



BHILAI BRANCH OF CIRC OF ICAI

VOLUME 01 | PAGES 8 | JANUARY 2019

E-NEWSLETTER

Chief Editor

CA. Shripal Kothari

Joint Editor

CA. Ramandeep Singh
Bhatia

Editorial Board

CA Sourabh Goel
CA. Bhushan Chipde



Dear professional colleagues,

First of all happy new year to all my professional family of Bhilai branch. The month of December started with the most important event of the Institute. The elections to the Central and the Regional Councils were held in the first week of December. The leaders of the profession who will usher in the changes and be at the helm of the affairs for the next three years were elected at the elections.

Best wishes to all the victorious leaders from Region. Looking at their contribution to the profession and the professionals, I have no doubt in my mind that we all are in safe hands and they will leave no stone unturned in their tenure for betterment of all of us.

The month of December witnessed very informative sessions for the members. I must appreciate the efforts of all the faculties and coordinators for contributing their valuable time

Bhilai Branch also organized few important sessions on Income tax, Bankruptcy & Insolvency Code and GST provisions coming into effect from 01.02.2018.

The CA Students activities continued throughout the year. Activities such as Indoor Sports Meet, Industrial Visit, Study Group meetings, etc were held during the year.

With warm regards

CA. PIYUSH JAIN

Chairman

Bhilai Branch of CIRC of ICAI



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

ACCOUNTING, AUDITING & COMPANY LAW UPDATES

1. Guidance Note on Reports in Company Prospectuses (Revised 2019)

The Auditing and Assurance Standards Board (AASB) of ICAI had issued the “Guidance Note on Reports in Company Prospectuses” in 2006 to provide guidance to the members carrying out engagements to issue reports in prospectuses issued by companies. In September 2018, SEBI revised the earlier regulations and issued the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 wherein number of changes visà-vis ICDR Regulations 2009 have been made. Considering the numerous changes made by SEBI (ICDR) Regulations 2018, it was felt necessary to revise the Guidance Note earlier issued by the ICAI.

2. Guidance Note on Audit of Banks (2019 Edition)

The Guidance Note covers in detail various aspects like knowledge of the banking industry, initial considerations, special considerations in a CIS Environment, risk assessment and internal control, various items of banks' financial statements and their peculiarities, manner of disclosure in financial statements, the RBI prudential guidelines thereon, audit procedures, reporting on Long Form Audit Reports both at central and branch level, Ghosh and Jilani Committee recommendations, special purpose reports and certificates, etc. The latest edition of 2019 has been divided in three separate sections as follows:

Section:

A - Statutory Central Audit Section

B - Foreign Exchange Transactions and Integrated Treasury Section

C - Bank Branch Audit other than Foreign Exchange Transactions

3. The Companies (Amendment) Ordinance, 2018

On 02 November 2018, the Hon'ble President of India promulgated the Companies (Amendment) Ordinance, 2018, an ordinance to amend the Companies Act, 2013. The twin objectives of the ordinance are promotion of ease of doing business and better corporate compliance. It shall come into force at once i.e., on 02 November 2018. Since the bill to make the amendments to the Companies Act, 2013, is pending in the Rajya Sabha, and it is considered to give a continued effect to the Companies (Amendment) Ordinance, 2018, the ordinance has been re-promulgated on 12 January 2018.



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

4. Educational Material on Indian Accounting Standard (Ind AS) 110, Consolidated Financial Statements

The Ind AS Implementation Group issued Educational Material on Ind AS 110, Consolidated Financial Statements. The Educational Material addresses all relevant aspects envisaged in the Standard by way of brief summary of the Standard and Frequently Asked Questions (FAQs) which are being/expected to be encountered while implementing the Standard.

5. The Companies (Amendment) Bill, 2018

The Companies (Amendment) Bill, 2018 was introduced in the Lok Sabha on 20 December 2018. This will replace the Companies (Amendment) Ordinance, 2018 promulgated by the President on the 2 November, 2018.

6. Ind AS Technical Facilitation Group (ITFG) clarification bulletin 17

The ITFG has considered various implementation issues received from the members. The ITFG, after due deliberations, issued clarifications on 11 Ind AS issues through its bulletin 17

RECENT UPDATES IN GST BY WAY OF CIRCULAR

1. Circular 82/01/2019 – GST dtd:01.01.2019

Issue: Applicability of GST on various programmes conducted by IIM's

Background: can IIM's be considered for fitting into the Entry No.66 of Notification 12/2017 CTR dtd:28.06.2017 as referred to "Educational Institution" or specific entry 67 where only specified courses conducted by IIM are covered in the backdrop of IIM Act, 2018 which is effective from 31st January 2018. Also, clarity has been sought with respect to the short-term course conducted by IIM's where a mere participant certificate is issued and No Degree is awarded to the students

Conclusion: All the Education programs duly covered under Entry 67 of of Notification 12/2017 CTR dtd:28.06.2017 has not ambiguity in its implication. Since IIM Act, 2018 has been enacted since 31st January 2018 all the regular courses long term organised shall fall into the ambit of Entry 66 read as "Educational Institution" and accordingly Notification No.28/2018 CTR dtd:31.12.2019 has been issued to make the entry 67 redundant. Further, it is clarified that short term courses conducted by IIM which don't award any degree recognised by any law shall be subjected GST @18%.



