



AKOLA BRANCH OF WIRC OF ICAI



NEWSLETTER FOR THE MONTH OF
SEPTEMBER 2021

वक्रतुण्ड महाकाय सूर्यकोटि समप्रभ ।
निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा ॥



संगल
प्रती
प्रिया

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TORCH BEARERS YEAR 2021-22

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



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TORCH BEARERS YEAR 2021-22

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CA. JAYESH KALA
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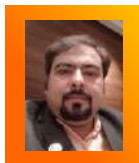


CA. YASHWANT KASAR
CHAIRMAN - WICASA

AKOLA BRANCH OF WIRC OF ICAI MANAGING COMMITTEE YEAR 2021-22



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CHAIRMAN



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DISCLAIMER

The opinion expressed in each article is the opinion of author and does not necessarily reflect the opinion of Akola branch. Akola branch assumes no liability or responsibility for any inaccurate, delayed or incomplete information, nor for any actions taken in reliance thereon. The information contained about each individual, event or organization has been provided by such individual, event organizers or organization.

MESSAGE FROM TORCH BEARERS OF AKOLA BRANCH



!! Namaste !!

This year, on 18th September, Akola Branch is going to celebrate its 18th Birthday and I wish each and every member of Akola Branch Hearty Congratulation. Moreover, it has been a historic journey for Akola Branch. The Dynamic and enthusiastic members of our branch are contributing their best in the development of our noble profession. It is the day that each and every one of us needs to treasure to have the reminiscence, a day to cherish, to relish and celebrate. It is on this day in the year 2003, Akola Branch was formed of which we are the proud and privileged Members. Every member of our branch has contributed in their capacity for the betterment and upliftment of the branch.

During this month we are also going to celebrate Teacher's Day and Ganesh Chaturthi. Dr Sarvepalli Radhakrishnan has rightly said "True teachers are those who help us think for ourselves". Our tribute to an iconic thinker, scholar and former President of India on his Jayanti. On behalf of Akola Branch, our greetings to entire teaching fraternity who has been playing an unparalleled role in shaping the students, from all the fraternity, of the nation a very Happy Teachers Day. We also pray to Ganapati Bappa for curing the disease of Covid and his blessings are showered on all human beings and there's no more illness / mortality due to it and every human returns to their routine life cycle.

In the past month we have successfully organised various webinars with the 1st physical seminar for the year 2021-22. Brief of Various Activities done in July:

- Independence Day Celebration : This day being a very special day for all of us. As a mark of 75th Independence Day we had joyfully celebrated the Flag Hoisting ceremony and then our Akola WICASA had successfully organised cricket for the students "BCL 2021". Hearty Congratulations to CA Deepak Agrawal, Chairman, Akola WICASA and Team WICASA.
- Seminar on MSME & Start-ups : It was the 1st physical seminar and CA Dhiraj Khandelwal, Central Council Member shared his views on opportunities for professionals in MSME and Start-ups. Also we had CA Shivbhagwan Assawa, Thane who showed us how to prepare the Project Financials in few minutes by following 13 steps.
- Meeting with Industry Associations : Lateron we had a interactive meet with the committee members of various industry associations wherein Members from Vidarbha Chamber of Commerce & Industry, Akola Industries Association etc participated. Here CA Dhiraj Khandelwal, Chairman, Committee on MSME& Start-up shared his views and various initiatives ICAI is taking. Lateron members presented with their problems and opinion with some key take aways from the meeting.
- Concurrent Audit of Banks : In this webinar, CA Shweta Jain Madam shared his views on the various aspects of Concurrent Audit of Banks, amendments as issued by RBI and important points to be taken care of while Conduct and preparation of the Concurrent Audit reports & certifications.
- Members Meet : Last but not the least, CA Manish Gadia Sir, Chairman, CA Drushti Desai, Vice-Chairperson, WIRC along with Team WIRC visited our Akola branch. We also had a visit of CA Durgesh Kabra Sir, Central Council Member to Akola Branch. All the dignatories welcomed and applauded the activities done by Akola Branch. After going through the current activities, they appraised the work in progress of ICAI Marg and gave their Best Wishes to Team Akola. WIRC also felicitated the senior members of Akola Branch who have attained the age of 70 years and during their journey served relentlessly for the betterment of the citizens at large.

Thank You all for sparing your valuable time and sharing your insights with the members and students of Akola Branch.

We have also posted the details of all the details of various events, link for its recorded session along with the presentation's (if any) shared by the speakers on our branch website <https://akolaicai.org/>. Members can now easily download the content from the branch website.

With the opening of new horizons by technology, scope and form of our tasks are also changing rapidly. Many changes / amendments under various Acts are been made. Various Due dates for Income Tax are coming closure alongwith lot of changes on Income Tax Portal. On Innovative grounds, we also need to enter into new scope of practice such as Litigation Practice, RERA Consultation, Data Mining, and many more. In coming months, Branch is planning to organize seminars on such areas of work to explore them more deeply.

At the end, viral disease has spread a lot and in some parts of the country the third wave of Covid has started spreading its root. Request members to take maximum precautions and try to stay fit and healthy. We also request members to come forward as a speaker in your area of interest. You may also contribute articles and suggestions on our branch email akola@icai.org. I would like to thank our Managing Committee Members for supporting, guiding and encouraging me in various activities to be done for the betterment of the branch, its members and students.

With Best Regards

CA KEYUR S. DEDHIA
CHAIRMAN, AKOLA BRANCH OF WIRC

MESSAGE FROM WIRC CHAIRMAN



“One person with passion is better than forty people merely interested.” - E.M. Forster. This quote perfectly sums up the Akola Branch. The team is small but their passion to promote, protect, and advance our profession far surpasses their number. They advance the interests of Accountancy through CPE, networking and by educating and introducing students to the profession.

