

CHANDIGARH CHARTERED ACCOUNTANTS NEWSLETTER



Chandigarh Branch Of NIRC Of ICAI

NEW OFFICE BEARERS 2019-2020





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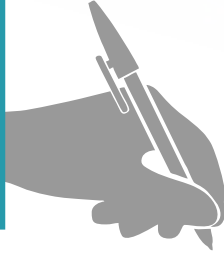
CA SOURAV GOYAL

CA RACHIT GOYAL

CA VISHAL PURI

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CA. Brij Bhushan Sharma
Chairman

Dear members,

As we close the financial year, the team at branch elected by you all, is firming itself on the saddle. The new team with the collective teamwork, guidance and suggestions of the members is picking up the pace. As usual, we started with annual event of seminar on bank audit, which was followed by deliberations on highly relevant issues: Unregulated deposits, Taxation of gifts, Valuation of shares. Both the events got an overwhelming response from the members at large. The splendid success of the both the events was the product of the teamwork, which brought out the best out of each of the person behind it. No one can whistle a symphony. It takes a whole orchestra to play it.

The branch, under the aegis of our central office, organized a two day campus placement camp. A total of 11 companies attended the placement and approx. 90 newly qualified members of the area were selected at the camp. The team at branch congratulates the lucky ones. And for the ones who couldn't make it, I would say: opportunities don't happen, you create them. It is a big world, with ample scope of opportunity creation. Keep believing in yourself.

The new financial year will start with being engrossed in bank branch statutory audits.

We all are planning for annual finalization of accounts and audit of our clients. Keeping ourselves updated with periodic statutory changes, this planning and its execution has to be timely done. The branch shall be organizing seminars to acquaint members with these changes. These seminars shall be highly beneficial for all of us. You are requested to make the best use of it.

Dear friends, do keep guiding us since your suggestions will help us in making the branch and its activities more purposeful.

To conclude, I quote The blessed Mother Teresa :

“Not all of us can do great things. But we can do small things with great love.”



Ca. Amitoz Singh Kamboj
Vice Chairman

Esteemed Professional Colleagues,
Greetings for the day!

At the outset, as I sit back and write up my note for the Newsletter, let me first congratulate and wish you all a great financial year ahead. As the new managing committee completes its first month, I feel honoured & privileged to inform you all that the new managing committee has been able to put forth thoughts and new vision for the betterment and upliftment of the activities being undertaken by the Chandigarh Branch.

At the member's front, Chandigarh branch was able to successfully conduct two seminars in the month of March namely – Seminar on Bank Audits on 23rd March, 2019 at Hotel Hyatt Regency, Chandigarh and Seminar on IP Code, Unregulated Deposits, Gifts and Shares on 29th March, 2019 at Rajasthan Bhawan, Chandigarh. We are thankful to each and every member of our Chandigarh Branch who spared their valuable time for participating in the above mentioned seminars. We are also thankful to CA Amarjit Chopra, Past President, ICAI and CA. Avneet Singh for sharing their valuable inputs on the Bank Audits. We are also thankful to CA Parmod Jain, Central Council Member and CA Hansraj Chugh, Central Council Member for being with us on 29th March and giving deliberations on important topics.

On the Student's front, along with their regular MCS, OP and IT Classes, we were able to successfully conduct the Seminar on English Speaking, Writing Skills and Business Communication on 18th March, 2019, in which Ms. Meera Anand was the speaker. Approx. 100 students participated in the said seminar and it was a great opportunity for the students to sharpen their skills which is for sure going to help them in a long way.

Chandigarh Branch was also able to successfully conduct the Campus placement for the newly qualified Chartered Accountants on 29th and 30th March, 2019 at Hotel Country Inn, Zirakpur. More than 250 newly qualified CA's participated for the Campus Placement and approx.. 90 CAs got the offer letters with an average package of 8 lakhs from 11 Companies. CA's got the opportunity to interact and understand the requirements of the Industry from CA Pramod Jain, Central Council Member / Chief Co-ordinator, CA Hansraj Chugh, Central Council Member and CA Charanjot Singh Nanda, Central Council Member during this two day event.

As we move over to the new month, I would like to appraise our members of Chandigarh branch that we are coming up with the Certificate Courses on Valuation and Information System Audit in this month and thus will request all interested members to get registered at the Branch. We are also coming with a CFO/CEO Meet and second round of campus placement in the second half of April. I on behalf of the whole executive committee ensure our esteemed members that we will keep coming up with quality seminars to hone your professional acumen. We also look forward to your all views, suggestions, concerns on any matter facing the profession or members and assure you all that we will all succeed in our collective endeavour to do the best for the profession and its constituents.