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

2. Circular 84/03/2019 – GST dtd:01.01.2019

Issue: Classification of Service of Printing of Pictures covered under 998386

Background: service of “printing of pictures” correctly covered under service code 998386 - “Photographic and videographic processing services” is being classified by trade under service code 998912 - “Printing and reproduction services of recorded media, on a fee or contract basis”. The two service codes attract different GST rate of 18% and 12% respectively and therefore wrong classification may lead to short payment of GST.

Conclusion: According to Explanatory Notes to the scheme of classification of services, the service code “998386 Photographic and videographic processing services, includes, - developing of negatives and the printing of pictures for others according to customer specifications such as enlargement of negatives or slides, black and white processing; colour printing of images from film or digital media; slide and negative duplicates, reprints, etc.; developing of film for both amateur photographers and commercial clients; preparing of photographic slides; copying of films; converting of photographs and films to other media” Further, according to explanatory notes, the service code 998912 “Printing and reproduction services of recorded media, on a fee or contract basis” clearly excludes, - -colour printing of images from film or digital media, cf. 998386, -audio and video production services, cf. 999613” Accordingly, it is clarified that service of “printing of pictures” falls under service code “998386: Photographic and videographic processing services” and not under “998912: Printing and reproduction services of recorded media, on a fee or contract basis” of the scheme of classification of service annexed to notification No. 11/2017-Central Tax(Rate) dated 28.06.2018.

3. Circular 85/04/2019 – GST dtd:01.01.2019 Issue: Supply of Food and beverage services by Educational Institution – Taxable or Exempt

Background: Notification 11/2017 CTR dtd:28.06.2017 has Explanation 1 at Entry 7(i) which refers to Taxability of Supply of Food or any other article for human consumption. While doing so an Explanation has been inserted which clarified the levy as “cafeteria or dining space of an institution such as a school, college ..”. The above explanation has been inserted in the principle Notification by way of Notification No.13/2018 CTR dtd:26.07.2018 Simultaneously there exists an exemption to the services provided by an educational institution in Notification No.12/2017 CTR dtd:28.06.2017 at Entry No.66. There has been a dichotomy for the above insertion of Explanation by way of Notification No.13/2018 CTR dtd:26.07.2018 whether GST is applicable on the Supply of Food and beverage services made by an Educational Institution to its students, staff and faculty attracts GST or still continues to be exempted. This confusion has arise since the Notification 12/2017 had a reference to Heading: 9992 whereas supply of food is covered under 9963



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Conclusion: The Circular explicitly interpreted both the Levy and Exemption and confirmed that since a supply is eligible for exemption under an entry of the said notification where the description given in column (3) of the table leaves no room for any doubt. Accordingly, it is clarified that supply of food and beverages by an educational institution to its students, faculty and staff, where such supply is made by the educational institution itself, is exempt under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Sl. No. 66 w.e.f. 01-07-2017 itself

Accordingly, Explanation 1 to Entry 7(i) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 has been amended vide Notification No. 27/2018-Central Tax (Rate) dated 31.12.2018 to omit from it the words "school, college". Further, heading 9963 has been added in Column (2) against entry at Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, vide Notification No. 28/2018-Central Tax (Rate) dated 31.12.2018

4. Circular 87/06/2019 – GST dtd:02.01.2019 Issue: Clarification regarding Section 140(1) of CGST Amendment Act, 2018 whether "eligible duties" includes Service Tax or not

Background: The CENVAT credit of service tax paid under section 66B of the Finance Act, 1994 was available as transitional credit under section 140(1) of the CGST Act, 2017. Due to insertion of the term "Eligible Duties" in Section 140(1) in the Amendment Act, 2018 a doubt has been arise whether Explanation 1 shall alone prevail specifically or Service Tax covered in Explanation 2 (viii) also is covered for the ambit of Section 140(1) duly after the amendment

Conclusion: Thus, expression "eligible duties" in section 140(1) which are allowed to be transitioned would cover within its fold the duties which are listed as "eligible duties" at sl. no. (i) to (vii) of explanation 1, and "eligible duties and taxes" at sl. no. (i) to (viii) of explanation 2 to section 140, since the expression "eligible duties and taxes" has not been used elsewhere in the Act.

