice under section 143(2) of the Act.
2.	Cases pertaining to Search and Seizure	
	Assessment in Search and Seizure cases to be made under section(s) 153A, 153C read with section 143(3) of the Act and also for return filed for assessment year relevant to previous year in which authorization for Search and Seizure was executed under section 132 or 132A of the Act.	The cases falling under section 153C, if lying outside Central Charges, shall be transferred to Central Charges under section 127 of the Act within 15 days of issue of notice under section 143(2) for compulsory selection.



3.	Cases in which notices under section 142(1) of the Act, calling for return, have been issued.	
	(i) Cases where no return has been furnished in response to a notice under section 142(1) of the Act.	These cases will be taken up for compulsory scrutiny by NeAC.
	(ii) Cases where return has been furnished in response to notice under section 142(1) of the Act and where notice under section 142(1) of the Act was issued due to information contained in NMS Cycle / AIR information / information received from Directorate of IC&I.	These cases will not be taken for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice under section 142(1) of the Act and where notice under section 142(1) of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing, Intelligence/Regulatory Authority/Agency; Audit Objections, etc.	After issue of notice under section 143(2) of the Act by the jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.
4.	Cases in which notices under section 148 of the Act have been issued.	
	(i) Cases where no return has been furnished in response to a notice under section 148 of the Act.	In such cases, jurisdictional Assessing Officers shall issue notice under section 142(1) of the Act, calling for information regarding the issues on the basis of which notice under section 148 was issued, subsequent to which, assessment proceedings in such cases will be conducted by NeAC.
	(ii) Cases where return has been furnished in response to notice under section 148 of the Act and where notice under section 148 of the Act was issued due to information contained in NMS Cycle / AIR information / information received from Directorate of IC & I.	These cases will not be taken up for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice under section 148 of the Act and where notice under section 148 of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing, Intelligence/Regulatory Authority/Agency; Audit Objections, etc.	After issue of notice under section 143(2) of the Act by the jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.



5.	Cases related to registration / approval under various sections of the Act, such as 12A, 35(1)(ii) / (iia) / (iii), 10(23C) etc	
	Cases where registration / approval under various sections of the Act, such as section 12A, 35(1)(ii)/(iia)/(iii), 10(23C), etc have not been granted or have been cancelled / withdrawn by the Competent Authority, yet the assessee has been found to be claiming exemption / deduction in the return. However, where such orders of withdrawal of registration / approval have been reversed / set-aside in appellate proceedings, those cases will not be selected under this clause.	After the issue of notice under section 143(2) of the Act by the jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NeAC.
	Without prejudice to the above five categories, cases which are selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed guidelines, shall, as earlier, continue to be handled by these charges.	
	The exercise of selection of cases for compulsory scrutiny on the basis of the above parameters shall be completed by 30th September, 2020.	

2. CBDT's order under section 119 for the purpose of various surveys under the Act:

The CBDT in partial modification of the order issued vide F.No. 187/3/2020-ITA-I dated 13th day of August, 2020 has passed an order dated 18.09.2020 by invoking its powers under section 119 for the purpose of survey by various Income-tax authorities. They are given below:

- (i) The verification surveys by the International Taxation Charges will henceforth be conducted by them with the approval of CCsIT (International Taxation) concerned and where there is no CCIT (International Taxation), with the approval of Pr.CCIT (International Taxation).
- (ii) The verification surveys by the TDS charges will henceforth be conducted by them with the approval of CCsIT (TDS) where there is no CCIT (TDS), with the approval of Pr.CCsIT of the region.
- (iii) Any survey under section 133A of the Act by the Central Charges will be conducted after the approval of CCIT(Central) / DGIT (Investigation) and in collaboration with the investigation wing.

However, before approving any survey action by Pr.CCIT / Pr.DGIT / CCIT / DGIT must ensure that all the other possibilities are exhausted and the survey action has to be resorted to only as a last resort.