I conclude with the following words, *"I know of no single formula for success. But over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm and their inspiration to work together."*

Jai Hind



CA. Upkar Singh
Secretary

Dear Members,

As I write this note, first of all I thank you all for reposing your faith in me as the Secretary of the Chandigarh Branch and I am thankful to the almighty that the last one month has been a great learning phase for me to explore new verticals as I got the opportunity to host our esteemed members during the Seminar of Bank Audit as well as Seminar on IPC, Unregulated Deposits, Deemed Gifts and Transfer of Shares. The new executive members through their collective efforts assured large presence of members and made the above mentioned seminars a great success. Such response motivate us to keep coming up with more such quality seminars in future for the value addition of our professional brothers.

Last month was also a very effective month for the newly qualified Chartered Accountants as well as the CA Students of Chandigarh Branch. Chandigarh Branch had the honour to organise the Campus Placement for new qualified Chartered Accountants and more than 90 CAs got selected by various companies. Also CA Students had the opportunity to hone their skills by attending the seminar in respect to English Speaking and Communication skills.

We are proactively increasing interaction with members / students with the goal of creating awareness as well as the highlighting advantages of our profession. I also look to our members and students to voluntarily donate time from their busy schedules towards assisting in various activities of the Branch.

I look forward to our Branch moving ahead with a common goal of believing passionately in what we do, and never compromising our standards and values. By observing legends like Mahatma Gandhi and APJ Abdul Kalam we see that great people have great values and ethics and they work hard to reinforce their values.

Let us always remember Mahatma Gandhi's words,

“Keep your thoughts positive because your thoughts become your words.

Keep your words positive because your words become your behaviour.

Keep your behaviour positive because your behaviour becomes your habits.

Keep your habits positive because your habits become your values.

Keep your values positive because your values become your destiny.”

Jai Hind



CA. Anil Kakkar
Treasurer

Dear Professional Colleagues,

Namaskar,

The new team has completed one month from the date of assuming office to serve the fraternity and in the span of this one month, I would like to inform our esteemed members that your Chandigarh Branch with full dedication, zeal and enthusiasm has been able to organise Seminars on Bank Audit, IPC, Unregulated Deposits, Deemed Gifts and Transfer of Shares. Along with it, we have also been able to successfully organise Seminar on English Speaking and communication Skills for the students as well as Campus Placement for the newly qualified Chartered Accountants wherein approx. 90 offer letters were issued by the companies who participated in this campus placement.

During the past month, the Lok Sabha elections have been announced by the Election Commission of India and schedule has been fixed in April and May, 2019 with the results to be announced on 23rd May, 2019. The results will be awaited by all as it will impact the economic scenario for India in the coming 5 years. It is expected that clear mandate with majority Government will result in economic growth and tax simplification. I request to all members to definitely cast their vote and be a part of the electoral process and also motivate others to cast the vote. It is our duty for a vibrant democracy that we ourselves also motivate others to be a part of the democratic movement.

Further, we are coming up with the Member's lounge for our CA Members in ICAI Bhawan wherein the Members can spend quality time for group discussions and interactions among members.

I also invite the suggestions from the members and request you to guide me and participate with me on any issue, where I can be of use to you in your personal or professional pursuits. I shall be more than delighted if I am able to prove my worth as an able human in the times to come.

Answer to the last puzzle:

- | | | |
|--------------|----------------|-----------------|
| 1. Operating | 5. Liabilities | 8. Expenditures |
| 2. Investing | 6. Proceeds | 9. Treasury |
| 3. Financing | 7. Dividends | 10. Retirement |
| 4. Current | | |



CA. Sourav Goyal
(NICASA Chairman)

Let me start with my communication by wishing all of you a very Happy New Financial Year 2019-20. For us Chartered Accountants, New Financial Year 2019-20 is more important than the New Calendar year. I wish that in this new Financial Year, you achieve all the success that you deserve.

As Swami Vivekananda said 'Supreme value of youth period is incalculable and indescribable. Youth life is the most precious life. Youth is the best time. The way in which you utilize this period will decide the nature of coming years that lie ahead of you.' Energetic, focused, dynamic, risk taking, informed, the vibrancy of present day youth has acquired multiple dimensions. Our CCASA team object is to transform the student to realize their potential ability, communication and presentation skill and complete CA course with discipline and dedication

Networking is an important part of our fraternity. Being the chairman of CCASA – Chandigarh branch, I believe networking amongst our CA students personally will allow several opportunities to come your way that otherwise will not. This association has a wealth of knowledge and experience, and when combined with the networking opportunities, will create long term relationships which will be priceless.

During the past month, we conducted a seminar on English Speaking for CA Students and a placement drive for fresh qualified chartered accountants which was a huge success. Considering the growing challenges in the CA profession, I recommend participation of students is very vital for complete growth and development of CA students and I also look forward for students participation with same zeal and vigor in times ahead.

For our current members and prospective members I want to assure you that my intention, and that of the team CCASA, is to grow our association beyond limit. We will stay focused on remaining time as a benefit to our CA students, while also staying current with student fraternity standards and requirements. I look forward to a productive successful chairmanship and invite each of you to participate in each and every activities and events of CCASA, and most important become involved. Let us shine bright and take pride in coming together and working as one team. As it is said, "Alone we can do so little , together we can do so much".

