



CHAIRMAN's COMMUNIQUE..

துன்பம் உறவரினும் செய்க துணிவாற்றி
இன்பம் பயக்கும் வினை.

The meaning of this verse goes like this - Perform the action that yield bliss inspite of the difficulties that come on the way.

"GST ACT" that was confined to books, journals and media a month back has finally come into the lime light. The leg of journey that laid the foundations of GST has culminated and a new journey has started from 1st July 2017, The Foundation day of our profession. A remarkable thing indeed!

The speech of our Prime Minister Narendra Modi on CA foundation day, Very well tells about the expectations and responsibilities cast by the public on our highly esteemed profession.

As the GST wave is gaining its momentum, MBSIRC has taken up various initiatives to update the members on this front:-

- In order to respond to various queries on GST from public at large/members/students, MBSIRC has launched a GST helpline.
- A GST Certificate course (2nd batch) is planned to be held from 15th July to 13th August 2017, at Dindugul. I kindly request all the members to make use of this certification course as a part of their knowledge updation process.
- Apart from above, a residential seminar on GST is scheduled to be held at Kodaikanal from 7th July to 9th July 2017.

I am also immensely happy to share with you that the 1st batch GST certification course which was held from May 27th to June 25th 2017 was successfully completed as scheduled. I sincerely urge all the members who weren't able to attend the 1st batch to make use of the subsequent batches which are yet to take shape.

"Strength does not come from winning. Your struggles develop your strengths. When you go through hardships and decide not to surrender, that is strength." - **Arnold schwarzenegger**

With Warm Regards,

CA R Jegadeesh
Chairman, MBSIRC



CA. MURALIDHARAN

IMPORTANT AMENDMENTS IN SECTION 44AD & SECTION 44ADA APPLICABLE FOR A.Y 2017-18

THE ASSESSEE HAVING INCOME UNDER THE HEAD PROFITS AND GAINS OF BUSINESS OR PROFESSION SHALL BE:

- ◆ Either liable to get their accounts audited u/s 44AB (Or)
- ◆ Offer presumptive income u/s 44AE / 44AD / 44ADA / 44BB / 44BBB

THE EXCEPTIONS TO THIS POSITION ARE:

NON RESIDENT:

- > Individual(HUF/ firm(other than LLP) with turnover, gross receipts etc., less than Rs.1,00,00,000/-
- > Other assessee (Such as LLP, Ltd.Co etc) having Turnover, Gross receipts etc., less than Rs.1,00,00,000/-
- > A non eligible assessee (for section 44AD) namely a Resident Individual, HUF or Firm other than LLP who are i) carrying on Agency business or ii) earning income in the nature of commission / brokerage having turnover, gross receipts etc., less than Rs 1,00,00,000

These assessee cannot offer presumptive income and they have to maintain books of accounts & Sections 28 to 43C are applicable to them and further they have to get their accounts audited u/s 44AB if the turnover/ gross receipts exceed Rs.1,00,00,000/-

Sweeping changes are made applicable from Assessment Year 2017-18 in respect of Sections 44AD & 44ADA which have major applications in practical situation:

◆ SECTION 44AD : NEW AMENDMENTS

RECEIPT THROUGH BANKING CHANNEL :

- > The presumptive income will be taken @ 8% of turnover generally , AND in cases where the payments (out of gross receipts/turnover) are received through account payee cheque, or an account payee bank draft or use of electronic clearing system through bank account on or before the end of the year or due date for filing the return of income, the presumptive income will be considered @ 6% of turnover/ gross receipts.

