



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

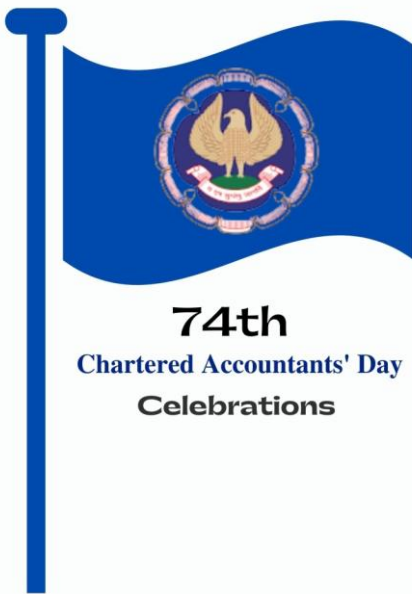
HYDERABAD BRANCH OF SIRC

E-Newsletter

www.hydicai.org

Volume 14 / Issues 25 / July, 2022

hyderabad@icai.org



CA. Deepak Ladda Chairman,
Hyderabad Branch of SIRC of ICAI unfurling the Institute Flag



CA. Devaraja Reddy, Past President ICAI, CA. J Venkateswarlu Past Central Council Member,
CA. Adusumilli Venkateswar Rao, Past Chairman, SIRC of ICAI, Past Chairmans Regional Council
Members and the Management Committee members of Hyderabad Branch



My Dear Professional Colleagues

This day, the 1 July will always fresh in our thoughts as the Day of Formation of the Institute of Chartered Accountants of India to which we proudly belongs to. It is the day that each and every one of us needs to treasure to have the reminiscence, a day to cherish, to relish and celebrate. It is on this day in the year 1949 the Institute of Chartered Accountants of India was formed of which we are the proud and privileged members. While every 1st July in a year is a joyous occasion for us, this year is very special since we are celebrating 74th CA Day and 60 Years Diamond Jubilee Celebration of Hyderabad Branch of SIRC of ICAI.

On this occasion it is our duty to acknowledge the great contribution made by CA. G.P. Kapadia, First President of ICAI, his successors in ICAI, other members of the Central Council who has added to such a great legacy for this prestigious profession. It is the most fitting occasion to recall and record all of their yeomen service to our profession. We salute them for their efforts to lay a strong foundation and their foresighted thoughts to develop and making our institution the second largest accounting professional body in the world.

CA Day Celebrations

74th CA Day Celebrations and 60th year Diamond Jubilee Celebration of Hyderabad Branch of SIRC of ICAI was held on 1st July, 2022. It commenced with Flag Hoisting for which CA. Devaraja Reddy, Past President ICAI, CA. J Venkateswarlu Past Central Council Member, CA. Adusumilli Venkateswar Rao, Past Chairman, SIRC of ICAI, Past Chairmans, Regional Council Members, Management Committee members of Hyderabad Branch Senior & young members, Students participated in the program. It was followed by Tree plantation, swaach Bharat, Blood Donation camp where more than 75 members and student donated blood which was coordinated with MNJ Oncology and Regional Cancer Hospitals, We had health camp where in the health checks up like BP, sugar, ECG, 2 D Echo, Dental checkup, Eye Check up for which was coordinated with Yashodha Hospitals where students and members had their health checked at Hyderabad Branch of SIRC of ICAI, Red hills.

In the evening Games, Cultural Program were organized all the performers were Chartered Accountants and students pursuing CA Course at Centre of Excellence, Gachibowli Hyderabad. The special thing about the evening was that being the 60th year Diamond Jubilee Celebration of Hyderabad Branch of SIRC of ICAI, Senior members who completed 50 years of association in the profession, Past Central Council Members, Past Regional Council Members and Past Chairman of Hyderabad Branch of SIRC were felicitated as a part of recognition of your services & contribution. The program has a participation of more than 350 members and families.

Programs held for the month

I am extremely happy to inform you that June month was full of activity month apart from learning. To start with Hyderabad Branch of SIRC of ICAI organized a 2k Run from Jalavihar to Sanjeeviah Park, followed by Tree plantation on the occasion of world Environment Day on 5th June 2022 at Sanjeeviah Park at Necklace Road, Hyderabad, and Financial & Tax Literary drive. More than 500 Members and students attended the event. We were honored to have the presence of Hon' ble Sri Justice A Abhishek Reddy, Sri L Sharman, District Collector of Hyderabad, CA. Devaraja Reddy, Past President, and Central Council Members and Chairman SIRC ICAI 2022.

In order to make CA Curriculum in global scenario, ICAI has come with Proposed scheme of Education & Training (2022) for this an Gazette notification been released for Public, Members, students, academicians and stakeholders, as part of direct approach to members to give their opinion. Hyderabad Branch of SIRC Of ICAI hosted the outreach programme organized by Board of Studies on 11th June 2022 at the Hotel The park. The event was graced by Chief guest Shri Navin Mittal, IAS Commissioner, Collegiate Education & Technical Education at Govt of Telangana amongst us for the session with CA. Devaraja Reddy M, Past President, ICAI, CA. Dayaniwas Sharma, Chairman BOS,(Academics) ICAI, CA. Sridhar Muppala, Vice-Chairman, Students Skills Enrichment Board, CA. China Masthan Talakayala, Chairman SIRC and other Regional Council Members and senior members.

Program On Financial & Tax Literacy Drive at Bank, Educational Institutions for general public were held and it was very interactive and live session was conducted as part of drive as per the guidelines given by ICAI Head office.

