



# CASC

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# BULLETIN

## THE CHARTERED ACCOUNTANTS STUDY CIRCLE

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### MEETINGS

Date	Time	Speaker	Topic
*09.08.2018 Thursday	06.30 p.m.	CA. Muthu Abirami	Revised Tax Audit Report - Legal Issues
** 23.08.2018 Thursday	06.30 p.m.	AGM - as per Notice carried elsewhere in this Bulletin Followed By Special Talk - Eminent Faculty	

\*Preceded with High Tea Half an hour before the scheduled time of meeting.

\*\*CHANGE IN THE VENUE

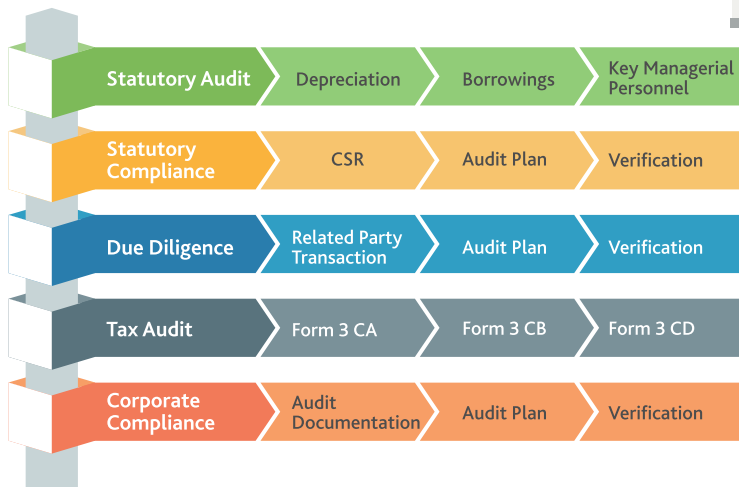
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## EDITORIAL

### Professionals - "Achhe Din" - On the way

The professionals have been on the receiving end for last few years which also saw from amendment and changes in various laws including regulatory mechanism. The last salvo which will have major impact on the practicing chartered accountant is the amendments and insertions in the reporting format namely Form 3CD. There are around 15 changes - 9 new clauses and amendments to 6 clauses - have been made, vide Notification no. 33/2018 dated 20-07-2018 has made various changes in the Form 3CD. **This revised form would come into force from 20th August, 2018 without reasoning out why the effective date is a month from the notification.** The probable reason could be that reasonable time is required for the department to update the revised format on the website. It is worthwhile to note that schema for the forms 3CA/3CB/3CD has been last updated on same date on which the revision of the form 3CD has been notified namely 20<sup>th</sup> July, 2018. The mute question to be answered is whether a professional can issue any audit report during this interim period and if yes, whether the old format can be used to do the same. The same had arisen during the earlier revision of the form in 2015 and certain assesseees had called for the report in the new format after a report in the earlier format had been issued. Few professionals did issue two reports, one in old format and one in

new format, hope taking necessary precaution and few had declined to issue the second report.

Does the changes made in the form 3CD is in line with the purpose for which the provision for tax audit was inserted in the Income Tax Act? It seems, over a period of time, this has been lost. The purpose of tax audit would be normally to assist the Assessing Officer to arrive at correct income and or to see to it that the deduction / exemption claimed are in line with the provisions of Income Tax Act, in particular only to relating to the head "Profits and Gains from Business". However, many questions asked are neither related to the computation of income nor deductions as referred to the sections 28 to 44. For example, the new clause added - clause 44, calling for information relating to breakup of total expenditure in respect of GST registered and unregistered entities with further info

- i. Total amount of Expenditure incurred during the year.
- ii. Expenditure in respect of entities registered under GST:
  - a. Relating to goods or services exempt from GST.
  - b. Relating to entities falling under composition scheme.
  - c. Relating to other registered entities.

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d. Total payment to registered entities.

iii. Expenditure relating to entities not registered under GST.

Is this relevant for computing the income or claiming deduction? Is it fair on the part of the Department to call for this information after the financial year is over without alerting the assessee? It would be certainly difficult for the small assessee to cull out this information and equally difficult for the professional to verify and certify the same. Preparing the revised form will be herculean task and the scope of work will increase manifold, as now there are around 50 Clauses to be answered and more than 100 Questions. This could lead to a situation where the assessee may insist on the professional to complete the audit and issue the report before 20<sup>th</sup> August, 2018, whereby many of the questions now asked need not be answered.

It would be worthwhile for CBDT to state that this new form will be applicable from 1<sup>st</sup> April, 2019 as certain assessee would have already uploaded the Tax Audit report or would be doing it before 20<sup>th</sup> August, 2018. It would also help the assessee to prepare themselves to cull out

the information and the CBDT to prepare their software to analyse or do the data mining with the information provided by the Auditor / Assessee. Let us all await for “Achhe Din” which does not force anyone to knock the doors of the court for justice and equal treatment.

### Appeal

The Annual General Body Meeting of CASC is scheduled to be held on 23<sup>rd</sup> August, 2018, the details of which is carried in elsewhere in this Bulletin. Members are requested to attend the same.

Members are requested to attend the programs conducted by CASC and are also requested to send their suggestions and / or value additions to the services provided by CASC including this Bulletin. The same can be sent by hard copy to the office of the CASC or emailed to [admin@casconline.org](mailto:admin@casconline.org) or any of the Members on the Management Committee.

For and on behalf of Editorial Board

CA. Uttamchand Jain

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By **CA. Dungar Chand U**

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### ANNOUNCEMENTS

1. The copies of the material used by the speakers for the regular meetings held twice in a month is available on the website and is freely downloadable.
2. Earlier issues of the bulletin are also available on the website in the "News" column.

The soft copy of this bulletin will be hosted on the website shortly.

### READER'S ATTENTION

You may please send your Feedback Contributions / Queries on Direct Taxes, Indirect Taxes, Company Law, FEMA, Accounting and Auditing Standards, Allied Laws or any other subject of professional interest to [admin@casconline.org](mailto:admin@casconline.org)

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## RECENT JUDGMENTS IN VAT CST GST

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**Natural Justice:** After the receipt of the reply of the dealer for the revision notice the dealers filed subsequently, sent another representation which appears to be an interim reply to the revision. In the reply, the petitioner specifically sought an opportunity of personal hearing to be granted to them to explain the nature of transaction. Petitioner submitted another letter, which was also received by the respondent by affixing his signature and date wherein the petitioner explained the nature of transaction and undertook to produce credit/ledger extract, purchase bills and other records any time when called upon. Unfortunately, while completing the assessment, the respondent did not refer to the petitioner's representation nor the first representation for deferring the proposal in the notice. That apart, this Court finds that the impugned assessment has been completed for the reason that the petitioner has not substantiated their plea with documentary evidence. When the petitioner has specifically sought for an opportunity of personal hearing and when the respondent proposes to revise the turnover under Section 22(4) of the State



**CA. V.V. SAMPATHKUMAR**

Enactment, an opportunity of personal hearing ought to have been provided to the petitioner. Therefore, this Court does not approve the manner, in which, the impugned assessment has been completed. Considering the fact that certain reasons have been assigned in the impugned order stating that the dealer did not substantiate their plea by filing documentary evidence, this Court is of the view that impugned assessment proceedings should be treated as a show cause notice, so that the petitioner can file a comprehensive reply covering all the points and produce necessary documents before the Assessing Officer for redoing the assessment. **M/s.Otto Clothing Private Ltd., Vs The AC (CT), Nandanam Assessment Circle. [2018] (Mad) W P No.1849 of 2018 Dated : 30.1.2018.**

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**Opportunity** : The Court held that the AO should not be solely guided by the report of the inspecting officials while passing the assessment orders vide the decision of the Hon'ble Division Bench of this Court in the case of Madras Granites Pvt. Ltd. Vs. CTO, Arisipalayam Circle, Salem [reported in (2006) 146 STC 642]. It is further submitted that without there being a specific finding regarding mens rea, no penalty should have been levied under Section 27(3) of the TNVAT Act, 2006. The petitioners, having failed to respond to the revision notices, cannot now approach this Court and complain that there has been a violation of the principles of natural justice. The case on hand is one where the petitioners failed to utilize the opportunity granted to them nor filed their objections. This would be a sufficient ground to dismiss the writ petitions. However, considering the fact that though the respective AO. passed the orders on 30.8.2016 and 30.10.2017, the assessment still continues to remain in paper and no recovery can be made and this Court is inclined to grant one more opportunity to the petitioners to go before the respective AO to submit their objections, however, subject to a condition that the petitioner to pay 15% of the disputed tax within three weeks from the

date of receipt of a copy of this order. If the petitioners comply with the said condition, they will be entitled to treat the impugned orders as show cause notices and submit their objections within a period of seven days therefrom. On receipt of the objections, the respective respondent shall afford an opportunity of personal hearing to the petitioners and redo the assessment in accordance with law. It is needless to add that the benefit of this order will not enure to the petitioners, if the petitioners fail to comply with the condition of payment of 15% of the disputed tax within the time stipulated. **M/s. Thavamani Traders Vs CTO, Vellore (Rural) Circle, Vellore W. P. Nos.1860 of 2018 Dated: 30.1.2018[2018] (Mad)**

**Opportunity:** The respondent issued a show cause notice alleging that in the Annexure II the sales turnover have not been reported in respect of which the petitioner availed input tax credit (ITC) and the respondent proposed to reverse the ITC u/s 19(2) read with Section 17 of the TNVAT Act. The petitioner submitted their objections pointing out the factual and legal position and also undertook to produce the original invoice to prove the allowable claim of ITC. It was further

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pointed out in the objections filed by the petitioner that three entries in the show cause notice namely Sl.Nos.61, 62 and 63, were double entries and requested the respondent to amend the notice. On receipt of the objections, the respondent issued another notice titled as 'notice for personal hearing'. However, this Court finds that it is not only a notice for personal hearing, but also there is one more allegation in the notice stating that the petitioner's place of business comprising of 164 sq.ft., will not have sufficient space for storing huge purchase of yarn and the petitioner was called upon to explain as to how the goods were sold in transit and the petitioner was required to produce consignment-wise purchase and corresponding sales and other details. The petitioner did not respond to this notice nor availed the opportunity to appear before the AO. Hence, the respondent completed the assessment. The Court observed that when the two allegations have not been specifically mentioned in the earlier notices, the respondent could not have completed the assessment based on the same without liberty to the petitioner. Though the petitioner failed to avail the opportunity given in the notice nevertheless, when the respondent seeks

to take a decision on the materials, which were not disclosed in the earlier notices, the respondent should have issued a fresh notice, given an opportunity to the petitioner and then proceeded to decide the matter. This Court is of the view that the assessment requires to be redone after affording adequate opportunity to the petitioner to establish the genuineness of the transaction. **Tvl.Laksha Textiles, Vs The AC (ST), Tirupur North Circle, Tirupur.[2018] (Mad) W P No.2160 of 2018 Dated : 01.2.2018**

**Mismatch:** The revision notice itself is based on the details culled out from the departmental website. While revising the assessment based on the details obtained from the departmental website, since there was no guiding principles to the Assessing Officer as to how he should go about for such revision of assessment, this court evolved certain principles in the case of JKM Graphics Solutions Private Limited Vs. CTO, Vepery Assessment Circle, reported in 99 VST 343. Therefore, what is essentially required to be done is the conduct of an enquiry which requires production of necessary documents and if the dealer disputes the transaction as recorded /not-recorded by the other end dealer, then an enquiry is required to be



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done with the other end dealer by atleast obtaining information from the assessing officer of the other end dealer. Thus, considering the peculiar facts and circumstances of the case, this Court is inclined to give one more opportunity to the petitioner to appear in person before the respondent and to produce all the documents and if any other documents or details are required from the petitioner, they can be called for by the respondent, after affording adequate opportunity of personal hearing to the petitioner and the petitioner shall submit its further objection and thereafter, the respondent shall complete the assessment in accordance with law. **M/s. K.R.S.Maligai Vs. The DCTO (Main) Nagapattinam Main Assessment Circle. [2018](Mad) W.P. No.229 of 2018 DATED: 17.01.2018**

**Registration Cancellation:** The file relating to registration does not show that the cancellation of the registration was on account of non-filing of the returns. The Court observes that, in fact, such a stand could not have been taken as there is an electronic acknowledgment produced by the petitioner to prove that he has filed the return through on-line on 02.05.2016. Hence, the cancellation of the registration appears to be solely based upon report of

the DCTO, which in fact is a report submitted by another officer of the Department. In any event, before cancellation of the registration, procedure required to be complied with under sub-sections (14) and (15) of Section 39 of the TNVAT Act has to be mandatorily complied with. This having not been done, cancellation of the petitioner's Registration is held to be not sustainable in law and the Court directed the respondent to restore the petitioner's registration under the provisions of the TANVAT Act within a period of two weeks from the date of receipt of a copy of this order. **M/s.N.G.Brothers Vs. The AC Egmore Assessment Circle [2018] (Mad) W.P.Nos.253 and 279 of 2018 DATED: 19.01.2018**