3. Exemption from levy of charges and directing refund of charges collected, if any in terms of section 269SU:

The CBDT vide Circular No.16 / 2020 dated 30.8.2020 has given a direction to the bankers, not to collect charges and for refund of charges collected if any. Let us take note of the Circular which reads as under: In furtherance to the declared policy objective of the Government to encourage digital transactions and move towards a less-cash economy, the Finance (No. 2) Act 2019 inserted a new provision namely section 269SU in the Income-tax Act, 1961, which provides that every person having a business turnover of more than Rs. 50 crores during the immediately preceding previous year shall mandatorily provide facilities for accepting payments through prescribed electronic modes. Further, a new provision namely section 10A was also inserted in the Payment and



Settlement Systems Act 2007 ("the PSS Act"), which provides that no Bank or system provider shall impose any charge on a payer making payment, or a beneficiary receiving payment, through electronic modes prescribed under section 269SU of the Income-tax Act. Subsequently *vide notification no. 105/2019 dated 30-12-2019* (i) Debit Card powered by RuPay; (ii) Unified Payments Interface (UPI) (BHIM-UPI); and (iii) Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code) were notified as prescribed electronic modes under section 269 SU of the IT Act.

A circular No. 32/2019 dated 30-12-2019 was issued by the Board to clarify that based on section 10A of the PSS Act, any charge including the MDR (Merchant Discount Rate) shall not be applicable on or after 1st day of January, 2020 on payment made through prescribed electronic modes. However, representations have been received that some banks are imposing and collecting charges on transactions carried out through UPI. A certain number of transactions are allowed free of charge beyond which every transaction bears a charge. Such practice on part of banks is a breach of section 10A of the PSS Act as well as section 269SU of the Income-tax Act. Such breach attracts penal provisions under section 271DB of the Income-tax Act as well as section 26 of the PSS Act.

Banks are, therefore, advised to immediately refund the charges collected, if any, on or after 1st day of January, 2020 on transactions carried out using the electronic modes prescribed under section 269SU of the Income-tax Act and not to impose charges on any future transactions carried through the said prescribed modes.

4. CBDT provides ITR filing compliance check functionality for the banks to comply with section 194N:

The Central Board of Direct Taxes in exercise of powers conferred under section 138(1)(a) of Income-tax Act, 1961, has issued Order in F.No. 225/136/2020/ITA.II dated 31-8-2020, for furnishing information about Income-tax Return Filing Status to Scheduled Commercial Banks, notified *vide notification No. 71/2020 dated 31-8-2020* under sub-clause (ii) of clause (a) of sub-section (1) of section 138 of the Act. It gave a Press Release on 2.9.2020 which reads as under:

The data on cash withdrawal indicated that huge amount of cash is being withdrawn by the persons who have never filed income-tax returns. To ensure filing of return by these persons and to keep track on cash withdrawals by the non-filers, and to curb black money, the Finance Act, 2020 w.e.f. 1st July, 2020 further amended Income-tax Act, 1961 to lower the threshold of cash withdrawal to Rs. 20 lakh for the applicability of TDS for the non-filers and also mandated TDS at the higher rate of 5% on cash withdrawal exceeding Rs. 1 crore by the non-filers.

Income Tax Department has already provided a functionality viz; "Verification of applicability u/s 194N" on www.incometaxindiaefiling.gov.in for Banks and Post offices since 1st July, 2020. Through this functionality, Bank/Post Office can get the applicable rate of TDS under section 194N of the Income-tax Act, 1961 by entering the PAN of the person who is withdrawing cash.

The Department has now released a new functionality "ITR Filing Compliance Check" which will be available to Scheduled Commercial Banks (SCBs) to check the IT Return filing status of PANs in bulk mode. The Principal Director General of Income-tax (Systems) has notified the procedure and format for providing notified information to the Scheduled Commercial Banks. The salient features of the using functionality are as under:

- a. Accessing "ITR Filing Compliance Check": The Principal Officer & Designated Director of SCBs, which are registered with the Reporting Portal of



Income-tax Department (<https://report.insight.gov.in>) shall be able to use the functionality after logging into the Reporting Portal using their credentials. After successfully logging in, link to the functionality "ITR Filing Compliance Check" will appear on the home page of the Reporting Portal.

- b. Preparing request (input) file containing PANs: The CSV Template to enter PAN details can be downloaded by clicking on "Download CSV template" button on the "ITR Filing Compliance Check" page. PANs, for which IT Return filing status is required, are required to be entered in the downloaded CSV template. The current limit of PANs in one file is 10,000.
- c. Uploading the input CSV file: Input CSV file may be uploaded by clicking on Upload CSV button. While uploading, "Reference Financial Year" is required to be selected. Reference Financial Year is the year for which results are required. If selected Reference Financial Year is 2020-21 then results will be available for Assessment years 2017-18, 2018-19 and 2019-20. Uploaded file will start reflecting with Uploaded status.
- d. Downloading the output CSV file: After processing, CSV file containing IT Return Filing Status of the entered PANs will be available for download and "Status" will change to Available. Output CSV file will have PAN, Name of the PAN holder (masked), IT Return Filing Status for last three Assessment Years. After downloading of the file, the status will change to Downloaded and after 24 hours of availability of the file, download link will expire and status will change to Expired.