On the occasion of International Yoga day we had conducted Yoga session for members and students. The program was graced CA. Devaraja Reddy M, Regional Council Member Mandava Sunil Kumar Past President, ICAI, CA. Ankita Soni trained the participants on Non- Violent Pranayam and Natural Life Style and Ms Harshita Malpani on common Yoga Protocol.

We also conducted Out reach program on CRET exclusively for Academicians & Faculties. CA Muppala Sridhar Central Council Member lead the one to one discussion and many fruit-ful suggestion was put forward by participants.

This month is very special as International MSME Day was celebrated on 27th June 2022, CA s Business Solution Providers for MSMEs self reliant India was the topic for the day it was attended by 296 members.

Regular CPE program for members were held on the topics covering Valuation under Income Approach, Role of Chartered Accountants under RERA, Recent Developments, Case studies Practical Experience in Transfer Pricing, Standards on Auditing, Automation using RPA in finance, Awareness.

Students Activities

The Management Committee Members of Hyderabad Branch of SIRC of ICAI Along with CA. Sridhar Muppala, Vice-Chairman, Students Skills Enrichment Board, ICAI and CA Dayaniwas Sharma, Chairman Board of Studies (Academic) have discussed the details of the Proposed Scheme of Education & Training of Chartered Accountancy curriculum with students where more than 400 students attended. The session was very interactive and students had put forth their view for the curriculum. The SICASA team also conducted

AGM:-

I have pleasure to inform that 60th Annual General Meeting of Members of Hyderabad Branch will be held on Saturday 16th July 2022 at Celebrity Club, Shamirpet, at 11:00 A.M. The notice of the AGM has been issued by Secretary & the same is email to all members along with Annual report. The same is also hosted at website of the branch. We request you to kindly participate in Annual General Meeting in large number.

Togetherness:

Before I conclude my communiqué for the month, I invoke the significance of "Togetherness" which represents the basis of success of anyone or any organization. I am conscious of this and happy to share the quote with you. "Growth is represented by "WE" and not by "ME". Togetherness is very crucial for the success of an organization. "ME" alone can't move ahead without "WE" - Bharat Zanvar.

Let us join together to bring laurels to our profession.

Yours Sincerely



CA. Deepak Ladda
Chairman
hyderabad@icai.org

CPE Programs for the Month of July, 2022

Day & Date	Time	Programs Topic	Speaker	CPE	Fee	Venue
Monday 04 th July, 2022	6.00pm – 8.00pm	Understanding 47 th GST Council Meeting Recommendation s	CA. Satish Saraf	2hrs	118	Branch Premises
Thursday 07 th July, 2022	5.30pm - 7.30pm	Virtual Joint Program with Hyderabad & Visakhapatnam Branches of SIRC of ICAI on "Faceless assessment and Faceless appeals art of representation before CIT Appeals &Tribunal"	CA. Rajan Vora & CA.J.Sudhakar Reddy	2hrs	118	Zoom
Wednesday 13 th July 2022	4.00 pm – 8.00 pm	In depth Analysis of changes made in 47 th GST Council	CA. V.S. Sudhir & CA Sri Ram K	4hrs	236	Branch premises
Monday 18 th July 2022	6.00 pm – 8.00 pm	Investor Awareness Program- Shares & Derivates	Eminent Speakers	2hrs	NIL	Zoom
Tuesday 19 th July 2022	6.00 pm – 8.00 pm	Important Points to consider while filing in ITR1 to 4	CA. Varun Agarwal	2hrs	118	Branch premises
Thursday 21 st July 2022	9.30 am – 5.00 pm	Workshop on Automation of Audit	Eminent Speakers	6hrs	590	Branch Premises
Friday 26 th July 2022	6.00 pm – 8.00 pm	FEMA – Current & Capital Account Transactions	Eminent Speakers	2hrs	NIL	Zoom

More programs will be planned in coming days and shall be hosted on branch website

MEMBERS

IMPORTANT ANNOUNCEMENTS

Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
1st July 2022

ANNOUNCEMENT

Sub: LLP Form 11 for FY 2021-22 due dates extended till 15th July 2022

This is to inform you that Ministry of Corporate Affairs vide its General Circular dated 29th June 2022 has relaxed the payment of additional fees in case of delay in filing Form 11 (Annual Return) for the FY 2021-22 by Limited Liability Partnerships up to 15th July, 2022.

The CL&CGC of ICAI would continue to support the MCA project and assist our members.

The members may note the above and plan accordingly.

Circular is available at the link:

<https://www.mca.gov.in/bin/dms/getdocument?mds=jkZozIMem2jwa2SdhjEzzg%253D%253D&type=open>

With Kind Regards,

Chairperson and Vice-Chairperson
Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India

Information System Audit - Assessment Test (ISA - AT), July 2022

Members are hereby informed that the next Information Systems Audit (ISA) Course Assessment Test (Old as well as New Syllabus) which is open to the members of the Institute will be held on 9th July 2022 (Saturday) from 9 AM to 1 PM (IST) at the following cities provided that sufficient number of candidates offer themselves to appear there from.