The Akola Branch of WIRC of ICAI has completed only 18 years but has achieved a lot in this short span of time.

I am glad to share with you that Akola will be the first city in India where we have a road being named 'ICAI Marg'. The Akola Branch's dream project of having a road named as 'ICAI Marg' turned into reality when the Municipal Corporation of Akola passed a resolution in their meeting for the same. We congratulate them for their perseverance in achieving this noble goal of naming a road after our *alma mater*.

The Akola Branch of WIRC of ICAI received the First Best Branch Award (Small category) at WIRC Level for the year 2020 for the first time in 17 years. They were also awarded for WICASA for the year 2020. These awards are testimony to the tremendous and continuous efforts being made by this Branch.

I look forward to the efforts by the Akola Branch to bring members together to assist the Branch in achieving our common goals, thus taking the Region as a whole forward.

Once again, I congratulate the whole Akola Branch team and all their dynamic and self-motivated members who made and continue to make this Branch a success.

CA MANISH GADIA
CHAIRMAN, WIRC OF ICAI

MESSAGE FROM WIRC VICE-CHAIRPERSON



Dear Professional Colleagues,

It is a great pleasure to communicate with you through this newsletter. The past one year has taught us new ways of working and communicating. The profession has seen a transformation. What we considered impossible before the pandemic is now the new normal.

Technology which was always available at our fingertips but which remained unexplored was suddenly the way to go. Meeting on virtual platform was never considered in the ordinary course. This has not only become acceptable to the fraternity at large but is also viewed as the future way of working. The concept of boundaries has lost relevance. A professional can now serve anyone on the earth. As long as one has the capability to deliver quality service will keep finding newer avenues. Secondly, virtual programs have thrown open all the learning platforms to anyone who wants to enhance his knowledge. Now all the professionals across the entire region have the same opportunity to learn and deliver services.

I would end by saying that it is upto us to see whether we would call a glass half empty or half full. Truly the pandemic has shown us a better side of our work potential.

Yours truly

CA DRUSHTI DESAI

VICE-CHAIRPERSON, WIRC OF ICAI

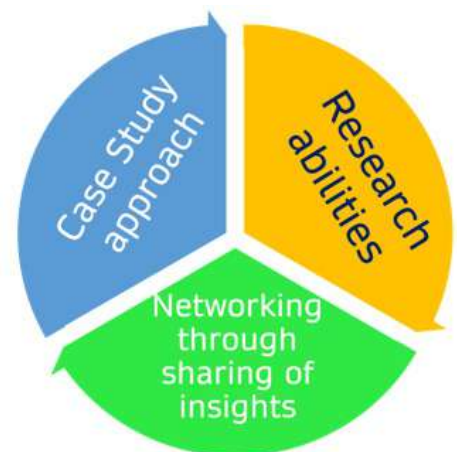
MESSAGE FROM WIRC SECRETARY



Namaskar ! The quest for quality is a continuous process and one that we must ready to undertake to become better professionals as well as to provide quality services to our clients. We have an obligation to our profession – and our clients – to demonstrate that our work continues to be beyond reproach. If we are unable to render our services effectively, we should think on building our capabilities and take conscious efforts in that direction.

As guardians of wealth and partners in nation building, it is our responsibility to establish systems of quality that ensure conformity with the professional standards and code of ethics relevant to professional work. I would also recommend the members to adopt these three attributes **C.R.N** for effective development of one's practice.

Change is the only constant and for Chartered Accountants its more than necessary. We are the elite finance professionals. With such immense responsibilities resting on our shoulders and the highest professionalism expected of us, we cannot afford to let situations dictate over us, but we have to labour to overcome hurdles and come out on top.



Wishing all the members a wonderful times to come. Festivals are coming up and I pray **Bappa** that we celebrate all the festivals like the way we used to do earlier and we stay safe from any threats. Have a great season ahead !

CA ARPIT KABRA
SECRETARY, WIRC OF ICAI

MESSAGE FROM NEWSLETTER COMMITTEE CHAIRMAN



Dear Member,

It gives me immense pleasure to roll out yet another edition of our e-newsletter and share some thoughts with you. The month of September embarks the beginning of festive seasons in India. This month sees the regression of monsoon rains in most parts of the country. This year in September the country will be rejoicing with the festivals of Ganesh Chaturthi and Rishi Panchami during the month of September 2021.

Ganesh Chaturthi, also known as Vinayaka Chaturti or Vinayaka Chaviti is a Hindu festival celebrating the arrival of Ganesh to earth from Kailash Parvat with his mother Goddess Parvati/Gauri. Although it is unknown when or how Ganesh Chaturthi was first observed, the festival has been publicly celebrated in Pune since the era of Shivaji. After the start of the British Raj, the Ganesh festival lost state patronage and became a private family celebration in Maharashtra. In 1892, Bhausahab Laxman Javale (also known as Bhau Rangari), installed the first public Ganesh idol in Pune. In 1893, the Indian freedom fighter Lokmanya Tilak praised the celebration of Sarvajanic Ganesh Utsav in his newspaper, Kesari and recognised Ganesh's appeal as "the god for everybody". According to Robert Brown, he chose Ganesh as the god that bridged "the gap between Brahmins and non-Brahmins", thereby building a grassroots unity across them to oppose British colonial rule.

Offerings and prasāda from the daily prayers, that are distributed from the pandal to the community, include sweets such as modaka as it is believed to be a favourite of Lord Ganesh. The festival ends on the tenth day after start, when the idol is carried in a public procession with music and group chanting, then immersed in a nearby body of water such as a river or sea. The festival is observed throughout India, especially in the states such as Maharashtra, Goa, Karnataka, Rajasthan, Madhya Pradesh, Andhra Pradesh, Telangana, Odisha, West Bengal, Gujarat, Chhattisgarh and Tamil Nadu.