I take this opportunity to wish all the students, all the best for your future and loads of luck for the exam preparation. I am sure that with your consistent hard work, you can bring laurels to the CA profession in times ahead.



CORPORATE INSOLVENCY RESOLUTION PROCESS: ECB TO THE RESCUE

CA MOHIT KAPILA

With an intent to liberalize the foreign currency borrowing rules and improve the ease of doing business in India, the Reserve Bank of India ('RBI') has, with effect from January 16, 2019, issued a revised external commercial borrowing ('ECB') policy which has brought in sweeping changes and rationalized the extant framework. Key changes of the policy include removal of sectoral ECB limits, expansion of eligible borrowers and lenders, rationalization of ECB minimum average maturity requirements etc.

While the aforementioned changes are seeping in, RBI in order to increase the efficiency of the insolvency resolution process in India has further relaxed the ECB framework by issuing circular dated 7 February 2019

('New ECB Circular').

Prior to the New ECB Circular, proceeds of ECB could be used towards repayment of domestic rupee loans, only in the event such ECBs were availed from a foreign equity shareholder. Considering the current market situation where IBC route is being majorly resorted to in order to resolve stressed loan accounts, the RBI, in consultation with the Government of India has relaxed the end-use for ECBs for potential bidders under IBC, pursuant to which, resolution applicants can now explore the ECB route (with prior RBI approval) for availing cheaper loans from the overseas market in order to participate in the IBC process. The aforementioned relaxation is attached with 2 (two) conditions

- 1) Requirement of resolution applicants to seek prior RBI approval for securing ECB;
- 2) Prohibition of availing ECBs from overseas branches or subsidiaries of Indian banks for repayment of rupee loans.

With a recent background of certain judicial pronouncements by the Apex Court of India and National Company Law Appellate Tribunal laying down principal objective of IBC to ensuring resolution of stress in corporate debtors and preservation of their corporate existence, the ECB relaxation introduced by the New ECB Circular provides lot of momentum and encouragement in achieving the above objective by introducing an additional avenue which a resolution applicant can use to discharge its payment obligations towards its lenders by accessing cheaper overseas funds.

While the above move is commendable and is a step in the right direction, it is relevant to note that the relaxation may apply only to companies under IBC. Further ECBs are subject to pricing norms, minimum average maturity requirements and hedge costs and hence its success is subjective to prevailing market forces. Also, since insolvency resolution is a NCLT moderated process, it would add flexibility if the prior RBI approval requirement is replaced with prior RBI intimation for sectors under automatic route.

On a lighter note, not every debtor has a rich brother to the rescue.

NEW CHANGES IN E-WAY BILL SYSTEM DATED MARCH 25, 2019

CA SAKSHI SARPAL

The National Informatics Centre ("NIC") has made new changes in E-Way Bill System dated March 25, 2019, which will be made effective in Next Version which will be implemented very soon. The following are the gist of the forthcoming changes In E-Way Bill System are as here under:-

- **Auto calculation of route distance based on PIN code for generation of EWB:** Now, E-waybill system is being enabled to auto calculate the route distance for movement of goods, based on the Postal PIN codes of source and destination locations. That is, the e-waybill system will calculate and display the actual distance between the supplier and recipient addresses. User is allowed to enter the actual distance as per his movement of goods. However, it will be limited to 10% more than the displayed distance for entry.
- **Example:-** If the system has displayed the distance between Place A and B, based on the PIN codes, as 655 KMs, then the user can enter the actual distance up to 720KMs (655KMs + 65KMs).
- **Blocking of generation of multiple E-Way Bills on one Invoice/document:** Based on the representation received by the transporters, the government has decided not to allow generation of multiple e-way bills based on one invoice, by any party –



- consignor, consignee and transporter. That is, once E-way Bill is generated with an invoice number, then none of the parties - consignor, consignee or transporter - can generate the E-Way Bill with the same invoice number. One Invoice, One E-way Bill policy is followed. The change will come in the next version.
 - **Extension of E-Way Bill in case Consignment is in Transit:** The transporters had represented to incorporate the provision to extend the E-way Bill, when the goods are in transit. The transit means the goods could be on Road or in Warehouse. This facility is being incorporated in the next version for the extension of E-way Bill.
 - **Blocking of Interstate Transactions for Composition dealers:** As per the GST Act, the composition tax payers are not supposed to do Interstate transactions. Hence next version will not allow generation of e-way bill for inter-state movement, if the supplier is composition tax payer. Also, the supplies of composition tax payers will not be allowed to enter any of the taxes under CGST or SGST for intrastate transactions. In case of Composition tax payer, document type of Tax Invoice will not be enabled.

GST ON REAL ESTATE SECTOR WITH SOME IMPORTANT ADVANCE RULINGS ON THIS SECTOR.