The Council reserves the right to withdraw any centre at any stage without assigning any reason. The above Testis open only to the Members of the Institute who are already registered with the Institute for the ISA course and fulfill the eligibility criterion laid down. The fee payable for the above Assessment Test is ₹ 2000/-

An application for admission to the Information Systems Audit (ISA) Course - Assessment Test is required to be made on-line at isaat.icaiaexam.icaai.org from 20th May, 2022 to 2nd June, 2022 and remit the examination fee of ₹ 2000/- on-line by using VISA or MASTER or MAESTRO Credit / Debit Card / Rupay Card / Net Banking/ Bhim UPI

REQUEST TO CONTRIBUTE ARTICLES TO HYDERABAD BRANCH NEWS LETTER

Hyderabad Branch of SIRC of ICAI is seeking articles from members to be published in its monthly E-newsletter. The article can be on following topics:-

- 1) **Articles on Academic Interest,**
- 2) **Articles on Work Life Balance,**
- 3) **Articles on New Age Professional Opportunities,**

Please send your article to: hyderabad@icai.org,

Sd/-
Chairman

Hyderabad Branch of SIRC of ICAI

Accounting Standards Board
The Institute of Chartered Accountants of India
4th July 2022

ANNOUNCEMENT

Release of Educational Material on Ind AS 34, Interim Financial Reporting

An interim financial report is a complete or condensed set of financial statements for an interim period which is shorter than a full financial year. Ind AS 34 does not specify which entities must publish an interim financial report. This is generally a matter for relevant law and government regulations. Ind AS 34 applies if an entity following Ind AS in its annual financial statements publishes an interim financial report that asserts compliance with Ind AS. Ind AS 34 prescribes the minimum content of such an interim financial report. It also specifies the recognition and measurement principles applicable to an interim financial report.

This Educational Material provides guidance in the form of Frequently Asked Questions (FAQs) on the practical issues that the preparers of the financial statements face while applying this Ind AS.

Relevant link to download the Educational Material: <https://resource.cdn.icai.org/70876asb56847.pdf>

Campus for Newly Qualified Chartered Accountants (NQCAs) August-September, 2022

Maintaining strong and spontaneous relationship with the industry and other business houses remains the main focus of the Committee for members in Industry & Business (CMI&B) of the Institute of Chartered Accountants of India (ICAI). An initiative to that effect remains the Campus Placement Programme (held twice a year) that provides a platform to both the NQCAs and the organizations looking for to hire the best available talents to fulfil their human resource requirement. ICAI simply acts as a facilitator to bring the recruiter and NQCAs together.

Invitation to Organisations - Any organization (except manpower supplier), irrespective of its size, standing in the market and boundary of its business, can take part in this placement programme being held at several centers across the country during August-September, 2022.

Campus Interview Schedule:		
No.	Major Centres	Dates
1	Mumbai	22 nd , 24 th , 26 th , 29 th August, 1 st & 3 rd September, 2022
2	Delhi	23 rd , 25 th , 27 th , 30 th August, 2 nd & 5 th September, 2022
3	Bengaluru	24 th , 26 th , 29 th August, 1 st , 3 rd & 5 th September, 2022
4	Chennai	25 th , 27 th , 29 th August, 2 nd , 5 th & 7 th September, 2022
5	Kolkata	26 th , 29 th August, 1 st , 3 rd , 5 th & 7 th September, 2022
6	Ahmedabad, Hyderabad, Jaipur & Pune	29 th August, 1 st , 3 rd , 5 th , 7 th & 9 th September, 2022
No.	Smaller Centres	Dates
7	Bhopal, Durgapur, Ernakulam, Lucknow, Nagpur, Patna, Raipur, Rajkot, Ranchi, Vadodara & Visakhapatnam	26 th September, 2022
8	Kanpur	27 th & 29 th September, 2022
9	Noida & Thane	28 th & 30 th September, 2022
10	Bhubaneswar, Chandigarh, Coimbatore & Indore	29 th September & 1 st October, 2022

Invitation to Candidates - The above Campus is meant for the candidates, who would be passing the CA Final Examination held in May, 2022 and also for others who have qualified earlier and are fulfilling the criteria mentioned in the Announcement.

Organizations intending to recruit NQCAs through campus scheme are requested to get in touch with the CMI&B Secretariat, ICAI Bhawan, Indraprastha Marg, New Delhi -110002, and Email: campus@icai.in, Tel No. (011)30110555 and to register log on to <https://cmib.icai.org/>.

Candidates may email at cajob@icai.in, Tel No. (011)30110491/550 and to register log on to <https://cmib.icai.org/>.

Chairman
Committee for Members in Industry & Business
The Institute of Chartered Accountants of India

5 years for GST in India – a Playback

by CA Satish Saraf & CA. Venkat Prasad P

Introduction:

It has been already 5 years that the GST has been implemented. In the years of its existence there has been a lot of ups and downs and now finally it seems to have been settling, with a long way to be classifiable as a finished product. The intent with which it seems to have been implemented does not seem to have been achieved as yet. In the recent past year, the GST law has failed to accomplish the original concept of 'matching credit' due to the complexity of return mechanism and technical glitches on the portal. Hence, slight tweaking to the existing form of return was done to implement QRMP Scheme of filing, however, the entire system still remains susceptible to ITC frauds. The implementation of e-invoicing helped in plugging the loopholes in supplier-receiver transactions which had remained undetected and subsequently ensured greater transparency. The introduction of e-way bill coupled with the strict crackdown on fake invoicing has helped in bringing in a significant portion of GST revenues, which were earlier either being evaded or under-reported. Further being technologically driven, the entire process from obtaining registration to filing of returns is accelerated. At the same time, grant of unlimited power to the officers under GST like blocking the ITC balance without intimation, detaining the vehicle for minor defects, etc had created tension between the tax payers and the department and had earned a lot of criticism to the law in the way it exists today.

In this article, the authors attempted to review the past 5 years journey of GST and its hits & misses. The review is given considering the broader perspective of GST and omissions, if any are only incidental but not intentional.

Hits of GST:

Besides the larger achievement of uniform levy of indirect taxes on every supply transaction, the following are the significant measures that were achieved under the GST:

✓ Widen the tax base and increase tax collections in income tax as well:

A large number of taxpayers have come under the tax net which added more revenue to the Government coffers. Further, transaction-level reporting under GST is also one of the reasons to increase the income tax collections. Now, the Form 26AS is also auto-populating the GST turnover, hence giving a direct comparison both for the assessee and the department to ensure double check on the turnovers which are being reported.

