

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



HYDERABAD BRANCH OF SIRC E-NEWSLETTER

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April, 2020

Chairman Writes...



Dear Professional Colleagues and Students,

Greetings

Hope each one of you along with your family members are safe and are spending quality time together. March 2020 turned out to be a Historical month for all of us in general and Chartered Accountants in Particular. What generally would have been a professionally hectic and challenging month turned out to be a month when, due to Covid-19, the priority shifted to being safe and helping others be safe. I am sure each one of you are following the government advisories and also making others follow the same. Very soon, this phase will pass and all of us will be seeing each other as we used to, prior to March 2020.

The way we professionals are groomed from our Articleship days, it will be only normal to expect that most of us would have started working from home, making our teams work and trying to finish off the works in hand. It is always important to move on but I would suggest that we avoid getting too much involved with official works at home. Do take out a few hours sharing responsibilities at home, talk to and play indoor games with family members. All of us will have at least one passion, be it watching movies or listening to songs or any other interest. You will realize that each of us are blessed with some talent, which could be singing, dancing, playing a musical instrument, mimicry, stand-up comedy, writing poetry, etc. which got buried under the load of our Professional work and we were never able to take it up. Please use this time to take it up. This will help us become more lively people, value and love life more and spend the rest of our lives more happily.

Branch Premises:

I am happy to share with you that, Brahmaiah Hall is now fully renovated with better Lighting, New sound system and new chairs that will enhance your experience while participating in the evening Lecture meetings. The Cellar was renovated and we can now have study circle meetings, accommodating upto 40 persons without any interruptions. The 4th Floor, which was vacant, was converted into a reading room where about 150 students can comfortably sit and study. In every other room, all the electric and audio wires are concealed, rooms were painted and comfortable chairs have been placed. Members lounge will soon be operational. Office set up has been changed and the extra partitions have been removed to provide more space to members and students for networking. We need one more week to complete all the pending works at the Branch. I am hopeful/ confident that your next visit to the Branch will be a pleasant experience.

Lecture Meetings:

We received tremendous response from members for the programmes conducted by Hyderabad branch before the lock down. Every meeting conducted by us started exactly at the announced time and had a full house. It was very heartening to see senior members coming back to Branch and taking part in lecture meetings. I assure you that Hyderabad Branch will continue to conduct programmes of High quality that are of practical use to our fraternity.



April, 2020

During the Lock Down period also, all the Managing committee members, Central Council Member CA Dayaniwas Sharma and Regional Council members have been in touch with each other through Zoom Video meetings and we have been discussing the idea of starting Webinars in which members can participate from the comfort of their homes. If the webinars are well received, based on the feedback, we can continue to conduct the same in future also, with lesser number of Lecture meetings at branch. I request members to register and join in Webinars being conducted not only by Hyderabad Branch but also of any other Branch, Regional council, Committee connected with ICAI. We will be communicating the details of these webinars through email and through whatsapp/sms messages.

Combating Covid-19

Covid-19 is giving the country a tough time and ICAI is also stepping up to do its bit in the fight against the virus. ICAI is encouraging members to donate generously and support the various initiatives being taken in combating the same. ICAI is collecting donations from members as well as students so that a consolidated cheque can be given to the PM National Relief Fund. I request members to contribute generously to ICAI Covid-19 fund, the details of which have been given elsewhere in this newsletter. Many members have called me offering their help to anyone, either in Cash or Kind, which is an indicator of how noble our Profession is and the large-heartedness of its members.

Hyderabad Branch has received information that some of students pursuing articleship or preparing for exams got stuck due to lockdown. We gathered information about such students and I am pleased to share with you that with generous Contributions and Valuable guidance of Central Council member, Regional Council members, Managing Committee members and Staff of Hyderabad Branch, we were able to provide required help to more than 75 students by arranging Groceries, Food Facility in nearby Hostels and other support to students who approached us for help. We are ready to continue this help for students who are yet to approach us.

Hyderabad Branch sincerely appreciates the Service of Medical Personnel, Security Personnel, Government, Voluntary Organisations and every person either as a group or Individual contributing in Combating Covid-19.

Signing off with a quote:

“The comeback is always stronger than the setback.”

