



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



KALYAN DOMBIVALI BRANCH OF WIRC OF ICAI e News Letter

Issue No.4 July 2019

Josh : Joy of Sharing & Helping

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Driven by Values

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Dear Members of Kalyan Dombivli Branch,

I take this opportunity to wish you all a very happy CA Foundation day. Its in deed moment of pride for us that we belong to a profession which is highly regarded not only in the nation but also globally and which has completed 70 successful years since establishment. ICAI is really a partner in nation building. It has contributed in several ways in the progress of our nation.

Our Branch celebrated this 70th CA Foundation day with great zeal and energy. Several activities were organized on the occasion of the CA Foundation Day. The activities included a Drive for Planting Trees, where the members and students planted around 100 saplings in Waghrepada on Murbad road. The saplings will be looked after by the locals and the co-ordinators who work with our senior member CA Mahesh Bhiwandikar. He always is key to these projects by the Branch. We also had a Blood donation camp, Health check up camp at Mahajanwadi Hall, Kalyan West. WICASA also took active part in Swacch Bharat Abhiyan. As the professionals are undergoing lot of stress currently and further this stress can't be avoided but only can be managed better, a session was scheduled on Stress Management. 1st July is also Doctors Day and to guide our members on Stress Management we had invited renowned psychiatrist, Dr. Almeida.

Since the year of inception, branch has taken active role in its efforts towards Social cause as well. We being a branch of a professional body has taken up to contribute in a small way towards education of needy students by providing them School Kits. I am extremely glad to share with you that the number of kits we distribute every year on the occasion of CA day is increasing every year. This year also members and even students have responded to appeal by the Branch and supported the cause generously. With your support Branch is in process of distributing kits to around 450 students.

Coming to the other activities of the Branch, on 21st July 2019 we are organizing a Students Festival named 'TARANG' at K C Gandhi auditorium in Kalyan. It will be a first one of its kind here. Our students play a key role in execution of our professional commitments. A student if achieves overall growth will be surely more than an asset for our firms. Hence this is an attempt to provide a platform to nurture their talents. This festival will have Drama, Skits, Singing, Mimicry, Indian Dance

and much more. I request all the members to encourage and send the students to the festival. We are looking towards a large attendance and participation for the festival. I am sure members will play an active role in success of the event.

Our DISA batch is going along very well and the response to the Batch is encouraging. Branch is keen to host other such certification courses in coming months. Members are requested to kindly let us know the courses which they are keen to have at our branch and we will organize them. Branch has started Orientation course at CHM college. We are thankful to CA Kishore Peshori for his efforts in this regards. This will immensely benefit the students from Ulhasnagar.

Branch is also planning a Session on Union budget 2019 and a workshop on GST audit, which will include guidance on how to prepare reconciliation statement and related issues, in the month of July 19. Branch will also planning for a program on Internal audit and Ind AS which is important part of profession in coming month. Members are requested to take benefit of the same. Branch is taking steady but definite steps in fulfilling its commitments towards the needs of the Members and Students in best possible manner.

Coming few months, are going to be very tough and crucial as lot of due dates and compliances are to be met by us. Our fraternity has always worked in the best interest of the Client as well as Government. I am sure we would do the same in coming months as well. My only request to the members is to take care of their health while serving the clients.

I also take this opportunity to thank the members who have contributed to the Newsletter of the Branch as well as the Editorial committee lead by Managing committee member CA Parag Prbhudesai and convened by Secretary CA Jeetu Ramrakhiyani.

I remain by wishing all of you a very prosperous and enjoyable month ahead.



CA Saurabh S. Marathe

Chairman

Kalyan Dombivli Branch of WIRC of ICAI

INCOME TAX UPDATE'S

(Contributed by CA Shekhar Patwardhan)

CBDT CIRCULARS

CBDT Circular No.12/2019 Dated 19th June 2019 : 'Assessment of Firms'-some of the important issues to be kept under consideration by the Assessing Officers while framing assessment-reg.- Summary of Important Directions :-

- 1) Allowability of Interest on Capital and Remuneration to Partners as per the provisions of the Partnership Deed So the Assessing Officers are instructed to go through the Partnership Deeds carefully .
- 2) It has also come to notice that some firms try to inflate the profits eligible for deduction under section 80IA of the Act by not claiming expenditure towards remuneration, salary, interest etc. which are payable to the partners In such situations, Assessing Officers may examine these transactions in light of provisions of sub-section (10) of section 80IA of the Act which empower Assessing Officer to re-compute profit of the eligible business after excluding the profits of the related activity/business which produced the excessive profit.
- 3) While framing assessments in case of firms claiming carry forward and set off of losses, Assessing Officers are requested to verify such claims taking into consideration provisions of section 78 of the Act which disallow such a carry forward and set off in case of change in constitution of the firm or on succession.