✓ Faster processing of the refund claims:

The exporters are getting the refunds much faster compared to the pre-GST regime, which boosted the exports sector. Though there were initial hiccups, with full electronic filing in place from recent past, the refunds are been processed much faster now. Further, with the pandemic hitting the businesses, the department of revenue had come up with special refund drives for speedy disposal of refund applications to aid the working capital requirement.

✓ Ease of Return Filing process

The most important initiative has been in the field of GSTR-3B Return related measures. It includes the Quarterly Return Monthly Payment (QRMP) Scheme which was introduced to reduce compliance burden for taxpayers having an aggregate turnover of up to Rs. 5 Crores intending to bring about 90% of the taxpayers under GST are eligible to avail of this scheme. A Nil filing GSTR-3B Returns through SMS has also been introduced. Further, in order to help taxpayers in determining and self-assessing their available input tax credit, an Auto-Drafted Input Tax Credit Statement in Form GSTR-2B is being made available to the taxpayers. Besides, the Auto-Population of GSTR-3B Return based on the details given by the taxpayers in the Form GSTR-1 and from the details given by their suppliers in their Form GSTR-1, as made available to the taxpayer in his Form GSTR-2B is also taking place.

✓ The E-way bill system:

After rectifying system glitches, E-way bill for inter-State movement of goods has been successfully implemented from 01.07.2018. This initiative helped to combat the illegal movement of goods, under-reporting of the TO's & consequential tax evasion. Further, blocking the e-way bill for the non-filers also made the returns compliance more serious. Of course, there were some genuine cases wherein the trade were being troubled for minor lapses. Nevertheless, it is one of the measures implemented smoothly after initial glitches and helped to curb the revenue leakage.

✓ Arrest for fake invoicing cases

The arrests under GST continues to remain prevalent in the last year as well. With the help of robust IT implementation & transaction trails, the Government has unearthed many fake ITC cases wherein paper transactions were carried out to pass out the illicit ITC and causing the revenue leakage. This exercise sent a strong signal to the unscrupulous persons and acted as a strong deterrent measure to control the tax evasion. However, in pursuit of the fraudsters, many honest and innocent tax payers also have been victims of aggressive strategy adopted by the department.

✓ GST Rates rationalisation:

There were continuous changes in the GST rates for various sectors. This helped to rationalise the product prices which in turn controlled the inflation to some extent. There was also a proposal to bring into 3 slabs which helps to avoid the classification disputes to a larger extent. It was observed that most of the classification disputes arose in determination of the classification of an item -whether it would be under 18% slab or 12% slab. This is unnecessary complication. It is high time that the two slabs are merged into one slab, possibly 15%. Once this is done classification would be much simpler. There will be some loss and some gains in revenue, in as much as, the current 12% slab items would move up to whatever higher rate slab is fixed, and the current 18% slab items would come down to the newly fixed rate.

✓ Deploying a technology-enabled tax eco system

There has been a focus to increase the usage of technology in order to upgrade the infrastructure by linking different platforms, auto-population of returns e.t.c and to ease the doing of business by implementing the paperless compliances, e-filings, virtual hearings, maintenance of e-records etc. Further, the integration of invoicing with e way bill has aided to enhance the transparency in business transactions and also keep a check on tax evasion for better revenue collection. GST has worked leaps and bounds towards facilitating ease of doing business focusing on making IT systems more robust to avoid downtime before the due dates for compliances, less prone to cyber frauds as well as bridging gaps in legislative provisions.

✓ E-invoicing System Implementation

E-invoicing was made mandatory for business with turnover of more than Rs.50 crores (in any financial year 2017-18 onwards) from 1st April'2021. This was implemented to curb the fraudulent transactions. Further, the mapping has been established between the e-invoice portal and the GST portal to auto populate the sales figures in the GSTR 1 Return.

✓ Aadhar based authentication:

With effect from 01.04.2020, the Aadhar authentication is made mandatory for new registrations. This measure would control the malpractices of bogus billings and stops the impersonation. The new registration under GST shall be Aadhar based registration with Biometric based Aadhar authentication. Taking photograph of specified individual; and verification of original copy of documents uploaded in registration application at Facilitation Centre notified by the Commissioner is also implemented.

Flop measures:

Despite the rigorous efforts, the following aspects remain flop show under GST.

✓ ITC matching & filing of GSTR-2 & 3:

The whole ITC matching was based on the system of filing Form GSTR-1, 2 & 3. Form GSTR-1 returns for declaring outward supplies, Form GSTR-2 is a return of inward supplies and Form GSTR-3 is a monthly return consolidating the GSTR-1 & GSTR-2 and enabling the net payment to the Government treasury. However, practically this system could not be implemented mainly due to failure of the GSTN IT system.

✓ Transitional credit:

This is one of the burning issues that has been suffering the trade & industry and remain unsettled. Even after 3 years, the transition credit claims were not fully settled (especially taxpayers missed filing Form Tran-01 or committed mistakes therein) and various HC's ordering to allow the claims while Government strongly opposing it. Various petitions are been filed across the country and the Hon'ble High Courts have time & again directed the Government either to reopen the portal or to allow the manual filing of the forms. Though the Government has extended opportunity but limited to the cases of technical difficulties, which is not sufficiently addressed the actual difficulties of the taxpayers. A One-time opportunity may be given to the taxpayers to claim the transitional credit instead of logging into long drawn litigation before courts.