Yours Sincerely,

CA Pankaj Kumar Trivedi
Chairman
chairman.hyd@icai.in



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI COVID-19 ICAI RELIEF FUND

The COVID-19 pandemic marks an unprecedented time in modern history that will require the best of humanity to overcome. Little would have we realised the unfolding of epidemic like this, which situation is yet unfolding, and have brought the economic momentum to a much lower trajectory. Situation like this would need support to collaborate with the government initiatives to scale up governmental efforts to help those in distress. At this moment, the affected people in India will need help to tide over the viral disease, and in this scenario, ICAI has decided to stand with our distressed fellow countrymen, and actively participate in the national effort to support them at this difficult time. Due to the ongoing lockdown, much needed on the ground of social distancing and therefore 'stay home' advisory from the government; some of our fellow countrymen will need extensive support from the government. Further, we need to contribute to the government initiatives to bolster necessary infrastructure and human ware to fight this epidemic.

To provide much-needed relief for the people affected by the viral disease and those who are in distress; ICAI appeals to all its Members and Students to donate generously for this

Noble cause through the link: <https://www.icai.org/covid19/>.

Donations can be made through Demand Draft, Cheque, RTGS and online mode; offline collections in form of cheques/demand draft should be given in the name of "ICAI COVID 19 Relief Fund". All such offline contributions can be made in the ICAI Bank Account having the following details:

Bank: HDFCBank
Account No.: 50100098409265
IFSC No: HDFC0000590

The collected amount will be given to PRIME MINISTER'S NATIONAL RELIEF FUND. All contributions towards this Fund are exempt from Income Tax under Section 80G. The donors are requested to give their name, membership number /student registration number, address, amount and date of contribution, PAN details (if any) so that receipts could be obtained from Prime Minister's National Relief Fund for onward transmission to the donors.

The letter/email can be sent to:

The Additional Secretary
M&C-MSS
The Institute of Chartered Accountants of India
ICAI Bhawan
A-29, Sector-62
Noida-201309
Email: msshead@icai.in

Looking forward for your generous contribution in these special circumstances in the interest of mankind.

(CA. Atul Kumar Gupta)
President ICAI



27th March, 2020

IMPORTANT ANNOUNCEMENT

POSTPONEMENT OF CHARTERED ACCOUNTANT EXAMINATIONS MAY 2020

In continuation to the Important Announcement dated 1st January 2020, it is hereby notified for general information that in view of the ongoing spurt of the COVID-19 pandemic and in the interest of the well-being of students, the Chartered Accountant Examinations initially scheduled from 2nd May 2020 to 18th May 2020 stand rescheduled and the said examinations shall now be held from 19th June 2020 to 4th July, 2020 as per details given below.

FOUNDATION COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 25 F (3) of the Chartered Accountants Regulations, 1988.]

27th, 29th June 2020, 1st & 3rd July 2020

INTERMEDIATE (IPC) COURSE EXAMINATION – Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 E (3) of the Chartered Accountants Regulations, 1988.]

Group-I : 20th, 22nd, 24th & 26th June 2020

Group-II: 28th, 30th June 2020 & 2nd July 2020

INTERMEDIATE COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 G (4) of the Chartered Accountants Regulations, 1988.]

Group-I : 20th, 22nd, 24th & 26th June 2020

Group-II: 28th, 30th June 2020, 2nd & 4th July 2020

FINAL COURSE EXAMINATION - Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (ii) of the Chartered Accountants Regulations, 1988.]

Group -I : 19th, 21st, 23rd & 25th June 2020

Group -II: 27th, 29th June 2020, 1st & 3rd July 2020

FINAL COURSE EXAMINATION - Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (iv) of the Chartered Accountants Regulations, 1988.]

Group -I: 19th, 21st, 23rd & 25th June 2020

Group -II: 27th, 29th June 2020, 1st & 3rd July 2020

INTERNATIONAL TRADE LAWS AND WORLD TRADE ORGANISATION (ITL & WTO), Part I EXAMINATION



April, 2020

Group A 20th & 22nd June 2020

Group B 24th & 26th June 2020

INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

27th & 29th June 2020

It may be emphasized that there would be no change in the examination schedule in the event of any day of the examination schedule being declared a Public Holiday by the Central Government or any State Government / Local Holiday.