CBDT Circular No. 11/2019 Dated 19th June 2019 : Clarification regarding non-allowability of set-off of losses against the deemed income under section 115BBE of the Income-tax Act, 1961 prior to assessment-year 2017-18-reg.

With effect from 01.04.2017, sub-section (2) of section 115BBE of the Income-tax Act, 1961 (Act) provides that where total income of an assessee includes any income referred to in section(s) 68/69/69A/69B/69C/69D of the Act, no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provisions of the Act in computing the income referred to in section 115BBE (1) of the Act.

INCOME TAX CASE LAWS UPDATE'S

(Contributed by CA Shekhar Patwardhan)

SUPREME COURT

Snowtex Investment Ltd Vs PCIT (Civil Appeal No. 4483 of 2019, Date of Publication 24th June 2019)

Explanation to Section 73 - AY 2008-09

Conclusion: -

Speculation Loss: Law on when an amendment can be said to be clarificatory/ retrospective explained. The amendment to the Explanation to s. 73 by the Finance (No 2) Act 2014 with effect from 1 April 2015 is not clarificatory or retrospective. Consequently, loss occurred to the assessee as a result of its activity of trading in shares (a loss arising from the business of speculation) is not capable of being set off against the profits which it had earned against the business of futures and options since the latter did not constitute profits and gains of a speculative business

The amendment which was brought by Parliament to the Explanation to Section 73 by the Finance (No 2) Act 2014 was with effect from 1 April 2015. In its legislative wisdom, the Parliament amended Section 43(5) with effect from 1 April 2006 in relation to the business of trading in derivatives, Parliament brought about a specific amendment in the Explanation to Section 73, insofar as trading in shares is concerned, with effect from 1 April 2015. The latter amendment was intended to take effect from the date stipulated by Parliament, and we see no reason to hold either that it was clarificatory or that the intent of Parliament was to give it retrospective effect. 31 The consequence is that in A.Y. 2008-2009, the loss which occurred to the assessee as a result of its activity of trading in shares (a loss arising from the business of speculation) was not capable of being set off against the profits which it had earned against the business of futures and options since the latter did not constitute profits and gains of a speculative business.

BOMBAY HIGH COURT

ITO Vs Firoz Abdul Gafar Nadiadwala (Appeal No 95/SW/ 2014, Date of Publication 1st June 2019)

Section 276 B AY 2010-11

Conclusion: -

S. 276B Prosecution for delay in payment of TDS:- The default is complete if the TDS is not deposited in time. Late deposit does not absolve the accused. The accused has no right to retain the TDS amount and use it for any other purpose. Pleas of financial problem, incompetent staff, accountant's negligence, unawareness about law etc are not acceptable as a defence (Madhumilan Syntex AIR 2007 SC (148) followed) .

BOMBAY HIGH COURT

Pr CIT Vs M/S Piramal Glass Limited (Appeal No 556 of 2017, Date of Publication 20th st June 2019) Section 32(1) (ii)

Conclusion: -

S. 32(1)(ii) Depreciation on Intangible Asset : Rights acquired under a non-compete agreement gives enduring benefit & protects the assessee's business against competition. The expression "or any other business or commercial rights of similar nature" used in Explanation 3 to sub-section 32(1)(ii) is wide enough to include non-compete rights (Ferromatice Milacron India 99 TM.com 154 (Guj) followed).

The legislature thus did not intend to provide for depreciation only in respect of the specified intangible assets but also to other categories of intangible assets which may not be possible to exhaustively enumerate. It was concluded that the assessee who had acquired commercial rights to sell products under the trade name and through the network created by the seller for sale in India were entitled to depreciation.

ITAT Mumbai

V.R.Enterprises Vs ITO (Appeal No ITA No 4650/ Mum / 2018, Date of Publication 19th June 2019)

Section 145 AY 2009-10

Conclusion: -

Bogus Purchases: The CIT(A) is not justified in enhancing the assessment to disallow 100% of the bogus purchases. The only addition which can be made is to account for profit element embedded in the purchase transactions to factorize for profit earned by assessee against possible purchase of material in the grey market and undue benefit of VAT against such bogus purchases (PCIT vs. Mohommad Haji Adam (Bom HC) followed

The assessee was in possession of primary purchase documents and the payments to the suppliers was through banking channels. The assessee had established corresponding sales before Ld. AO. The books of accounts were audited wherein quantitative details of stock was provided. We are of the considered opinion that there could be no sale without actual purchase of material keeping in view the fact that the assessee was engaged in trading activities.