LIMIT RAISED :

- > This section applies to eligible assessee namely Resident Individuals, HUFs, firms (other than LLP) who are carrying on eligible business and whose turnover does not exceed Rs 2 Crores :
- > The result is that even though the limit for audit under section 44AB stays at Turnover / gross receipts Exceeding Rs 1 crore, practically it is 2 crores for eligible assessee carrying on eligible business as per Section 44AD. So long as the Turnover does not exceed Rs 2 crores in respect of an Individual/ HUF/firm(other than LLP) WHO ARE RESIDENT carrying on business (Other than agency business or earning income in the nature of commission/ brokerage). They have to mandatorily offer 6% or 8% as the case may be, failing which they will attract Section 44AB & 44AA if total income exceeds maximum amount not chargeable to Tax.



REMUNERATION AND INTEREST TO PARTNER/PARTNERS

- The most important change is that, in the case of a Firm after arriving at 6% or 8% of turnover as above, the remuneration and interest paid to partners cannot be allowed/ deducted [in view of omission of proviso to Sub section 2 of Section 44AD]

PROHIBITED FOR NEXT 5 ASSESSMENT YEARS

- Where an eligible assessee declares income @ 8% / 6% as the case may be for any previous year AND in any of the subsequent FIVE previous years he declares profit lower than the presumptive amount HE WILL NOT BE ELIGIBLE TO TAKE THE BENEFITS OF SECTION 44AD For five assessment years subsequent to the assessment year relevant to the previous year for which income at the rates prescribed under section 44AD are not offered.
- In effect if an assessee opts to declare lower income for any assessment year he cannot offer presumptive income for the next FIVE years and even if he offers income at the rate of 8% / 6% or more than that in the next 5 years still he cannot take the benefit of Section 44AD MEANING THEREBY he will have to maintain books of accounts and get them audited under Section 44AB
- The chief benefit of Section 44AD are that sections 28 to 43C are not applicable to the assessee: (eg. Section 40A (3), Section 43 B , Section 40 a (ja) etc., are not applicable)
- If the assessee claims that he has earned HIGHER than 8% or 6% as the case may be such higher amount has to be admitted
- All deductions under sections 30 to 38 shall be deemed to have been given effect to.

◆ SECTION 44ADA

A) The newly introduced section:

- a) An assessee engaged in profession referred to in Section 44AA(1) And
- b) Is a Resident And
- c) Gross receipts from profession do not exceed Rs 50 lakhs is hit by the deeming provisions of Section 44ADA & consequently have to declare 50% of gross receipts in profession as income under the head profits and gains of business or profession .

B) If the assessee claims that he has earned HIGHER than 50% such higher amount has to be admitted

C) All deductions under sections 30 to 38 shall be deemed to have been given effect to.

D) In effect if an assessee opts to declare lower income for any assessment year he will have to maintain books of accounts and get them audited under Section 44AB

While filing returns for business assesses:

Great care has to be exercised , First to ascertain whether the assessee is attracting Section 44AB OR whether sections 44AD/44ADA are attracted AND if sections 44AD/44ADA are attracted but still the assessee opts to offer lower than presumptive income then, still greater care has to be exercised in carrying out tax audit in such cases.



CA DUNGAR CHAND JAIN

EXCEL TIPS

COMPARING TWO LISTS (Using Conditional Formatting & Countif Function)

Excel's Conditional Formatting feature has many uses. Suppose we need to compare two lists, and identify the which are different, we can use conditional formatting with Countif function to get the desired result.



List 1 and List 2 contains name of the cities in A2:A27 and C2:C27 respectively. As you can see, items in "List 1" that do not appear in "List 2" are highlighted with a background. Items in "List 2" that do not appear in "List 1" are highlighted with another background. These colors/shades are the result of Conditional Formatting.

How to do it :

- 1.Start by selecting the "List 1".
- 2.Choose Home > Conditional Formatting> New Rule...



3. In the New Formatting Rule box, select the Rule type to "Use a Formula to determine which cells to format"





4. Enter this formula in the box provided as =
COUNTIF(\$C\$2:\$C\$27,A2)=0



5. Click the Format... button and specify the formatting to apply when the condition is true (say, a yellow background)



6. Click OK

The cells in the "List 2" will use a similar conditional formatting formula.