**Classification, Coal Ash :** Writ Petition is for the prayer, for issuance of Writ of Certiorari, calling for the records on the files of the second respondent in A.P.No.235/2007 dated 09.04.2008 and quash the same in so far as the confirmation of levy of tax at 12% on the sales turnover of coal ash instead of levying tax at the rate of 4% is concerned. The First Appellate Authority followed the decision of the Hon'ble High Court of Madhya Pradesh, in the case of Binod

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Mills Co. Ltd., Ujjain Vs. Commissioner of Sales Tax, Madhya Pradesh, reported in [(1972) 29 STC 413 (M.P.)] and sustained the levy of tax at the rate of 12% on the sales turnover of coal ash. The petitioner placed reliance on the decision of the Hon'ble Full Bench of the High Court of Madhya Pradesh (three Hon'ble Judges) in the case of Hukumchand Mills Ltd. Vs. Commissioner of Sales Tax, M.P) reported in[(1988) 71 STC 101 (M.P.)], which has reversed the decision in the case of Binod Mills Co.Ltd. (supra). The said decision of the Full Bench was referred to the Larger Bench, consisting of five Hon'ble Judges, in the case of Additional Commissioner of Sales Tax, Indore and others Vs. S.Kumar Ltd., (M.P.) reported in [(2009) 19 VST 573 (M.P.)] wherein, it has been held that Coal ash called cinderin commercial parlance is smaller pieces of coal coming out of the boiler on account of having become less combustible and unfit for use in the boiler but retaining all properties of coal. It is used as coal in other commercial activities and cannot be denuded of its original properties and classified as an article different from the parent article. Therefore, coal ash/cinderis covered by the term coal and not exigible to tax at higher rate. In the light of the decision of the Larger Bench of the

Madhya Pradesh High Court, Indore Bench, in the case of Additional Commissioner of Sales Tax, Indore and others Vs. S.Kumar Ltd., (M.P.) (supra), the impugned order requires to be set aside and the matter should be remanded to the second respondent for fresh consideration. **Sree Rengaraj Ispat (P) Ltd.,Vs.1.The CTO, Perundurai Assessment Circle 2. The AAC(CT), Erode. [2018](Mad) WP No.28309 of 2008 Dated : 19.01.2018**

**Declaration Forms:** When no stay has been granted pending appeal, that the petitioner is in arrears of tax and penalty and that therefore, the first respondent withheld the issue of 'C' and 'F' declarations forms from the Departmental website. The Court held that the basis, on which, the impugned order has been passed is completely flawed for the reason that the Appellate Authority only dismissed the stay petition and that the appeal is still pending. Therefore, by virtue of the dismissal of the stay petition by the Appellate Authority pending appeal, the first respondent cannot treat the petitioner to be in arrears and deny on- line generation of 'C' and 'F' declaration forms.Stating so the writ petition is allowed by the Court and the

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impugned order dated 14.3.2017 is set aside and the petitioner shall be permitted to generate on-line Form 'C' and 'F' declarations. The first respondent is at liberty to proceed with the matter before the Appellate Authority, before whom, the appeal is pending. The above direction permitting the petitioner to generate on-line 'C' and 'F' declarations forms shall be complied with by the first respondent within a period of two weeks from the date of receipt of a copy of this order. **M/s.Sri Lakshmi Saw Mill, Vs. 1.The ADCTO, IAC, Puducherry.2.The AAC (CT), Puducherry [2018] (Mad) WP No.34043 of 2017 Dated : 03.1.2018**

**Reopening of assessment:** After the original assessment order was received by the petitioner on 26.09.2011, the petitioner filed an Application u/s 55 of the TNGST Act, to re-open the assessment, and along with the said Application, the petitioner enclosed Form A1 Abstract, Form A9 Abstract, Form XVII, Green card and Form H. The respondent entertained the Application under Section 55 of the TNGST Act, and while re-opening the assessment, granted the benefit to the petitioner, insofar as the Form XVII is

concerned, but, declined to accept the claim made by the petitioner for sales made to 100% E.O.U. and the resale turnover. The question would be as to whether the respondent is denuded of his power to examine those two issues, after re-opening the assessment under Section 55 of the TNGST Act. This question came up for consideration before this Court, in the case of M/s. Aachi Masala Foods Ltd., Vs. The Assistant Commissioner (CT), in W.P.No.2413 of 2017 dated 01.02.2017. In the said case, the Assessing Officer took a stand that, by following the circular, dated 28.02.2001, the Assessing Officer can consider only Form XVII declaration and nothing more. This contention was repelled in the said order, and it was held that, once the issue is re-opened or one ground or other, the Assessing Officer would have power to consider the said documents, which have already been filed by the dealer. **M/s.Samas Engineering Corporation, Vs. The AC (CT), Nandanam Assessment Circle [2018] (Mad) WP No.4885 of 2012 Dated: 30.01.2018**

*(The author is a Chennai based Chartered Accountant. He can be reached at vvsampat@yahoo.com)*

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## ADVANCE RULINGS - GST

### 1. GST - ADVANCE RULING - POWER SOLUTION DEVISE - SUPPLY OF UPS TOGETHER WITH THE BATTERIES - MIXED SUPPLY



**CA. VIJAY ANAND**

In RE: Switching Avo Electro Power Ltd. 2018 (13) GSTL 84 (A.A.R.-GST), the applicant is a supplier of power solutions, including UPS, servo stabiliser, batteries etc. wants a ruling on the classification of the supply when it supplies UPS along with the battery and specifically wants a ruling on whether such supplies can be treated as composite supply. The authority observed as under:

- a. Batteries are classified under Tariff Heads 8506 and 8507 of the First Schedule of the Tariff Act. The basic difference between the two Tariff Heads is the ability of accumulators to be recharged, whereas primary cell batteries cannot be recharged. An accumulator is an energy storage device, which accepts energy, stores it and releases it when needed. Rechargeable batteries, flywheel energy storage, capacitors etc. are examples of accumulators.
- b. In common usage in an electrical context, an accumulator usually refers to a lead-acid battery. Here, the battery is being supplied along with UPS will refer to these accumulators.
- c. A UPS is classified under Tariff Head 8504. It is an electrical apparatus that provides emergency power to a load when the input power source or mains power fails. A UPS differs from an auxiliary or emergency power system or standby generator in that it provides immediate protection from input power interruptions by supplying energy stored in batteries, supercapacitors or flywheels. The on-battery runtime of most UPS is relatively short but sufficient to start a standby power source or properly shut down the protected equipment. A UPS is typically used to protect hardware such as computers, data centres, telecommunication equipment or other electrical equipment where an unexpected power disruption could cause injuries or data loss.

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- d. UPS serves no purpose if the battery is not supplied or removed. It cannot function as a UPS unless the battery is attached. However, what needs to be considered is whether or not these two items are “naturally bundled”. The stated Illustration to Section 2(30) of the GST Act refers to a supply where the ancillary supplies are inseparable from the principal supply and form an integral part of the composite supply. Note 3 to Section XVI of the Customs Tariff Act, 1975 refers to a composite machine as the one consisting of two or more machines fitted together to form a whole.
- e. When a UPS is supplied with built-in batteries so that supply of the battery is inseparable from supply of the UPS, it should be treated as a composite supply and the UPS is the principal supply for which the relevant tariff head will be 8504 under serial no. 375 of Schedule III in terms of Notification No. 01/2017-Central Tax (Rate) dated 28/06/2017.
- f. The applicant himself admits that he supplies the battery and UPS as separate machines as well as UPS with battery. It is, therefore, obvious that the UPS and the battery have separate commercial values as goods and should be taxed under the respective tariff heads when supplied separately.
- g. The question, however, is what should be the tariff head when the UPS and the battery are supplied as separate goods, but a single price is charged for the combination of the goods supplied as a single contract. The UPS and the battery, being supplied as separate goods, no longer form an integral part of a composite machine, but it remains to be discussed whether or not under these circumstances they may be considered as “naturally bundled”.
- h. The applicant’s submissions that battery, being supplied as part of an integral contract, remains naturally bundled with UPS -the principal supply is fallacious as goods are to be treated as naturally bundled in a supply contract if the contract is indivisible as in the case of a works contract wherein steel, cement and other goods and services supplied are inseparable in a contract for civil construction when the recipient has not contracted for the supply of steel, cement or architectural service, but for the service of constructing the civil structure, where all these supplies are inseparable and, therefore, naturally bundled.

- 
- i. The contract for the supply of a combination of UPS and battery, if not built as a composite machine, is not indivisible. The recipient can split it up into separate supply contracts if he chooses. The goods supplied in terms of such contracts are, therefore, no longer naturally bundled and cannot be treated as a composite supply.
  - j. If a combination of goods that does not amount to a composite supply is being offered at a single price, such supplies are to be treated as mixed supplies as the package consists of items that are packaged together when the same can be supplied separately and are not dependent on each other.

Hence, authority ruled that the supply of UPS and Battery is to be considered as mixed supply within the meaning of Section 2(74) of the GST Act, as they are supplied under a single contract at a combined single price.

## **2. GST - ADVANCE RULING - CONVERSION OF COAL SUPPLIED INTO ELECTRICAL ENERGY AND PAYMENT OF JOB WORK CHARGES TO RECEIVE ELECTRICITY - NOT A JOB WORK**

In RE: JSW Energy Limited, 2018 (13) GSTL 92 (A.A.R.-GST.) an application was filed seeking an advance ruling in

respect of the applicability of GST on:  
1. Supply of coal or any other inputs on a job work basis by JSW Steel Limited (JSL) to the applicant (JEL) 2. Supply of power by JEL to JSL and 3. Job work charges payable to JEL by JSL.

The authority observed as under:

- a. The factual matrix is as under:-
  - i. JSL and JSW are related persons on account of direct or indirect control over each other.
  - ii. JEL is engaged in the business of generation of power and the power plant is divided into four units.
  - iii. JSL is engaged in the manufacture and supply of steel. JSL requires power on a continuous and dedicated basis, For manufacturing steel at its steel plant, JSL and JEL proposed to enter into a Job Work Agreement pertaining to Unit III and Unit IV of the power plant which are in the nature of a captive power plant.
  - iv. JSL would supply coal or any other inputs to JEL on a free-of-cost basis on receipt of which JEL would undertake certain processes to convert the said inputs into power and the title to the coal or any other inputs along with the power generated from the said inputs will vest with JSL.

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- v. In doing the above, JSL imports coal from suppliers located outside India.
- vi. Power generated from the aforesaid activities shall be supplied back to the Principal.
- vii. JEL would recover charges from JSL in accordance with the Job Work Agreement. Each invoice shall contain details of the inputs supplied to JEL and power supplied to JSL and the charges for services rendered during the preceding month, applicable taxes and the date of payment for the said consideration.
- b. In the above circumstance, the application is sought to give ruling on the applicability of tax on the following:-
- i. Supply of coal or any other inputs on a job work basis by JSL to JEL.
- ii. Supply of power by JEL to JSL
- iii. Job work charges payable to JEL by JSL
- c. W.r.t. the first issue, the same cannot be entertained by the Advance Ruling Authority in view of the supply being by JSL and not by JEL.
- d. W.r.t. the second issue, there is a supply of power by JEL to JSL. JEL has stated that JSL and JEL are related persons.
- e. The inputs provided by JSL to JEL are coal or any other inputs and after processing these, the output is electricity which is supplied to JSL. Hence, the goods sent for job work are coal and after the process of 'job work' by JEL, the new product 'electricity' comes into existence. It is very apparent that the goods which are received after job work are in no way identifiable with the goods which were sent for job work. Electricity is a totally new commodity which will be delivered to JSL.
- f. As per section 2(68) of the CGST Act, job work means any treatment or process undertaken by a person on goods belonging to another registered person. Treatment or process would mean some processes on the goods but would definitely not mean a complete transformation of the input goods into a new commodity, relying on the decision in Manganese Ore India Ltd. v. State of M.P., [2017] 1SCC 81.



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- g. The activity undertaken by the applicant to convert the coal into electricity would not be covered by the words 'treatment or process' as found in the definition of 'job work' as the intent of the legislation is not to cover such treatment or process as would result into a distinct commodity. The activity is in facta manufacture of electricity when 'manufacture' has been defined in section 2(72) of the CGST Act which covers the emergence of a new product from the processing of the inputs.
- h. In the instant case the end product i.e., "electricity" has a distinct name, character and use than the inputs i.e., "coal". Thus, when the Legislature has provided for the definition of 'job work' as well as 'manufacture', the meaning as understood by the definition of 'manufacture' cannot be read into the words 'treatment or process' as found in the definition of 'job work'. 'Treatment', 'Process' and 'Manufacture' are three different activities recognized by the Legislature. The intent of the legislature is to restrict the scope of 'job work' to 'treatment' or 'process' and not to extend the same to 'manufacture'.
- i. Hence, the activity undertaken by JEL amounts to manufacture of electricity from the coal as supplied by JSL and is squarely covered in the definition of 'manufacture' under the GST Act and cannot be covered under job work.
- j. Para 2 of the Schedule I of the GST Act covers supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business under the ambit of supply.
- k. Sub-clause (v) of clause (a) of the Explanation to Section 15 covers persons having direct or indirect control over each other under the ambit of related persons.
- l. Arising out of the above, the supply of goods or services or both between JSL and JEL would be treated as supply even if made without consideration. Therefore, the supply of power by JEL to JSL would be a transaction of 'supply'. And GST would be applicable on this supply.
- m. W.r.t. the third question, the same does not survive as the transaction between JEL and JSL is a transaction of supply of goods and not a 'job work'.