ITAT Agra

ITO Vs M/S Shanti Constructions (Appeal No ITA No 289/ Agra / 2017 , Date of Publication 1st June 2019)

Section 145(2) 145(3) AY 2012-13

Conclusion: - S. 145(2) "Project Completion Method" vs. "Percentage Completion Method": Dept's argument that assessee should have declared profit on percentage completion method because according to AS-7, revised in 2002 with effect from 01.04.2003, the 'Completed Contract method' has been scrapped & ICAI guidelines prefer the percentage completion method is not acceptable

As regards to the adoption of project completion method of accounting by the assessee, it is seen that the assessee's business came into existence from 11.03.2003 and since then it has been consistently following project completion method of accounting. The Ld. AR has contended that the assessee has never deviated from such method of accounting since the inception of the business and that the revenue had also accepted project completion method and profit shown by the assessee during the assessment proceedings for AY 2014-15 in assessee's own case. It is well settled that the project completion method is one of the recognized method of accounting and as the assessee has consistently been followed such recognized method of accounting thus in the absence of any prohibition or restriction under the act for doing so, it can't be held that the decision of the CIT(A) was erroneous or illegal in any manner. The judgement in the case of "CIT vs. Realest Builders & Services Ltd.", (Supra) relied.

ITAT Delhi

Radhika Roy / Prannoy Roy Vs DCIT (ITA No 2019, 2020 / DEL / 2017 Date of Publication 20th st June 2019)

Section 56 (2) (Vii)

Conclusion: -

S. 56(2)(vii)(c): The assessee's purchase of shares of NDTV Ltd at Rs 4 per share from RRPR Holdings Pvt Ltd when the market price of the share was Rs 140 is a benefit taxable u/s 56 (2)(vii). The argument that as it is a transaction between closely related parties, there is no motive of tax evasion & s. 56 (2) does not apply is not acceptable. The assessee has failed to explain by credible evidence any reason of buying shares of the company at Rs. 4 per share when the quoted price was Rs. 140 & so the assessee cannot say that there was no motive of tax evasion. Even otherwise, s. 56 (2) deems such differences/receipts as income

Where an individual or after 1st day of October 2009, receives any property other than immovable property for a consideration, which is less than the aggregate fair market value of the property by an amount exceeding INR 50,000/- , the aggregate of fair market value of such property as exceeds such consideration is chargeable to tax under the head income from other sources. The impugned asset that has been transferred in this transaction in shares, which is covered under the definition of property as per clause (d) of the second proviso to the above section. Further fair market value of such transaction is also required to be determined under section 11 UA of the income tax rules according to which the fair market value in respect of a court in shares are the quoted price on the recognized stock exchange. Therefore the impugned transaction satisfied all the ingredients of the provisions of section 56 (2) (vii) of the act .

Conclusion: -

S. 68 Bogus Capital Gains from Penny Stocks:- The allegation that the Co is a penny stock co whose share price has been artificially rigged by promoters/brokers/operators to create non-genuine LTCG is not sufficient. The AO has failed to bring on record any evidence to prove that the transactions carried out by the assessee were not genuine or that the documents were not authentic. No specific enquiry or investigation was conducted in the case of the assessee and/or his broker either by the Investigation Wing or by the AO during the course of assessment proceedings. The penny stock was also not subject to any action from SEBI (Udit Kalra 176 DTR 249 (Del) distinguished, Fair Invest Ltd 357 ITR 146 (Del) followed)

These facts clearly demonstrate that the assessee is a habitual investor and being a qualified professional, is well aware of market trends of shares in the stock market. The entire assessment has been framed by the Assessing Officer without conducting any enquiry from the relevant parties or independent source or evidence but has merely relied upon the statements recorded by the Investigation Wing as well as information received from the Investigation Wing. It is apparent from the assessment order that the Assessing Officer has not conducted any independent and separate enquiry in this case of the assessee. Even the statement recorded by the Investigation Wing has not been got confirmed or corroborated by the person during the assessment proceedings.

INTERNATIONAL TAX UPDATE'S

(Contributed by CA Prerna Peshori)

Return Filing Requirements for Non-Residents and Residents with Foreign Income

As the return filing season is approaching, many queries are raised regarding the requirement of filing return of income (ROI) by non-residents as well as disclosure of foreign income and assets by the residents in India. In this article we are covering the obligations of a non-resident to file the return of income in India and disclosures in ITR forms if one has income or assets from foreign sources.

1.1 Obligation of NRI to file ROI in India.

For a non-resident, income which is earned or accrued in India is taxable in India. A non-resident may usually have the following incomes in India.

- Salary received in India or salary for service provided in India
- Rental income from a house property situated in India or having more than 2 Self Occupied House property in India
- Capital gains on transfer of asset situated in India.
- Income from fixed deposits or interest on savings bank account are all examples of income earned or accrued in India.
- Interest earned on an NRE account and FCNR account is tax-free. Interest on NRO account is taxable for an NRI.

Section 139 of the Income-tax Act ('the Act') provides that if an individual's total income exceeds the basic exemption limit, only then it is required to file ROI. A non-resident individual (including senior citizen) whose total income exceeds Rs.2,50,000 is required to file an Income-tax return in India.

However, it might so happen that banks while crediting the interest to the NRO account of the individual, may deduct TDS, though the total income of non-resident might be below basic exemption limit. In such a case, in order to claim refund of taxes, non-resident would have to file the Income-tax return.