1. Select the NewList range.
2. Choose Home > Conditional Formatting> New Rule...
3. In the New Formatting Rule box, select the Rule type to "Use a Formula to determine which cells to format"
4. Enter this formula in the box provided as =COUNTIF(\$A\$2:\$A\$27,C2)=0
5. Click the Format... button and specify the formatting to apply when the condition is true (say, a green background)
6. Click OK

Both of these conditional formatting formulas use the COUNTIF function. This function counts the number of times a particular value appears in a range. If the formula returns 0, it means that the item does not appear in the range. Therefore, the conditional formatting steps in and the cell's background colour is changed.

The cell reference in the COUNTIF function should always be the upper left cell of the selected range.

Note : Text is used in the illustration above, however this technique can be used for data containing numeric data also



CA. M SELVAKUMAR

CGST NOTIFICATIONS

The Central Government has issued various notifications under the CGST Act. A brief summary of the notifications is as mentioned below:

CGST Notifications - for rates Link to download: <http://www.cbec.gov.in/hfdocs-cbec/gst/central-tax-rate-notifs-2017>

01/2017 - Central Tax (Rate)	Rate of tax on goods for CGST
02/2017 - Central Tax (Rate)	Goods exempt from CGST
03/2017 - Central Tax (Rate)	2.5% concessional rate of CGST for supply of specified goods to specified petroleum operations
04/2017 - Central Tax (Rate)	Applicability of reverse charge on specified goods such as silk yarn, lottery, tobacco leaves & tendu leaves & specified cashew nuts
05/2017 - Central Tax (Rate)	Supplies of goods in respect of which refund of unutilised GST credit will not be allowed
06/2017 - Central Tax (Rate)	Refund of 50% of CGST paid on supplies to Canteen Stores Department
07/2017 - Central Tax (Rate)	Exemption from CGST on supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers
08/2017 - Central Tax (Rate)	CGST exemption from reverse charge up to INR 5,000 per day
09/2017 - Central Tax (Rate)	Exemption to intra-state supplies made to a TDS deductor by a supplier, when the supplier is not registered and the recipient / TDS deductor is not required to obtain registration otherwise



Article

10/2017 - Central Tax (Rate)	Exemption to intra-state supplies made to a second-hand goods supplier, when the supplier is not registered
11/2017 - Central Tax (Rate)	Rate of tax on Services for CGST
12/2017 - Central Tax (Rate)	Services exempt from CGST
13/2017 - Central Tax (Rate)	Applicability of reverse charge on specified services such as Goods Transport Agency (GTA), Advocate, An arbitral tribunal, Sponsorship, A recovery agent, An insurance agent, director of a company, & Author or music composer, photographer, artist, or the like
14/2017 - Central Tax (Rate)	Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution shall be treated neither as supply of goods nor a supply of service.
15/2017 - Central Tax (Rate)	No refund of unutilized credit shall be allowed on Supply of services such as Construction of complex, building, civil structure or a part thereof specified in sub-item (b) of Item 5 of Schedule II of CGST Act.
16/2017 - Central Tax (Rate)	Specialised agencies such as United Nations or a specified international organisation and Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers are entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under CGST Act
17/2017 - Central Tax (Rate)	E-Commerce Operators shall pay tax on intra-state supply of services such as transportation of passengers by a radio-taxi, motorcab, maxi cab and motor cycle (or) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes



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18/2017 - Central tax (Rate)	Reduces the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%
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CGST Notifications - for aspects other than rates Link to download:

<http://www.cbec.gov.in/htdocs/cbec/gst/central-tax-notifs-2017>

01/2017 - Central tax	Seeks to bring sections 1, 2, 3, 4, 5, 10, 22, 23, 24, 25, 26, 27, 28, 29, 30, 139, 146 and 164 of the CGST Act, 2017 into force w.e.1.22.06.2017
02/2017 - Central tax	Notifying jurisdiction of Central Tax Officers
03/2017 - Central Tax	Notifying the CGST Rules, 2017 on registration and composition levy
04/2017 - Central Tax	Notifying www.gst.gov.in as the Common Goods and Services Tax Electronic Portal
05/2017 - Central Tax	Exempts persons from registration who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under 9(3)
06/2017 - Central Tax	(i) Aadhaar based Electronic Verification Code (EVC); (ii) Bank account based One Time Password (OTP) can be used as method of authentication for documents filed with the board.
07/2017 - Central Tax	Amendments to the CGST Rules, 2017 published in relation to Composition levy and Registration



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08/2017 - Central Tax	Notifies the CGST rate for dealers opting for registration under the composition scheme. Additionally, the notification mentions a list of goods where composition scheme option will not apply
09/2017 - Central Tax	Seeks to bring all the pending sections of the CGST Act, 2017 except the sections relating to TDS and TCS into force effective 1 July 2017
10/2017 - Central Tax	Amends the CGST Rules, 2017 to include rules and formats pertaining to Valuation, Input Tax Credit, Returns, Invoice, Payment of Tax, Refund, Accounts and Records, Assessment and Audit, Appeals and Revision, Advance Rulings, Transitional Provisions, Anti-Profitsteering and e-Way bills. These rules are made applicable from 1 July 2017
11/2017 - Central Tax	Seeks to amend the notification No. 6/2017 - Central Tax, determining the mode of verification under CGST Rules, 2017 in place of bank account based onetime password, the amended modes of verification include (i) electronic verification code generated through net banking login on the common portal and (ii) electronic verification code generated on the common portal. This notification is effective 22 June 2017.
12/2017 - Central Tax	Notifies the number of HSN digits to be mentioned on the invoice 1 July 2017 onwards based on the annual turnover of registered person in the previous financial year. •Up to INR 1.5 crores (INR 15 million): HSNs not to be mentioned; •More than INR 1.5 crores (INR 15 million) and up to INR 5 crores (INR 50 million): 2 digits; •More than INR 5 crore (INR 50 million): 4 digits



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13/2017 – Central Tax	Notifies the Interest rates to be applicable from 1 July 2017. The interest rates are as follows: -Delayed payment of tax: 18% -Undue / excess claim of tax credit, undue / excess reduction in output tax liability: 24% -Retained Refund: 6% -Refund beyond the specified period under specified situations: 6% Refund beyond the specified period: 9%
14/2017 – Central Tax	Notifying jurisdiction and powers of Central Tax Officers
15/2017 – Central Tax	Amends the CGST Rules, 2017 pertaining to Form GSTR-3B , Form GST RFD-11, Demand and Recovery & Offences and Penalties.

MONTHLY ACTIVITY - JUNE 2017:

Date	Topic	Speakers	CPE Hours
27.05.2017 - 25.06.2017	Certificate course on GST - Madurai - Batch 1	-	30 hrs
16.06.2017	Study Circle Meeting on Registrations, Returns and Transitional Provisions on GST	CAM Selva Kumar	2 hrs
24.06.2017	Study Circle Meeting on Practical Issues on ICDS	CAS Ramamoorthy	2 hrs



CA. SOWMYA

SPICE

"Incorporate a Company Now Just in 1 Day", welcomes the MCA Portal with a Captivating smile of Prime Minister Narendra Modi assuring reduction of fee, simplification of rules relating to incorporation and speedy Incorporation of Companies.

**INCORPORATE A COMPANY
NOW IN JUST 1 DAY**

Start Business - register (Sole, Pvt, LLP) now with just 1 Day... all in a day!

STARTING A BUSINESS IN INDIA IS NOW EASY

1. Get PAN - 1 day
2. Get DSC - 1 day
3. Get Director Identification Number (DIN) - 1 day
4. Get Digital Signature Certificate (DSC) - 1 day
5. Get Director Identification Number (DIN) - 1 day
6. Get Director Identification Number (DIN) - 1 day
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19. Get Director Identification Number (DIN) - 1 day
20. Get Director Identification Number (DIN) - 1 day

Ministry of Corporate Affairs
Government of India

What is SPICE?