On behalf of the entire editorial board, I take the honour to thank the members for contributions and sharing valuable information on this platform. As requested in the earlier editions, I would yet again make a 3C's appeal to you, in order to improve the experience of this e-newsletter series. The 3C's denote **Connect**, **Contribute** and **Cherish**. I urge you to **connect** with us and share your thoughts. Your feedback in the form of advice, recommendation or criticism is always welcome and will pave the way of improvement in the reader experience for the editions to come. I further request you to **contribute** to this e-newsletter in any form. Any content, whether related to academics or not, is always welcome. Your content will be screened by the Newsletter Committee and the Board before it gets published in the edition. Not to forget the quarterly competition for the contributors wherein the highest contributor will be given a certificate of recognition from the Branch. If we manage to achieve the aforesaid 2C's we would together reach our goal when the audience to this newsletter shall **cherish** its content.

Together we can make this happen.
Looking forward to your contribution and participation.
Happy Reading....Happy Learning!
Best Regards,

CA SAKET R. RATHI
CHAIRMAN, NEWSLETTER COMMITTEE



INCOME TAX ON FUTURES & OPTIONS TRADING

Introduction

Recently many people have started trading in derivative products of the market, such as Futures and Option contracts. However there are many misconceptions about how it is taxed in Income Tax Act and how the transactions must be reported to Income Tax Department.

- Futures and options (F&O) trading is treated as 'non speculative business income'.
- Form ITR 3 is required to be filed if there is income/ loss from F&O activities.
- Many salaried people who trade in F&O, files ITR Form 1 or 2 and fail to report F&O trades in Income tax return. Failure to report these transactions may attract notice by income tax dept u/s 139(9).
- Apart from the losses, other expenses are also allowed to be deducted from income such as Internet expenses, phone expenses, brokerage expense, demat expenses etc. Losses can also help you in reducing tax liability.

Requirement for maintaining books of account.

If you are an individual or HUF, and your total income exceeds 2.5 lakhs rupees OR gross receipts exceeds 25 lakhs rupees in any of the 3 preceding previous year then as per the section 44AA of Income Tax Act, 1961 books of accounts is required to be maintained.

Applicability of tax audit

- Tax Audit applies if total turnover* exceeds 1 crore rupees.
- Or, if the turnover is less than 2 crores but the income reported is less than 8% (6% in case of all digital trades).

*How to calculate turnover in F&O trades?

In Future and options trading, transaction size is huge and accounting treatment for the same is also different. Following things should be added to compute total turnover,

- 1 Profits from the trade
- 2 Loss from the trade
- 3 Premium received on sale of options

For example:

Option trading

Particulars	Buy price	Sale Price	Profit/ (Loss)	Sale of option premium	Turnover
Case 1	20000	19000	(1000)	19000	20000
Case 2	20000	22000	2000	22000	24000

Futures Trading

Particulars	Buy price	Sale Price	Profit/ (Loss)	Turnover
Case 1	850000	860000	10000	10000
Case 2	850000	840000	(10000)	10000

Carry forward of losses.

These losses cannot be adjusted against salary income. In order to carry forward the loss, the return of income should be filed within due date.

CA TEJAS CHANDAK

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Article 2

BANKING COMPLAINT UNRESOLVED: FILE YOUR PLEA TO BANKING OMBUDSMAN (BO)



Overview

Reserve Bank of India has issued detailed guidelines on customer service to banks encompassing various aspects of operations that impact customers.

- They introduced the Banking Ombudsman Scheme to serve as an alternate grievance redress mechanism for customer complaints against banks;
- In 2019, Reserve Bank introduced the Complaint Management System (CMS), a fully automated process-flow based platform, available 24x7 for customers to lodge their complaints with the Banking Ombudsman (BO);
- The scheme covers grievances of the customers against Commercial Bank, Scheduled Primary Cooperative Banks and Regional Rural Banks;

Things to keep in mind

- Before approaching the ombudsman, make a complaint to the relevant bank or financial institution first;
- If you do not receive a reply within a month of the complaint or the reply is not satisfactory, you can approach the ombudsman;
- Your correspondence with the bank should be on email to help you as evidence;
- If your complaint is primarily against a third-party product, say Insurance you should approach the regulator of that product (insurance grievance), or it could be the markets regulator with mutual funds. Don't approach the banking ombudsman just because a bank has sold any of these products to you;
- Ensure that your complaint falls within the grounds of the complaints listed under Scheme;

Major grounds of complaint covered

- Levying of charges without adequate prior notice to the customer;
- Non-acceptance, without sufficient cause, of small denomination notes or coins tendered for any purpose, and for charging of commission in respect thereof;
- Failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a bank or its direct selling agents;
- Non-adherence to the instructions of Reserve Bank on ATM /Debit Card and Prepaid Card operations in India by the bank on any of the following.

- i. Account debited but cash not dispensed by ATMs
 - ii. Account debited more than once for one withdrawal in ATMs or POS transaction
 - iii. Less/Excess of cash dispensed by ATMs
 - iv. Debit in the account without the use of the card or details of the card
 - v. Use of stolen/cloned cards
 - vi. Others
- List of other grounds (Check here: bit.ly/bankombudsman)

How to complain?