For non-resident individuals, the last date to file ROI is July 31 of AY. If the belated return is filed fees u/s 234F would be levied.

1.2 Taxability of Non-resident individual under different heads of income :

A. Income from salaries

Income from salaries would be taxable in India only when,

- ◆ Service is rendered in India [Sec. 9(1)(ii) of the Act]
- ◆ Salaries received directly in Indian bank account though service rendered outside India. E. g. if Mr. Raj has gone to Tokyo for an assignment and if the salary is credited to Indian bank account, salary would be taxable in India.
- ◆ Salary received from Government of India for services rendered outside India [Sec.9(1)(iii)]

B. Income from House Property

- ◆ Rental income from house property situated in India is taxable in India though the rental contract is made outside India and rent is received outside India. The tenant also needs to deduct TDS u/s 195 on rental payments made to non-resident landlord.

C. Business/Professional income

- ◆ Any income earned by a non-resident from a business controlled or set up in India is taxable in India.

D. Income from Capital Gains

- ◆ Like resident, any capital gain on transfer of capital asset which is situated in India shall be taxable in India. TDS would be deducted by the buyer while making payment to non-resident seller.

However, in case of a non-resident Indian capital gains on transfer of specified assets (shares, debentures purchased in foreign exchange) is taxed at 10% and LTCG on other assets is taxed at 20% [chapter XII-A].

Further, if investment income and LTCG is the only income the NRI has during the financial year, and TDS has been deducted on that, then such an NRI is not required to file an income tax return.

E. Income from other sources

- ◆ Interest income from fixed deposits and savings accounts held in Indian bank accounts is taxable in India. Interest on NRE and FCNR account is tax-free. Interest on NRO account is fully taxable.

2. Obligation of resident individual having foreign income or assets to file ROI in India :

Sec. 139(1) provides that an individual having total income below basic exemption limit is not required to file ROI. However, fourth proviso to Sec.139(1) provides that a Resident other than not ordinarily resident in India who is not required to furnish ROI and who at any time during the previous year,—

- Is a beneficial owner of any asset (including any financial interest in any entity) located outside India or has signing authority in any account located outside India; or
 - Is a beneficiary of any asset (including any financial interest in any entity) located outside India,
- shall furnish, on or before the due date ROI.

3. Applicable ITR forms

| | |
|---|-------|
| Non-resident having income other than PGBP | ITR-2 |
| Non-resident having PGBP including presumptive income | ITR-3 |
| Resident having foreign income/foreign assets | ITR-2 |
| Resident having foreign income from business/profession | ITR-3 |

Resident and Not ordinary Resident (RNOR) is not required to disclose foreign income or assets.

4. Disclosure requirements regarding foreign income and assets in ITR

A. Residential status disclosure

Individuals are required to provide:

- ◆ Jurisdiction of residence
- ◆ number of days stayed in the country in the relevant tax year and in the previous four tax years.
- ◆ TIN of jurisdiction of residence

B. Foreign assets schedule - scope expanded

- ◆ Besides Foreign Bank Accounts, Details of Foreign Depository Account are required
- ◆ Details of foreign custodial accounts
- ◆ Details of foreign equity and debt interest held in equity, financial interest in any entity (including any beneficial interest), any immovable property held at anytime during the relevant year
- ◆ Details of foreign cash value insurance contract or annuity contract
- ◆ Details of other capital assets held at any time during the relevant period
- ◆ Details of account in which assessee is having any signing authority
- ◆ Details of any trust incorporated outside India in which assessee is trustee, beneficiary or settler

C. Reporting of income if relief claimed under DTAA

In respect of income which are not chargeable to tax taking the benefit of DTAA, new ITR forms require following additional information (Schedule OS)

- ◆ Amount, nature and head of income
- ◆ Country code and country name
- ◆ Article number of DTAA
- ◆ Whether TRC maintained

!!! Hope you have wonderful return filing season !!!

GOODS & SERVICE TAX UPDATE'S

(Contributed by CA Rohan Pathak)

1. CBIC Press release dated 11.06.2019:

◆ Transition plan to the new GST Return:

- The GST Council in its 31st meeting decided to introduce a new GST return system which shall have three main components:- one main return (**FORM GST RET-1**) and two annexures (**FORM GST ANX-1 and FORM GST ANX-2**)
- In May, 2019 a prototype of the offline tool was been shared on the common portal.
- From **July, 2019 to September, 2019**, users under a trial program would be able to:
 - ◇ upload invoices using the FORM GST ANX-1 offline tool
 - ◇ view and download the inward supply of invoices using the FORM GST ANX-2
- This trial would have no impact at the back end on the tax liability or input tax credit and the taxpayers would continue to fulfil their compliances by filing FORM GSTR-1 and FORM GSTR-3B.
- From **October, 2019 onwards**, FORM GST ANX-1 shall be made compulsory and FORM GSTR-1 would be replaced by FORM GST ANX-1.
- Large taxpayers(having aggregate turnover of more than 5 crores in previous year) would upload their monthly FORM GST ANX-1 from October, 2019 onwards and small taxpayers would upload their quarterly (October to December, 2019) FORM GST ANX-1 in January, 2020.
- For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis. They would file their first FORM GST RET-01 for the month of December, 2019 by 20th January, 2020.
- The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 onwards. They would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20th January, 2020.
- From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out.