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Hence, the authority ruled as under :

- a. The question of supply by JSL to JEL is not entertained as the applicant is not the supplier.
- b. GST is applicable on the supply of power by JEL to JSL.
- c. Applicability of GST on job work charges payable to JEL by JSL does not survive as the transaction is a transaction of supply of goods.

3. **GST - ADVANCE RULING - HOTEL ACCOMMODATION AND RESTAURANT SERVICES RENDERED TO EMPLOYEES OF SEZ WITHIN HOTEL PREMISES OUTSIDE SEZ- NOT TO BE TREATED AS INTER STATE SUPPLY**

In RE: Gogte Infrastructure Development Corporation Limited, 2018 (13) GSTL114(A.A.R.-GST.), the applicant is engaged in hotel business and provides hotel accommodation & restaurant services. In some cases, the services are provided to the employees & guests of some of the units in an SEZ, for which they are charging SGST & CGST at the applicable rates. The applicant's contention is that their

services are being supplied/rendered to SEZ units only and hence rate of GST is NIL as per provisions of Section 16(1)(b) of IGST Act, 2017, consequent to which they have filed an application seeking answer as to whether the hotel accommodation & restaurant services provided by them, within the premises of the Hotel, to the employees & guests of SEZ units, be treated as supply of goods & services to SEZ units in Karnataka or not. The authority observed as under:-

- a. Supply of goods or services or both to an SEZ developer or unit is treated as 'Zero Rated Supply' in terms of Section 16(1)(b) of IGST Act, 2017. Further Rule 46 of CGST Rules, 2017 stipulates that the invoice shall carry an endorsement "Supply meant for export/Supply to SEZ unit or SEZ Developer for authorised operations on payment of Integrated Tax" or "Supply meant for Export/Supply to SEZ unit or SEZ Developer for authorised operations under Bond or Letter of Undertaking without payment of Integrated Tax" as the case may be.
- b. Therefore on reading Section 16(1)(b) of IGST Act, 2017 & Rule 46 of CGST Rules, 2017, together it is clearly

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evident that the supplies of goods or services both towards the authorised operations only shall be treated as supplies to SEZ Developer/ SEZ Unit.

- c. The place of supply of the services by way of lodging accommodation by a hotel, shall be the location at which the immovable property (hotel) is located or intended to be located, as per Section 12(3)(b) of the Integrated Goods and Services Tax Act, 2017. Also the place of supply of restaurant and catering services shall be the location where the services are actually performed, as per Section 12(4) of the Integrated Goods and Services Tax Act, 2017. In the instant case, admittedly, the applicant is located outside the SEZ. Therefore the services rendered by the applicant are neither the part of authorized operations nor consumed inside the SEZ.
- d. In view of the fact that the place of provision of services in case of Hotel has been prescribed under the Act 'location of the Hotel' the rendition of services of restaurant, short term accommodation and Banqueting/ conferencing cannot be said to have been 'imported or procured' into SEZ Unit/ Developer.

Hence, the authority ruled that the hotel accommodation & restaurant services being provided by the applicant, within the premises of the hotel, to the employees & guests of SEZ units, cannot be treated as supply of goods & services to SEZ units in Karnataka & hence are taxable as an intrastate supply.

**4. SERVICE TAX - SECOND APPEAL BEFORE TRIBUNAL - PRE-DEPOSIT OF 10% INCLUDES 7.5% DEPOSITED DURING THE FIRST APPEAL**

In RE: Santani Sales Organisation vs CESTAT, New Delhi, 2018 (13) GSTL 144(Del.), a writ petition was filed challenging the decision of the larger bench of the Tribunal in Re: Quantum of Mandatory Deposit, 2017(349) ELT 477 (Tri-LB) which held that additional pre-deposit of 10% of the duty & penalty is to be made while filing a second appeal before the Tribunal. The high court observed as under:-

- a. As per clause (a) to Section 35B (1) of the Central Excise Act, 1944 (CEA), any person aggrieved by an order or decision of the Principal Commissioner of Central Excise or Commissioner of Central Excise as the adjudicating authority, can file an

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appeal before the Tribunal. In terms of clause (ii) of Section 35F, the appellant, while filing an appeal against order referred to in clause (a) of sub-section (1) of Section 35B, is required to deposit 7.5% of the duty, or duty and penalty, or penalty, which is in dispute.

- b. As per clause (b) to sub-section (1) of Section 35B, an assessee can also file an appeal before the Tribunal against an order passed by the Commissioner (Appeals), which is the first appellate authority in some cases.
- c. As per clause (iii) of Section 35F, where an appeal is preferred against an order referred to in clause (b) to sub-section (1) of Section 35B, the appellant has to deposit 10% of the duty, or duty and penalty, or penalty, which is in dispute in pursuance of the decision and order appealed against.
- d. The distinction between clause (ii) and clause (iii) of Section 35F is predicated on whether an appeal has been preferred against the order-in-original or against the order passed by the first appellate authority, i.e., Commissioner (Appeals). In the former case, 7.5% of the duty and penalty which is in dispute is to be

pre-deposited. In the latter case, 10% of the duty and penalty in dispute has to be pre-deposited. Thus, Section 35F draws distinction on the quantum of pre-deposit depending on whether the appeal is the first or the second appeal. In case decision of the first appellate authority is challenged before the Tribunal, the pre-deposit is to be at the higher figure of 10%, as opposed to a pre-deposit of 7.5%, which is required to be made when the order-in-original is challenged in the first appeal before the Tribunal.

- e. As per clause (i) of Section 35F, the appellant-assessee is required to deposit 7.5% of the duty and penalty in dispute pursuant to the order passed by an officer below the rank of Principal Commissioner or Commissioner of Central Excise.
- f. It is clear from the aforesaid provisions that a graded scale of pre-deposit has been provided. In case of first appeal, whether before the Tribunal or before the Commissioner (Appeals), 7.5% of the duty and penalty in dispute must be deposited. In case of second appeal before the Tribunal, the amount gets enhanced from 7.5% to 10%.

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- g. An appeal, whether first or second, is continuation of original proceedings. Further, appeal being a substantive right created by the statute can be circumscribed by the conditions imposed by the Legislature, including condition of pre-deposit. However, the condition of pre-deposit should not be so onerous and harsh so as to amount to an unreasonable restriction, thereby rendering and making the right of appeal illusory and delusive, relying on the decisions in Seth Nand Lal And Another Vs. State of Haryana And Others AIR 1980 SC 2097 and Mardia Chemicals Ltd. And Others Vs. Union of India And Others (2004) 4 SC 311]. What would be harsh, onerous and disproportionate depends on the facts and circumstances of each case and what is stipulated and mandated by the statute.
- h. The language of Section 35F of the C.E. Act is unchallenging and meaning of words and conditions placed is plain and lucid which requires to pre-deposit 7.5% of the duty and penalty in dispute; and in case of the second appeal pre-deposit of 10% of the duty and penalty in dispute is mandated. We say so because of syntactic and adverbial clarity which is apparent. The intent as cogently reflected in simple words is that the assessee on second appeal should pre-deposit 10% of the total tax and penalty subject matter of the appeal. It is not to ignore the pre-deposit of 7.5% already made to file first appeal.
- i. The Tribunal records that the success rate of departmental cases before the Tribunal as poor & that the amount would be refunded with applicable interest to justify the imposition of a higher pre-deposit of 10% (without including the earlier one made before the first appellate authority). These two grounds would not help in interpreting Section 35F of the C.E. Act.
- j. Paragraph 3 of Circular No.984/08/2014-CX dated 16th September, 2014 stipulates that the pre-deposit would include deposits or payments made prior to the passing of the order-in-original and that deposits made during the pendency of the proceedings, or even after the order-in-original is passed, have to be taken into consideration for determining and deciding whether condition of pre-deposit of 7.5% or 10% has been satisfied. In other words, the earlier

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deposits do not get obliterated and are not to be treated as inconsequential.

Hence, the writ petition was allowed and the impugned order of the larger bench of the Tribunal was set aside with a direction that the additional 10% pre-deposit to be made while filing the second appeal before the Tribunal would not be in addition to and over and above 7.5% of pre deposit made for the first appeal.

**5. GST - ADVANCE RULING- OUT DOOR CATERING - RATE OF TAX 18%**

In Re: Rashmi Hospitality Services Pvt. Ltd. 2018 (13) GSTL 211 (AAR.-GST), the applicant is an industrial canteen contractor providing catering services to manufacturing industries which is statutory canteen maintained under law and their service recipient has asked to charge GST @ 5% on service based on clarification delivered by Tax Research Unit, Department of Revenue vide Circular issued from F.No. 354/03/2018. Hence, an application for advance ruling was file, consequent to which the authority observed as under:-

a. As per the agreement entered into between the applicant and the client, the applicant is required to perform the

activity of running of canteen and its total affairs, including supply of Snacks, Tea, Lunch and Dinner to the employees/workers of the company and the company would pay the applicant as per System/Manual Record availing Canteen meal. It is also agreed that the company would pay agreed rate per card punch for using the 'Normal Meal', per card punch for 'Special Meal', and would pay in cash per piece for snacks and per cup of Tea. It is also agreed that VAT & Service Tax would be paid extra, as applicable. It has also been stipulated that the menu would be decided by the canteen committee from time to time, which will consist of 'limited' and 'unlimited' items as stipulated in the agreement.

b. It needs to be examined as to whether the activity undertaken by the applicant is in the nature of supply of service provided by a restaurant eating joint including mess, canteen and covered by serial No. 7 (i) of the Notification No.11/2017-Central Tax (Rate) or it is in the nature of supply of service as a part of outdoor catering and covered by serial 7(v) of the Notification No. 11/2017-Central Tax (Rate).

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- c. A perusal of the copy of the agreement submitted by the applicant indicates that the service recipient has engaged the applicant for running of the canteen for their workers/employees. The rates for the meal, snacks, tea have been fixed and payable by the recipient the menu is required to be decided by the canteen committee of the recipient it is therefore evident that the applicant, who is caterer, is providing service from other than his own premises to the recipient, therefore, the nature of service provided by the applicant is that of outdoor catering service.
- d. Even though the meals, snacks, teas are provided to and consumed by the workers/employees of the recipient, the applicant is providing service to the recipient and not to the workers/employees of the recipient. From the nature of service provided by the applicant, as is evident from the copy of agreement, it is clear that it is not in the nature of service provided by a restaurant, eating joint including mess, canteen.
- e. Arising out of the above, the clarification issued vide Circular No. 28/02/2018-GST, dated 08.1.2018 is not applicable.
- f. The expression 'outdoor catering' has not been defined under the CGST Act, 2017/GGST Act, 2017 or the notifications issued thereunder. Nevertheless, the observations made in the aforesaid judgment of the Hon'ble High Court are relevant for deciding the present issue. In the said judgment, the Hon'ble High Court has observed that the taxable catering service cannot be confused with who has actually consumed the food, edibles and beverages which are supplied by the assessee. It is also held that the taxability or the charge of tax does not depend on whether and to what extent the person engaging the service consumes the edibles and beverages supplied, wholly or in part.
- g. In the present case, the service of catering is provided by the applicant to the recipient and the fact that the meal, snacks, tea etc. are consumed by the workers/employees of the recipient would not alter the nature of service provided by the applicant.

Hence, the authority ruled that the supply of services by the applicant is covered under S.No. 7(v) of Notification No. 11/2017-Central Tax (Rate), dated 28.06.2017, as amended attracting Goods and Services Tax @ 18% (CGST 9% + SGST 9%).

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**6. GST - ADVANCE RULING - WORKS CONTRACT -CONTRACT FOR SUPPLY OF TOWER PACKAGES SPLIT INTO TWO SETS, ONE FOR SUPPLY OF MATERIALS AT EX-FACTORY PRICE AND ALLIED SERVICES - SINGLE SOURCE RESPONSIBILITY CONTRACT COMPOSITE SUPPLY - TAX PAYABLE AT 18%**

In RE: EMC Ltd. 2018(13) GSTL217 (AAR.-GST), the applicant is a supplier of materials and allied services for erection of towers, testing and commissioning of transmission lines and setting up sub- stations collectively called the Tower Package& has been awarded a contract from M/s.Power Grid Corporation of India (contractee) for the supply of Tower Packages split up into two separate sets of contracts – one for supply of materials at ex-factory price (hereinafter the FirstContract),and the otherfor supply of allied services like survey and erection of towers, testing and commissioning of transmission lines etc (Second Contract), which also includes inland/local transportation, in-transit insurance, loading/unloading for delivery of materials and storage of them at the contractee’s site.