CA ANKIT SINGLA

The Goods and Services Tax (GST) Council on March 19 allowed real estate developers an option to choose between the old tax rates and the new ones for under-construction residential projects to help resolve input tax credit (ITC) issues.

The council that laid out the transition rules for the implementation of new tax rates for the real estate sector has decided that builders will get a one-time option to continue paying tax at the old rates (effective rate of 8 per cent or 12 per cent with ITC) on ongoing projects. "Ongoing projects" means projects where construction and actual booking started before April 1, 2019, but which will not be completed by March 31, 2019.

The council also clarified that projects with up to 15 per cent commercial space would be treated as residential property. This will resolve issues faced in cases where buildings have commercial amenities such as clubs and restaurants as well as in case of residential-cum-commercial projects. Additionally, a condition has also been imposed that 80 per cent procurement by developers should be from registered dealers to avail of the benefits under the composition scheme.

TAX Rates under GST for new projects

The new tax rates of one per cent (on the construction of affordable houses) and five per cent (on other than affordable houses) would be available without input tax credit. Also, 80 per cent of inputs and input services should be purchased from registered persons to apply for lower tax rate.

- GST on affordable housing properties lowered from an effective rate of 8 percent to 1 percent (without ITC). Properties of carpet area of up to 90 square metre in non-metropolitan cities/towns and 60 square metre in metropolitan cities having value up to Rs 45 lakh would qualify as affordable housing.
- GST on other than affordable housing properties lowered from an effective rate of 12 percent to 5 percent (without ITC).
- In order to avail the benefit of reduced new tax rates, a condition of 80 percent of procurement of inputs and input services (other than capital goods, TDR/ JDA, FSI, long term lease premium) from registered persons, has been stipulated.

Rental Income received from a residential house is exempt

- Those who are earning a rental income by letting out their properties for residential use will not be taxed under the GST. However, those who have given their premises on rent to be used for commercial or industrial purposes will have to pay an 18 per cent tax in case they are earning over Rs 20 lakh annually.

Advance Ruling – Highlighting the main difference between the Occupancy Certificate and Completion Certificate

M/s. Bindu Ventures – AAR Karnataka (2018-TIOL-294-AARGST)

- Facts, issue involved and contention of the applicant

Applicant is engaged in the business of construction of commercial complexes. One such construction project was implemented at Karnataka in name of "Bindu Galaxy" in February 2016 and was completed in all aspects by the end of November 2017.



departments as required. The applicant stated that in Karnataka, the law provides for issuance of Occupancy Certificate (OC) from the Bruhat Bengaluru Mahanagara Palike (BBMP) and there is no provision for issuing the Completion Certificate (CC) on the construction of immovable property. For some reasons, applicant was unable to obtain the OC from BBMP. However, they have obtained CC from a chartered engineer, declaring that the construction was completed by 1-12-2017.

Applicant has sought advance ruling in respect of following questions:

- i. Which date should be considered as the date of completion of the property – the date of receipt of necessary approvals from BBMP / Karnataka Pollution Control Board / Karnataka Electricity Board or the date of receipt of CC from a registered Chartered Engineer?
- ii. Whether the applicant is liable to pay GST on any amount received as consideration towards sale of completed offices, after the date of completion, where part of the consideration was received prior to date of completion as stated in (i) above?
- iii. Whether the applicant is liable to pay GST on the consideration received towards the sale of completed offices, where the entire consideration is received after the date of completion as stated in question (i) above?

Applicant's submissions based on Schedule II of CGST Act, 2017

Clause 5: Construction of complex, building, civil structure which is intended for sale to a buyer will be liable to GST except when the entire consideration, towards sale of immovable property, is received after issuance of CC, where required, by the Competent Authority or after its first occupation, whichever is earlier.

Explanation to clause 5: CC obtained from a registered Architect / Chartered Engineer/ Licensed Surveyor will be a sufficient compliance for the purpose of clause 5, only when there is no requirement under state law to obtain such certificate from a specific authority.

Therefore, applicant contends that date mentioned in CC received from Chartered Engineer should be taken as Date of Completion of construction for all purposes of GST law.

Discussions by and observations of AAR: AAR, w.r.t. about question (i) drew attention to Clause of 5 of Schedule II of CGST Act, 2017. The authority stresses on following words:

- entire consideration;
- after the issuance of CC by the competent authority, where required;
- first occupation.

The competent authority is defined in Sec 2(29) of the CGST Act, 2017 which means 'any such authority as may be notified by the Government' whereas Sec 2(80) of the CGST Act, provides for the meaning of the words "notified". The crucial aspect, which decides the tax liability, is the date of completion certificate or first occupation, whichever is earlier, issued by a competent authority.

The complete extract of bye-laws brings out that once the builder feels that the construction of the building is over, the builder shall first obtain a certificate from a registered architect / engineer to that effect and shall apply to the BBMP for occupancy permission. It further provides that the authority shall conduct physical inspection for various compliances, only after which, the OC shall be issued. This brings out that mere submission of a certificate from an engineer / architect does not certify the building to be complete. The law provides the submission of the certificate only as a supportive document. BBMP for occupancy permission. It further provides that the authority shall conduct physical inspection for various compliances, only after which, the OC shall be issued. This brings out that mere submission of a certificate from an engineer / architect does not certify the building to be complete. The law provides the submission of the certificate only as a supportive document.