2. CBIC Press release dated 04.06.2019

◆ Clarifications on filing of Annual Return (FORM GSTR-9)

- Input tax credit on inward supplies received in 2017-2018 but availed in April, 2018 to March, 2019 shall be declared in Table 8C of FORM GSTR-9.
- Transactions relating to financial year 2017-18 but declared in returns from April, 2018 to March, 2019 shall be declared in Part V of FORM GSTR-9.

- The basis of declaring a supply in Part II or Part V of GSTR-9 shall be when tax was paid through FORM GSTR-3B and not when the supply was declared in FORM GSTR-1 e., if the tax on such supply was paid through FORM GSTR-3B from July ,2017 to March, 2018, then such supply shall be declared in Part II and if the tax was paid through FORM GSTR-3B between April, 2018 to March, 2019 ,then such supply shall be declared in Part V of FORM GSTR-9.
- System generated Form GSTR-9 is a functionality provided to taxpayers for facilitation purposes only and if there is any mismatch between auto-populated data and the actual entry in the books of accounts or returns, taxpayers shall report the data in Form GSTR-9 as per their books of account or returns filed during the financial year.
- Any outward supply which was not declared in Form GSTR-1 and Form GSTR-3B is to be declared in **Part II** of Form GSTR-9 and additional liability on such outward supply is to be computed in **Part IV** and the gap between the “tax payable” and “paid through cash” column of Form GSTR-9 is to be paid through Form DRC-03.
- **Payments made through Form DRC-03** for any supplies relating to period between July 2017 to March 2018 shall not be accounted for in FORM GSTR-9 but shall be reported **during reconciliation in Form GSTR-9C**.

◆ **IGST Credit accrued in financial year 2017-2018 not to lapse if not availed**

- Form GSTR-9 does not allow a taxpayer to report details of **Integrated Goods and Service Tax (IGST)** paid on imports made in financial year 2017-18 but credit for the same was availed in financial year 2018-19.
- There were apprehensions that credit which was availed from April, 2018 to March, 2019 but not reported in the annual return may lapse.
- CBIC has now clarified that **input tax credit** accrued on import of goods by paying GST in 2017-18 shall not lapse even if the taxpayer has not claimed credit in the same financial year and details of entire credit availed on import of goods from July, 2017 to March, 2019 shall be shown in **Table 6(E) of FORM GSTR-9**.

◆ **Additional liability in GSTR-9 and its payment**

- Additional liability for the FY 2017-18 not declared in FORM GSTR-1 and FORM GSTR-3B may be declared in this return. However, taxpayers cannot claim input tax credit unclaimed during FY 2017-18 through this return.” The additional liability so declared is required to be paid through Form GST DRC-03.

- If available cash balance in **Electronic Cash Ledger** is less than the amount required to offset the liabilities, then additional cash required to be paid by taxpayer is shown in the “Additional Cash Required” column. However, a challan may also be created for the additional cash directly by clicking on the Create Challan.

35th GST Council Meeting was held on 21st June 2019 and chaired by FM Nirmala Sitharaman.

- ⇒ Decision for reduction of rate on electric vehicle (EV) is given to Fitment committee – decision is expected in next council meeting. Current rate on EV is 12% and proposal is to reduce it to 5%.
- ⇒ Anti-profiteering mechanism which was to end on 30.06.2019 has been extended for another 2 years till 2021.
- ⇒ If Profiteered amount is not deposited as per the order of the authority within 30 days then supplier will have to pay Penalty of 10% on it.
- ⇒ Annual Return (GSTR 9 / 9A) and Audit (GSTR 9C) has been extended from 30.06.2019 to 31.08.2019.
- ⇒ Registration process simplified by using Aadhar back bone.
- ⇒ Generation of invoices on Government portal given in-principle approval, once implemented, this invoice will be treated as E-way bill as well.
- ⇒ E-ticketing for multi-plexes approved.
- ⇒ Major discussion took place on how to control Fake / bogus billing. Details awaited for this.