The contractee agrees to reimburse the actual GST payable, except on the price component for inland/local transportation, in-transit insurance and loading/unloading. The applicant raises separate freight bills on the contractee as per the rate schedule annexed to the Second Contract. The Applicant wants a ruling on whether he is liable to pay tax on such freight bills for which the authority observed as under:-

- a. The Applicant is not a goods transport agency (hereinafter the GTA) nor engaged in insurance business but will arrange such services and pay the GST as applicable on the consideration paid to the suppliers of such services. The applicant wanted to claim exemption on services to the contractee for inland / local transportation under Notification No.9/2017-IT(Rate) dated 28/06/2017 on transportation service provided by an entity other than GTA.
- b. The first contract includes ex-works supply of all equipment and materials. The scope of the work includes testing and supply of transmission line towers, spares and accessories thereof, and all other materials required for successful commissioning of the transmission line.



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- c. The second contract includes the following:-
- all other activities required to be performed for complete execution of the tower package which also includes transportation, in-transit insurance, loading/unloading and delivery of the goods to the contractee's site; detailed survey including route alignment, profiling etc.
  - classification of foundations for the towers and casing of foundations are based on the drawing supplied by the contractee;
  - erection of the towers;
  - dismantling of the existing 400kv transmission line;
  - stringing of power line crossing section under live line condition; painting of the towers; testing and commissioning of the transmission lines etc.
- d. It is apparent that the first contract cannot be executed independent of the second contract & that there cannot be any 'supply of goods' without a place of supply since the goods to be supplied under the first contract involve movement and/or installation at the site, the place of supply shall be the location of the goods at the time when movement of the goods terminates for delivery to the recipient, or moved to the site for assembly or installation.
- e. the first contract does not include the provision and cost of such transportation & delivery and, hence, does not amount to a contract for 'supply of goods' unless tied up with the second contract. In other words, the first contract has "no leg" unless supported by the second contract & is no contract at all unless tied up with the second contract.
- f. The contractee is aware of such interdependence of the two contracts although awarded under two separate contract agreements, clauses under both of them make it abundantly clear that notwithstanding the break-up of the contract price, the contract shall, at all times, be construed as a single source responsibility contract and the Applicant shall remain responsible to ensure execution of both the contracts to achieve successful completion and taking over of the facilities.
- g. any breach in any part of the first contract shall be treated as a breach of the second contract, and vice versa and

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any such default or breach or occurrence giving the contractee a right to terminate the 'second contract', either in full or in part, and/or recover damages thereunder.

h. The two contracts are, therefore, linked by a cross fall breach clause that specifies that breach of one contract will be deemed to be a breach of the other contract, and thereby turn them into a single source responsibility contract.

i. Black's Law Dictionary defines that "a severable contract, also termed as divisible contract, is a contract that includes two or more promises each of which can be enforced separately, so that failure to perform one of the promises does not necessarily put the promises in breach of the entire contract". The 'cross fall breach clause', in the present context, settles unambiguously that supply of goods, their transportation to the contractee's site, delivery and installation, erection of towers and testing and commissioning transmission lines and related services are not separate contracts, but form only parts of an indivisible composite works contract supply, as defined under Section 2(119) of the GST Act, with 'single source responsibility'.

j. The price components of both the First and the Second Contracts, including that for transportation, in-transit insurance etc are to be clubbed together to arrive at the value of the composite supply of works contract service as discussed above, and taxed at 18% in terms of Serial no.3 (ii) of Notification No.11/2017-Central Tax (Rate) dated 28/06/2017 (1135 - FT dated 28/06/2017 under the State Tax).

Hence, the authority ruled that the applicant supplies works contract service, of which freight and transportation is merely a component and not a separate and independent identity, and GST is to be paid at 18% on the entire value of the composite supply, including supply of materials, freight and transportation, erection, commissioning etc.

**7. GST - ADVANCE RULING - INTEREST ON SHORT TERM LOAN - GIVEN BY DEL CREDERE AGENT - EXEMPT -**

In RE: Shreenath Polyplast Pvt. Ltd. 2018(13) GSTL.247 (AAR-GST), the applicant is a Del Credere Agent ("DCA") appointed by the supplier of goods (hereinafter referred to as "principal") and has dual role, the first

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role is to promote the sale and take orders for goods to be supplied by the principal directly and the second role is to guarantee the principal for the payment of goods supplied. If customers fail to make payment, DCA is required to make the payment to the principal. Normally, Principal takes Bank Guarantee (BG) and / or Security Deposit against which principal assigns certain limit to the DCA in their system. Within that limit, DCA is allowed to place orders of the customers. At the end of the month, for the orders booked through such DCA and goods supplied by the principal, DCA gets the commission from principal for which DCA raises invoices on the principal along with GST.

The applicant submitted an application before the authority seeking ruling as to whether an amount charged as interest on transaction based short-term loan given by the applicant, working as DCA, to buyers of material, is exempt from Goods and Services Tax in terms of Sl. No. 27 of the Table to Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017, or otherwise. The authority observed as under:-

- a. In the case of transaction of supply of goods through DCA, the principal supplies the goods to and receives payment from the customers. In case of failure of customer to make payment, the DCA makes payment to the principal. The DCA gets the commission from principal. When the buyer is not in a position to pay to principal on the due date, he approaches the DCA, who extends short-term loan by making payment to the principal on behalf of the customer and the loan is repaid to DCA by the customer along with agreed interest.
- b. Sometimes, the customer does not make payment to the DCA and gives Letter of Credit for 60 / 90 days, which DCA gets discounted with the bank and in this transaction also, interest is payable for the period until Letter of Credit is discounted. For interest, DCA raises debit notes on the customers and customers pay interest while repaying the loan amount.
- c. The extension of loan by the applicant to the customers is a transaction separate from the transaction of supply of goods by the principal to the customers against consideration wherein the applicant (DCA) also gets the commission from the principal.

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- d. Interest received by the applicant is consideration towards loan extended to the customers and such interest is not towards the payment of consideration for supply of goods by the principal to the customers.
- e. Sl. No. 27 of the Table to Notification No. 12/2017-Central Tax (Rate), dated 28.06.2017 exempts services by way of extending deposits, loans or advances insofar as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempt. In the instant case, in respect of the extension of loan by the applicant, the consideration is received by way of interest and, hence, the same is exempt.

Hence, the authority ruled that the activity of extending short-term loans insofar as the consideration is represented by way of interest is covered under Sl.No.27 of the Notification No.12/2017-Central Tax(Rate),dated 28.06.2017 and, hence, exempt from payment of Goods and Services Tax.

**8. GST - ADVANCE RULING - THREE AGREEMENTS FOR SUPPLY OF MATERIALS, ERECTION AND CIVIL WORKS - AWARDED TO**

**APPLICANT IN RESPONSE TO SINGLE TENDER - INDIVISIBLE AND COMPOSITE - ELIGIBLE TO TAX AT 12%**

In RE:Skilltech Engineers & Contractors Pvt. Ltd. 2018(13) GSTL251 (AAR-GST), the applicant is engaged in the execution of works awarded by M/s Karnataka Power Transmission Corporation Limited (hereinafter referred to as "KPTCL"), for construction of power lines, erection of transmission towers and transformers. The contract with KPTCL is a single composite contract, but with three connected agreements for Supply of Materials, Erection and Civil Works respectively. The applicant sought advance ruling on the following questions/issues:-

1. "Whether the contract, executed by them for KPTCL, is a divisible contract [Supply of goods & Supply of Services] or an indivisible contract [works contract]?"
2. "Whether the tax rate of 12% [CGST-6% + SGST-6%] is applicable to the above contract, in pursuance of Notification No.24/2017-Central Tax(Rate) dated 21.09.2017?"

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The authority observed as under:

- a. The applicant is the successful bidder and has obtained the single composite contract, but with three connected agreements for supply of materials, erection & civil works respectively. All the three agreements were awarded to the applicant in response to a single tender notification & the general terms and conditions are commonly applicable to all the three agreements. The applicant is supplying the material and providing the erection of towers service and also civil works service. Therefore the contract entered by the applicant is of the nature of “indivisible’ and squarely falls under the works contract, which is a service.
- b. The second question is whether the applicant is entitled for the concessional rate of GST @ 12% as per Notification No.24/2017 Central Tax (Rate) dated 24.09.2017 or not. A statutory body, corporation or an authority created by the Parliament or a State Legislature is neither ‘Government’ nor a local authority’. Such statutory bodies, corporations or authorities are normally created by the Parliament or a State Legislature in exercise of the powers conferred under Article 53(3)(b) and Article 154(2)(b) of the Constitution respectively. It is a settled position that the manpower of such statutory authorities or bodies do not become officers subordinate to the President under article 53(1) of the Constitution and similarly to the Governor under article 154(1). Such a statutory body, corporation or an authority as a juridical entity is separate from the State and cannot be regarded as the Central or a State Government and also do not fall in the definition of local authority.
- c. Consequently, the regulatory bodies and other autonomous entities would not be regarded as the government or local authorities for the purposes of the GST Acts and, hence, M/s KPTCL cannot be a State Government.
- d. Further KPTCL, who awarded the contract to the applicant, is registered under Companies Act,1956 as a company and is a separate entity and, hence, cannot be considered as the State Government or a State Government Authority, consequent to which the applicant is not entitled for the benefit of the concessional rate of GST @12%, in terms of Notification No.24/2017-Central Tax (Rate) dated 21.09.2017.

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Hence, the authority ruled as under:

- i. The contract entered by the applicant is of the nature of 'indivisible' and squarely falls under the works contract, which is a service; and
- ii. The applicant is not entitled for the benefit of concessional rate of GST @12% in terms of Notification No.24/2017-Central Tax (Rate) dated 21.09.2017.

9. **CENVAT CREDIT - CREDIT ON MATERIALS FOR DISPLAY PANELS BY THE APPELLANT FOR ADVERTISEMENT SERVICES - ELIGIBLE CREDIT ON BUS QUEUE SHELTER (BQS) NOT TO BE DENIED AS THE SAME IS NOT AN IMMOVABLE PROPERTY**

In J.C.Dcaux Advertising India Private. Ltd. V.CCE(Adj.), New Delhi 2018(13) GSTL.330 (Tri.-Del.), the appellant is an advertising agency involved in various activities which included outdoor advertising, promotion of various services and goods of clients by way of display in various public places like bus shelter, airport, roads, shops etc. and availed cenvat credit on various inputs, capital goods and input services. For the

period 2006-2007 to 2010-2011, the appellant availed credit of capital goods/inputs during the financial year, which was denied by the adjudicating authority as such credits were not covered either as inputs or as capital goods for credit purposes. On appeal, the Tribunal observed as under:-

- a. The appellants used various types of duty paid inputs in their activity of advertising. All cannot be put in the same group. Admittedly, the display panels stainless steel box, power meter, electrical equipment, steel framework, mobile toilets, police booth are all clearly items which are specifically will fall under input used by the provider of output service. These cannot be considered as immovable capital goods and, hence, there is no legal or factual basis for denial of credits on such electrical equipments, display panels, stainless steel box, power meter, steel framework, mobile toilets, police booth which are essential materials for display of advertisement by the appellant. The appellant being an advertising agency used such media and structure for display of their advertisement. They did discharge service tax on their advertising agency

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service and these are essentially input for such provision of advertising service.

- b. W.r.t. the denial of credit on BQS as the same was an immovable capital asset, the same are not cement concrete civil structures but are made up of mainly stainless steel tubes materials, angles etc. which are erected in the designated place by the appellant in terms of the agreement with local municipal authorities.
- c. Furthermore, the location of the BQS is subject to change and there were instances where BQS have been relocated after certain time, from the earlier premises. The appellant used the said BQS for commercially exploiting the structure for their output service namely advertising services.
- d. The structures by BQS under consideration are not the ones on which they are availing credit which is availed on the inputs like steel angles, tubes, panels etc. were used to create BQS and have have suffered duty. The said BQS is used for display of advertisement&is easily relocated to any other place and, hence, such credit cannot be denied.

Hence, the appeal was allowed.