- Any person who has a complaint against a bank on any one or more of the grounds of the Scheme may, himself or through his allowed representative (other than an advocate), make a complaint to the Banking Ombudsman within whose jurisdiction the branch or office of the bank complained against is located.
- In case of, a complaint arising out of the operations of credit cards and other types of services it shall be filed before the Banking Ombudsman within whose territorial jurisdiction the billing address of the customer is located.
- For written complaint, download, print and fill up the form available on (<https://www.rbi.org.in/Upload/Publications/PDFs/BOL.pdf>) with relevant details name, address, facts around the complaint, the loss suffered, and the relief sought.
- Submit copies of documents that support your case along with the complaint form.
- You can also file the complaint online on (<https://cms.rbi.org.in/>)
- The banking ombudsman will examine the case and make a settlement through conciliation and mediation between the bank and the customer, or bypassing an award.
- If you are dissatisfied with the ombudsman's order, you can move the consumer courts.

CA SIDDHARTH KAGLIWAL

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GST ON WORKS CONTRACT AND CONSTRUCTION SECTOR

Works Contract – the position in VAT & Service Tax

A works contract has elements of both provision of services and sale of goods, and was therefore taxable under both VAT and Service Tax

Position under GST

Under GST laws, the definition of “Works Contract” has been restricted to any work undertaken for an “Immovable Property” unlike the existing VAT and Service Tax provisions where works contracts for movable properties were also considered.

Section 2(119) The Works Contracts has been defined as :

“works contract” means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.”

Thus, from the above it can be seen that the term works contract has been restricted to contract for building construction, fabrication etc of any immovable property only. Any such composite supply undertaken on goods say for example a fabrication or paint job done in automotive body shop will not fall within the definition of term works contract per se under GST. Such contracts would continue to remain composite supplies but will not be treated as a Works Contract for the purposes of GST.

Para 6 (a) of Schedule II:

works contracts as defined in section 2(119) of the CGST Act, 2017 shall be treated as a supply of services.

So in GST if there is a supply by the supplier to recipient which consist of element of both goods and services then the first test for the purpose of identifying that whether the same is work contract is to identify that where a contract is for any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract, if the answer is affirmative then it shall be treated as a supply of services. Thus, there is a clear demarcation of a works contract as a supply of service under GST.

If the answer is negative, then the same will be classifiable as composite supply or mixed supply depending on the facts and circumstance as per Section 2(30)&2(74)of CGST Act 2017 respectively.

Section 2(30): “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Illustration– Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply.

Section 2(74): “mixed supply” means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Illustration: – A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately;

Input tax credit for work contract under GST

Input tax credit in respect of work contract services has been restricted to the recipient when supplied for the construction of an immovable property (other than plant and machinery) except where it is a input service for further supply of work contract service.

If any work contract services has been used by recipient which has not been capitalized by the recipient for the said immovable property credit of the same may be availed by the recipient subject to other conditions.

Sr no	Type of Inward Supply	Type of Property	Use of the property	Capital Expense OR Revenue Expense	Eligibility Of ITC
1	Works Contract	Immovable Property	Own Use	Capital Expense	No
2	Works Contract	Immovable Property	Further Supply in Course of Business	Capital Expense	Yes
3	Works Contract	Immovable Property	Own Use	Revenue Expense	Yes
4	Works Contract	Immovable Property	Further Supply in Course of Business	Revenue Expense	Yes
5	Good or Services	Immovable Property	Own Use	Capital Expense	No
6	Good or Services	Immovable Property	Own Use	Revenue Expense	Yes
7	Good or Services	Plant & Machinery	Own Use	Capital Expense	Yes
8	Works Contract	Plant & Machinery	Own Use	Capital Expense	Yes

Rate of GST

Particulars	GST Rates before 01.04.2019	GST Rates after 01.04.2019
Commercial Apartment (shops, offices, godowns etc.) in an a Real Estate Project (herein after referred to as REP)	18%	18%
Commercial Apartment (shops, offices, godowns etc.) in an a Residential Real Estate Project (herein after referred to as RREP)	18% (with ITC)	7.5% (without ITC)
composite supply of works contract	18%	18%

<p>Composite supply of works contract supplied to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958)</p> <p>(b) canal, dam or other irrigation works.</p> <p>© pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal</p>	12%	12%
Construction of affordable residential apartments in which commences on or after 1st April, 2019 or in an ongoing RREP or REP other than RREP	12% (with ITC)	1.5% (without ITC)
Construction of residential apartments other than Affordable residential apartment by the promoter in an ongoing RREP which commences on or after 1st April, 2019 or in ongoing RREP	12% (with ITC)	7.5% (without ITC)
composite supply of works contract relating to Affordable Residential Apartment (provided that more than 50% of the total carpet area should be of affordable housing projects)	18%	12%
<p>Composite supply of works contract, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, -</p> <p>(a) a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana;</p> <p>(c) a civil structure or any other original works pertaining to the “In-situ rehabilitation of existing slum dwellers using land as a resource through private participation” under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;</p> <p>(d) a civil structure or any other original works pertaining to the “Beneficiary led individual house construction / enhancement” under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or cremation of deceased</p>	12%	12%
<p>Composite supply of works supplied by way of construction, erection, commissioning, or installation of original works pertaining to,-</p> <p>(a) railways, excluding monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under- (1) the “Affordable Housing in Partnership” component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (2) any housing scheme of a State Government;</p> <p>(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages</p> <p>Services provided to the Central Government, State Government, Union Territory, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of – (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession; (b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or (c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017.</p>	12%	12%

- RREP: A “Residential Real Estate Project” means a “Real Estate Project” in which the carpet area of the commercial apartments is not more than 15 per cent. of the total carpet area of all the apartments in the project.
- Affordable Residential Apartment: carpet area upto 60 square meter in metropolitan cities and 90 square meter in cities or towns other than metropolitan cities and the gross amount charged for which, by the builder is not more than forty five lakhs rupees. [Metropolitan cities are Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR) with their geographical limits prescribed by Government.]
- Only the on-going projects has an option to pay tax at old rates. The last date to exercise the option to pay tax at old rates was 10th may 2019. New projects are not eligible for old rate of tax.