Simplified Proforma for Incorporating Company Electronically (SPICE) has been introduced by MCA for quick incorporation of a company with simplified procedure.

When to use Spice Form?

Total Subscribers in case of Public/Private /OPC	Form to use
When the Total subscribers are 7 or less	INC -32(SPICE)
When the Total Subscribers exceeds 7	INC -7(Normal Incorporation Process)



Features of SPICE form

- (i) e-MoA(INC -33) and e-AoA(INC- 34) needs to be mandatorily filed as Linked form with INC-32. Thus Physical MOA and AOA are not needed.
- (ii) DSC mandatory for all subscribers and the date of signing appears on signing the Linked forms.
- (iii) DSC mandatory for witness.
- (iv) PAN/TAN Applications has to be mandatorily filed in FORM 49A and 49B for processing of INC -32 in MCA website.
- (v) Maximum subscribers -7
- (vi) DIN Application can be made upto a maximum of 3 Directors.
- (vii) Maximum number of resubmissions permitted -2
- (viii) Name of the company can be applied through this form too. But Only one Proposed name has to be given. Hence Reservation of Name can be obtained through INC -1 where 6 Proposed names can be given.
- (ix) Maximum upload size – 6 MB
- (x) Refund available in case the Spice form gets rejected.
- (xi) Incorporation fees has been reduced from Rs.2,000 to Rs.500/-

Documents to attach

- (i) e- Moa (INC -33) as an attachment to INC -32
- (ii) e-Aoa(INC -34) as an attachment to INC -32
- (iii) Affidavit , Declaration by First Subscribers
- (iv) Form for Verification of signature of Subscribers(INC -10)
- (v) Consent to Act as Director (DIR -2) and Intimation by Director(DIR -8)
- (vi) Proof of Office Address ie Rental Agreement
- (vii) Utility bills not older than 3 months
- (viii) NOC from Landlord
- (ix) PAN card, Aadhar Card, Utility Bill Mandatory for all Indian Directors
- (x) Passport Mandatory for all Foreign Nationals

In case of Foreign National Directors

In case Business Visa is available for Foreign National Director, Business Visa has to be attached with INC -32 and e-MoA and AoA has to be filed as Linked forms to INC -32. In case Business Visa is not available, then Apostilled physical subscriber sheet of MOA and Apostilled Physical subscriber sheet of AOA has to be submitted as an attachment to INC -32 along with the Linked forms(e-AoA and e- MoA).



Article

The forms to be used for Different Applicants are given below:

No.	Applicant	Forms Filing
1	Non-Individual first subscriber based outside India	SPICE (INC-32) with apostilled MOA and AOA as attachments
2	Non-Individual first subscriber based in India	SPICE (INC-32) with linked filing of eMOA (INC-33) and eAOA (INC-34)
3	Indian National being Subscriber other than director	SPICE (INC-32) with linked filing of eMOA (INC-33) and eAOA (INC-34)
4	Indian National being Subscriber-cum-Director	SPICE (INC-32) with linked filing of eMOA (INC-33) and eAOA (INC-34)
5	Foreign National being Subscriber other than director having valid DIN	SPICE (INC-32) with linked filing of eMOA (INC-33) & eAOA (INC-34) alongwith Valid Business Visa to be submitted. In case Business Visa is not available, apostilled MOA & AOA shall be attached and in such cases, eMOA (INC33) & eAOA (INC-34) are NOT acceptable.
6	Foreign National being Subscriber-cum-Director having valid DIN	SPICE (INC-32) with linked filing of eMOA (INC-33) & eAOA (INC-34) alongwith valid Business Visa to be submitted. In case Business Visa is not available, apostilled MOA & AOA shall be attached & in such cases, eMOA (INC33) & eAOA (INC-34) are NOT acceptable.
7	Foreign National being Subscriber-cum-Director not having valid DIN	SPICE (INC-32) with apostilled MOA and apostilled AOA as attachments.