Scheduled Commercial Banks can also use API based exchange to automate and integrate the process with the Bank's core banking solution. Scheduled Commercial Banks are required to document and implement appropriate information security policies and

procedures with clearly defined roles and responsibilities to ensure security of information.

5. Significant changes proposed by The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Bill, 2020:

The Central Government introduced the said Bill for the purpose of making certain amendments to the provisions of the Income-tax Act, 1961. Some of the amendments are clarificatory in nature and some of them are intended to facilitate the faceless assessment, reassessment and revision proceedings under the Act. The following are the snapshots of the amendments proposed in the Bill.

- The due date for filing the returns of the assessment year 2019-20 shall be 30th day of September 2020. Similarly, the due date for filing the return of the assessment year 2020-21 shall be 30th November 2020. The due dates were clarified by way of abundant caution in the Bill.
- The new scheme of granting registration / renewal of registration for charitable trusts and institutions envisaged in section 10 (23C) / section 12AB by the Finance Act, 2020 are sought to be deferred to 1st day of April 2021. Hence, the charitable trusts and institutions need not have to comply with any such requirement in the current fiscal. Consequential amendments are made wherever there is reference to section 12AB.
- Section 35(1) is proposed to be amended to provide that the deduction claimed by the assessee for payment made to company to be used for scientific research shall not be eligible for deduction if subsequent to the payment, the approval granted to the company is withdrawn -w.e.f. 01.06.2020. Corresponding amendment to regulate those companies engaged in scientific research and development is sought to be achieved by substituting section 271K w.e.f. 01.04.2021. Thus, those companies also are liable for penalty for the failure to furnish statements prescribed in the Act.



- The Prime Minister's Citizen Assistance & Relief in Emergency Situation Fund (PM CARES Fund) is included in section 80G - w.e.f. 01.04.2020.
- The Bill provides for tax incentive for Category-III Alternative Investment Funds located in the International Financial Services Centre (IFSC) to encourage relocation of foreign funds to IFSC.
- Faceless jurisdiction of income-tax authorities to be notified by the Central Government under by devising a scheme. This is proposed by inserting section 130 - w.e.f. 01.11.2020.
- Section 133A(6) a further proviso shall be inserted whereby no action shall be taken by an income-tax authority without the approval of Pr. DGIT / DGIT / Pr.CCIT / CCIT.
- Section 135 is proposed to be made for enabling the Central Government to make a scheme for the purpose of calling for information under section 133, collecting certain information under section 133B or calling for information by prescribing income-tax authority under section 133C or exercise of power to inspect register of companies under section 134 or exercise of power of Assessing Officer under section 135 so as to have faceless collection of information - w.e.f. 01.11.2020.
- Similarly, for faceless enquiry or valuation, the Central Government may make a scheme for the purpose of issuing notice under section 142(1)/(2)/(2A) or estimating the value of any asset, property or investment by a Valuation Officer under section 142A. The scheme shall be notified in the Official Gazette - w.e.f. 1.11.2020.
- Section 144B is proposed to be inserted for enabling faceless assessment and the proposed provision shall be w.e.f. 01.04.2021.
- Section 151A is proposed to be inserted w.e.f. 01.11.2020 whereby the Central Government may make a scheme by notification in the Official Gazette for the purpose of assessment, reassessment or re-computation under section 147 or issuance of notice under section 148 or sanction for issue of such notice under section 151. The faceless assessment of income escaping assessment would be made under this provision.
- Section 157A is proposed to be inserted w.e.f. 01.11.2020 whereby the Central Government may make a scheme by notification in the Official Gazette, for the purposes of rectification of any mistake apparent from record under section 154 or other amendments under section 155 or issue of notice of demand under section 156 or intimation of loss under section 157. Thus it would pave the way for faceless rectification, amendments and issuance of notice or intimation.
- Section 197B is proposed to be inserted for the limited purposes of lower deduction of tax at source during the period commencing from 14th day of May 2020 to 31st day of March, 2021 i.e. three-fourth of the rate specified in sections 193, 194, 194A, 194C, 194D, 194DA, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194-IB, 194-IC, 194J, 194K, 194LA, 194LBA(1), clause (i) of section 194LB, section 194LBC(1), sections 194M and 194-O.
- In respect of tax collection at source under section 206C(IC), (IF) or (IH) at three-fourth of the rates specified therein during the period from 14th day of May 2020 to 31st day of March, 2021. Also this would apply for all goods specified in section 206C(1) (except alcoholic liquor for human consumption).
- Section 231 is proposed to be inserted w.e.f. 01.11.2020 for faceless collection and recovery of tax. Similarly, section 264A is proposed to be inserted from the same date for the faceless revision of orders under section 263 or under section 264.
- Section 264E is also proposed to be inserted whereby the Central Government may make a scheme, by notification in the Official Gazette for the purposes of giving effect to an order under sections 250, 254, 260, 262, 263 or 264. In other words, the section is meant for enabling faceless effect of orders.