Reverse Charge Mechanism

Particulars	Rate of Tax
If promoter (Builder/developer) fails to purchase at least 80% of the value of input and input services, from registered suppliers other than Services by way of grant of development rights, Long term lease of land, FSI- Floor space index (total amount of area (on all floors) you can build upon a plot) Electricity, High speed diesel, Motor spirit Natural gas.	28 % on cement 18 % on others
On TDR or floor space index supplied on or after 01-04-2019.	18%
Differential tax arising on procurement of works contract services in relation to construction of affordable residential apartments, if 50% criteria of total carpet area should be of affordable housing projects mentioned therein is not met.	Differential Tax i.e. 6%
Capital Goods purchased from unregistered person	Rate of capital goods

Valuation of work contract services

Valuation of a works contract service is dependent upon whether the contract includes transfer of property in land as a part of the works contract. In case of supply of service, involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case may be, and the value of land or undivided share of land, as the case may be, in such supply shall be deemed to be one third of the total amount charged for such supply.

Explanation. – For the above purpose, “total amount” means the sum total of,-

(a) consideration charged for aforesaid service; and

(b) amount charged for transfer of land or undivided

share of land, as the case may be

For example if a builder is selling flats in which payment is collected in staggered manner the same is taxable as a work contract service. Selling of flats includes inherent cost of land also .So suppose payment received by builder as first installment is 12,00,000 GST will be leviable at applicable rate on $12,00,000 * 2/3 = 8,00,000$ and balance will be construed as cost of land on which no GST is leviable .

Place of Supply in respect of Works Contract

where both the supplier and recipient are located in India. The place of supply would be where the **immovable property is located**.

In case the immovable property is located outside India, and the supplier as well as recipient both are located in India, the place of supply would be the location of **recipient** .

CA PALAK KARANI

Email id- capalakkarani@gmail.com

COMPANIES (AUDITOR'S REPORT) ORDER, 2020



Preface :

The Ministry of Corporate Affairs (MCA) had announced a new format of reporting for statutory audits of companies on 25th February 2020 which was notified as Companies (Auditor's Report) Order, 2020 ("CARO 2020"). The Order (CARO 2020) replaces the earlier order under Companies (Auditor's Report) Order, 2016. CARO 2020 has included additional reporting requirements in tandem with the discussions with the National Financial Reporting Authority (NFRA). NFRA is an independent regulatory body for regulating the audit and accounting profession in India. The aim of CARO 2020 is to enhance the overall quality of reporting by the company auditors.

CARO 2020 was supposed to be applicable for all statutory audits commencing on or after 1 April 2020 corresponding to the financial year 2019-20. There has been no change in the applicability of CARO 2020 when compared with the applicability of the Order to the companies covered under CARO 2016.

However, few months down the line, MCA vide order dated 17.12.2020 has changed the applicability date of CARO 2020 to the financial years commencing on or after the 1st April, 2021. So, CARO 2020 will be applicable from FY 2021-22. CARO 2016 will continue to be applicable for Financial Year 2020-21.

With this brief background on CARO 2020, let us start understanding the Order clause by clause analysis in a series of articles in the e-newsletter editions. Let us continue our journey to understand the reporting to be done under various clauses of CARO 2020. In the previous editions we had covered upto fourth clause. We now move on to the next clauses.

5. Acceptance of deposits:

In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;

In addition to the disclosure and reporting required under CARO, 2016, deemed deposits shall also fall under the ambit of Auditor's report. This is a very important insertion. Deposits which are not such by virtue of definition but substantively having the character of deposits are also now required to be reported by the auditors for example certain financial accommodations made by the company which otherwise does not fall within the technical definition of deposit, but are de-facto deposits. Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 defines deposit to include any receipt of money by way of deposit or loan or in any other form, by a company, but does not include the amounts specified therein. Explanation to sub-clause (xii) of aforesaid Rule 2(1)(c) explains that the amount shall be deemed to be deposits on the expiry of fifteen days from the date they become due for refund. Sub-clause (xii) prescribes the instances, where an amount received in the course of, or for the purposes of, the business of the company would be deemed to be deposit.

The auditor should plan to test for compliance with the provisions of sections 73 to 76 of the Act and the rules made thereunder, i.e., the Companies (Acceptance of Deposits) Rules, 2014. In order to examine instances where an amount could be deemed to be deposits, the auditor should obtain the list of amounts received in the course of, or for the purposes of, the business of the company (for instances advances, security deposits) and assess them against the requirements of sub-clause (xii) of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014, to determine whether such amounts have assumed the nature of deposits. Where available, the auditor should also examine the Form DPT-3 filed by the company.

The auditor, under this clause, is required to verify whether the company has complied with the order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. Where any of such authorities has passed an order, the auditor should examine the steps taken by the company to comply with the said order. If the company has not complied with the order, the same is to be reported stating therein the nature of contravention and the fact that the company has not complied with the order passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

With this I would conclude my article under this CARO 2020 series. The views expressed in this article are my own and do not construe to be conclusion to be relied upon directly. I've made a modest attempt to pen down my understanding about changes in CARO 2020. As human as I can be, I am always subject to and open to corrections.

CA SAKET R. RATHI

CHAIRMAN, NEWSLETTER COMMITTEE

GST UPDATES

Advisory on HSN and GSTR-1 Filing

26/08/2021

1. In accordance with Notification No. 78/2020 – Central Tax, dated October 15, 2020, taxpayers need to declare Harmonised System of Nomenclature (HSN) Code of Goods and Services supplied by them on raising of tax invoices, with effect from 1st April, 2021 on the below mentioned lines.