Pain Points

✓ Restriction on availing ITC

Though the department has failed in implementing the matching concept under GST, time and again they have come up with various alternative ideas which were introduced to honor the intent of matching the ITC, one such measure is restriction to avail ITC only up to 105% of GSTR 2A. The cap of 105% to be computed on invoices uploaded and returns furnished + invoices furnished by quarterly taxpayer. The violation of the said provision could lead to suspension of registration.

✓ Restriction on use of ITC - Rule 86(B)

The taxpayers are restricted to utilise ITC in credit ledger to state that the ITC balance can be used only to pay 99% of output tax liability which is made applicable to taxpayers having monthly taxable supply exceeding Rs. 50 lacs. This is however not constitutionally or legally backed.

✓ Unnecessary blocking of ITC

Blocking of credit ledger on non-compliance assumption has become a greater hindrance for tax payers. Claim of input tax credit is one of the crucial part for tax payers, blocking of credit ledger will result in suffering of the business, impacting the business growth at large and ultimately effecting the growth of the nation. The misuse of Rule 86A will have an irreversible impact on the tax payers. Hence, prompt and valid actions are expected to have a check on the misuse of blocking of ITC.

✓ Suspension and cancellation of registration

The GST officer can initiate action of suspension of registration and no opportunity of being heard to be provided before suspending registration. The registration shall be suspended if significant differences or anomalies are found in comparison of GSTR 1 & GSTR 3B, GSTR 3B & GSTR 1 furnished by his supplier. Cancellation can be an effect of the taxpayer availing ITC in violation of Section 16 of the CGST Act, 2017 or in case where the outward supply in GSTR-1 is more as compare to GSTR-3B and the use of ITC exceeding 99% of the outward tax liability. The GST department has been granted with immense powers which might also be contrary to the basic judicial principles, but still be legal. Hence, leaving the assessee in a very dangerous position.

✓ Contradicting Advance Ruling Judgements

In recent past, taxpayers have experienced the contradictory verdicts given by advance ruling bodies, leaving the position of the law rather more ambiguous.

✓ Ambiguity over jurisdictions between centre and state

GST phase has come up with new aspect to divide the tax payers who shall either be under state jurisdiction or central jurisdiction. But we have seen the crossover of the same in recent past i.e, tax payers are receiving notices from state tax officers even though they come under central jurisdiction. This may result in huge ambiguity for the tax payers as to whom they need to approach. The Revenue need to take care of the same as the mere negligence of any of the tax officer may have impact on the business not only economically but also impacts the non-economic factors of business.

✓ Non-constitution of Appellate Tribunal

The adjudication and audits have been initiated, and the notices are being fired onto the assessee with respect to various issues majorly involving ITC. Many of them have travelled up to the first appellate authority stage, however are stuck there due to non-constitution of tribunal causing delay in justice. This is a very serious issue of grave concern to the assesses as it is leading to business difficulties like working capital blockage, diversion of focus to non-core areas, etc.

✓ Continuous amendments in the act

GST law being a new law is coming up with many amendments at a faster pace. Most of the tax payers and professionals have never experienced such a dynamic law. Any civil law is expected to amended but if it is too dynamic, then it may create chaos among the tax payers ending up in piling up litigation.

The trailer launched but pending release:

✓ Quick Response Code

A registered person, whose aggregate turnover in a financial year exceeds five hundred crore rupees, to an unregistered person (hereinafter referred to as B2C invoice), shall have Quick Response (QR) code: Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing

cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code. This QR code date implementation has been differed to 1st July'2021. This again is a measure introduced to regulate the fake invoices and curb tax evasion.

✓ Additional condition for availing the ITC:

New clause (aa) to sub-section 16(2) has been inserted. ITC on invoice/debit note may be availed only when details of the same have been furnished by supplier in the statement of outward supplies (Form GSTR-1) and such details have been communicated to recipient of such invoice or debit note under section 37. By this amendment proposal gives statutory support to Rule 36(4) of the CGST Rules to restrict the ITC to 5% in respect of invoices or debit notes not furnished by the supplier in GSTR-1 or GSTR-2B. (To be notified)

Requires Reshooting/editing:

✓ Allowing ITC without linking Vendor payment

The provisions allowing ITC to the recipient only when the vendors make the tax payment & file the return (popularly known as 'ITC matching') is one of the biggest pain points to the Taxpayer. Further, it also involves serious difficulties in complying with the said requirement. Hence, it is recommended to allow the ITC without vendor Invoice matching while ensuring the strict punishments to the evaders.

✓ Easing compliance requirements:

There are several compliance requirements under GST which is burdening the taxpayers and adding to the cost. Despite making the E-filing mandatory and reduced the department interaction, the compliance requirements still burdening the business community. The Government shall minimize and dispense with unnecessary compliance requirements.

✓ Liberalizing the Blocked credit

Though the main objective of GST is to allow seamless flow of the credit across the supply chain, there were certain credits were blocked for insufficient rationale. For example, the blocking of the construction credit is wholly unnecessary more specifically the entire supply chain cannot run without factory/premises being constructed.

✓ Law allows it but the portal does not allow!!

There were some restrictions in GSTN which were not there in GST law thereby causing the hindrance the legitimate claims. For example, GST law does not restrict the filing single application across different FY's but portal restricts it. Similarly, the law changes are implemented belatedly (mostly beneficial to the trade) causing the gap in extending the benefits granted/facilities by the lawmakers. For instance, it took almost a year time to implement the intra head transfer of amounts in Electronic cash ledger. Hence, it is suggested to the government to ensure that GSTN avoids the beyond law restrictions, readily adopts the changes in law and allows the immediate implementation.