The terms 'OC' and 'CC' become congruous to each other and only remain a matter of pedagogical difference. 'OC' issued means that the building has complied with all required bye-laws and is complete in all respects as its construction is concerned and can be occupied. An OC is in the nature of CC because unless the construction is complete, it cannot be occupied. Thus, AAR is of the opinion that the OC is akin to CC and is a must.



The building or part thereof can only be occupied after completion and necessary OC is obtained from BBMP. Thus, the fact that building is occupied does not mean it's complete. Therefore, the Chartered Engineer's certificate cannot be a substitute for OC/CC and the relevant date would be the Date of OC.

Ruling of AAR

In respect of question (i), the date of OC issued by the competent authority, i.e. BBMP should be treated as the date of completion of the construction.

In respect of question (ii), if any consideration is received before date of OC, then the transaction would be considered as the supply of services in terms of Clause 5 of Schedule II to the GST Acts, and liable for GST.

In respect of question (iii), if the whole consideration is received after the date of completion, then the transaction would not be liable to GST.

Advance Ruling – Highlighting the GST on JDA (Joint Development Agreements)

M/s. Nforce Infrastructure India Private Limited – AAR Karnataka (2018-TIOL-290-AAR-GST)

Facts, issue involved and contention of the applicant: The applicant, M/s. Nforce Infrastructure India Pvt. Ltd., entered into an agreement with land owners for construction project and in turn has agreed to hand over 8,828 square feet of residential apartment area, 1,630 square feet of commercial area and 8 car parkings to the land owner.

Applicant has sought advance ruling in respect of following questions:

- i. Whether the applicant is liable to pay GST on the value of building constructed and handed over to the land owner in terms of the Joint Development Agreement?
- ii. If yes, then, on what value GST is to be paid since there is no monetary consideration involved?
- iii. Is the applicant liable to pay service tax up to 30-6-2017 and GST thereafter?

Discussions by and observation of AAR: Notification No. 4/2018- Central Tax (Rate) dated 25-1-2018, notifies the registered persons who supply construction service to supplier of development rights against consideration in the form of transfer of development rights, as the registered persons liable to pay central tax on supply of said services, on the consideration received in the form of development rights. The liability to pay tax shall arise at the time when the said developer transfers possession or the right in the constructed complex, building or civil structure, to the person supplying the development rights by entering into conveyance deed or similar instrument.

In the instant case the applicant, a registered person, needs to pay tax towards construction service provided to the land owner, on the value to be determined in terms of Para 2 of the Notification No. 11/2017- Central Tax (Rate) dated 28-6-2017, which is appended as under: In case of supply of service specified in column (3) of the entry at item (i) against serial no. 3 of the table above, involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case maybe, in such supply shall be deemed to be one third of the total amount charged for such supply.

For the purpose of paragraph 2, "total amount" means the sum total of:-

- a) Consideration charged for aforesaid service; and
- b) Amount charged for transfer of land or undivided share of land, as the case may be

Further, attention is to be drawn to Section 142 (11)(b) of CGST/ KGST Act 2017, which is appended below:

(b) notwithstanding anything contained in Section 13, no tax shall be payable on services under this Act to the extent the tax was leviable on the said services under Chapter V of the Finance Act, 1994;

It is clearly evident from Section 142(11)(b) that the service tax is liable to be paid, which is leviable under the Finance Act, 1994, on the services up to 30-6-2017, on the services provided after 1-7-2017. Therefore, AAR was of the opinion that the applicant has to pay service tax/GST proportionate to the services provided before/after 30-6-2017 respectively.

Ruling of AAR

In respect of question (i), the applicant is liable to pay GST on the value of building constructed and handed over to the land owner in terms of the Joint Development Agreement. In respect of question (ii), the value on which the applicant is liable to pay GST is to be determined in terms of para 2 of notification No. 11/2017- Central Tax (Rate) dated 28-6-2017.

In respect of question (iii), the applicant is liable to pay service tax/ GST proportionate to the services provided before/after 30-6-2017 respectively.

It is clearly evident from Section 142(11)(b) that the service tax is liable to be paid, which is leviable under the Finance Act, 1994, on the services up to 30-6-2017, on the services provided after 1-7-2017. Therefore, AAR was of the opinion that the applicant has to pay service tax/GST proportionate to the services provided before/after 30-6-2017 respectively.

Ruling of AAR

In respect of question (i), the applicant is liable to pay GST on the value of building constructed and handed over to the land owner in terms of the Joint Development Agreement.

In respect of question (ii), the value on which the applicant is liable to pay GST is to be determined in terms of para 2 of notification No. 11/2017- Central Tax (Rate) dated 28-6-2017.