Conclusion

As envisaged by MCA, The 5 services [Applying name, DIN of Directors, Company Incorporation, PAN and TAN] in 1 Form and the Promising Slogan of " Incorporation in a day " has reduced the procedures for starting a business in INDIA and thus aids in Ease of Doing Business in India. So Speed up to experience the spice in the Incorporation Process.



Article



CA. R UMA

COMPANIES ACT, 2013 - PROVISIONS RELATING TO DIRECTORS (In a nutshell)

This is the third part of the series of articles providing a bird's eye view on the provisions of the companies act relating to directors.

DUTIES OF DIRECTORS

Do's

- Act in accordance with the Articles
- Act in good faith
- Exercise independent judgement, care, skill and diligence

DONTs

- Conflict of interest – personal interest vs. company interest
- Achieve any undue gain or advantage
- Assign office

VACATION OF OFFICE OF DIRECTOR

The office of a director shall become vacant if :

- He incurs any of the disqualifications specified in section 164 ;
- He absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- He violates the provisions of the Companies Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- He fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested;
- He is removed as per the provisions of the Companies Act;
- He has been appointed as a director because he holds a particular position in any holding/ subsidiary/ associate company and he ceases to hold such position.
- A private company may provide additional grounds for vacation of office in its Articles.



Article

RESIGNATION OF DIRECTOR

- > A director may resign his office by giving notice in writing to the company.
- > The notice shall be effective from
 - (a) the date on which the notice is received by the company;
 - or
 - (b) the date, if any, specified by the director in the notice, whichever is later.
- > The Board, as well as the director, should inform the ROC about the resignation within the prescribed time. In the case of the director, he should also inform the ROC about the reason for the resignation in detail.
- > Even after resignation, the director shall continue to be liable for the offences which occurred during his tenure.

REMOVAL OF DIRECTORS

- > A company may remove a director before the expiry of his period of office by passing an ordinary resolution of the AGM.
- > To remove a director, or to appoint someone in the place of the director so removed, a special notice of the resolution is to be given.
- > The director who is proposed to be removed shall be given a reasonable opportunity of being heard.

The director may make a written representation to the company and request the company to send a copy thereof to its members;

or

The director may request the company for his representation to be read out at the AGM;

or

The director may make an oral representation at the AGM, even if he is not a member.

- > The vacancy so caused may be filled up at the same AGM or the casual vacancy may be filled up by the Board.
- > Even after removal in this manner, the director has the right to claim compensation or damages for premature termination of his directorship.
- > The following directors cannot be removed in the manner specified above:
 - (a) Directors appointed by the central government;
 - (b) Directors appointed by the Tribunal;
 - (c) Directors appointed by way of proportional representation under the Act;
 - (d) Nominee directors appointed by any financial institution.



Article

- The company cannot make any provisions in its Articles or Agreement with the directors which override the above provisions of the Companies Act.

DISCLOSURE OF INTEREST BY DIRECTOR

- Every director should disclose his interest in any company/ body corporate/ firm/ association of individuals.
- Notice should be given in Form MBP1.
- Notice should be given at
 - ✓ the first meeting of the board after becoming a director
 - ✓ first meeting of the board of every financial year
 - ✓ every time there is a change in interest.
- When a contract or arrangement is discussed in a board meeting, every director should disclose the nature of his interest or concern in the entity with which the contract or arrangement is being entered into. The director should not participate in the meeting.
- If a director is not an interested party of the time of entering into the contract but subsequently becomes interested, he should disclose his interest in the meeting held immediately thereafter.
- The interest may be direct or indirect.
- The contract or arrangement may be with
 - a body corporate in which
 - o such director by himself or along with other directors holds more than 2% of the shares; or
 - o such director is a promoter
 - o such director is a manager
 - o such director is the CEO
 - a firm in which such director is a partner;
 - any other entity in which such director is a member or owner, as the case may be.
- In case of private companies, the interested directors may participate in board meetings after disclosing their interest.