**10. GST - ADVANCE RULING - PRINTING OF PHOTOGRAPH FROM MEDIA - SERVICE UNDER SAC 9989 AND TAXABLE AT 12%**

In RE: Photo Products Company Private. Ltd. 2018(13) GSTL.337 (AAR.-GST), the applicant is a printing content supplied by the customers on photographic paper. An Advance Ruling is sought regarding the nature and classification of the activity as to whether it is supply of goods or service and whether the activity carried out by the applicant is taxable under HSN 4911 or SAC 9989. The authority observed as under:-

- a. Supply of printed pictures and photographs and similar items, reproduced with the aid of computer or any other device, is classifiable under Heading 4911 of the First Schedule of the Custom Tariff Act, 1975 (hereinafter referred to as the "the Tariff Act"), which is aligned to the GST Act for the purpose of classification. Heading 4911 of the Tariff Act classifies "Other [i.e. not earlier specified] printed matter, included printed pictures and photographs; such as Trade

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advertising material, Commercial catalogues and the like, printed Posters, Commercial catalogues, Printed inlay cards, Pictures, designs and photographs, Plan and drawings for architectural engineering, industrial, commercial, topographical or similar purpose reproduced with the aid of computer or any other device.” This description clearly concerns pre-printed materials or prints which are supplied as such.

- b. In the case on hand, the content of the printed matters is not supplied, but only printing service is being provided to the customers. In other words, the content of the printed matter is specific to the customer, and, neither is the matter pre-printed, nor has the applicant any ownership to the content at any point of time, and, therefore, cannot transfer title of the above printed matters. Transfer of the title in goods is a supply of goods [Paragraph no. 1(a) of Schedule II to the GST Act]. Transfer of ownership is an essential condition for supply of goods.
- c. The photo prints supplied by the applicant to their customers are not marketable commodities in the open market and as goods they have no value to persons other than the specific

customer who provides the input content. Hence, the printed material have no value as independent goods and the applicant cannot be said to be supplying goods classifiable under Heading 4911 of the Tariff Act.

- d. Hence, the applicant is providing a service, namely, the service of printing and is liable to be classified under SAC 9989.

Hence, the authority ruled that the activity of “printing of photographs from media” is classifiable under SAC 9989 attracting GST rate of 12%.

**11. GST - ANTI-PROFITEERING - BRANDED RICE AND BASMATI RICE - NON PASSING OF BENEFIT OF ITC - ALLEGATIONS CONTRARY TO ACTUAL FACTS - SUPPORTED BY DOCUMENTS AND NO VIOLATION OF ANTI-PROFITEERING PROVISIONS**

In Kumar Gandharv V. KRBL Limited 2018(13) GSTL.412 (NAPA), the applicant had intimated that the benefit of reduction in the rate of tax on “India Gate Basmati Rice” had not been passed on to the consumers as its Maximum Retail Price (MRP) had been increased, and hence margin of profit



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had also been increased by the above Respondent, by attaching images of the details printed on the 10 Kg. package of “India Gate Basmati Rice” (Mini Mogra) packed in the months of August, 2017 and October, 2017 showing the printed price of Rs.540/- & Rs.585/-respectively. Pursuant to referral to them, the Director General Safeguards (DGSG) reported as under:-

- Tax rate on the packed Basmati Rice carrying registered brand name of “India Gate Basmati Rice” had been increased from Nil to 5% after the implementation of the GST w.e.f. 01.07.2017, due to which Input Tax Credit (ITC) had become available to the Respondent.
- Whether the benefit of ITC had been passed on to the consumers, had to be examined.
- Further investigation is required to ascertain in case there was any net benefit of ITC to the Respondent after the GST liability on the outward taxable supplies had been discharged by him.
- If ITC was available, it was to be passed on to the consumers in terms of Section 171 of the CGST Act, 2017.

- “India Gate” brand name was not registered by the Respondent and hence he was not paying GST on the outward supply of Basmati Rice and this product had been made taxable @ 5%.
- GSTR-3B returns of the Respondent pertaining to Haryana for the months of September, 2017, October, 2017 and November, 2017 had been examined and it was found that the ITC available as a percentage of the total value of taxable supplies during these three months varied between 2.69% to 3%. ITC available was insufficient to discharge the GST liability as the GST rate on taxable outward supply was 5% consequent to which the balance amount of GST had been paid in cash during the above period
- Consequent to the above, there was no net benefit of ITC which could had been passed on to the consumers and therefore there was no violation of the provisions of Section 171 of above Act.

The authority observed as under:

- i. “India Gate Basmati Rice” sold by the respondent was not liable for tax before the implementation of the GST and after coming into force of the CGST Act, 2017 it was levied

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GST @ 5% w.e.f. 22.09.2017 with the benefit of ITC.

- ii. ITC claimed by the respondent was not sufficient to meet his output tax liability and he had to pay the balance amount of tax in cash.
- iii. For the months September, 2017, October, 2017 and November, 2017, ITC available as a percentage of the total value of taxable supplies was between 2.69% to 3% whereas the GST on the outward supply of his product was 5% which was not sufficient to discharge his tax liability.
- iv. The rate of tax has been increased from 0% to 5% instead of reduction in the same & therefore, there appears to be no reason for treating the price fixed by the respondent as violation of the provisions of the Anti-Profiteering clause.
- v. A perusal of the tax invoices indicated that there was an increase in the purchase price of paddy in the year

2017 as compared to its price during the year 2016 which constitutes major part of the cost of the above product & that the respondent had increased the MRP of his product from Rs.540/- to Rs.585/- which constituted increase of 8.33% keeping in view the increase in the purchase price.

- vi. Therefore, due to the imposition of the GST on the above product as well as the increase in the purchase price of the paddy there does not appear to be denial of benefit of ITC as has been alleged by the applicant as there has been no net benefit of ITC available to the respondent which could be passed on to the consumers.

Hence, the authority held that there was no substance in the application filed by the above applicant as there was no violation of the provisions of Section 171 of the CGST Act, 2017 and hence the same was dismissed.

*(The author is a Chennai based Chartered Accountant. He can be reached at reached at anandois@gmail.com)*

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## RECENT AMENDMENTS IN THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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**Explainer**

**On**

### **Recent Developments in the CIRP Regulation, 2018**



**CS. S. DHANAPAL**

Since its inception, the IBC Regulations, 2016 has been undergoing rampant changes to address the needs of the Corporates and its stakeholders. The significant changes that have been notified in the legal periphery of the IBC CIRP Regulations, 2016 vide the notification issued on **03.07.2018**. The Insolvency and Bankruptcy Board of India made the following regulations further to amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The notification came into **effect immediately, i.e. from 04.07.2018**.

**A cursory look on press note which runs as below;**

The regulations provide that wherever the corporate debtor has classes of creditors having at least ten creditors in the class. A creditor in a class may indicate its choice of an insolvency professional, from amongst the three choices provided by the interim resolution professional, to act

as its authorised representative. The insolvency professional, who is the choice of the highest number of creditors in the class, shall be appointed as the authorised representative of the creditors of the respective class.

An application for withdrawal of an application may be submitted to the interim resolution professional or the resolution professional, before issue of invitation for expression of interest, along with a bank guarantee towards estimated cost incurred for certain purposes under the process. The committee of creditors have to consider the application within seven days of its constitution or seven days of receipt of the application, whichever is later. If the application is approved by the committee of creditors with 90% voting share, the resolution professional shall submit the application to the NCLT on behalf of the applicant, within three days of such approval.

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A Class of creditors to be represented by a Resolution Professional where such a class of creditors has 10 or more creditors. The voting share of a creditor in a class shall be in proportion to the financial debt which includes an 8% interest rate, unless a different rate of interest is provided.

Now mandatorily, Resolution professional has to publish an invitation for expression of interest by the 75th day from the insolvency commencement date, a resolution plan to provide for details in each step in the process, and the manner and purposes of interaction between the resolution professional and the resolution applicant in Form G.

The amended Regulations further require a resolution professional shall form an opinion whether the corporate debtor has been subjected to certain transaction such as preferential transactions, undervalued transactions, extortionate transactions or fraudulent transactions by the 75th day, and make a determination of the same by 115th day of the insolvency commencement date.

The Resolution Professional has to issue Request for Resolution Plan along with the information memorandum and the evaluation matrix, once eligible prospective resolution professionals have been identified.

The regulation mandates the resolution plan needs to demonstrate that:

- (a) it addresses the cause of default;
- (b) it is feasible and viable;
- (c) it has provisions for its effective implementation;
- (d) it has provisions for approvals required and the timeline for the same; and
- (e) the resolution applicant has the capability to implement the resolution plan.

A minimum 7 days notice for the meeting of Committee of creditors was required under regulation which has now been reduced to 5 days. The Regulations allowed shorter notice of 24 hrs if approved by the Committee of creditors. This period of 24 hours should be read as 48 hours in case the Committee of creditors has any authorised representative.

The amended CIRP Regulation requires that a resolution professional must be appointed by the 40th day of admission of the corporate insolvency resolution process. If there is no appointment of a Resolution Professional by the 40th day the interim resolution professional will perform the role of the Resolution Professional, till the Resolution Professional is appointed.

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The CIRP Regulations provides a model timeline for a corporate insolvency resolution process. The Model Timeline provides milestones that need to be achieved, so that the Corporate Insolvency Resolution process is completed within the period of 180 days.

The above mentioned changes are expected to further strengthen the Insolvency Resolution Framework in the country and produce better outcomes in terms of resolution as opposed to liquidation, time taken, cost incurred and recovery rate.

### **CHANGES BROUGHT IN CIRP REGULATION IN THE FORM OF EXPLAINER AS BELOW FOR BETTER UNDERSTANDING;**

#### **CLASS OF CREDITOR AND AUTHORIZED REPRESENTATIVES**

- Class of creditor means means a class with at least ten financial creditors in the class.
- The corporate debtor has classes of creditors having at least ten creditors in the class, the interim resolution professional shall offer a choice of three insolvency professionals in the public announcement to act as the authorised representative of creditors in each class
- Form CA has been prescribed for the choice for insolvency professional to act as the authorised representatives.

- Any delay in appointment of the authorised representatives for any class of creditor shall not affect the validity of any decision taken by the committee.
- The authorised representative shall circulate agenda to creditors and announce the voting window at least 24 hours before the window opens for voting instruction. For at least 12 hours voting window must be open.

#### **CONSTITUTION OF COMMITTEE**

- Interim resolution professional have to file a report with the NCLT within 2 days of the verification the claims.
- Interim resolution professional must hold 1<sup>st</sup> meeting of Committee of creditors within 7 days of filling the report.
- The appointment of resolution professional is delayed, the interim resolution professional shall perform the functions of the resolution professional from the fortieth day of the insolvency commencement date till a resolution professional is appointed

#### **NOTICE OF MEETING**

- A meeting of the Committee of Creditors shall be called by giving not less than five days' notice in writing to every participant.

- 
- The Committee of Creditors may, however, reduce the notice period from five days to such other period of not less than forty-eight hours where there is any authorised representative and to twenty-four hours in all other cases.
  - The authorised representative shall circulate the agenda to creditors in a class and announce the voting window at least twenty-four hours before the window opens for voting instructions and keep the voting window open for at least twelve hours

#### **VOTING AT THE MEETING**

- The amended regulation seems to remove this concept of requirement of 100% attendance at the Committee of creditors.
- Resolution Professional shall circulate minutes by electronic means to all the members of the committee within 48 hours of the conclusion of the meeting.
- The voting shall be kept open for 24 hours from the circulation of the minutes for the members who did not vote at the meeting or not attended the meeting.

#### **APPOINTMENT OF REGISTERED VALUERS**

- The resolution professional shall within seven days of his appointment, but not later than forty-seventh day from the insolvency commencement date, appoint two registered valuers.

#### **WITHDRAWAL OF APPLICATION FILED FOR CIRP**

- An application for withdrawal shall be submitted to IRP or RP in Form FA along with bank guarantee before the issue of invitation for expression of interest.
- The committee shall consider application within 7 days of the constitution of the committee or the receipt of the application, whichever is later.
- An Application is approved by the Committee Of Creditors with 90% of voting shares must be filed before NCLT within 3 days of approval by Committee Of Creditors.

#### **PREFERENTIAL AND OTHER TRANSACTIONS**

- The resolution professional shall form an opinion whether the corporate debtor has been subjected to certain transactions (preferential transactions, undervalued transactions, extortionate transactions or fraudulent transactions) by 75th day and make a determination of the same by 115th day of the insolvency commencement date.
- The resolution professional makes such a determination he shall apply to the Adjudicating Authority for appropriate relief before 135th day of the insolvency commencement date.

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## INVITATION FOR EXPRESSION OF INTEREST

- The announcement for inviting Expression of Interest is to be done within 75 days of the commencement of CIRP.
- Form G has been prescribed for inviting Expression of Interest.
- A prospective Resolution Applicant must submit Expression of interest within 15 days from the date of issue of detailed invitation. The Expression of interest received after the time shall be rejected.
- An expression of Interest shall be unconditional and accompanied with complete material information and records.
- Resolution Professional shall conduct due diligence based on the material record in order to satisfy the prospective resolution applicant
- A list of eligible prospective resolution applicant – both provisional and final has to be shared by the RP with the Committee of creditors and all such prospective resolution applicant within 10 days of the last date for submission of Expression.

## REQUEST AND SUBMISSION OF RESOLUTION PLAN

- Resolution professional shall issue the information memorandum, evaluation

matrix and a request for resolution within 5 days of the date of issue of the provisional list.