In respect of question (iii), the applicant is liable to pay service tax/ GST proportionate to the services provided before/after 30-6-2017 respectively.



INC 22 A (ACTIVE FORM)

CA PUMRINDER KAUR

Once again, Ministry of Corporate Affairs has come up with another stringent move by inserting a new Rule 25A under the Companies (Incorporation) Rules, 2014 under which a new form has been introduced i.e. **Form INC-22A (ACTIVE)**.

Every Company which is incorporated on or before 31st December, 2017 is required to file this form. However, companies who have not filed its due financial statement or Annual Return or both shall be restricted to file this form.

Following Companies shall not be required to file this e-form:

- Struck off companies
- Companies under the process of striking off
- Companies under liquidation
- Amalgamated or Dissolved companies

Form INC-22A shall be filed on or before 25th April, 2019.

If a Company has failed to file this e-form on or before 25th April, 2019, the company shall be marked as "ACTIVE- non-compliant" and also the following e-forms shall not be accepted:

- SH-07 (Change in Authorized Capital)
- PAS-03 (Change in Paid up Capital)
- DIR-12 (Changes in Director except cessation)
- INC-22 (Change in Registered Office)
- INC-28 (Amalgamation, de-merger)

Further, a company can file e-form ACTIVE after its due date i.e on or after 26th April, 2019 on payment of fee of Rs. 10,000 and also the company shall be marked as "ACTIVE Compliant"

Information which are required to be furnished are:

1. Company Details

- Name & Reg. Office
- Latitude & Longitude (RO)
- Mail ID & OTP verification
- of Directors with DIN

2. Statutory & Cost Auditor Details

- Name, PAN

- Membership, FRN
- Period of appointment

3. Key Management Person (KMP) Details

4. SRN of e-form AOC-4 & MGT-7 for FY 2017-18

5. Attachments to this e form:

- Photograph of Registered office showing external building and inside office also showing therein at least one Director KMP who has affixed his/her DSC to this form.
- These Rules shall come into force with effect from 25th February, 2019

If a company filed Form INC 22A or ACTIVE after 25.04.2019 a penalty of Rs.10,000 would be applicable. On payment of the penalty and filing of all overdue returns, the company would be marked again as ACTIVE compliant.



QUICKLY UNDERSTANDING THE NEW GST RETURN FORMATS EFFECTIVE FROM

CA KESHAV GARG

Goods and Services Tax (GST) is a technology oriented tax with a focus to plug revenue leakages. There had been major changes in the procedures like returns, assessments amongst others since the new law had been enforced. In the process of simplifying the procedures for industry at large, the concept of new returns is commencing with effect from 01.04.2019. For the first three months, these returns forms would be filed on trial run basis and if found successful, the new return formats will be made mandatory from 01.07.2019. Here is the brief of the new returns:

	NORMAL RETURN (RET-1)	SAHAJ (RET-2)	SUGAM (RET-3)
Who needs to file	Person having any type of transaction like exports, supply to SEZ, Ecommerce etc.	Person having only B2C transactions and inward supplies subject to reverse charge	Persons having B2C , B2B transactions and inward supplies subj
Frequency of filing	Monthly/Quarterly	Quarterly	Quarterly
Time for filing	Data can be entered on regular basis except 18th to 20th of month following the tax period	Data can be entered on regular basis except 18th to 20th of month following the tax period	Data can be entered on regular basis except 18th to 20th of month following the tax period
Reflection of Input Tax Credit from the seller	By 10th of next month	By 10th of next month	By 10th of next month
Claim of ITC on basis of Invoice where the seller does not enter the invoice	Yes, Taxpayer can enter missing invoice to claim ITC	Yes, Taxpayer can enter missing invoice to claim ITC	Yes, Taxpayer can enter missing invoice to claim ITC
Reporting of HSN Codes	Turnover exceeds Rs. 5 crores – 6 level HSN Code Turnover up to Rs. 5 crores – Optional		
Basic Forms	ANX-1: Details of Outward Supplies ANX-2: Details of Inward supplies (AutoPopulated) RET-1: Auto Populated based on ANX-1 and ANX-2 (advances to be manually reported)	ANX-1: Details of Outward Supplies ANX-2: Details of Inward supplies (AutoPopulated) RET-2: Auto Populated based on ANX-1 and ANX-2 (advances to be manually reported)	ANX-1: Details of Outward Supplies ANX-2: Details of Inward supplies (Auto Populated) RET-3: Auto Populated based on ANX-1 and ANX-2 (advances to be manually reported)



Amendment Returns	ANX – 1A – Amendment in FORM ANX-1 RET-1A : Amendment to RET-1	ANX – 1A – Amendment in FORM ANX-1 RET-2A : Amendment to RET-2	ANX – 1A – Amendment in FORM ANX-1 RET-3A : Amendment to RET-3
Taxpayer engaged with ecommerce entities	Yes, he can file RET-1	No, he cannot file RET-2	No, he cannot file RET-3
Self – Adjustment of Credit Notes	Permissible		