Candidates may note that two of the papers viz. Paper(s) 3 & 4 of Foundation Examination are of 2 hours duration. Similarly, Elective Paper - 6 of Final Examination (under New Scheme) is of 4 hours. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Foundation	Paper 1 & 2	2 PM to 5 PM	3 Hours
	Paper 3 & 4*	2 PM to 4 PM	2 Hours
Intermediate (IPC)	All Papers	2 PM to 5 PM	3 Hours
Intermediate (New Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (Old Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (New Scheme)	Paper 1 to 5 & Paper 7 & 8.	2 PM to 5 PM	3 Hours
	Paper 6 (Elective)	2 PM to 6 PM	4 Hours
Post Qualification Course Examinations i.e. (ITL & WTO), Part I and (INTT – AT)	ALL	2 PM to 5 PM	3 Hours

*In Paper 3 and 4 of Foundation Examination and all papers of Post Qualification Course Examinations there will not be any advance reading time, whereas in all other papers / exams mentioned above, an advance reading time of 15 minutes will be given from 1.45 PM (IST) to 2 PM (IST).

Foundation Course Examination is to be held along with Final Group –II Examinations on 27th, 29th June 2020, 1st & 3rd July 2020 and the Post Qualification Course Examination i.e. INTT - AT is to be held along with Final Group – II Examination on 27th & 29th June 2020, whereas ITL & WTO examination is to be held along with 4 papers, Group – I of Intermediate (IPC) / Intermediate Examinations.

(S. K. Garg)

Additional Secretary (Examinations)



April, 2020

Exemption from Completion of Orientation Course (OC) and Information Technology Training (ITT) before admission in Practical Training on or before 30th April, 2020.

The Council at its meeting held on 20th March, 2020 invoked the powers under Regulation 205 of The Chartered Accountants Regulations, 1988 and decided to pass the resolution to grant one-time relaxation to the following category of students:

- who were to take admission in Practical Training on or before 30th April, 2020 but are not able to admit in Practical Training due to non-completion of Orientation Course and IT Training.

be allowed to take admission in Practical Training on or before 30th April, 2020 and complete Orientation Course and IT Training on or before 31st August, 2020 and thereafter be allowed to appear in Final examination to be held in November, 2022.

Acting Secretary, ICAI

COVID -19: Important Announcement

The ICAI (Institute) has been closely watching the situation arising out of spread of Novel Coronavirus COVID-19 and the current stage is where the lockdown has resulted in closure of offices and bare minimum articleship training work being made feasible through online means. We are all aware that until further orders, such restrictions are going to continue till 14th April 2020.

Those who are already registered and undergoing articulated training, are hereby informed that the period of absence arising out of said lockdown due to COVID -19 pandemic shall not be counted for the purposes of deduction of any leaves, meaning thereby that such period shall be counted as being on articleship training for the period aforesaid. Accordingly, the students who are already undergoing articulated training and are appearing for May 2020 and subsequent examinations need not worry on this count for loss of any period not served during the above lockdown.

Further, to ease out situation at both the ends, matters related to timing and manner of payment of stipend in the intervening period arising out of the lockdown, may be mutually decided between the principal and the article assistant.

(Rakesh Sehgal)
Acting Secretary, ICAI



GST UPDATE

-Compiled by CA. SATISH SARAF
Can be reached at - ss@ssnc.in

S. No	Notification No	Issued under	Effective from	Brief particulars
01	09/2020	Central Tax	16-03-2020	Exempting foreign airlines from furnishing reconciliation Statement in FORM GSTR-9C, provided Receipts and payments account are certified by a Chartered Accountant
02	11/2020	Central Tax	23-03-2020	Prescribing special procedure for corporate debtors undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016
03	12/2020	Central Tax	23-02-2020	Seeks to waive off the requirement for furnishing FORM GSTR-1 for 2019-20 for taxpayers who could not opt for availing the option of special composition scheme under notification No. 2/2019-Central Tax (Rate)
04	13/2020	Central Tax	23-02-2020	Exempting certain class of registered persons from issuing e-invoices and in certain cases the date for implementation of e-invoicing extended to 01.10.2020
05	14/2020	Central Tax	23-02-2020	Notifying certain class of registered persons capturing dynamic QR code and the date for implementation of QR Code to be extended to 01.10.2020
06	15/2020	Central Tax	23-02-2020	Extending the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2018-2019 till 30.06.2020.
07	18/2020	Central Tax	01-04-2020	Notifying the date i.e., 01-04-2020, from which an individual shall undergo authentication of Aadhaar number in order to be eligible for registration under GST.
08	19/2020	Central Tax	01-04-2020	Specifying the class of persons, other than individuals who shall undergo authentication, of Aadhaar number in order to be eligible for registration under GST.