CBIC issued the Notification No. 25/2019, 26/2019, 27/2019/, 28/2019, 29/2019, 30/2019, 31/2019, 32/2019

related to various issues. The detailed analysis are mentioned below:

| Sr.No | Notification | Description | Analysis |
|-------|---|--|---|
| 1) | Notification No. 25/2019 – Central Tax Dated 21st June 2019 | Seeks to extend the date from which the facility of blocking and unblocking on e-way bill facility. | Seeks to extend the date from which the facility of blocking and unblocking on e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 shall be brought into force to 21.08.2019 |
| 2) | Notification No. 26/2019 – Central Tax Dated 28th June 2019 | Seeks to extend the due date of filing returns in FORM GSTR-7 | The due date for filing GST TDS return in form GSTR-7 from October, 2018 to July, 2019 extended till the 31st August, 2019 . |
| 2) | Notification No. 27/2019 – Central Tax Dated 28th June 2019 | Seeks to prescribe the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of up to 1.5 cr rupees for the months of July, 2019 to September,2019. | The due date for filing GSTR-1 for registered persons having aggregate turnover of up to 1.5 crore rupees for the months of July, 2019 to September,2019 is 31st October, 2019 . |
| 3) | Notification No. 28/2019 – Central Tax Dated 28th June 2019 | Seeks to extend the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of more than 1.5 cr. rupees for the months of July, 2019 to September,2019 | The due date for filing GSTR-1 for registered persons having aggregate turnover of more than 1.5 crore rupees for the months of July, 2019 to September,2019 is 11th day of the month succeeding such month . |
| 4) | Notification No. 29/2019 – Central Tax Dated 28th June 2019 | Seeks to prescribe the due date for furnishing FORM GSTR-3B for the months of July, 2019 to September,2019. | The due date for filing GSTR-3B for the months of July, 2019 to September,2019 is on or before the 20 th day of the month Succeeding such month. |
| 5) | Notification No.30/2019-Central Tax Dated 28th June 2019 | Seeks to provide exemption from furnishing of Annual Return / Reconciliation Statement for suppliers of Online Information Database Access and Retrieval Services(“OIDAR services”). | The Central Government, on the recommendations of the Council, hereby notifies the persons registered under section 24 of the said Act read with rule 14 of the Central Goods and Services Tax Rules, 2017, (hereinafter referred to as “the said rules”), supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person as the class of registered persons who shall follow the special procedure as mentioned below. 1. The said category of taxpayers shall not be required to furnish an annual return in FORM GSTR-9 under sub-section (1) of section 44 of the said Act read with sub-rule (1) of rule 80 of the said rules. 2. The said category of taxpayers shall not be required to furnish an annual return in FORM GSTR-9C under sub-section (2) of section 44 of the said Act read with sub-rule (3) of rule 80 of the said rules. |
| 6) | Notification No. 31/2019 – Central Tax Dated 28th June 2019 | Seeks to carry out changes in the CGST Rules, 2017 . | 1. Furnishing of Bank Account The taxpayer needs to furnish the information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision within not later than forty five days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier 2. Value of supply in cases where Kerala Flood Cess is applicable: The value of supply of goods or services or both on which Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019 shall be deemed to be the value determined in terms of section 15 of the Act, but shall not include the said cess.” |

| | | | |
|----|--|---|--|
| | | | <p>3. A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in FORM GST PMT-09.”</p> <p>4. Refund of taxes to the retail outlets established in the departure area of an international Airport beyond immigration counters making tax free supply to an outgoing international tourist by filling FORM GST RFD- 10B on a monthly or quarterly basis.</p> <p>5. Quick Response (QR) code may be made mandatory in the Tax Invoice and Bill of supply at a later date to be notified.</p> <p>6. The new format of GSTR-4 to be filed on an annual basis has been notified. (applies to FY 2019-2020 onwards)</p> |
| 7) | Notification No. 32/2019 – Central Tax Dated 28th June 2019 | Seeks to extend the due date for furnishing the declaration FORM GST ITC-04 | The due date for filing ITC-04 from July, 2017 to June, 2019 extended till the 31st day of August, 2019. |

MAHARASHTRA PROFESSIONAL TAX UPDATE'S

The notification No. PFT-2019/C.R.8/Taxation-3

Previous Maharashtra Professional Tax Limit

Entities/ individuals having a professional tax liability of more than Rs.50000 will have to file a monthly Maharashtra professional tax return before the last date of each month. Entities having a professional tax liability of less than Rs.50000 in the previous year will have to file a tax return annually on or before the 31st of March.

Current Maharashtra Professional Tax Limit

According to the notification, those entities having a professional tax liability of more than Rs. 1,00,000 are required to file a monthly professional tax return before the last date of each month. Those entities are having a tax liability of less than Rs. 1,00,000 in the previous year are required to file a tax return annually on or before the 31st of March.