S.No	Aggregate Turnover in the preceding Financial Year	Number of Digits of HSN Code to be reported in GSTR-1
1	Upto Rs. 5 crores	4
2	Above Rs. 5 crores	6

1. It has been reported by few taxpayers that HSN used by them for reporting in GSTR-1 is not available in the table 12 HSN drop-down. They have further stated that they are facing issues in adding the required HSN details in table -12 and filing of statement of outward supplies in form GSTR-1 of July 2021. Further, in some JSON files, the HSN field is coming as blank from the offline tool, along with other errors as mentioned below:-
 - 1) Processed with Error, In Progress or Received but pending
 - 2) Duplicate Invoice Number found in payload please correct
2. To view the detailed advisory on the action to be taken by the taxpayers to resolve above issues, click on: <https://tutorial.gst.gov.in/downloads/news/advisoryonhsnandgstr1.pdf>

The above details can be viewed on : <https://www.gst.gov.in/newsandupdates/read/501>

Restriction on filing of GSTR-1/IFF for default in filing of GSTR-3B

From 01/09/2021 Registered person shall not be allowed to furnish FORM GSTR-1 / IFF If he has not furnished FORM GSTR-3B for preceding 2 months (Non QRMP) OR If he has not furnished FORM GSTR-3B for preceding quarter (QRMP).

Implementation of Rule-59(6) on GST Portal

Date : 26th August 2021

1. Rule-59(6) of **CGST Rules, 2017**; inserted vide **Notification No. 1/2021 dated 1st January 2021**, provides for restriction in filing of GSTR-1 in certain cases :
 - a) a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in **FORM GSTR-1**, if he has not furnished the return in **FORM GSTR-3B** for preceding two months;
 - b) a registered person, required to furnish return for every quarter under the proviso to sub-section (1) of section 39, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in **FORM GSTR-1** or using the invoice furnishing facility, if he has not furnished the return in **FORM GSTR-3B** for preceding tax period;
2. This Rule will be implemented on GST Portal from 1st September, 2021. On implementation of the said Rule, the system will check that whether before the filing of GSTR-1 / IFF of a tax-period, the following has been filed or not:
 - a) GSTR-3B for the previous two monthly tax-periods (for monthly filers),

OR

 - b) GSTR-3B for the previous quarterly tax period (for quarterly filers), as the case may be. The system will restrict filing of GSTR-1/IFF till Rule-59(6) is complied with.
3. This check will operate on clicking the SUBMIT button of GSTR-1 and the system will give an error message if the condition of Rule-59(6) is not met. It may be noted that records which have been saved in GSTR-1 will remain saved and filing of such records will be permitted after Rule-59(6) is complied with.
4. Implementation of Rule-59(6) on the GST Portal will be completely automated, similar to the blocking & unblocking of e-way bill as per Rule-138E and facility for filing of GSTR-1 will be restored immediately after filing of relevant GSTR-3B. No separate approval would be needed from the tax-officer to restore the facility for filing of GSTR-1.
5. To ensure no disruption in filing GSTR-1/IFF, taxpayers who have not filed their pending GSTR-3B, especially from period November 2020 and afterwards may do so at the earliest.

The above details can be viewed on : <https://www.gst.gov.in/newsandupdates/read/500>

DUE DATE CALENDAR FOR SEPTEMBER 2021



*Due date	Purpose	Period	Description
7 th Sept	TDS /TCS Liability Deposit	Aug'21	Depositing TDS/ TCS liability
11 th Sept	GSTR 01	Monthly (August 2021)	Monthly return for outward supplies
13 th Sept	GSTR 01 – Invoice Furnishing Facility (Optional) for QRMP (Quarterly Return Monthly Payment)	Aug'21	Quarterly return filers to upload business to business (B2B) invoices for the month of August for outward supplies
14 th Sept	TDS Certificate (Form 16B)	Jul'21	Issuance of TDS certificate for Tax deducted under section 194-IA**
	TDS Certificate (Form 16C)	Jul'21	Issuance of TDS certificate for Tax deducted under section 194-IB***
	TDS Certificate (Form 16D)	Jul'21	Issuance of TDS certificate for Tax deducted under section 194-M****
15 th Sept	Advance Tax Payment	Jul'21 to Sept'21	Second instalment of advance tax for assessment year 2022-23
	Provident Fund (PF)/ Employee State Insurance (ESI) payment	Aug'21	Depositing contribution towards PF/ESI
20 th Sept	GSTR 3B (T. O. more than or equal to 5 Crore)	Monthly (August 2021)	Monthly return of inward and outward supplies for turnover more than or equal to 5 Crores
22 nd Sept	GSTR 3B (T.O. less than 5 Crore)	Aug'21	Monthly return of inward and outward supplies for turnover less than 5 Crores
25 th Sept	GST Challan Payment	Aug'21	GST Challan Payment if no sufficient ITC for August (for all Quarterly Filers)
30 th Sept	Income tax return	FY 2020-21	Income tax returns for Individuals, Non-Corporates (HUF, AOP, BOI) who are not liable to Tax Audit
	Linking of PAN with Aadhaar		Due date for linking PAN with Aadhaar
	DIR 3 KYC for Directors	FY 2020-21	Annual e-form which is to be filed by every Director/Partners/Designated Partners who has been allotted a 'Director Identification Number' (DIN) as on 31st March of a financial year and is to be submitted as an e-form DIR-3-KYC to the Central Government
	TDS Challan cum Statement in case of Section 194IA, 194IB, 194M	Aug'21	Furnishing of challan-cum-statement in respect of tax deducted under section 194IA, 194IB, 194M
<p>*Above due dates are subject to any changes notified by the department based on the recommendations and situations. **194-IA- TDS on payment made by the person transferring Immovable property valuing more than fifty lakh rupees. ***194-IB- TDS on Rent paid by Individual /HUF to any resident exceeding fifty thousand rupees p.m. ****194-M – TDS on contractual payments made by Individual/HUF to any resident exceeding fifty lakh rupees</p>			