Answers to Quiz

Answers to Previous Edition Quiz:

Answer 1:

a) Place of Supply: Bangalore as per Sec. 10 (1) (b) of the IGST Act 2017.

b) Tax to be Charged: Vendor in Bangalore to Company in Bangalore – CGST and SGST
Company in Bangalore to Branch in Chennai – IGST

c) Duty of recipient: In the given case, recipient of goods is Branch at Chennai. However, as per Sec. 10(1)(b) the company in Bangalore will be deemed to have received the goods and principal place of business of such company should be reckoned as Place of supply. Company in Bangalore should issue a tax invoice to Branch in Chennai with IGST.

Answer 2: Yes, as per provisions of section 140(3), a registered person (Depot at Madurai) can take credit of stock lying in depot as on 30th June 2017. ITC will be allowed to Depot's State (i.e.) Tamilnadu subject to declaration in TRAN 1 and availability of invoice issued by supplier of goods.

Answer 3: As proviso to Sec. 140 (3) read with Rule 117 (4) (a) of Transition Provisions Rule, after payment of tax of Rs. 70,000, he will get credit of 60% of 70,000 (i.e.) Rs. 42,000. Thus, deemed credit is not available for manufacturer and supplier of services.

Answer 4: For every issue, return of allotment (refer section 39) Form PAS 3 will be filed with the ROC irrespective of whether the share is allotted through private, ESOP, Right issue or Bonus issue. No, shareholder approval is not required for rights issue.

Answer 5: Yes, as per the exemption Notification No. GSR 464(E) of the MCA dated 5th June 2015, a Private Company can accept deposits from its members not exceeding 100% of aggregate of its paid-up share capital and free reserve without complying with the provisions of Section 73(2) (a), (b), (c), (d) and (e) of the CA, 2013 and such company shall file details of monies so accepted in the manner as may be specified.

Answer 6: AO is justified in issuing the notice because as per section 271AAB(1A) penalty of 30% of undisclosed income is leviable in cases where search is initiated after 15.12.2016 subject to conditions as under:

- The assessee admits such income u/s. 132(d) and specifies the manner in which it was earned.
- The assessee files the return including such income and pays tax and interest due before the specified date.



If the assessee does not comply with above conditions then penalty will be 60%. In the given case, Tax will be 60% + Surcharge 25% + Cess 3% u/s. 115BBE and penalty at the rate of 30% u/s. 271AAB.

Answer 7: NO. The charges/fees/offering etc. are received by the temples against specific services to their foreign client (devotees). Therefore, such charges/fees/offering etc. are not considered as foreign contribution.

Answer 8: Effective from 1.4.2017, Sec. 56 (2) (x) is inserted. It provides that any receipt by a person of a sum of money or property, without consideration or for inadequate consideration in excess of Rs. 50,000 shall be taxable in the hands of the recipient under the head "Income from other sources". Hence in the given case, Rs. 12,00,000 will be taxable in the hand of Ms. X Ud.

Answer 9:

a) As per Sec. 194-IC, Elite Ltd should deduct TDS @ 10% on Rs. 5,00,000 at the time of credit (or) payment whichever is earlier. Therefore, deduction date will be 30/04/2017.

b) As per Sec. 45(5A) capital gain is chargeable to tax in the year in which completion certificate is issued by the competent authority. In the given case, it will be taxable in the AY 2021-22. Full value of consideration will be the Stamp duty value on the date of issue of completion certificate and amount of monetary consideration received. So FVC will be Rs. 70,00,000 (14,00,000 * 5) + Rs. 5,00,000 = Rs. 75,00,000. Capital Gains should be calculated by deducting indexed cost of acquisition from FVC in the AY 2021-22.

c) Mr. X can claim the TDS amount only when the capital becomes taxable (i.e.) AY 2021-22. Therefore, there will be mismatch between Form 26AS and income offered by assessee. Department is yet to clarify on this issue.