GST REFUND PROCEDURE UNDER GST LAW

Contributed by CA. Annapurna Kabra, Bengaluru

When GST was implemented it was expected that there will be effective and efficient mechanism put in place for issuing the refunds. The Government has assured the hassle-free refund process on the primer of the GST law in the country. The following is the gist of latest detailed circular (125/44/2019-GST dated 18th November 2019) and circular 135/05/2020-GST dated 31/3/2020 and Circular No. 139/09/2020-GST on refund procedures under the GST law.

- With effect from 26.9.2019 the different types of refund shall be filed in Form GST RFD-01 on the common portal and will be processed electronically
- Form GST RFD-01 shall be filed along with other documents/Invoices (Four document) of each maximum size of 5MB.
- The Refund application or any other documents is not required to be filed manually to the Jurisdictional officer
- The ARN will be generated only after the applicant has completed the process of filing the Refund application along with supporting documents and debited in Electronic credit/cash ledger. The Acknowledgement in GST RFD-02 or deficiency memo in GST RFD-03 would be issued electronically.
- Deficiency memo cannot be issued on the ground that applications are received in wrong jurisdiction. The proper jurisdiction should process the final order in FORM RFD-06/ FORM RFD-05. Refund claims can be made only after filing all the Returns (GSTR 3B/ GSTR-1)
- The applicant should give letter of undertaking that refund sanctioned will be paid back if conditions under section 16(2) or 42(2) is not fulfilled. The Refund application can be filed for a tax period or by clubbing successive tax periods. It should not be spread to different financial years. If the deficiency memo is issued the refund application will not be further processed and fresh application has to be filed. The credit/Cash debited shall be recredited without Form GST PMT - 03
- The Applicant should rectify the defects and file fresh applications. The proper officer shall not serve deficiency memo unless original deficiency memo is rectified. Such applications should be filed within two years from the relevant date. **Provisional Refund** will be sanctioned as per Rule 91 and final sanction of refund shall be made as per Rule 92 of CGST Rules.
- In case officer is satisfied with the documents then it can be sanctioned within seven days and issue RFD-06 and then RFD-04 is not required for sanction of 90%. The proper officer can issue Show cause notice for wrong sanction or wrong claim of Refund. Form GST RFD-08 and GST RFD-06 are to be considered as adjudicating order or order for rejection of refund
- **No adjustment or withholding of refund** shall be applicable for the refund which has been provisionally sanctioned. Rather the proper officer should sanction fully and can recover the amount from the amount so sanctioned.
- In case of **Export of goods without payment of tax**, the shipping bills details will be checked through ICEGATE Site. The proper officer shall check Form GSTR 3B and GSTR -1 and refer the 26/26/2017 circular.
- In case of rejection of Refund claim due to ineligibility of input tax credit the proper officer can issue SCN in FORM **GST RFD-08** and accordingly it shall be adjudicated by issuing RFD-06. The Proper officer shall issue **DRC-07** for recovery of wrong refund claim or can ask the applicant for voluntary payment through **DRC-03**. Then the proper officer shall order for rejected amount to be recredited to electronic credit ledger.
- For the tax periods from 01.7.2017 to 30.6.2019, the registered person shall be allowed to file refund application in case of export of services with payment of tax or Zero-rated supplies to SEZ on payment of IGST. The applicants have shown in Table



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

PR No.51/2020

Rationalization of Eligibility criteria and Disclosure requirements for Rights Issues

SEBI has decided to amend SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to rationalise eligibility criteria and disclosure requirements for Rights Issues' with an objective to make the fund raising through this route, easier, faster and cost effective.