CA VAISHNAVI MOHIT KABRA

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Mobile No :- +91 9011163500

PHOTO GALLERY OF EVENTS CONDUCTED BY AKOLA BRANCH

73rd INDEPENDENCE DAY



PHOTO GALLERY OF EVENTS CONDUCTED BY AKOLA BRANCH

MSME & STARTUP OPPORTUNITIES

Akola Branch of WIRC of ICAI ORGANIZES

MSME & Startup Professional Opportunities For CA

SPEAKER  **SPEAKER** 

CA Dheeraj Kumar Khandelwal
CCM, Mumbai

CA Shivbhagwan Assawa
Thane

TOPIC
MSME & Startup Professional Opportunities

TOPIC
Step By Step guide in preparation of PROJECT FINANCIALS in a few minutes

Monday
16th August 2021

- BREAKFAST & REGISTRATION •
09:30 am - 10:00 am
- TIME • 10 am to 12 Noon
- CPE • 2 Hours
- FEES • Rs. 118 /- (Incl. of GST)
- VENUE • ICAI Bhavan, ICAI Marg, Toshniwal Layout, Akola

REGARDS

CA. KEYURI DEDRIA CHAIRMAN
CA. HIRAN JEGI VICE-CHAIRMAN
CA. JALAJ BHARTI IPC & SECRETARY
CA. DEEPA AGRAWAL TREASURER & WICSA CHAIRMAN
CA. GAURISHANKAR MANTRI EXECUTIVE MEMBER



PHOTO GALLERY OF EVENTS CONDUCTED BY AKOLA BRANCH

MSME CHAIRMAN MEET WITH INDUSTRIAL ASSOCIATIONS



NEWSPAPER COVERAGE

सनदी लेखाकारोने मनाया स्वतंत्रता दिन

अकोला - दी इन्स्टिट्यूट ऑफ चार्टर्ड अकाउंटंट ऑफ इंडिया अकोला शाखाएवं सनदी लेखाकार छत्र संघ अर्थात विकास के संयुक्त तत्वाधान ने स्वतंत्रता की 75 वीं वर्षगांठ बड़े उत्साह के साथ मनाई गयी। कोषीवाल लेआउट प्रिंटर के आगसोप्राथम्य ध्यान में आयोजित इस स्वतंत्रता दिन समारोह में शाखा सचिव सीए जलज बाहेरी ने कार्यक्रम को शुभारंभ की। शाखा अध्यक्ष सीए केवूर देविका ने ध्वजारोहन कर उपस्थित सभी सनदी लेखाकार एवं विद्यार्थी वर्ग को स्वतंत्रता दिन की शुभकामनाएं प्रदान की। समाज के अंतिम छोर तक के पढ़कों को आर्थिक

स्वतंत्रता मिलनी चाहिए, इसलिए सभी ने प्रवचन करनेका आयोजन इस अवसर पर किया। इस अवसर पर विकास अध्यक्ष सीए दीपक अग्रवाल ने भी सभी उपस्थितों को स्वतंत्रता दिन की बधाई दी। इस समारोह की सफलता के लिए सनदी लेखाकार असे के अध्यक्ष सीए केवूर देविका, उपाध्यक्ष सीए हिरेन जोशी, सचिव सीए जलज बाहेरी, कोषाध्यक्ष तथा विकास अध्यक्ष सीए दीपक अग्रवाल एवम् कार्यकारी सदस्य गौरीशंकर भंडी समेत सनदी लेखाकार छत्र संघ विकास के सदस्यों ने परिश्रम लिए। ऐसी जानकारी जनसंपर्क समिती के अध्यक्ष सीए रोह चौधरी ने दी।

प्रतिदिन अखबार
10:32 am ✓

सनदी लेखाकारो ने मनाया स्वतंत्रता दिन

प्रतिनिधि, 18 अगस्त अकोला - रि इन्स्टिट्यूट ऑफ चार्टर्ड अकाउंटंट ऑफ इंडिया अकोला शाखा एवं सनदी लेखाकार छत्र संघ अर्थात विकास के संयुक्त तत्वाधान में स्वतंत्रता की 75 वीं वर्षगांठ बड़े उत्साह के साथ मनायी गयी। कोषीवाल लेआउट प्रिंटर के आगसोप्राथम्य ध्यान में आयोजित इस स्वतंत्रता दिन समारोह में शाखा अध्यक्ष सीए केवूर देविका ने ध्वजारोहन कर उपस्थित सभी सनदी लेखाकार एवं विद्यार्थी वर्ग को स्वतंत्रता दिन की शुभकामनाएं प्रदान की। समाज के अंतिम छोर तक के पढ़कों को आर्थिक स्वतंत्रता मिलनी चाहिए, इसलिए सभी ने प्रवचन करने का आयोजन इस अवसर पर किया। इस अवसर पर विकास अध्यक्ष सीए दीपक अग्रवाल ने भी उपस्थितों को स्वतंत्रता दिन की बधाई दी। इस समारोह में सनदी लेखाकार असे के अध्यक्ष सीए केवूर देविका, उपाध्यक्ष सीए हिरेन जोशी, सचिव सीए जलज बाहेरी, कोषाध्यक्ष सीए दीपक अग्रवाल एवं कार्यकारी सदस्य गौरीशंकर भंडी समेत सनदी लेखाकार छत्र संघ के सदस्य उपस्थित थे, ऐसी जानकारी जनसंपर्क समिती के अध्यक्ष सीए रोह चौधरी ने दी।

10:32 am ✓

PHOTO GALLERY OF EVENTS CONDUCTED BY AKOLA BRANCH

CONCURRENT AUDIT OF BANK

Akola Branch of WIRC of ICAI
Jointly with
Aurangabad & Ahmednagar Branch of WIRC of ICAI

- VCM on -
**Concurrent
Audit of Bank**

- Speaker -
CA Shweta Jain

Saturday, Dt. 28th August 2021 Time : 5 to 7pm
On Zoom Meeting

Fees : ₹118 | CPE : 2 Hrs.