09	27/2020	Central Tax	23-02-2020	Prescribing the due date for furnishing FORM GSTR-1 for the quarters April, 2020 to June, 2020 and July, 2020 to September, 2020 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year
10	28/2020	Central Tax	23-02-2020	prescribing the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from April,2020 to September, 2020.
11	29/2020	Central Tax	23-02-2020	Prescribing return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for April, 2020 to September, 2020



Update - Survey, Search and Seizure

Compiled By: CA Hari Agarwal

1. B & M BUILDCON & ANR. vs. DEPUTY COMMISSIONER OF INCOME TAX & ANR.(2020) 58 CCH 0262 MumTrib

Assessee engaged in construction activities was subjected to an assessment u/s 143(3) r.w.s. 153A wherein income of assessee was determined after certain addition u/s 68 & disallowance of interest—Pursuant to search operations on premises of assessee notice u/s. 153A was issued—Assessee paid interest to all 18 entities by account payee cheque after deduction of tax at source—AO, who going by investigation carried out by DDIT (Inv.) made addition on account of unexplained cash credit u/s 68—CIT(A), deleted addition made u/s. 69C of interest expenses on unproven unsecured loans but additions u/s 68 were partly sustained—Held, on initiation of proceedings u/s. 153A, it is only assessment/reassessment proceedings that are pending on date of search u/s. 132 stand abated and not assessments/reassessments already final for those assessment years which are covered u/s. 153A—CBDT Circular No. 8 of 2003 clarified that on initiation of proceedings u/s. 153A proceedings pending in appeal, revision or rectification proceedings against final assessment shall not abate—It is only because final assessments do not abate appeal, revision or rectification pending against final assessments would not abate—Once assessment has attained finality, then AO while passing independent assessment order u/s. 153A/143(3) could not disturb assessment order which has attained finality unless material gathered in course of search u/s. 132/153A established that finality attained in assessment were contrary to facts unearthed during course of search—Assessee's appeal allowed.

2. Principal Commissioner of Income-tax, Central-2 v. JSW Steel Ltd. [2020] 115 taxmann.com 165 (Bombay)

Section [153A](#), read with section [132](#), of the Income-tax Act, 1961 - Search and seizure - Assessment in case of (Scope of) - Assessment years 2008-09 to 2010-11 - Whether in view of second proviso to section 153A(1) once assessment gets abated in pursuant to search conducted under section 132 it is open for assessee to lodge a new claim in a proceeding under section 153A(1) which was not claimed in his



regular return of income - Held, yes - Assessee company filed original return of income under section 139(1) - During pendency of assessment proceedings, a search under section 132 was conducted upon assessee - Following search, notice under section 153A was issued - In response, assessee filed return of income declaring total loss at higher amount - Further, in this return, assessee made a new claim for treating gain on pre-payment of deferred VAT/sales tax on Net Present Value (NPV) basis as capital receipt - Assessing Officer held that assessee could not raise a new claim in return filed under section 153A which was not raised in original return of income filed under section 139(1) - Accordingly, said claim was disallowed and gain was treated as revenue receipt - Whether since when search was conducted, original assessment was pending and was not completed, in view of second proviso of section 153A, assessment got abated and, thus, it was open for assessee to lodge a new claim for deduction etc, which remained to be claimed in his earlier/regular return of income - Held, yes - Whether, therefore, impugned order of Assessing Officer rejecting claim of assessee was unjustified - Held, yes [Paras 12, 13, 14 and 16] [In favour of assessee]

3. Vipul Kumar Jain v. ACITITA No. 1902/Del/2016

Income from undisclosed sources---Addition under section 68---Unexplained bank deposits---Peak credit theory

Where AO made addition under section 68 of cash deposited in Bank account of assessee on the ground that assessee could not explain nature and source of such deposits to his satisfaction but there was no evidence with AO that withdrawals made by assessee systematically from the bank account, which were not shown to the Revenue, had been utilized for some purpose other than for the unaccounted business of assessee, assessee should have been given the benefit of peak credit theory and only peak credit could be sustained.