Answer 10: Please refer Penalty u/s. 271DA. Amount of Penalty will be equal to the amount received by the person in contravention of section 2695T. Penalty can be levied by Joint Commissioner of Income Tax. If the person is able to prove that there was "good and sufficient reason" for such receipt of money, no penalty may be levied.



Date	Description	Nature of Transaction	Penalty u/s. 271DA	Reason
14-04-2017	Issued invoice to Mr. Y for Rs. 1,85,000	Credit Sales	NA	Check only at the time of receipt
15-04-2017	Issued invoice to Mr. Y for Rs. 1,75,000	Credit Sales	NA	Check only at the time of receipt
16-04-2017	Issued invoice to Mr. Y for Rs. 1,65,000	Credit Sales	NA	Check only at the time of receipt
17-04-2017	Received Rs. 1,85,000 in cash from Mr. Y	Payment received from customer	Not Attracted	269ST is not violated
18-04-2017	Received Rs. 1,75,000 in cash from Mr. Y	Payment received from customer	Not Attracted	269ST is not violated
19-04-2017	Received Rs. 1,65,000 in cash from Mr. Y	Payment received from customer	Not Attracted	269ST is not violated
01-05-2017	Issued invoice to Mr. P for Rs. 70,000	Credit Sales	NA	Check only at the time of receipt
02-05-2017	Issued invoice to Mr. P for Rs. 70,000	Credit Sales	NA	Check only at the time of receipt
03-05-2017	Issued invoice to Mr. P for Rs. 70,000	Credit Sales	NA	Check only at the time of receipt
04-05-2017	Issued invoice to Mr. P for Rs. 70,000	Credit Sales	NA	Check only at the time of receipt
05-05-2017	Issued invoice to Mr. P for Rs. 70,000	Credit Sales	NA	Check only at the time of receipt
06-05-2017	Received Rs. 3,50,000 in cash from Mr. P	Payment received from customer	Attracted	in aggregate from a person in a day
20-05-2017	Issued invoice to Mr. X for Rs. 2,50,000	Credit Sales	NA	Check only at the time of receipt
22-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	in respect of a single transaction



23-05-2017	Received Rs. 1,00,000 in cash for Lease deposit from Mr.Z	Received Lease deposit money	Attracted	In respect of transactions relating to one event or occasion
23-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	in respect of a single transaction
24-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	In respect of a single transaction
25-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	in respect of a single transaction
26-05-2017	Received Rs. 1,50,000 in cash for Lease deposit from Mr.Z	Received Lease deposit money	Attracted	In respect of transactions relating to one event or occasion
26-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	In respect of a single transaction
27-05-2017	Received Rs. 50,000 in cash from Mr. X	Payment received from customer	Attracted	In respect of a single transaction



Event Gallery

27.05.2017 - 25.06.2017 - Certificate course on GST - Madurai - Batch 1



CA Prasanna Krishnan



CA Aravind Thangam



CA Ganesh Prabhu



CA G Saravana Kumar



CA Sankaranarayanan



CA Sankaran



CA Rajendra Kumar



Advocate Aparna



Cross section of delegates





Event Gallery

16.06.2017 - Study Circle Meeting on Registrations, Returns and Transitional Provisions on GST



CA M Selva Kumar



Cross section of delegates



Memento to Speaker

24.06.2017 - Study Circle Meeting on Practical Issues on ICDS



Address by
CA R Jagadeesh
Chairman, MBSIRC



Speaker
CA Ramamoorthy



Cross section of delegates



Memento to Speaker

Disclaimer:

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