- Minimum 30 days time should be given to submit the resolution plan.
- The request for resolution plan shall not require any non-refundable deposit for submission.
- Any modification in the request for resolution plan means the fresh issue.

## WRAP UP

This amendment is the third in a series of amendments that have been brought about to the CIRP Regulations with the aim of ensuring that CIRP results in a realistic and sustainable resolution plan that caters to all stakeholders. Earlier it has posed number of challenges for the Resolution Applicants, Resolution Professionals and the Corporate Debtor. This amendment reinforces the idea of timely resolution of the Bankruptcy of Corporate. Trust all these inputs will help us to understand the IBC (CIRP), 2016 and to apply these regulations in our cases relating to these subject matters.

*(The author is a Chennai based Company Secretary. He can be reached at csdhanapal@gmail.com)*

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## EXCEL TIPS

### HLOOKUP function

Hlookup function searches for a value in the top row of a table or an array of values, and then returns a value in the same column from a row you specify in the table or array.

In other words, HLOOKUP function performs a horizontal lookup by searching for a value in the top row of the *table* and returning the value in the same column based on the *index\_number*.



CADUNGAR CHANDU JAIN

HLOOKUP comes handy when your comparison values are located in a row across the top of a table of data, and you want to look down a specified number of rows.

*Use VLOOKUP when your comparison values are located in a column to the left of the data you want to find.*

The H in HLOOKUP stands for “Horizontal”

#### Syntax

**HLOOKUP( value, table, index\_number, [approximate\_match] )**

#### Parameters or Arguments

##### *value*

The value to search for in the first row of the *table*.

##### *table*

Two or more rows of data that is sorted in ascending order.

##### *index\_number*

The row number in *table* from which the matching value must be returned. The first row is 1.

##### *approximate\_match*

Optional. Enter FALSE to find an exact match. Enter TRUE to find an approximate match. If this parameter is omitted, TRUE is the default.



Example :

The screenshot shows the Microsoft Excel interface with the following data table:

	A	B	C	D	E	F
1	Empl id	1011	1014	1013	1018	1015
2	Name	Bahubali	Bhallaldeva	Devasena	Kattappa	Sivagami
3	Designation	General Manager	Deputy Manager	Asst. Manager	Foreman	Supervisor
4	Appraisal Score	9	8	7	10	9
5						

Using Hlookup function for the data above data will return Bhallaldeva  
=HLOOKUP(1014,A1:F4,2,FALSE)

The screenshot shows the same data table as above, but with the HLOOKUP formula entered in cell A6. The formula bar shows: `=HLOOKUP(1014,A1:F4,2,FALSE)`. The result of the formula, "Bhallaldeva", is displayed in cell B6.

	A	B	C	D	E	F
1	Empl id	1011	1014	1013	1018	1015
2	Name	Bahubali	Bhallaldeva	Devasena	Kattappa	Sivagami
3	Designation	General Manager	Deputy Manager	Asst. Manager	Foreman	Supervisor
4	Appraisal Score	9	8	7	10	9
5						
6		Bhallaldeva				

---

### First Parameter

The first parameter in the HLOOKUP function is the *value* to search for. So in this example, the HLOOKUP is searching for the value of 1014

### Second Parameter

The second parameter in the HLOOKUP function is the *table* which is set to the range of A1:F4. The HLOOKUP uses the first row in this range (ie: A1:F1) to search for the value of 1014.

### Third Parameter

The third parameter is the *index\_number* which is set to 2. This means that the second row in the *table* is where we will find the value to return. Since the *table* is set to A1:F4, the corresponding return value will be in A2:F2 (ie: second row as specified by the *index\_number* of 2).

### Fourth Parameter

Finally and most importantly is the fourth or last parameter in the HLOOKUP. In our example, it is set to FALSE. This means that you need to find an EXACT match for the value of 1014. We do not want to find a “close” match, but an EXACT match!! So if 1014 is not found in the range of A1:F4, then the HLOOKUP function will return #N/A.

Since the HLOOKUP is able to find the value of 1014 in the range A1:f4, it returns the corresponding value from A2:F2 which is **Bhallaldeva**.

### Importance of Fourth Parameter

specifying TRUE or FALSE for the last parameter is very important in the HLOOKUP function.

Say, we are looking for the Empl ID of **1012**, but as you can see, it is not in the range of A1:F1 in the spreadsheet above. Let’s write our HLOOKUP formula with FALSE as the final parameter and another HLOOKUP formula with TRUE as the final parameter and see what happens.

```
=HLOOKUP(1012,A1:F4,2,FALSE)
```

returns #N/A

```
=HLOOKUP(1012,A1:F4,2,TRUE)
```

returns **Bahubali**

The first HLOOKUP formula has FALSE specified as the final parameter. This means that the HLOOKUP is looking for an exact match for 1012. Since the value 1012 does not exist in the range A1:F1, the HLOOKUP function returns #N/A.

The second HLOOKUP formula has TRUE specified as the final parameter. This means that if an exact match is not found, the HLOOKUP function will look for the next largest value that is less than 1012. Now what does this mean to us?

The screenshot shows the Microsoft Excel interface with the following data table:

	A	B	C	D	E	F
1	Empl id	1011	1013	1014	1015	1018
2	Name	Bahubali	Devasena	Bhallaldeva	Sivagami	Kattappa
3	Designation	General Manager	Asst. Manager	Deputy Manager	Supervisor	Foreman
4	Appraisal Score	9	7	8	9	10
5						
6	Bhallaldeva		#N/A			
7			Bahubali			
8						

The formula bar shows: `=HLOOKUP(1012,A1:F4,2,TRUE)`

So, the data in A1:F4 MUST BE SORTED IN ASCENDING ORDER (as above) because the HLOOKUP is going to return the available largest value for 1012 and then stop searching. So if the data is not sorted in ascending order, we are going to get some really strange results.

*Fortunately, in the above example wherein data sorted or not sorted, the same result is generated.*

It means that the HLOOKUP function will find Empl ID 1012 as the approximate match. And therefore, return **Bahubali** as the result (the corresponding value from A2:F2).

### Table in another sheet

When the table is on another sheet, let's assume in our example above that the table is on Sheet2 in the range A1:F4.

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We could rewrite our example as follows:

=HLOOKUP(1012, Sheet2!A1:F4, 2, FALSE)

By preceding the table range with the sheet name and an exclamation mark, we can update our HLOOKUP to reference a table on another sheet.

### **Absolute Referencing**

A common mistake made by users when they copy the formula to another cell. We commonly use relative referencing for the table range and the table range is adjusted by Excel and change relative to where we paste the new formula.

=HLOOKUP(1012, A1:F4, 2, FALSE)

When copied to next cell below becomes

=HLOOKUP(1012, B2:G4, 2, FALSE)

Whereas we do not want the A1:F4 to change when Hlookup is used. To overcome this, we have to use absolute referencing which will look as follows :

=HLOOKUP(1012, \$A\$1:\$F\$4, 2, FALSE)

This when copied will not change the table range and will copy as-it-is.

### **Remarks**

- If HLOOKUP can't find lookup\_value, and range\_lookup is TRUE, it uses the largest value that is less than lookup\_value.
- If lookup\_value is smaller than the smallest value in the first row of table\_array, HLOOKUP returns the #N/A error value.
- If range\_lookup is FALSE and lookup\_value is text, you can use the wildcard characters, question mark (?) and asterisk (\*), in lookup\_value. A question mark matches any single character; an asterisk matches any sequence of characters. If you want to find an actual question mark or asterisk, type a tilde (~) before the character.

*(The author is a Madurai based Chartered Accountant. He can be reached at dungarchand@hotmail.com)*

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## PROPOSED KEY CHANGES TO THE GST LAW

The Government of India, in the recent past, had indicated the need for amendments in the GST Law and its commitment to take necessary steps towards it. It was also said that the proposed amendments are expected to be laid down in the monsoon session of the Parliament of India.

In this context, the GST Council, the apex-decision making body of GST, has recently published a draft of changes proposed to the GST Law on its official website, inviting comments from all the stakeholders.

A total of 46 amendments are proposed. The proposed amendments are aimed at streamlining the current GST law and correcting any inconsistencies and errors. A brief summary of the key proposed changes have been outlined in this article for quick understanding.

### *Transaction relating to securities*

'securities' has been excluded from the definition of 'goods' and 'services' in the CGST Act, facilitating or arranging transactions in securities is liable to GST. This has been clarified recently through a detailed FAQ on Banking and Insurance where in it has been clarified that if



**CA. DEBASIS NAYAK**

some service charges or service fees or documentation fees or broking charges or such like fees or

charges are charged in relation to transactions in securities, the same would be a consideration

for provision of service and chargeable to GST

### *Import of service by non-taxable person*

There have been amendments proposed to Schedule I - Activities treated as supplies even if made without consideration. Earlier, import of services by a **taxable** person from related persons or from any of his other establishments outside India, in the course of furtherance of business, would be treated as supply even if made without any consideration. As per the proposed changes, the word taxable is proposed to be omitted, hence

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ensuring that import of services by entities which are not registered under GST but are otherwise engaged in business activities is taxed when received from a related person or from any of their establishments outside India, even if it is imported without any consideration.

### *Merchant Trading and High Seas Sale*

Further, new insertions are proposed to be made in Schedule III – Activities or transactions which shall be treated neither as supply of goods nor a supply of services. It is sought that supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into the taxable territory (Merchanting trade) as well as High sea sales are not to be treated as supply of goods, and thus no GST would be applicable on such transactions.

Further, this does not require reversal of credit also.

### *Input Tax Credit of services that is obligatory for an employer*

It has been proposed to widen the scope of input tax credit by allowing credit in respect of goods and services (including food, beverages, life insurance and health insurance) where the provision of such goods and services are **obligatory** for an

employer to provide to its employees, under any law for the time being in force. Currently the benefit is available only for three services

### *ITC of Motor Vehicle*

It is proposed to expand the scope of ITC availability in case of motor vehicles having approved capacity of not more than 13 persons (including the driver) in case it is used for specified purposes. This amendment would make the tax paid on dumpers, work-trucks, fork-lift trucks, etc eligible for credit. An amendment is also proposed to the effect that ITC will not be denied in respect of motor vehicles if they are used for transportation of money for or by a banking company or a financial institution.

### *ITC reversal on non-payment and interest*

It is proposed to remove the liability to pay interest, in case where an amount equal to input tax credit availed is added to the output liability, where the assessee fails to pay the value of supply and tax payable to the supplier of goods and services within 180 days of the invoice.

Further, it has been proposed to expand the scope of ITC availability in case of motor vehicles having approved capacity of not more than 13 persons (including the driver) in case it is used for specified persons.

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### ***Multiple registration in the same State***

Presently there is an option to have multiple registration in a state if you have more than one business vertical. With the proposal, one may have different registration for each additional place of business in the same state.

### ***Consolidated debit/credit notes***

It is proposed to allow issuance of consolidate debit /credit notes in respect to multiple invoices in line with the best international practices. Presently, one needs to issue the debit/credit note invoice-wise.

### ***Amendment of Returns***

In a significant easing of compliance norms, businesses have been allowed to amend GST returns. Also, the new return filing procedure as proposed by the returns committee of GST Council is to be incorporated in the legislation.

### ***Manner of credit utilization***

The order of utilization of ITC available in the electronic credit ledger of the registered person has been prescribed. Credit of SGST/UTGST can be utilized for payment of IGST only after CGST credit if any, are first exhausted. Similarly for

payment of IGST, credit of IGST must be first fully exhausted before utilizing credit of CGST/SGST. The common portal has placed this restriction in utilization of ITC.

### ***Appeals to Appellate Authority and Appellate Tribunal***

It is also proposed to provide a ceiling on pre-deposit of INR 25 crore for filing an appeal before the Appellate Authority and INR 50 crore for filing an appeal before the Appellate Tribunal.

### ***Transitional Provisions***

An explanation has been proposed to be inserted in the transitional provisions, to specify that eligible duties and taxes would not include any cess which has not been mentioned. This may have an impact on companies that have carried forward various Cess.

### **Conclusion**

It may be noted that all the proposed amendments are approved by GST Council and now to be placed before the Parliament.

*(The authors are Chennai based Chartered Accountant. They can be reached at cadebasis@gmail.com)*



आयकर नदिशालय (पद्धन्ति)  
**DIRECTORATE OF INCOME TAX (SYSTEM)**  
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**ARA Center, Ground Floor, E-2, Jhandewalan Extension,**  
ई ददल्ली - 110055, New Delhi - 110055

F. No. System/ITBA/Instruction/Assessment/177/16-17/

Dated: 13.06.2018

To

- All Principal Chief Commissioners of Income-tax/ CCsIT**  
**All Principal Director General of Income Tax / DGsIT**  
**All Principal Commissioner of Income-tax/CsIT/CsIT(Admin & TPS)**  
**All Principal Directors of Income Tax/DsIT**

Sir/Madam,

**Subject: Standard Operating Procedure for correction of Duplicate demand or of Erroneous demand in CPC-AO Portal -Regarding.**

On analysis and verification of CPC-FAS demand as on 10-Apr-2018 as against demand on ITD –AST or ITBA systems it has been observed that a number of records exist that are duplicate or have not been correctly uploaded by the AO (same record has been uploaded more than once in CPC-AO Portal or the same demand which was automatically updated in CPC-FAS from AST after 01.04.2010 has again been uploaded by AO in CPC-AO portal manually as well).