✓ One authority - one tax

Despite wide publicity given that only single authority administers the taxpayers either Central or State officer, the practicality is different thereby troubling the taxpayers to answerable to the multiple authorities. Hence, it is advisable to avoid the environment of multiple authorities.

✓ Set up of the Tribunal with more judiciary members on board – allow CA's & Advocates to be an eligible member:

Even after 3 years, the Tribunals was not constituted (though the areas were identified). The dominance of technical member strength in a Bench is also contrary to the settled law that strength of Judicial member shall not be less than of expert/technical members [which was reemphasized by the Madras HC in case of Revenue Bar Assn. v. Union of India 2019 (30) G.S.T.L. 584 (Mad.) and struck down the corresponding provisions]. Hence, the action of making more judicial members presence in the bench

and quick setup of the Tribunals would help the early dispute resolution and also reduces the load on the HC's. Further, the existing practice of allowing competent CA/Advocate to be a member of Tribunal also ensures the better functioning of the Tribunal.

✓ Making AAR more judicious and minimizing the pro revenue rulings

The Advance rulings are most of the times are creating the confusion and most of the times the rulings are pro revenue ignoring the settled jurisprudence and principles. Hence, it is advisable to make the AAR be more judicious by including the persons with the judicial background (like the AAR under Central Excise).

✓ Avoiding the Forced composite rates without ITC:

One of the main objectives is to allow a seamless flow of the credit across the supply chain. The introduction of composite rates without ITC kills the GST and encourages the parallel economy. For instance, the Government mandated the composite rate of 5% for Restaurant & Real estate industry without ITC. Though the stated objective is to reduce the GST, the reality is different since denying the ITC adds up to the output price, Hence, the Government shall avoid these type of schemes and taxpayers shall be given an option to choose such schemes instead of mandating it.

Yet to launch:

✓ Bringing Petroleum products under GST:

It needs to be emphasised that since a large part of the petroleum and petroleum products are important intermediate inputs, it is necessary to bring them under the GST ambit sooner than later to eliminate cascading effect and its associated inefficient economic cost. Even in a GST regime, these could be taxed at a higher rate if revenues have to be protected. The economic efficiency benefit from inclusion is much more than the direct short-run revenue impact to the Governments. Hence, sooner later, it is advisable to bring petroleum products under GST.

✓ Bringing Land transactions under GST:

There was also proposal among GST council to bring land under GST. This measure if implemented adds more revenue than the Stamp duty at present & the land prices & transactions would be better regulated.

✓ Formation of Centralized Authority for Advance Ruling:

The GST Council had recommended for creation of Centralized AAAR to deal with the conflicting decisions made by two or more State AAAR on the same issue. Even, the necessary amendments in the CGST Act, has been carried but the said provision so far not been notified and needs immediate action for the implementation of the said provision.

✓ Huge litigation on the way

GST being a new law is coming up with many clarifications vide circulars and we are experiencing that many amendments are brought on regular basis. This is one way leading to huge litigation as the GST law involves huge interpretational issues. The compliance becomes bit slower on part of the tax payers as it time consuming to understand, interpret and comply with the law. Tax payers are already experiencing the same.

We would end the review with the bottom line that the GST is certainly a good tax & yet to become a 'simple' tax.

1. AO can't make provisional attachment without forming an opinion that how assessee isn't able to fulfil tax demand: HC

Indian Minerals and Granite Co. v. Deputy Commissioner of Income-tax

[2022] 137 taxmann.com 119 (Karnataka)

Section [281B](#) of the Income-tax Act, 1961 - Provisional attachment to protect revenue in certain cases - Whether mere apprehension on part of revenue that huge tax demands were likely to be raised on completion of assessment was not sufficient for purpose of passing a provisional order of attachment - Held, yes - Whether before passing on order of provisional attachment, commissioner must form an opinion on basis of a tangible material that assessee is not likely to fulfil demand towards payment of tax and it is therefore necessary to do provisional attachment for purpose of protecting Government revenue - Held, yes - Pursuant to a search under section 132 conducted upon assessee, assessment proceedings were initiated under section 153A - During course of said proceedings, revenue passed an order of provisionally attaching fixed deposit of assessee by invoking section 281B - It was noted that revenue had merely stated that there was a likelihood of huge tax payments to be raised on completion of assessment and that for purpose of protecting revenue, it was necessary to provisionally attach fixed deposit of assessee, however, no any tangible material was shown by assessee to prove same - Whether, therefore, impugned provisional attachment orders were cryptic, unreasoned, non-speaking and laconic and same were to be quashed - Held, yes [Paras 8, 9 and 10] [In favour of assessee]

2. Non-obstante clause in section 153A does not exclude applicability of reassessment proceedings. Non obstante clause in section 153A(1) does not mean that an assessment made u/s 153A can never be reopened.

Amar Jewellers Ltd. v. Assistant Commissioner of Income-tax

[2022] 137 taxmann.com 249 (Gujarat)

- Non-obstante clauses are not always to be regarded as repealing clauses nor as clauses which completely supersede any other provision of law, but merely as clauses which remove all obstructions which might arise out of the provisions of any other law in the way of the operation of the principal enacting provision to which the non-obstante clause is attached.

- A non-obstante clause has two parts-the non-obstante clause and the enacting part. The purpose of enacting a non-obstante clause is that in a conflict between the two parts, the enacting part will have full sway inspite of contrary provisions contained in non-obstante clause. Therefore, the object and purpose of enacting part should be first ascertained and then the assistance of the non-obstante clause should be taken to nullify the effect of any contrary provision contained in the clause.