Looking at the complexity involved the industry may initially prefer to opt for monthly RET-1 form where all sorts of adjustments are permissible including claim of Input Tax Credit based upon missing invoices. It must be noted that the taxpayer can switchover to other forms as per table below:

SWITCHOVER		FREQUENCY AND WHEN
FROM	TO	FREQUENCY AND WHEN
RET – 1	RET – 2	Once in Financial Year at Beginning of any quarter
RET – 1	RET – 3	Once in Financial Year at Beginning of any quarter
RET – 2	RET – 3	More than once in a Financial Year at the beginning of Quarter
RET – 2	RET – 1	More than once in a Financial Year at the beginning of Quarter
RET – 3	RET – 2	Once in Financial Year at Beginning of any quarter
RET – 1	RET – 1	More than once in a Financial Year at the beginning of Quarter
RET -1 (Normal Return), RET – 2 (Sahaj), RET- 3 (Sugam)		

It must further be noticed that Forms ANX-1, ANX-2 and RET are the replacement of GSTR 1, GSTR 2, GSTR3/GSTR 3B. All other returns from i.e. GSTR 4 to GSTR 10 shall continue to be filed in the same manner even after 01.04.2019. With this background the taxpayers opting for composition scheme under GST will have no change in their return format. This means they shall continue to file GSTR 4 even after 01.04.2019 as they were doing earlier. Similarly government agencies/e-commerce or person liable to deduct tax under GST would also continue to file the same returns before and after 01.04.2019.

From above it can be understood that new return formats are going to become an on-going procedure for business entities requiring higher indulgence of professionals in understanding ITC mismatch issues.

GST IMPACT -FOREIGN PLAYERS PARTICIPATING IN IPL

The 12th edition of the much popular cricket event, Indian Premier League ('IPL') commenced from March 23, 2019 and many new records in the cricketing as well as viewer ship domain would continue to be made.

Keeping all fun aside and being a tax inquisite, what popped into our head is the implications of GST on the money received by the players from Franchisee for participation in the event? *wink*

Talking about Indian players, they will be covered under the umbrella of GST as a normal taxpayer. But what about the foreign players? Will Indian Government leave its tax stake while Ben Stokes of England being the most expensive player of this year, Eh? "Never". Now the important question is how will these players be taxed under GST. Let's discuss the same while throwing light on the most intriguing concept of "Non Resident Taxable Person" under GST.

CA Praveen Kashyap: Non Resident Taxable Person (NRTP)

Section 2(77) of The Central Goods and Services Act, 2017 (CGST Act) defines a NRTP to mean;Praveen Kashyap

A "non-resident taxable person" means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India. The concept of NRTP has given birth to various doubts in the minds of foreign companies (suppliers of goods as well as services) that are doing or intending to do business in India. This concept seems to have been picked up from the erstwhile State-Level VAT concept of "casual dealer" / "non-resident dealer".

In simple words, NRTP, is the person who resides outside India and occasionally conducts business in India by making him present in India. Adarsh Gupta Further as per the provisions laid down under Section 24 of the CGST Act, it is mandatory for



Adarsh Gupta

commencement of business in India using a valid passport (and need not have a PAN number in India). In addition to this, a person registered as NRTP is required to estimate the taxes and pay to the government in advance.

Application of concept of NRTP

Section 13 of the IGST Act provides the mechanism to determine place of supply where the location of one (either supplier or receipt) is outside India.

Further, the mechanics of reverse charge provisions compel the recipient of services to pay GST if the supplier is outside India and the place of supply is in India. Introduction of NRTP under GST law alongside reverse charge mechanism ('RCM') may confuse service provider as well as recipient to fix the responsibility to pay GST. So if a foreign supplier comes India along with his goods to participate in a Trade show/Fair with an intent to sell products in India, he can be covered as NRTP, however can we say so in case of service providers particularly when performance based services are specifically covered under Section 13 ibid. From a conjoint reading of relevant provisions (Section 13 of IGST read with section 2 and 24 of CGST), prima facie it appears that the concept of NRTP was intended to have application on goods and perhaps unintendedly has been extended on services.

Impact on foreign players in an IPL tournament

In the above backdrop, it is ambiguous whether the foreign players coming to India (for two months) to participate in IPL would be required to do compliance as NRTP or not. On a simple reading of the definition of NRTP, it becomes pertinent that the player may fall under the mischief of the definition.

Now, if a player is considered as a NRTP, he is required to apply for registration at least five days prior to the commencement of business and also comply with the other provisions related to NRTP. In such a case, the player will also be required to pay advance tax to the government. This appears to be asking for too much for a foreign player who might not be aware of the nuances of this new enactment and would find it very difficult to ensure its compliance in entirety.