2. The details of such cases are as under:
  - a. In case of 50,386 arrear demand records uploaded by AOs, an order has been passed in AST/ITBA on a subsequent date. **These manually uploaded demands need to be verified by AO and reconciled with AST/ITBA orders.** The net decrease in outstanding demand is expected to be Rs. 2456 Cr.
  - b. In 15,346 records, PAN, AY, and demand amount are duplicate uploaded by AO through CPC-AO Portal. Total amount of outstanding demand is Rs. 19175 Cr. **These outstanding demands need to be examined by AO and duplicates cancelled.**
  - c. In 4,224 records, PAN, AY, and amounts are duplicate since same demand is system generated in CPC or AST and also by error uploaded by AO. The demand manually



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uploaded by AO needs to be marked as duplicate (NOT the System demand). The total amount of outstanding demand is Rs. 384 Cr. **These manually uploaded demands need to be verified by AO and reconciled with AST/ITBA orders.**

- d. Apart from this Assessing Officers may have received representations from taxpayers stating that the outstanding demand (Uploaded by AO manually from Register) shown in E-filing account is incorrect or taxpayer has disagreed to the 245 notice. These cases have to be verified by Assessing officer to determine if assessee contention is correct. After due verification, if assessee is found to be correct, then these demands may be corrected or cancelled.

3. With a view to provide Assessing Officer clarity on how to identify such cases as well as to resolve such cases the following Standard Operating Procedure has been finalized:

**A. Demand resolution:** the following procedure needs to be followed by AO (in cases in para 2.a or 2.b or 2.c above):

The category wise detailed list related to points in para 2.b or 2.c above is available for download to AOs through ITAXNET login (<https://itaxnet.incometax.net>)- **Downloads -> Systems -> Data - Demand Verification**. Other cases can also be identified by AO also from CPC-AO Portal.

1. Login to CPC-AO Portal ([cpcaoportal.dept.cpc.gov.in](http://cpcaoportal.dept.cpc.gov.in))
2. Click on the Demand Verification tab.
3. Choose the Arrear Demand that has been manually uploaded.
4. Select the option 'Demand is Duplicate'
5. Select the corresponding AST demand by clicking on the radio button that should be retained.
6. Click on 'Validate'.

Note: **This facility CANNOT be used for deleting system demands from AST/ITBA/CPC and for any correction of demands from AST/ITBA/CPC a rectification order in system is required.**

**B. Manually uploaded Demand in CPC-AO Portal determined by AO to be erroneous/incorrect/does not exist after due verification:** AO may cancel the same using following procedure (in cases in para 2.a or 2.d) above:

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The potential cases can be identified from CPC-AO Portal –“Taxpayer’s response from E-filing” and the hyperlink on dashboard “Contested” or from taxpayer grievances in E-Nivaran /CP-GRAMS/or submitted to AO or as provided in Excel as mentioned above

1. Login to CPC-AO Portal ([cpcaoportal.dept.cpc.gov.in](http://cpcaoportal.dept.cpc.gov.in))
2. Click on Demand Verification tab.
3. Select PAN if the taxpayer is already known from E-Nivaran or CP-GRAMS or CPC-AO Portal Dashboard “Taxpayer’s response from E-filing” and the hyperlink on dashboard “Contested”
4. Select the option ‘Demand does not exist’.
5. Enter the comments of Range Head and date of his approval.
6. Click on ‘Validate’.

**NOTE : The AO has to take approval of Range Head before entering demand cancellation request in CPC-AO Portal. This facility CANNOT be used for deleting system demands from AST/ITBA/CPC and for any correction a rectification order in system is required.**

4. This is issued with the approval of Pr. DGIT (SYSTEMS)

Yours sincerely,



(Ramesh Krishnamurthi)  
Addl.DG (S)-3, New Delhi

Copy to:

1. The P.P.S to Chairman, Member(L&C),Member(Inv.),Member(IT), Member(Rev.), Member(A&J)& Member(P&V),CBDT for information.
2. The P.S. to Pr.DGIT(S) for information.
3. The Web Manager, of [www.irsofficersonline.gov.in](http://www.irsofficersonline.gov.in) website with the request to upload the Instruction.
4. ITBA Publisher ([ITBA.Publisher@incometax.gov.in](mailto:ITBA.Publisher@incometax.gov.in)) for <https://itba.incometax.gov.in> with the request to upload the Instruction on the ITBA Portal.



(Ramesh Krishnamurthi)  
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## THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **FORTIETH ANNUAL GENERAL MEETING** of The Chartered Accountants Study Circle will be held on Thursday, 23rd August 2018 at 5.45 P.M. at Hindustan Chamber of Commerce, "Greems Dugar", South Wing, V Floor, 149, Greems Road, Chennai - 600 006 to transact the following business:

1. To adopt the minutes of the 39th Annual General Meeting held on 10th August, 2017.
2. To adopt the audited financial statements for the year ended 31st March, 2018, along with the report of the Auditors thereon and the annual report for the said year.
3. To elect members to the committee of Management, in place of CA. Ganesh Prakash, CA. R. Sundararajan and CA. Thulasidaran who retire by rotation from the Committee at the end of the ensuing Annual General Meeting and they are eligible for reappointment.
4. To appoint auditor for the year 2018 - 2019.
5. To distribute out of Endowment Funds created :
  - a. Scholarships for deserving students pursuing Chartered Accountancy Course
  - b. Prizes for meritorious students successful in Chartered Accountancy Examinations
  - c. Prize for Best Young Paper Presenter for the year 2017-18
  - d. Prize for the Best Article contributor to the CASC Bulletin for the year 2017-18.
6. Any other matter that may be taken up with the permission of the Chair.

For The Chartered Accountants Study Circle

Sd/-

CA. R. Sundararajan  
Committee Member

Place : Chennai  
Date : 24.07.2018

Explanatory notes to the notice:

1. The regular meeting of CASC will follow the Annual General Meeting.
2. Nomination for election of Committee Members should reach the Office of the Study Circle, in the enclosed format, before **17.00 hrs. (5 p.m.) on 13th August 2018.**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
The Chartered Accountants Study Circle, Chennai – 600 006.

### **Report on Financial Statements**

I have audited the accompanying financial statements of **The Chartered Accountants Study Circle**, which comprise the Balance sheet as at March 31, 2018, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Study Circle. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on our audit. I have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Study Circle's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Study Circle's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Study Circle as at 31st March, 2018;
- (b) in the case of the Statement of Income & Expenditure, of the excess of Income over Expenditure of the Study Circle for the year ended on that date.

**For Manikandan & Co**  
Sd/-

**S. Manikandan**  
Chartered Accountant  
Membership No : 211190  
FRN.011761S

Place : Chennai  
Date : 24.07.2018

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

**BALANCE SHEET AS AT**

	<u>Sch. No.</u>	<u>Rs.</u>	<u>Rs.</u>
		<u>31-Mar-18</u>	<u>31-Mar-17</u>
<b><u>Liabilities</u></b>			
Capital Fund	1	4,172,720	4,070,136
Life Membership Fund	2	1,620,400	1,477,900
Endowments & Funds	3	386,000	326,000
Sundry Creditors		16,950	426
		<b>6,196,070</b>	<b>5,874,462</b>
<b><u>Assets</u></b>			
Fixed Assets	4	270,244	288,361
Investments	5	5,458,157	5,367,320
Loans and Advances	6	83,041	89,533
Sundry Debtors		18,100	-
Cash & Bank Balances	7	366,528	129,248
		<b>6,196,070</b>	<b>5,874,462</b>
Notes On Accounts	12		

**For The Chartered Accountants Study Circle (Regd.)**

Sd/-  
**R Sundararajan**  
Committee Member

Sd/-  
**Goutham Chand N**  
Committee Member

As per our report of even date

**For Manikandan & Co**

Sd/-  
**S. Manikandan**  
Chartered Accountant  
Membership No : 211190  
FRN.011761S

**Place : Chennai**  
**Date : 24.07.2018**

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED**

		Rs.	Rs.
		31-Mar-18	31-Mar-17
<b><u>Income</u></b>	<b>Sch. No.</b>		
Annual Membership		23,250	22,500
Conference/Sponsorship Receipts	8	1,641,555	1,118,479
Other Receipts	9	164,250	98,332
Interest Receipts		406,392	455,115
Excess of Expenditure Over Income		-	<b>155,909</b>
		<b>2,235,447</b>	<b>1,850,335</b>
<b><u>Expenditure</u></b>			
Conference/Seminar/Course Expenses	10	1,343,779	1,150,532
Newsletter Printing Expenses	11	336,578	315,029
Salary & Bonus		139,450	124,720
Electricity Charges		17,647	18,213
Bank Charges		850	2,768
Repairs & Maintenance		84,880	71,468
Telephone / Web Charges		27,694	27,621
Printing & Stationery		4,765	4,665
Property/Water Taxes		20,036	20,036
Local Conveyance		19,820	16,980
Printing Charges - Books		71,840	37,500
Scholarships To Students		5,000	10,000
Miscellaneous Expenses		18,474	8,178
Audit Fees		10,000	10,000
Depreciation		18,117	32,625
Excess Of Income Over Expenditure		<b>116,517</b>	-
		<b>2,235,447</b>	<b>1,850,335</b>

**For The Chartered Accountants Study Circle (Regd.)**

Sd/-

**R Sundararajan**  
Committee Member

Sd/-

**Goutham Chand N**  
Committee Member

As per our report of even date

**For Manikandan & Co**

Sd/-

**S. Manikandan**  
Chartered Accountant  
Membership No : 211190  
FRN.011761SPlace : Chennai  
Date : 24.07.2018

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

	Rs.	Rs.
<b><u>Schedule 1 - Capital Fund</u></b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Opening Balance	4,070,136	4,226,045
Add: Excess Of Income Over Expenditure	116,517	(155,909)
Less: Income Tax For Earlier Year W/O	-13,933	
	<b>4,172,720</b>	<b>4,070,136</b>
<b><u>Schedule 2 - Life Membership Fund</u></b>		
Opening Balance	1,477,900	1,425,400
Add: Received During The Year	142,500	52,500
	<b>1,620,400</b>	<b>1,477,900</b>
<b><u>Schedule 3 - Endowments &amp; Funds</u></b>		
Ashok Kumbhat Fund	5,000	5,000
B.B. Naidu Memorial Charitable Trust Fund	40,000	40,000
Development & Communication Skills Fund	11,000	11,000
T.R. Parthasarathy Endowment Fund	10,000	10,000
N. Rajagopalan Endowment Fund	25,000	25,000
G. Balasubramaniam Memorial Fund	25,000	25,000
Itta Parthasarathy Fund	5,000	5,000
K. Srinivasan Endowment Fund	35,000	35,000
Raman Endowment Fund	25,000	25,000
R. Ramakrishnan Endowment Fund	20,000	20,000
Yanmantram Education Fund	60,000	50,000
Sukumar & Associates Endowment Fund	50,000	50,000
CA T V Jayaraman Endowment Fund	50,000	Nil
D Rengasamy Endowment Fund	25,000	25,000
	<b>386,000</b>	<b>326,000</b>
<b><u>Schedule 5 - Investments</u></b>	<b>43,190</b>	<b>42,825</b>
Canara Bank	1,983,522	1,932,485
Lakshmi Vilas Bank	1,361,108	1,350,000
City Union Bank Ltd	1,468,527	1,439,835
TN Transport Dev. Corporation Ltd	330,000	330,000
TN Power Finance Corporation Ltd	315,000	315,000
	<b>5,458,157</b>	<b>5,367,320</b>

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

	Rs.	Rs.
<b><u>Schedule 6 - Loans And Advances</u></b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Service Tax Input	Nil	28,720
Tax Deducted at Source	49,201	45,699
Receivables - Revenue Bar Association - Joint Meeting	7,264	7,264
Electricity Deposit	9,575	7,850
Hotel Singaar - TDS Paid	11,900	Nil
GST Input	5,101	Nil
	<b>83,041</b>	<b>89,533</b>
<b><u>Schedule 7 - Cash &amp; Bank Balances</u></b>		
Cash On Hand	4,475	2,848
Cash At Bank	362,053	126,400
	<b>366,528</b>	<b>129,248</b>
<b><u>Schedule 8 - Conference / Sponsorship Receipts</u></b>	<b>43,190</b>	<b>42,825</b>
Annual Residential Conference	1,350,895	1,010,131
Other Conferences/Seminar/Refresher Course	290,660	108,348
	<b>1,641,555</b>	<b>1,118,479</b>
<b><u>Schedule 9 - Other Receipts</u></b>		
Hall Maintenance Charges Recovery	58,500	47,300
Miscellaneous Income	29,400	35,522
Sale Of Casc Publications	76,350	15,510
	<b>164,250</b>	<b>98,332</b>
<b><u>Schedule 10 - Conference / Seminar / Course Expenses</u></b>		
Seminar/Refresher Course/ Agm	272,295	170,677
Annual Residential Conference	1,071,484	979,855
	<b>1,343,779</b>	<b>1,150,532</b>
<b><u>Schedule 11 - Newsletter Printing Expenses</u></b>		
Printing Charges	297,516	300,627
Postage & Courier Expenses	39,062	14,402
	<b>336,578</b>	<b>315,029</b>



**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

**Schedule 4 - Fixed Assets**

PARTICULARS	W.D.V. As on 1-Apr-17	ADDITIONS MORE THAN 180 DAYS	TOTAL	DEPRECIATION		W.D.V. As on 31-Mar-18
				RATE %	AMOUNT Rs.	
LAND	173,600	-	173,600	-	-	173,600
BUILDINGS	26,366	-	26,366	10	2,637	23,729
PLANT & MACHINERY	65,434	-	65,434	15	9,815	55,619
FURNITURE & FIXTURES	11,732	-	11,732	10	1,173	10,559
COMPUTER	11,229	-	11,229	40	4,492	6,737
<b>CURRENT YEAR</b>	<b>288,361</b>	<b>-</b>	<b>288,361</b>		<b>18,117</b>	<b>270,244</b>
<b>PREVIOUS YEAR</b>	<b>320,986</b>	<b>-</b>	<b>320,986</b>		<b>32,625</b>	<b>288,361</b>

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road, Chennai - 600 086

**SCHEDULE 12 - NOTES ON ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

The accounts are prepared on cash basis.