- By enacting the non-obstante clause in section 153A(1) [as it stood prior to amendment by Finance Act, 2021], the formalities of issuing a notice u/s 139, application of the provisions of section 147,148,149 or 151 for reopening a case for escaped assessment, taking of approval from the concerned authorities for reopening the assessment and the time limit for completion of regular assessment has been done away with. Thus, assumption of jurisdiction by the AO u/s 153A has been made easy

• Non obstante clause in section 153A(1) does not exclude the very applicability of sections 147 and 148. The non obstante clause in section 153A(1) should be understood as merely dispensing with the procedural aspect of section 147.

• Assessment under section 153A cannot be said to be infallible. If something pointing to escaped income is based on material which was not available or could not be unearthed during the search, there is no reason why such escaped income should not be subjected to reassessment. The word reassessment is not alien even under section 153A.

• To say that the assessment undertaken under section 153A can never be reopened under section 147, would be an incorrect statement of law.

3. Dept. can't keep seized jewellery for years when assessee duly produce all relevant records to prove its source: HC

Harshvardhan Chhajed v. Director General of Income-tax (Investigation)

[2021] 133 taxmann.com 478 (Rajasthan)

Section [132](#) of the Income-tax Act, 1961 - Search and seizure - General (Recording of satisfaction) - Petitioner No. 3, who was employee of petitioner Nos. 1 and 2, proprietors of two jewellery firms, was intercepted and searched at Jaipur Airport during his journey from Mumbai to Jaipur while he was carrying jewellery and diamonds by Income-tax authorities - Said jewellery was seized under section 132 - Petitioners sought release of said goods stating that said jewellery was part of their stock-in-trade - They also filed stock details, purchase details, sales details, challans issued, stock register, audit reports, income tax return, air ticket bills and certificate from Chartered Accountants, etc., to justify their claim - Whether, seizure of goods has to be made after due care and caution, and not merely on account of reasons to suspect - Held, yes - Whether when concerned person had shown documents in order to explain goods he was carrying and also explained that articles were belonging to two firms and were part of stock-in-trade, before seizure, explanation ought to be taken from concerned firms and if they were able to produce related books of account and necessary proof of articles, Income-tax authorities ought to take a decision at that stage and ought not to be allowed to seize goods for years together to await for assessment order to be passed in relation to concerned person - Held, yes - Whether as in instant case claim of goods in terms of section 132(1)(iii) had been made by petitioner Nos. 1 and 2 as jewellery seized was stock-in-trade and required material had already been placed before Income-tax Authorities, same was required to be released as seizure itself was found to be unjustified and illegal - Held, yes [Paras 22 and 23]

4. Writ maintainable in case of violation of principle of natural justice even if alternative remedy is available: HC

Praveen Kumar Pathi v. Assistant Commissioner of Income-tax, Chennai

[2022] 136 taxmann.com 382 (Madras)

Section [153C](#), read with sections [142](#) and [260A](#), of the Income-tax Act, 1961 - Search and seizure - Assessment of any other person - A notice under section 153C was issued calling upon assessee to submit return in accordance with section 140 within one day - On very next day notice under section 142(1) had been issued calling upon assessee to respond within two days - Assessee, notwithstanding short time, responded by way of a trail mail, but impugned order under section 153C had been made by saying that assessee had not responded to section 142(1) notice - Whether section 142(1) notice and response to same is so integral a part of assessment that it cannot be given a go-by and violation of same certainly qualifies as violation of principle of natural justice - Held, yes - Whether further since impugned orders proceeded with assessment saying that assessee had not responded though assessee had responded notwithstanding short time given for responding, there was violation of principle of natural justice and, therefore, impugned order was to be set aside - Held, yes [Paras 13 and 14] [In favour of assessee]

Awareness program on Insolvency Profession with special reference to Graduate Insolvency Program [GIP]
Organized by Indian Institute of Insolvency Professionals of ICAI Hosted by Hyderabad Branch of SIRC of ICAI



on June 3, 2022 Resource Person CA. Ritesh Mittal, Insolvency Profession, seen along with CA. Satish Kumar Mylavarapu, Vice Chairman, CA. Ravi Sankara Reddy P, Secretary, CA. M Chandra Babu M, Chairman SICASA & CA. Chinna Sitarami Reddy A, Managing Committee Member Hyderabad Branch

Jan Jagrukta – Creating Awareness on Financial & Tax Literacy

National Biggest Financial & Tax Literacy Drive by ICAI- Hyderabad Branch of SIRC of ICAI



On June 5, 2022 at Jalavihar Necklace Road & Tree Plantation Drive at Sanjeevaiah Park, Hyderabad
 Chief Guest Hon'ble Justice Shri Abhishek Reddy, High Court of Telangana

Guest of Honor Shri. L Sharman, IAS Hon'ble District Collector & Magistrate, Hyderabad

Seen along CA. Devaraja Reddy M, Past President, ICAI, CA. Dayaniwas Sharma, CA. Muppala Sridhar, Central Council Members, ICAI, CA. China Masthan Talakayala, Chairman, SIRC of ICAI & CA. Satish Kumar Mylavarapu, Vice Chairman, CA. Ravi Sankara Reddy P, Secretary, CA. Giridhari Lal Toshniwal, Treasurer CA. Chandra Babu M, Chairman SICASA, CA. Saran Kumar U, SICASA Co Chairman, CA. A Chinna Sitarami Reddy, CA. Rajambal M S & CA. Karumanchi Ramarao Managing Committee Members - Hyderabad Branch



On June 6, 2022 at JNGP College Ramanthapur, Hyderabad seen NCC students and CA. Rajambal M S & CA. Chinna Sitarami Reddy A, Managing Committee Members Hyderabad Branch.