The other alternative is that the recipient of services i.e. the franchisee discharges the tax liability as the player is located in a non-taxable territory by virtue of his place of residence and is supplying his services to a person located in taxable territory. Certainly it is a better option with no revenue loss to the exchequer and at the same time it fulfils the agenda "Ease of doing business" in India.

Conclusion: No doubt, prevailing GST provisions donot provide an out-an-out answer for the situation cited above. CBIC is requested to look into this and provide a suitable clarification.

STUDENT SEMINAR ON ENGLISH SPEAKING - 18.03.2018



SEMINAR ON BANK AUDITS - 23.03.2019





CAMPUS PLACEMENT - 29.03.2019





SEMINAR ON INSOLVENCY CODE, UNREGULATED DEPOSITS, DEEMED GIFTS, TRANSFER OF SHARES - 29.09.2019



ACTIVITY REPORT OF CHANDIGARH BRANCH OF NIRC OF ICAI FOR THE MONTH OF MARCH, 2019

DATE	ACTIVITY	REMARK
2 nd MARCH, 2019	MEETING OF EXECUTIVE COMMITTEE	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
6 th MARCH, 2019	START OF ICITSS-INFORMATION TECHNOLOGY BATCH NO.-229 No. OF STUDENTS: 20	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
6 th MARCH, 2019	START OF ICITSS-ORIENTATION BATCH NO.-146 No. OF STUDENTS: 44	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
7 th MARCH, 2019	MEETING WITH INCOME TAX/ SERVICE TAX DEPARTMENT	VENUE: INCOME TAX DEPARTMENT, SECTOR-17, CHANDIGARH
8 th MARCH, 2019	MOCK TEST FOUNDATION/IPCC/FINAL SERIES-1	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
12 th MARCH, 2019	MEETING WITH INCOME TAX DEPARTMENT	VENUE: INCOME TAX DEPARTMENT, PANCHKULA
12 th MARCH, 2019	MEETING WITH ITAT CHANDIGARH	VENUE: INCOME TAX APPELLATE TRIBUNAL, SECTOR-17, CHANDIGARH
16 th MARCH, 2019	MEETING OF EXECUTIVE COMMITTEE	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
18 th MARCH, 2019	STUDENT SEMINAR ON ENGLISH SPEAKING, WRITING SKILLS & BUSINESS COMMUNICATION	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
19 th MARCH, 2019	VALEDICTORY SESSION OF MCS BATCH	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
23 rd MARCH, 2019	SEMINAR ON STATUTORY AUDIT OF BANKS SPEAKERS: CA. AMARJIT CHOPRA (PAST PRESIDENT ICAI), CA AVNEET SINGH	VENUE : HOTEL HYATT REGENCY, INDUSTRIAL AREA, PHASE-1, CHANDIGARH
25 th MARCH, 2019	START OF AICITSS-ADVANCE IT BATCH NO.-43 No. OF STUDENTS: 50	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH
25 th MARCH, 2019	START OF AICITSS-ADVANCE IT BATCH NO.-43-1 No. OF STUDENTS: 10	VENUE: ICAI BHAWAN, SECTOR-35B, CHANDIGARH



FORTHCOMING EVENTS OF CHANDIGARH BRANCH OF NIRC OF ICAI

FORTHCOMING ACTIVITY	EXPECTED STARTING DATES
STUDENTS STUDY CIRCLE MEETING	5 TH APRIL, 2019
REGISTERED VALUER COURSE FOR THE CA MEMBERS	6TH APRIL, 2019 ONWARDS (8 CLASSES – WEEKENDS)
ICITSS - ITT COURSE FOR CA STUDENTS	8TH APRIL, 2019
ICITSS-ORIENTATION COURSE FOR CA STUDENTS	8TH APRIL, 2019
SEMINAR ON HOW TO HANDLE STRESS DURING EXAMS FOR CA STUDENTS	11TH APRIL, 2019
AICTSS-MCS COURSE FOR CA STUDENTS	13TH APRIL, 2019
AICTSS-ADVANCE ITT COURSE	13TH APRIL, 2019
MOCK TEST – FOUNDATION / IPCC / FINAL	15TH APRIL, 2019
SWACHH BHARAT ABHIYAN	20TH APRIL, 2019
SEMINAR ON SCRUTINY ASSESSMENTS FOR THE DEMONETISATION PERIOD	2ND WEEK OF APRIL, 2019
SEMINAR ON PERSONALITY DEVELOPMENT OF MEMBERS	3RD WEEK OF APRIL, 2019
CERTIFICATE COURSE OF INFORMATION SYSTEM AUDIT	FOURTH WEEK OF APRIL, 2019
FOUNDATION COURSE CLASSES FOR CA STUDENTS	FOURTH WEEK OF APRIL, 2019
CERTIFICATE COURSE IN FAFD	FIRST WEEK OF MAY, 2019
CERTIFICATE COURSE OF CONCURRENT AUDIT	SECOND WEEK OF MAY, 2019



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**EVEN BEFORE I
STARTED I KNEW
I WOULD WIN**