**INCOME RECOGNITION**

**Membership Fees and Bulletin Subscription**

The membership fees and bulletin subscription are recognized as and when received.

**Interest**

Interest on fixed deposits and bonds are recognized as and when received.

**INVESTMENTS**

Investments comprise of fixed deposits and bonds and are shown at cost

**FIXED ASSETS AND DEPRECIATION**

Fixed assets are accounted at cost less depreciation.

**GENERAL INFORMATION**

Figures of the previous year have been regrouped / classified wherever necessary.

**For The Chartered Accountants Study Circle (Regd.)**

Sd/-

**R Sundararajan**

Committee Member

Sd/-

**Goutham Chand N**

Committee Member

As per our report of even date

**For Manikandan & Co**

Sd/-

**S. Manikandan**

Chartered Accountant

Membership No : 211190

FRN.011761S

Place : Chennai  
Date : 24.07.2018

---

## **40th ANNUAL REPORT FOR THE YEAR 2017-2018**

The Committee of Management of The Chartered Accountants Study Circle  
have great pleasure in presenting the 40th annual Report for the year 2017 – 2018

### **THE ACTIVITY REPORT OF YOUR STUDY CIRCLE FOR THE YEAR ENDED 31.03.2018**

<b>Date</b>	<b>Subject</b>	<b>Name of the Speaker</b>
13.04.2017	Accounting Standards	CA. R.G.Rajan
27.04.2017	Fraud Risk Management - An Analysis	CA. Basan Kumar Tarachand
11.05.2017	Benami Transactions Act - An Impact Analysis	Mr. Jayakumar V.S., Advocate
25.05.2017	Time of supply of Goods/ Services - GST	CA. Deepika G
08.06.2017	Contemporaray Issues in Transfer Pricing	CA. Muthupalaniappan
22.06.2017	ICDS - relevance of SA's	CA. Vijay T.C
13.07.2017	Issues in Filing of Income Tax returns for AY 2017.18	CA. P Pradeepkumar
20.07.2017	GST Transitional Provisions - After Impact Analysis	CA. S Seetharaman
10.08.2017	CA as an Entrepreneur	Mr. Sridharan Balaji, CEO , Mainetti India
24.08.2017	Practical aspects Insolvency Resolution for Professionals under IBC code	Adv. Dhanraj
07.09.2017	ICDS vs Tax Audit	CA. Nidhi Jain
14.09.2017	GST After Impact - Jewellery Industry	CA. Vijay Anand
05.10.2017	Wealth Creation - Professional opportunity	Mr. G.S. Vinoth Harish, AVP in Wealth Advisers I (P) Ltd
09.11.2017	Reassessment Proceedings under Income Tax - An update	CA. Subhashini
23.11.2017	GST - Input Tax Credit (tentative) An Analysis	CA. Divya R
14.12.2017	Direct Taxes - recent Judicial announcements	CA. Mythili Raghunathan
28.12.2017	Road Ahead for Tax Professionals & Investors Awareness Programme	Mr. Mohan Parasaran & Mr. Balaji Rao
11.01.2018	The Companies Amendment Bill 2017 - an Analysis	CS S Dhanapal
08.02.2018	E.Way Bill under GST - Way Forward	CA. V.Vishal
22.02.2018	The Three C's for the fourth Opportunities & Challenges for CA's	CA. P.V. Srinivasan
08.03.2018	Prosecution under Direct taxes - an Analysis	CA. B. Ramakrishnan
22.03.2018	Audit of Banks - Recent Development	CA. S. Ramesh

We are pleased to inform that many of the above speakers are first time speakers and CASC is continuing its tradition of promotion of young talent professional arena in this process.

---

## **RESIDENTIAL SEMINAR**

Your Study Circle conducted the 19th Annual Residential Conference from 26th January 2018 to 28th January 2018 at Hotel Singar International, Kanyakumari with 79 delegates participating with family members aggregating to 89. The conference was a roaring success on par with earlier successful conferences. The members and their family members were enthralled on the excellent conference arrangement and also the ambience of the venue.

## **NEWS LETTER**

Your Study Circle's bulletin which was started in the year 2000 continues to be popular in the Professional circle. The Editorial Board members are as follows:

1. CA Uttamchand Jain P - Chairman
2. CA C.S. Ramesh Babu
3. CA Anil Kumar Khicha

The bulletin with enriched contents and articles has attracted nationwide readership and received appreciative letters from readers for its quality and content.

## **MEMBERSHIP**

The Study Circle added a steady growth of Life Members during the year 2017 -18. The details of membership are as follows:

Total Members as at the beginning of the year	429 Nos
New Members enrolled during the year	19 Nos
Resignation or Removal of members during the year	02 Nos.
Total Members on Roll as at the end of the year	446 Nos.

The Committee of Management hopes to improve the no. of Life Members in the coming years.

---

## COMMITTEE MEETINGS

The Management Committee met formally five times from the day the present Committee has taken over. The committee member's attendance in the meetings is as follows:-

Total No. of Meetings - 6

MC Member's Name	No. of Meeting Attended	Percentage
CA. M. GANESH PRAKASH	5	83.33
CA. GOWTHAM CHAND DAGA	5	83.33
CA. J. MURALI	2	33.33
CA. C.S. RAMESH BABU	5	83.33
CA. R. RAVI	4	66.67
CA. K.R. SATHYANARAYANAN	5	83.33
CA. R. SUNDARARAJAN	6	100
CA. V. THULASIDARAN	6	100
CA. UTTAMCHAND JAIN	6	100

The Management Committee were ably assisted by Special invitee Mr. Sathya Yanmantram by providing valuable inputs.

Other than the regular meetings, Conference Committee, Conference Sub Committee and other Sub Committee Meetings have been held during the year and attended by the respective Committee Members and special invitees.

---

### **Meeting Held Jointly With Sister Organizations During the Year:**

<b>Date</b>	<b>Venue</b>	<b>Subject</b>	<b>Speakers</b>	<b>Jointly with</b>
05-02-2018	TAG - PS Dakshinamurthi Hall, Mylapore	Union Budget 2018	CA T.G.Suresh CA. V. Prasanna Krishnan Dr. Gowri Ramachandran CAP Anand	Society of Auditors, Association of Chartered Accountants, International Fiscal Association IB -SRC, D Rangasamy Academy of Fiscal Research, Securities & Timeshare Owners Welfare Association, Revenue Bar Association, SV Research Foundation and International Chamber of Indirect Tax Professionals.

### **ENDOWMENT SCHOLARSHIPS & PRIZES:**

As in the past, the Study Circle has continued supporting meritorious students from Chennai pursuing CPT, PE-I, PE-II and Final Examinations conducted by ICAI.

The Study Circle continued to support poor and deserving students pursuing Chartered Accountancy Course by offering scholarships.

During the year, the Study Circle presented the best young speaker award to Mr. Aadithya and the award for the best article published in the newsletter was presented to Mr. E. Chaitanya.

### **KNOWLEDGE SHARING**

As part of Knowledge Sharing, the members of Study Circle have been provided with a copy of the Budget Publication brought out by the Association of Chartered Accountants, Chennai.

### **ACKNOWLEDGEMENTS**

The management committee places on record their sincere thanks appreciation for the whole-hearted support extended by Members, Speakers, other professional organizations, Bankers, Sponsors, Advertisers, Endowment Donors and Staff of the Study Circle.

For The Chartered Accountants Study Circle

Sd/-

CA. R. Sundararajan  
Committee Member

Place : Chennai  
Date : 24.07.2018

---

**THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)**

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road  
Chennai - 600 086. Phone : 044-28114283

**NOMINATION FORM**

To  
Mr. R.G.Rajan  
Returning Officer  
The Chartered Accountants Study Circle (Regd.),  
Prince Arcade, 2-L Rear Block, Second Floor,  
22-A Cathedral Road, Chennai - 600 086.

We, the undersigned, members of The Chartered Accountants Study Circle, nominate the under mentioned person as a candidate for election as a Member of the Committee of Management at the Annual General Meeting to be held on 23rd August 2018.

Name of the Candidate :

Father's / Husband's Name :

Address :

Membership Details : Life / Annual

Signature of the Proposer

Signature of the Seconder

Name & Address with  
Membership details :

Name & Address with  
Membership details :

Signature of candidate consenting to the nomination:

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## THE CHARTERED ACCOUNTANTS STUDY CIRCLE (Regd)

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road  
Chennai - 600 086. Phone : 044-28114283

To

### The Chartered Accountants Study Circle (Regd)

Prince Arcade, 2L, Rear Block, Second Floor, 22A, Cathedral Road Chennai - 600 086.

Kindly enrol me as a

- Life Member **Rs. 7,500/- plus service tax**
  - Annual Member **Rs. 750/- plus service tax**
  - Corporate Life Member (20 Years) **Rs. 20,000/- plus service tax**
  - Corporate Annual Member **Rs. 3,000/- plus service tax**
- Corporate Member can nominate 2 Persons

1. Name : .....

2. Address : .....

.....  
.....

3. Telephone : Office : ..... Home : ..... Mobile : .....

4. Email : ..... Date of Birth : .....

5. Membership Detail of Professional Bodies : ..... Blood Group : .....

6. Qualification : FCA/ACA/FCS/ACS/FCWA/ACWA/OTHERS .....

7. Occupation : ..... Designation : .....

8. Area of Interest :  Direct Taxes  Indirect Taxes  Corporate Laws  Accountancy   
Auditing

9. Payment Details : Cheque/Draft should be drawn in favour **"The Chartered Accountants Study Circle"**

Cheque No. : ..... Drawn on ..... Amount .....

Date :

Thanking you

Place :

Yours Sincerely

---

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# SHREE GURU KRIPA'S INSTITUTE OF MANAGEMENT

"Shri Guru Padhuka", No.27, Akbarabad II Street,  
Kodambakkam, Chennai - 600 024.

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- v All past Exams Question considered.

- v Table and Flow Charts, Diagrams for easy understanding.
- v Fast Track Referencer for Quick Revision.

## BOOKS FOR PROFESSIONALS

1. Handbook on Direct Taxes
2. Personal Income Tax
3. Practical Guide on TDS and TCS

## BOOKS FOR C.A. IPCC / PCC

1. Students' Guide on Financial Reporting
2. Students' Referencer on Strategic Financial Management
3. Students' Handbook on Corporate and Allied Laws
4. Students' Handbook on Advanced Auditing
5. A Ready Referencer on Advanced Management Accounting
6. Students' Handbook on Information Systems Control and Audit
7. Direct Taxes - A Ready Referencer
8. Students' Referencer on Indirect Taxes
9. Students' Referencer on Standards on Auditing
10. A Handbook on Accounting Standards

## BOOKS FOR C.A. IPCC / PCC

1. Ready Referencer on Accounting Group - I
2. Law, Ethics and Communication - A Referencer
3. Students' Handbook on Cost Accounting and Financial Management
4. Students' Referencer on Income Tax, Service Tax and VAT
5. Students' Handbook on Advance Accounting - Group II
6. Students' Handbook on Auditing and Assurance
7. Students' Handbook on Information Technology and Strategic Management

## BOOKS FOR CPT

1. Basics of Accounting
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Chennai - 600 049.  
(Near IOB Kambar Colony Branch)

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