On June 7, 2022 at State Bank of India, Bazarghat Branch, Hyderabad seen CA. Ravi Sankara Reddy P, Secretary, CA. Saran Kumar U, SICASA Co-Chairman, CA. Rajambal M S, CA. China Sitarami Reddy A, CA. Karumanchi Ramarao, Managing Committee Members, Hyderabad Branch.



On June 7, 2022 Tax Literacy Program for CA Students at ICAI Bhawan, Hyderabad seen CA. Saran Kumar U, SICASA Co-Chairman, CA. Rajambal M S, Managing Committee Member, Hyderabad Branch



On June 8, 2022 Tax Literacy Program at IDEAL College for Womens at Dilsukhnagar, HyderabadA seen CA. China Sitarami Reddy A, Managing Committee Member, Hyderabad Branch

on occasion of World Blood Donor Day



on June 14, 2022, Telangana State Health Minister Shri. T Harish Rao congratulated & Awarded Hyderabad Branch of SIRC of ICAI for their contribution to Donate Blood seen Branch Staff at Gandhi Hospital Hyderabad.

OUTREACH PROGRAM FOR PROPOSED SCHEME OF EDUCATION & TRAINING



on June 11, 2022 Inaugral address by Chief Guest Shri. Navin Mittal, IAS Commissioner Collegiate Education & Technical Education at Government of Telangana seen along CA. Dayaniwas Sharma, Chairman, BOS ICAI (Academic), CA. Muppala Sridhar, Vice Chairman, SSEB (BOS operations), CA. Devaraja Reddy M, Past President, ICAI, CA. Deepak Ladda, Chairman, CA. Satish Kumar Mylavarapu, Vice Chairman, CA. P Ravi Sankara Reddy, Secretary, CA. Giridhari Toshniwal, Treasurer, CA. Chandra Babu M, Chairman SICASA, CA. Saran Kumar U, SICASA Co Chairman Managing Committee Members, Past Chairman's & Senior Members of Hyderabad Branch at The Park Hotel, Somajiguda, Hyderabad.

8th INTERNATIONAL DAY OF YOGA



on June 21, 2022 Yoga Instructor CA. Ankita Soni & Ms. Harishita Malpani from Hyderabad seen along CA. Deepak Ladda, Chairman, CA. Ravi Sankara Reddy P, Secretary, CA. Giridhari Lal Toshniwal, Treasurer, CA. China Sitarami Reddy A. MC Member, CA. Mandava Suni Kumar, SIRC Member, CA. Devaraja Reddy M, Past President, ICAI, Past Committee Member & Members of Hyderabad Branch

GLIMPSES OF CPE PROGRAMMES

Valuation under Income Approach



on June 9, 2022 Resource Person: CA. Dr. Gopal Krishna Raju, Chennai seen along CA. Deepak Ladda, Chairman, CA. Ravi Sankara Reddy P, Secretary & CA. Saran Kumar U, SICASA Co Chairman.

Role of Chartered Accountants under RERA



on June 11, 2022 Resource Person: Dr. CA. Phalgun Kumar E, Tirupati, Past Chairman SIRC of ICAI, seen along CA. Deepak Ladda Chairman & CA. China Sitarami Reddy A, Managing Committee Member, Hyderabad Branch.

Recent Developments, Case Studies Practical Experience in Transfer Pricing



on June 15, 2022 Resource Persons: CA. Bhavesh Dedia & CA. Jiger Nagda from Mumbai, seen along CA. Deepak Ladda, Chairman & CA. Ravi Sankara Reddy Secretary, Hyderabad Branch.

Standards on Auditing: Relating to Finalizing Audit SA 500, SA 501 SA 505



on June 18, 2022 Resource Person: CA R S Balaji from Chennai seen along CA. Ravi Sankara Reddy P, Secretary Hyderabad Branch

Taxation of Virtual Digit Assets (VDAs)



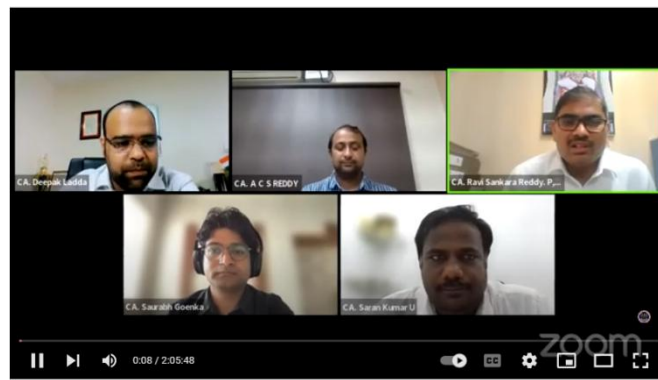
on June 23, 2022 Resource Person CA. Pankaj Sancheti, Hyderabad seen along senior Member of Hyderabad Branch

International MSME Day CAs as Business Solution Providers for MSMEs: Self Reliant India Role of SIDBI in MSME Funding & How CAs can resolve Challenges of MSME & Startups



on June 27, 2022, Resource Persons Shri. R V R Prasad DGM – SIDBI & CA. Mani Padmanabhan, Hyderabad seen along CA. Dayaniwas Sharma, Chairman, Board of Studies, ICAI, CA. Deepak Ladda, Chairman, CA. Ravi Sankara Reddy P, Secretary, CA. Chandra Babu M, Chairman, SICASA

Automation using RPA in Finance



on June 28, 2022, Resource Persons CA. Saurabh Goenka, Kolkata & CA. Saran Kumar U, Hyderabad seen along CA. Deepak Ladda, Chairman, CA. Ravi Sankara Reddy P, Secretary CA. Chinna Sitarami Reddy A, Managing Committee Member of Hyderabad Branch.

74th CA. Day Celebrations on 1st July, 2022



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