CA SANDEEP DESARDA
Chairman, Ahmednagar Branch

CA PANKAJ SONI
Chairman, Aurangabad Branch

CA KEYUR DEDHIA
Chairman, Akola Branch

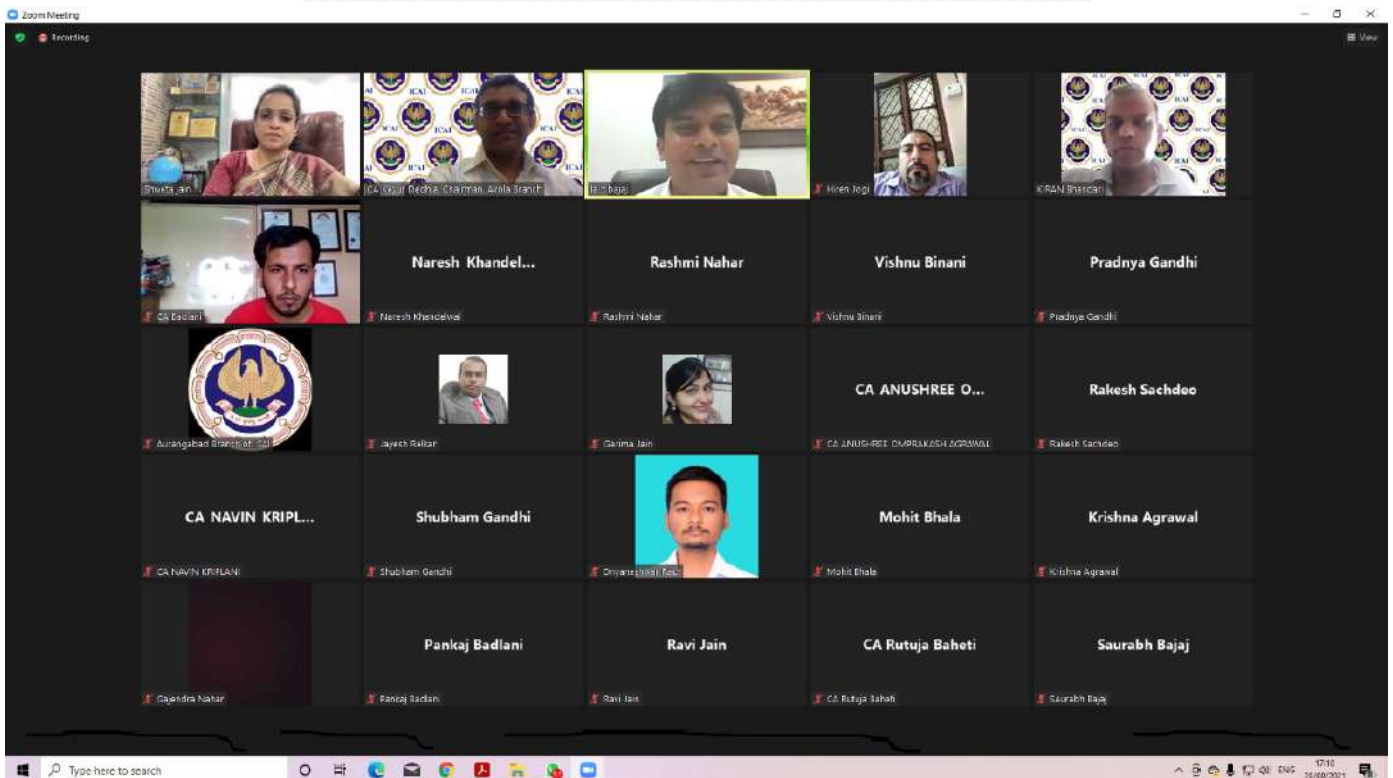


PHOTO GALLERY OF EVENTS CONDUCTED BY AKOLA BRANCH

TEAM WIRC MEET WITH MEMBERS & STUDENTS

Akola Branch of WICASA of ICAI ORGANIZES
Members Meet & Students Meet
with
Team WIRC

CA Pritam Gada Chairman
CA Drabhi Dotal Vice-Chairperson

CA Akpit Kabra Secretary
CA Jayesh Kala Treasurer
CA Yashwant Kasa WICASA Chairman
CA Anand Jadhav Branch Finance

All members and students are kindly requested to Grace the Occasion with your presence

DAY & DATE Tuesday, 31st August 2021

* Maximum 40 students on first come first serve basis *

BREAKFAST 09:00 AM to 09:30 AM
MEMBERS MEET 09:30 AM to 10:45 AM
VENUE ICAI Bhawan, Akola

REGARDS
CA KEYUR DEDHA CHAIRMAN
CA HIREN JOSHI VICE-CHAIRMAN
CA JHAJI BAHETI IFC & SECRETARY
CA DEEPRIK AGRAWAL TREASURER & WICASA CHAIRMAN
CA SALURISHANKAR MAMTRI EXECUTIVE MEMBER