AO made addition of Rs. 32 lakhs being cash deposited in Bank account of assessee on the ground that assessee could not explain nature and source of such deposits to his satisfaction. Assessee submitted that there were humongous amount of cash



withdrawals from bank account and, therefore, addition of only peak balance could be sustained and not the entire amount of deposit. Held: A perusal of bank statement showed that only a part of deposits and withdrawals had been shown in regular accounts and assessee had not disclosed entire deposits and withdrawals. When there was no evidence with AO that withdrawals made by assessee systematically from the bank account, which were not shown to the Revenue, had been utilized for some purpose other than for the unaccounted business of assessee, assessee should have been given the benefit of peak credit theory and only peak credit could be sustained.

4. SUPER MALLS PRIVATE LIMITED vs. PRINCIPAL COMMISSIONER OF INCOME TAX (2020) 107 CCH 0380 ISCC

Search and seizure—Assessment of income of any other person—Search and seizure operation was carried out at residential/business premises of T, V—Survey was also carried out at business premises of assessee—As a consequence of search and seizure operation, a notice was issued to assessee under Section 153C—Assessee filed return for assessment year 2008-09—Assessment for assessment year 2008-09 was finalised by Assessing Officer and additions were made—CIT (Appeals) dismissed assessee's appeal—ITAT allowed appeal preferred by assessee—High Court allowed appeal preferred by Revenue and observed that Assessing Officer was justified in recording satisfaction that documents so seized "belonged" to assessee—Held, before issuing notice under Section 153C Assessing Officer of searched person must be "satisfied" that any document seized or requisitioned "belongs to" a person other than searched person—That thereafter, AO may transmit records/documents/things/papers etc. to Assessing Officer having jurisdiction over such other person—After receipt of aforesaid satisfaction and upon examination of such other documents relating to such other person, jurisdictional Assessing Officer may proceed to issue a notice for purpose of completion of assessment—In case where Assessing Officer of searched person and other person is the same, it is sufficient by Assessing Officer to note in satisfaction note that documents seized from searched person belonged to other person—Once note says so, then requirement of Section 153C is fulfilled—In case, where Assessing Officer of searched person and other person is same, there can be one satisfaction note prepared by Assessing Officer, as he himself is Assessing Officer of searched person and also Assessing



Officer of other person—However, AO must be conscious and satisfied that documents seized/recovered from searched person belonged to other person—In such a situation, satisfaction note would be qua other person—Second requirement of transmitting documents so seized from searched person would not be there as he himself will be Assessing Officer of searched person and other person and therefore there is no question of transmitting such seized documents to himself—From satisfaction note, it emerges that Assessing Officer is satisfied that documents containing details of cash receipts on sale of shop/offices belonged to other person - assessee—AO is also satisfied that documents/pen drive are seized from searched person—AO is also satisfied that documents so seized from residence of searched person/ belonged to assessee-other person—Therefore, Assessing Officer was satisfied and it is specifically mentioned that documents so seized belonged to assessee - other person—Therefore, it cannot be said that mandatory requirements of Section 153C have not been complied with—High Court is justified in observing that requirement of Section 153C has been fulfilled-Assessee's appeal dismissed.

5. Ashok Bhatia v. DCIT ITA No. 869/Ind/2018

Penalty under section 271AAB--Leviability--Defective notice issued by AO

It was incumbent upon AO to mention in notice issued under section 274 read with section 271AAB as to under which clause of section 271AAB penalty was leviable and that too, at which rate. As AO failed to do so, penalty levied on the basis of such defective notice could not be sustained.

Assessee challenged penalty levied by AO under section 271AAB on the ground that in the notice issued under section 274 read with section 271AAB(3) there was no mention about various conditions provided under section 271AAB relating to levy of penalty @ 10% or 20% or 30% (as the case might be). Nothing was specified in the notice about clause a or b or c of section 271AAB as to at what percentage penalty would be levied on assessee for undisclosed income not surrendered during search proceedings. Held: It was incumbent upon AO to mention in notice issued under section 274 read with section 271AAB as to under which clause of section 271AAB penalty was leviable and that too, at which rate. As AO failed to do so, penalty levied on the basis of such defective notice could not be sustained.