The key amendments include:

1. Issuer shall be eligible to make truncated disclosures in terms of Part B :
 - i. where it has been filing periodic reports/ statements/ information in compliance with Listing Regulations as applicable, for last one year instead of last three years as required earlier.
 - ii. where three years have passed after change in management pursuant to acquisition of control or Listing consequent to a scheme of arrangement.
2. All other issuers not satisfying Part B eligibility conditions shall make disclosures in terms of new set of proposed disclosures i.e. Part B-1. Part B-1 disclosures would be more detailed than Part B, but truncated compared to Part A, which is meant for IPO/FPO offer document.
3. Disclosure requirements under Part B have been rationalized to avoid duplication of information in letter of offer, especially the information which is already available in public domain and is disclosed by the companies in compliance with the disclosure requirements under SEBI Listing regulations.
4. Threshold increased from Rs. 10 crores to Rs 50 crores, for filing requirement of Rights issue draft letter of offer with the Board for its observations.
5. Mandatory 90% minimum subscription criteria for Rights Issue shall not be applicable to those issuers where object of the issue involves financing other than financing of capital expenditure for a project, provided that the promoters and promoter group of the issuer undertake to subscribe fully to their portion of rights entitlement.
6. Issuer shall be eligible to make Fast Track Rights Issue, in case of pending show-cause notices in respect to adjudication, prosecution proceedings and audit qualification, provided that necessary disclosures along with potential adverse impact on the issuer are made in the letter of offer.

The amendments will be effective from the date it is notified in the Gazette.

Mumbai
September 23, 2020



MADRAS HIGH COURT JUDGMENTS IN VAT CST GST

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

“Final” Hearing Notice: Petitioner has challenged a personal hearing notice dated 23.07.2020, for which the petitioner states that it has been unable to appear. The only apprehension expressed by the petitioner is that since the hearing notice uses the term “final”, the matter would be concluded without further reference to it. Though the impugned notice is styled as final personal hearing notice, the petitioner will be heard either over video conference or by way of physical hearing at the mutual convenience of both the parties prior to conclusion of proceedings. **Vassi Hospitality Pvt Ltd, vs. Commissioner of GST and CE, Chennai South Commissionerate, W.P. No.11168 of 2020 Dt: 01.09.2020**

Rectification: Though the provisions of Section 84 of TNVAT Act, do not envisage an opportunity of personal hearing, it goes without saying that for fair disposal of a matter, an assessee should be heard in person, all the more in a case where assessee has specifically sought for it. Commissioner's orders in Circular No. 7/2014-BB1/3589/2014 Dt 3rdFebruary,2014 was also not followed in this matter. Hence, the impugned assessments and orders u/s.84 are set aside and will be redone de novo by the AO. **M/s.Jansons Inds Ltd vs STO, Tiruchengode Town Circle, W.P.Nos.10605 of 2020 Dt: 21.08.2020.**

Mutuality: The issue concerns liability to service tax under Finance Act, 1994, on a recreation Club. This issue stands covered in favour of the assessee/petitioner in the case of State of West Bengal Vs. Calcutta Club Ltd [2019 GSTL 545 (SC)]. The impugned orders are quashed by the Court and the matters remanded. **M/s. Micky Mouse Recreation Club, Vs. AC (ST), Thindal Assessment Circle W.P. Nos.33181 of 2019 Dt: 14.08.2020**

Opportunity: When the petitioner has specifically sought an opportunity of personal hearing, which request has not been taken into consideration. Even assuming that such request had not been made, it was incumbent upon the Officer to have called upon the petitioner to appear prior to passing of the final order. **Toshiba JSW Power Systems P Ltd vs AC(ST),Cholavaram Assessment Circle W.P. Nos.11839 of 2020 Dt: 07.09.2020**

Export Documents: CST Assessment order dt 05.03.2020 for 2017-18 has been passed disallowing the claim of exemption for non-filing of 'C' Forms. The Officer seems to admit export documents in support of the claim of exemption if the same had been filed, but proceeded to reject the claim for the reason that the same were not filed at the time of earlier assessment completed on