Summary :

| Sr. No. | Periodicity | Tax Liability | Due Date |
|---------|-------------|--|---|
| 1 | Yearly | Professional Tax Liability is less than Rs 10,0000 | 31st March of the Financial Year |
| 2 | Monthly | Professional Tax Liability is equal to or more than Rs 10,0000 | The last date of the month to which the return to be paid |

ACCOUNTING & AUDIT UPDATE'S

(Contributed by CA Gayathri Srinivasan)

Applicability of IndAS

| Sr No | Category | Nature of Organisation | Year | Conditions |
|-------|-----------|------------------------|--------------------|---|
| 1 | Phase I | Companies | FY 2016-17 onwards | <ol style="list-style-type: none">1. Companies (listed or unlisted) having net worth of Rs. 500 crore* or more; and2. Holding, subsidiary, joint venture or associate companies of companies covered in above point. as on 31st March, 2014 or the first audited financial statements for accounting period which ends after that date (i.e. March 31, 2014) |
| 2 | Phase II | Companies | FY 2017-18 Onwards | <ol style="list-style-type: none">1. Companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India;2. Unlisted companies having net worth of Rs. 250 crore* or more; and3. Holding, subsidiary, joint venture or associate companies of companies covered in point (1) and (2) above. *as on 31st March, 2014 or the first audited financial statements for accounting period which ends after that date (i.e. March 31, 2014) |
| 3 | Phase III | NBFC | FY 2018-19 Onwards | <ol style="list-style-type: none">1. NBFCs having net worth of Rs.500 crore* or more.2. Holding, subsidiary, joint venture or associate companies of companies covered under point (1) above. |
| 4 | Phase IV | NBFC | FY 2019-20 | <ol style="list-style-type: none">1. NBFCs whose equity or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth less than Rs. 500 crore;2. NBFCs, that are unlisted companies, having net worth of Rs. 250 crore or more but less than Rs. 500 crore; and3. Holding, subsidiary, joint venture or associate companies of companies covered under point (1) and (2) above. |
| 5 | Phase IV | Banking Companies | FY 2019-20 | Note:* Ind AS were applicable on banking companies from April 01, 2018. However Reserve Bank of India (RBI) has deferred applicability of Ind AS on commercial banks (except regional rural banks) by one year. |
| 6 | Phase V | Insurance Companies | FY 2020-21 | Note: * Ind AS were applicable on Insurance Companies from April 01, 2018. However Insurance Regulatory and Development Authority of India (IRDAI) has deferred applicability of Ind AS by two years. |

Note :

| | | |
|---|---|---|
| 1 | Calculation of Networth: | <p>Net Worth = Paid-up share Capital + all reserves* out of profit & securities premium account – (accumulated losses + deferred expenditure + miscellaneous expenditure not written off)</p> <p>*Reserves created out of revaluation of assets and written back depreciation shall not be included in net worth calculation.</p> |
| 2 | Companies meeting specified thresholds given above for the first time shall apply Indian Accounting Standards (Ind AS) from immediate next accounting year. For example: Companies meeting threshold for the first time on March 31, 2017 shall apply Ind AS for the financial year 2017-18 onwards. | |
| 3 | Overseas subsidiary, associate, joint venture and other similar entities of an Indian company may prepare its standalone financial statements in accordance with the requirements of specific jurisdiction. However, the Indian parent will have to mandatorily prepare its consolidated financial statements in accordance with the Ind AS if it meets the criteria specified above. | |
| 4 | An Indian company which is a subsidiary, associate, joint venture and other similar entity of a foreign company should prepare its financial statements in accordance with Ind AS if it meets the criteria specified above. | |
| 5 | Companies can Voluntarily choose to incorporate IND AS in their reports for accounting periods beginning on or after April 01, 2015. However, once a company has started reporting as per the IND AS, it cannot change to reporting as per previous laws | |

COMPANY LAW UPDATE'S

(Contributed by CA Gayathri Srinivasan)

Companies Act Amendment Bill (2019)

A Committee under the chairmanship of Mr. Injeti Srinivas formed by the Ministry of the Company Affairs ("MCA") gave their recommendations to relook the offences under the Companies Act, 2013 ("Act"). Consequently, The Ministry of Law and Justice had come out with an Ordinance dated 2nd November, 2018, further amending 31 provisions of the Act. Ordinance will cease to operate on 21st January, 2019. Since the Bill to make amendments to the Companies Act, 2013, is pending in the Rajya Sabha, the ordinance has been re-promulgated. Hence, the Government of India has re-promulgated an ordinance to amend the companies law to further improve the ease of doing business as well as ensure better compliance levels.

Overall 29 sections are amended and 2 new sections have been added through the previous ordinances, which were promulgated on 2nd November, 2018 (Ordinance 9 of 2018) and on 12th January, 2019 (Ordinance 3 of 2019). We have covered penal provisions earlier which covered 20 sections. The balance amendment is mentioned herein under:

| Sr no | Section Amended | Nature of amendment | Impact of the Amendment |
|-------|---|--|--|
| 1 | Section 2(41) | In Section 2(41) of the Companies Act, the application for approving a change in financial year which was earlier to be made to "Tribunal", now will be made to the "Central Government". | Change in approving authority: Under the Act, change in period of financial year for a company associated with a foreign company, has to be approved by the National Company Law Tribunal. Similarly, any alteration in the incorporation document of a public company which has the effect of converting it to a private company, has to be approved by the Tribunal. Under the Ordinance, these powers have been transferred to central government. |
| 2 | Reintroduction of Commencement of Business Section 10 A | A company may not commence business, unless it (i) files a declaration within 180 days of incorporation, confirming that every subscriber to the Memorandum of the company has paid the value of shares agreed to be taken by him, and (ii) files a verification of its registered office address with the Registrar of Companies within 30 days of incorporation. If a company fails to comply with these provisions and is found not to be carrying out any business, the name of the Company may be removed from the Register of Companies. | Commencement of Business -The Ordinance will put restriction on every company (incorporated post commencement of the Ordinance), to not to commence its business or exercise borrowing powers unless the directors file a declaration within a period of 180 days from the date of incorporation to the effect that every subscriber to the memorandum has paid the cost of the shares and the registered office is confirmed by filing required returns with the Registrar. Noncompliance, may be an extra ground for Registrar to strike off of the name of the company. |

| Sr no | Section Amended | Nature of amendment | Impact of the Amendment |
|-------|------------------------------------|---|--|
| 3 | Section 12 | (9) If the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may cause a physical verification of the registered office of the company in such manner as may be prescribed and if any default is found to be made in complying with the requirements of sub-section (1), he may without prejudice to the provisions of sub-section (8), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.. | Registrar of Companies is now empowered vide a sub- section (9) to physically verify of the registered office on reasonable cause to believe that whether a business or operations is being carried out by the company. In case of any non- compliance of sub- section (1) in respect of having such an office in place is found, the same may also be an additional ground for Registrar to strike off of the name of the company. |
| 4 | Section 14 | Provided further that any alteration having the effect of conversion of a public company into a private company shall not be valid unless it is approved by an order of the Central Government on an application made in such form and manner as may be prescribed: Provided also that any application pending before the Tribunal, as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement."; (ii) in sub-section (2), for the word "Tribunal", the words "Central Government" shall be substituted. | The application for Alteration of the Articles to give effect to conversion of a public company to a private company which was earlier made to the Tribunal, now needs to be sent the Central Government |
| 5 | Registration of charges Section 77 | n section 77 of the principal Act, in sub-section (1), for the first and second provisos, the following provisos shall be substituted, namely:— "Provided that the Registrar may, on an application by the company, allow such registration to be made (a) in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation; or (b) in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation, on payment of such additional fees as may be prescribed: Provided further that if the registration is not made within the period specified—(a) in clause (a) to the first proviso, the registration of the charge shall be made within six months from the date of commencement of the Companies (Amendment) Act, 2019, on payment of such additional fees as may be prescribed and different fees may be prescribed for different classes of companies; (b) in clause (b) to the first proviso, the Registrar may, on an application, allow such registration to be made within a further period of sixty days after payment of such ad valorem fees as may be prescribed." | Section 77 of the Act which talks about registration of charges has been amended through the Ordinance. As per such amendment, in case of charges created by the Company before November 2, 2018, the Registrar may on application by the company allow registration of the charge, within a period of 300 days of such charge creation. If the registration is not made within 300 days, the registration of the charge can be made within six months from the date of commencement of the Ordinance. In case of charges created after November 2, 2018 the Registrar may on application by the Company allow registration of the charge within 60 days of such charge creation. If the charge is not registered within the aforesaid period, the registration shall be made within an additional period of 60 days after payment of such ad-valorem fees. |

| Sr no | Section Amended | Nature of amendment | Impact of the Amendment |
|-------|-----------------|--|--|
| 6 | Sectionn 86 | <p>Section 86 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely: (2) If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447."</p> | <p>If any person willfully and knowingly supresses any material information during registration of charge as per Section 77 then He shall be liable for action under Section 447</p> |
| 7 | Section 87 | <p>The Central Government on being satisfied that : - 1. i (a) the omission to give intimation to the Registrar of the payment or satisfaction of a charge, within the time required under this Chapter; or (b) the omission or mis-statement of any particulars, in any filing previously made to the Registrar with respect to any charge or modification thereof or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83, was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company, it may, on the application of the company or any person interested and on such terms and conditions as it deems just and expedient, direct that the time for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or mis-statement shall be rectified." ii) On any other ground, it is just and equitable to grant relief. It may on application of the company or any person interested and on such terms and conditions as it may seem the Central Government just and expedient, direct that the time for filing of the particulars or for the registration of charge or for giving of intimation of payment or satisfaction shall be extended or, as the case may be require that the omissions or mis-statment is rectified.</p> <p>2. Where the Central government extends the time for registration of a charge, the order shall not be prejudice any rights acquired in respect of the property concerned before the charge is actually registered.</p> | <p>CG may provide relaxation in time for registration of charges or for any modification on being satisfied and on such terms and conditions as it deems fit.</p> |

PHOTOGRAPHS OF DISA LECTURES



PHOTOGRAPHS OF GMCS LECTURES



PHOTOGRAPHS OF TREE PLANTATION



PHOTOGRAPHS OF YOGA DAY



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