The intention behind the amendment of section 140(1) to include the expression "eligible duties" has been indicated in the "Rationale/ Remarks" column (at Sl. No. 37) of the draft proposals for amending the GST law which was uploaded in the public domain for comments. It is clear that the transition of credit of taxes paid under section 66B of the Finance Act, 1994 was never intended to be disallowed under section 140(1) and therefore no such remark was present in the document. Under tax statutes, the word "duties" is used interchangeably with the word "taxes" and in the present context, the two words should not be read in a disharmonious manner Further, it has been decided not to notify the clause (i) of sub-section (b) of section 28 and clause (i) of sub-section (c) of section 28 of CGST (Amendment) Act, 2018 which link Explanation 1 and Explanation 2 of section 140 to section 140(1). This would ensure that the credit allowed to be transitioned under section 140(1) is not linked to credit of goods in stock, as provided under Explanation 1, and credit of goods and services in transit, as provided under Explanation 2

Disclaimer: The opinion & interpretation drawn above by is purely on the basis of understanding & interpretation drawn by the author. User is directed to read the statutory provision for having a better clarity on the Interpretation aspects.



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

INTERNATIONAL TAXATION

1. EPAM Systems India (P.) Ltd. Vs. Assistant Commissioner of Income-tax, Circle-17(1), Hyderabad[2018] 100 taxmann.com 335 (Hyderabad - Trib.)

- Global company specializing in software products, services and technology innovation in absence of segmental details, could not be compared with assessee a software developer.

- Where a company was having revenue from both software services and BPO services but there was no segmental data with regard to each of these transactions, this company could not be taken as a comparable to assessee, software developer

- No separate adjustment of interest on receivables is required if it has already been considered while computing working capital adjustment.

2. Firmenich Aromatics Production (India) (P.) Ltd. Vs Income Tax Officer, Mumbai [2018] 100 taxmann.com 279 (Mumbai - Trib.)

Where assessee sold similar products to AEs as well as Non-AEs, in view of fact that there were huge differences between two transactions on account of volume, geographical locations, functions performed and risk assumed, CUP could not be used as most appropriate method for determining ALP of international transactions

3. Jabil Circuit India (P.) Ltd. V. ACIT, Mumbai [2018] 100 taxmann.com 165 (Mumbai - Trib.)

Where TPO rejected ALP of cost allocated to assessee and made additions by stating that assessee failed to produce supporting documents/evidence to substantiate that services were rendered by AE, however, it was found that assessee's allocation of expenses was based upon a global agreement between AEs and was supported by CPA certificate, additions so made were to be set aside

4. Suzuki Motorcycles (I) (P.) Ltd. Vs. DCIT [2018] 100 taxmann.com 295 (Delhi - Trib.)

Where T.P. adjustment made by TPO in respect of AMP expenses was based on bright line test, since issue of applicability of Bright line test was pending consideration of Apex Court, matter was to be remitted back for re-consideration.



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

LETS EXCEL IN EXCE

Timeline in Pivot table:

Timelines make it faster and easier to select time periods in order to filter PivotTables, PivotCharts, and cube functions. A Timeline is just like a slicer , Difference is it just filter the dates.

Single data is used with different perspectives such as TDS Quarterly,GST monthly,MIS reports etc. So we need to verify the data accordingly.

Instead of adjusting filters to show dates, you can use a PivotTable Timeline—a dynamic filter option that lets you easily filter by date/time, and zoom in on the period you want with a slider control.

- 1) Click Inside the pivot table/charts to bring up the pivot table tools

Pivot table of Datewise Amount outstanding from the parties

Row Labels	Sum of Pending
02-Oct	7056
09-Oct	73958
24-Oct	5782
21-Nov	13125
24-Nov	16071
27-Nov	12180
04-Dec	7742
12-Dec	8558
14-Dec	23908
24-Dec	8044
25-Dec	9440
GRAND TOTAL	185864

- 2) Go to Pivot Table Tools Analyze Filter Insert Timeline.

- 3) Select the date you wish to use an press ok. A pop up window will be opened



BHILAI BRANCH

OF CENTRAL INDIA REGIONAL COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Simply by selecting from the components of Timeline filter as per the requirement from this window, your Pivot will be filter accordingly.so we can change the view accordingly as per the need

A) : It is to clear all the timelines.

B) : There are Four Different levels such as Years,Quarters ,Months or Days etc

C) : Use the timeline to filter dates for the period you want. You can filter dates for days, months, quarters and years. For eg we want to file Quarter 2 TDS return than Quarter wise to be selected.You can also select more than a day, month, quarter & year but only in sequence.

D) : Use the scrollbar to get to scroll through the days, months, quarters and years.

UPCOMING EVENTS OF BHILAI BRANCH OF CIRC OF ICAI

<u>S.NO.</u>	<u>DATE OF PROGRAMME</u>	<u>NAME OF PROGRAMME</u>	<u>SPEAKERS</u>
1	06.02.2019	STUDY CIRCLE ON BUDGET ANALYSIS & UPDATES IN GST	CAS.C.LEKHWANI, CA PRIYESH LEKHWANI