21.03.2019. Government Advocate fairly admitted that impugned assessment has no legs to stand and the same is liable to be quashed. Hence, the impugned order is set aside, matter is remitted back to the AO. **M/s.Akshara Inds Ltd., vs AC, Choolai Assessment Circle, W.P. No.9807 of 2020 Dt: 18.08.2020**

GST Registration Cancellation: An order of cancellation of registration is issued under CGST Act, 2017 dated 14.11.2019. Citing the order passed by the CBIC in order No.1 of 2020 dated 25.06.2020 it was prayed that for the purpose of calculating period of 30 days for filing application for revocation of cancellation of registration u/s 30(1) of the Act, where cancellation order was passed up to 12th June, 2020, the later of the following dates shall be considered. (a) Date of service of the said cancellation order; or (b) 31st day of August, 2020. The petitioner has sent an e-mail dated 30.07.2020 requesting that it may be permitted to withdraw the WP and seeking liberty to approach the AO by the cut-off date provided in the Notification seeking restoration of registration. Placing the e-mail on record, the WP is dismissed as withdrawn.

SARABA INDIA vs. AC, Kodambakkam - Zone VI Chennai Central, W.P. No.1807 of 2020 Dt: 14.08.2020

C forms: Till such time the order of the Single judge in the case of M/s.Ramco Cements (W.P.Nos.19460 of 2018 dt 26.10.2018) in respect of use of C form for the concession in rate of CST in inter State purchases, is either stayed or reversed it is incumbent upon all Assessing Authorities to apply the rationale of the decision to all pending assessments and to all assesses. **Seven Hill Blue Metal vs. AC(CT) Namakkal Assessment Circle W.P. No.12044 of 2020 Dt: 07.09.2020.**

Reply filed: The petitioner has filed a reply dated 10.06.2016 to the pre-assessment notice dated 07.01.2016. Though the petitioner has not appeared in response to two subsequent notices dated 12.10.2018 and 30.09.2019, it was however incumbent upon the Officer to have taken note of reply dated 10.06.2016 while finalising the assessment which has not been done. For this reason, the impugned order of assessment dated 31.10.2019 is set aside. **M/s.Cauvery Promoters, vs. AC (ST), Ekkatuthangal Asssment Circle, W.P. No.929 of 2020 Dt: 25.08.2020**

C forms: The rights of the purchasing dealers of the goods including the rights to purchase at a concessional rate against declaration in “C” forms continues unabated u/s 8(3)(b) of the CST Act which has not been amended in 2017 at the time implementation of GST. **Sir Venkatramanaswamy Blue Metals vs AC (ST) Karur Assessment Circle, W.P. Nos.8671 of 2020 Dt: 07.09.2020.**



3.1(a) of GSTR 3B instead of table 3.1(b) of GSTR 3B but correctly shown in GSTR-1. Therefore, system was not allowing because of wrong disclosure in Tables of GSTR 3B and accordingly the relief has given to such applicants to file the refund claim subject to the condition that refund claim should not be more than aggregate amount as mentioned in Table under columns.

- The disbursement of refund **under different tax heads by central officers and state officers** was causing undue hardship to refund applicants. In order to facilitate the refund process, If the case is assigned to centre, it is decided that sanction order and payment order under all tax heads shall be issued by central tax officers. Similarly, in case the Refund application assigned to state officers, it is decided that sanction order and payment order under all tax heads shall be issued by state tax officers.
- If the bank Account details are invalidated, the error message is transmitted to the common portal. It can be rectified by filing non-core amendment in **Form REG-14**. The updated bank details will be reflected in drop down menu on the dashboard. The proper officer will be able to issue the payment order in **Form GST RFD 05** only after bank account is validated.
- **Interest at 6%** will be paid if the refund is not paid within 60 days from date of receipt of acknowledgement. It is also stated that adjustment of refund amount against any outstanding demand under the existing law can be done.
- The proper officer will verify GSTR -2A as an evidence for verification of Input Tax credit. Invoices are not required to be uploaded. **Only self- certified invoices** are required where not declared in GSTR 2A but has been claimed as eligible input tax credit as per Rule 36(4) of CGST Rules 2017
- With reference to section 54(3) of CGST Act, if a supplier avails drawback in respect of duties rebated under customs and Central excise duties drawback rules 2017, he shall be eligible for refund of unutilized input tax credit of taxes. Refund of eligible credit on account of state tax shall be available if the supplier of goods or services or both has **availed drawback** in respect of central tax.
- Certain supplies have been notified as **deemed exports**. Either the recipient or supplier can apply for Refund. In case Refund is claimed by the supplier, the documentary evidences like undertaking that recipient has not claimed refund and shall not avail any input tax credit on such supplies. Even the recipient can claim refund stating that ITC is not availed on Invoices and Refund only for those invoices which are detailed in statement 5B and also declare that supplier has not claimed refund on those invoices. The procedure regarding supplies from DTA under deemed export needs to be complied as per circular 14/14/2017-GST dated 6.11.2017.
- The Exports of Goods or Services without payment of IGST by furnishing of letter of Undertaking (LUT) is eligible as exports, even though the exports are made before filing the Letter of Undertaking.
- In certain instances, exporters have been asked to pay IGST and then claim refund where the goods are **not exported within three months** from date of export. It has been directed to jurisdictional commissioner to grant extension of time limit for export. The same principle is applicable for export of services also.
- As per circular when a person intending to export under LUT is required to give self- declaration that he is not prosecuted. Therefore, asking for such **self- declaration** in every export under LUT is not required.
- During the process of refund claim, the value of the goods declared in the GST Invoice and the value in the corresponding **shipping bill/bill of export** should be examined and the lower of two values should be considered while calculating the eligible amount of refund.
- It is not mandatory to submit the **proof of realization of export proceeds** for processing of refund claims related to export of goods. It is the requirement in case of exports of services.
- In case of Zero-rated supply of exempted/Non-GST goods, the requirement for furnishing bond or **LUT** cannot be insisted.
- Refund of unutilized input tax credit is allowed in



zero rated supplies made without payment of tax and inverted duty structure. The transitional credit pertaining to erstwhile law cannot be treated as part of Net Input Tax credit and no refund of such **unutilized transitional credit** is admissible.

- The exporters who are receiving **capital goods under EPCG** scheme through imports or through domestic procurements are eligible to claim refund and not hit by sub rule 96(10) of CGST Rules 2017.
- It has been clarified for the formula of **Inverted duty structure** that where there are multiple inputs attracting different rate of taxes, the Net ITC covers the ITC availed on all inputs in the relevant period irrespective of their rate of tax.
- In case of **TDS and TCS** if excess amount has been credited to the electronic cash ledger of deductee, the deductee can adjust the same while discharging his output liability or can claim refund of excess balance in electronic cash ledger
- In case of Refund of **IGST paid** on goods exported out of India, the shipping bill is deemed to be an application for Refund but it is deemed to be filed only when export manifest or export report is filed and applicant has filed the return in Form GSTR 3B and furnished in GSTR-1 of the relevant period. Upon receipt of the information from common portal the custom system process the claim for refund and an amount equal to IGST paid in respect of such export is electronically credited to the bank account of the applicant.
- Exporter will be eligible to take credit of tax at 0.5%/1% paid by him. The supplier who supplies at above **concessional rate** is also eligible for refund under inverted duty structure. The Exporter of such goods is eligible to export the goods only under LUT/bond and cannot export on payment of IGST.
- The Input Tax credit **of Invoices** issued in previous months and availed in current month cannot be excluded from the calculation of the refund amount for the current month.
- There is an insertion of Rule 86 wherein the excess tax paid or wrong taxes paid shall instead of cash refund should be credited to the electronic credit ledger and accordingly Form GST PMT-03 to be issued accordingly.(Rule 86(4A).
- There is change in the terminology of turnover of zero-rated supply of goods. It means the value of zero-rated supply of goods without payment of tax under bond/ LUT or value which is 1.5% times the value of like goods domestically supplied or similarly placed supplier as identified and declared by the supplier whichever is less.(Rule 89(4)(c))
- The Additional undertaking declaration along with Form GST RFD -01 should state that "I hereby undertake to deposit to the Government the amount of refund sanctioned along with interest in case of non-receipt of foreign exchange remittances as per the proviso to section 16 of the IGST Act, 2017 read with rule 96B of the CGST Rules 2017.
- In case if the Refund is other than tax paid on zero rated supplies and deemed Export, then the proportionate refund has to be computed for the amount to be paid in cash and the amount to be paid in credit. The cases can be like refund of excess payment of tax, refund of tax paid on intra state supply which is subsequently held to be interstate supply and vice versa, Refund on account of assessment/provisional assessment/appeal/any other order or any other reasons.
- The amount to be paid in cash will be Refund sanctioned * amount debited to electronic cash ledger/total liability for the Refund period and the balance amount shall be refundable. The Refund Amount to be paid in credit = Refund sanctioned x Amount debited to electronic credit ledger / Total liability for the refund period). The amount debited to electronic cash ledger/electronic credit ledger means the liability paid in cash or credit for the Refund Period (Rule 92(1A)). The refund to be paid in cash and credit shall be calculated in the same proportion in which the cash and credit ledger has been debited for discharging the total tax liability for the relevant period for which the refund application is filed.
- The Registered person can apply for refund of IGST paid on export of goods with payment of IGST wherein IGST and cess are paid but basic custom duty is claimed as exemption. (Rule 96(10)(b))



- Where the refund has been paid to the applicant but if the sale proceeds of export goods is not realised within the time limit including extended time limit under FEMA then the applicant should deposit such proportionate refund along with interest within 30 days of realisation. If not done within the specified period, then it will be recovered by officer under section 73 or 74 along with interest under section 50. The recovery of refund is not required to be done if the Reserve bank of India writes off the requirement of realisation of sale proceeds on merits. Where the sale proceeds are realised after the recovery of refund and if the applicant produces the evidence within three months of realisation (within extended time permitted by RBI) then the amount so recovered will be refunded accordingly.
- The restrictions on clubbing of tax periods across the financial year has been removed which has been specified in earlier master circular. There is no bar in section 16(3) and section 54(3) to claim refund by clubbing different months across successive financial years. Therefore, the applicant can file the refund application by clubbing different months across successive financial years. This has been made operative in GSTN Portal from August 2020.
- The applicant can claim refund only when the rate of tax on inputs is higher than the output supplies. The applicant cannot claim refund under inverted duty structure due to change in the GST rate on the same goods at different points of time. For example: the applicant has purchased the goods at 18% and later it reduced to 12%. There will be accumulation of credit which is not eligible refund to be claimed under Inverted duty structure (S.54(3)(ii))
- Hitherto the applicant was able to apply for refund for those invoices which were not reflected in GSTR 2A. In such instance the applicant was uploading the copies of invoices and claiming the refund. As per the circular, the applicant can claim the refund of accumulated input tax credit only for those invoices which are uploaded by the supplier in Form GSTR-1 and are reflected in Form GSTR -2A of the applicant. (Refund of ITC under S. 54(3)). The above requirement to be reflected in Form GSTR -2A is not applicable to input tax credit relating to imports, Input Service distributor invoices and the inward supplies liable to Reverse charge.
- The applicants are required to affix HSN/SAC for all the inward supplies at the time of filing the refund application. The above amendment is done to facilitate the identification of capital goods and ineligible input tax credit which was claimed as refund.
- Rule 89(5) of CGST Rules 2017 relating to refund of input tax credit on account of inverted duty structure has been challenged. Section 54(3)(ii) provides that refund of any unutilized input tax credit may be claimed by the registered person in case where credit has been accumulated on account of rate of tax on **Inputs** being higher than the rate of tax on output supplies. Therefore, allowing the refund of tax paid on inputs is challenged on the ground that it is unreasonable, irrational, discriminatory and there is no apparent justification for excluding the tax paid on input services from the purview of net input tax credit for computing the refund amount under Inverted duty structure. Vide Notification No. 21/2018- CT dated 18.04.2018, the CGST Rules were amended retrospectively to provide that taxpayers would not be entitled to claim refund of taxes paid on input services. The Gujrat High Court in case of **VKC Footsteps India Private Limited Vs Union of India & Others 2020-VIL-340-Guj dated 24-7-2020** held that the registered person is entitled to claim refund of taxes paid on inputs as well as input services. The Madras High Court in case of **Transtonnestroy Afcons Joint VentureVs Union of India & Others 2020-VIL-459-Mad dated 21.9.2020** held that registered person is entitled to claim refund of unutilised credit that accumulates only on account of the rate of tax on input goods being higher than the rate of tax on output supplies and not on input services.
- In case the refund of input tax credit availed on input services is restrained then it will lead to blockage of funds/working capital and affect the cost competitiveness of small business entity, especially in the current pandemic situations. The Refund Authority should not hold the refund because of non-technical or minor procedural lapses and should release the refund hastily. The above circulars and case laws has clarified on practical instances which were confronted while applying Refund from the Refund Authority.