

INDORE BRANCH OF CIRC OF ICAI



NEWSLETTER

SEPTEMBER, 2022 ▶ Price ₹ 20



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अमृत महोत्सव





Dear Members,

It gives me immense pleasure to write these monthly communiques to all of you. This is my sixth message as the Chairman of our Indore Branch, and my stint till now has been nothing short of a boon. I can confidently state on behalf my entire managing committee that we are all blessed and excited to work towards the betterment of our profession and to ensure the best services for our members.

September is naturally a month of festivities. This month begins with the auspicious occasion of Ganesh festival. We pray to the Lord of Wisdom to grant us the blessing of acting wisely and with full commitment towards our profession. This month we shall also celebrate Teachers Day on the 5th. Our profession has always resonated very strongly with teachers. That is because this profession is all about learning, unlearning, and re-learning. To that end, our Continuing Professional Education programs continue just like every month for numerous knowledge enriching programs organised by the Branch.

And, finally, I also would like to wish a Happy Navratri in advance to all the members. I hope that this festive season brings with it all the joys and hopes that we get to celebrate with our family & gear up for Diwali season in the next month.

That said, it is a fact that for most of our members, this month shall be spent in working for finalisation of books and completion of tax and statutory audit reports for our clients. Our professional brethren, just like every year, work very hard for the benefit of their clients and to ensure that various stakeholders who rely on our profession get advantaged from our professional services towards the client, the users of the financial statements, as well as the government and public-at-large.

Indore Branch has been very active in organising seminars and events for the benefit of members under various relevant topics for the profession, importantly in this month we have planned for an exclusive conclave for the members in Industry along with the program on Income Tax, GST and Tax or Statutory Audits. In the same manner, in this month of September, various events have been designed and lined up, and we hope to be able to achieve those learning objectives for the members and their articles and office staff as well.

At last, I would like to conclude with a quote that ***"It is not enough to win a war; it is more important to organize the peace."***

So, work hard to fulfill your dreams and responsibilities but don't let the work suffer your inner peace.

Yours truly,
CA. Anand Jain

CRYPTO CURRENCIES, BANKS, AND THE MISPLACED TRUST

CA ADITYA JAIN



A cryptocurrency is a digital currency which does not rely on a bank or any central authority to maintain it. Bitcoin (and other cryptocurrencies) has been time repetitively called the 'Ultimate democratic tool', since it is controlled by the people vis-à-vis the participants in the network. It is often referred to as a tool against dictatorships & a rebellion against closed systems. Whether these popular notations are an attack against the banks & the governments, this question will always be of notable significance.

WHAT IS A CURRENCY ANYWAY?

A currency is a tool for medium of exchange, a store of value and a unit of account. Bitcoin largely fails to satisfy the definition criteria. It faces higher volatility than the other currencies, which cause a short-term risk upon users. It is not backed by a currency or gold or any underlying value, hence zero correlation with them, which implies no risk management or hedging. Bitcoin is a speculative investment.

Bitcoin is based on a digital ledger technology called blockchain. Blockchain is synonymous to trust, it cuts the middleman and enables peer-to-peer transactions often referred to as 'the decentralization of financial system'.

“WHY DO WE EVEN NEED BANKS?”

Is a reasonable question which is a conclusion to the blockchain and cryptocurrencies' decentralized system. Probably due to the trust in the system we have achieved over a long period of time. We trust that our money is safe in the bank and its financial system.

The bank is the central authority and acts as a fact checker when one transfers money to the other. In blockchain, there is no central authority and people in general, miners, are the fact checkers. Well, they do not have the information about your transaction since the transaction is 'crypted', but they check whether the same data is transferred from the previous module to the next.

HAS TRUST IN CRYPTOCURRENCIES AND BLOCKCHAIN BEEN ELIMINATED?

No, it has been merely transferred from a central authority to technology. The early adoption of a popular cryptocurrency, Ethereum, was by the friends and peers of its founder Vitalik Buterin. When an Ethereum ecosystem was hacked, users asked Vitalik Buterin to respond. This behavior is very similar to what happens when a bank falls. People appeal to the one face behind the system. They need a central authority to back a system. Similarly, in an instance of a fake news circulation of the demise of Vitalik Buterin, US\$4 billion was wiped off in the market value of Ethereum. People again lost their trust in the underlying system due to the loss of central authority.

Although a 'closed' blockchain supported by a centralized authority would function, it would differ greatly from the fundamental characteristic of Bitcoin and the blockchain, decentralization. While not ideal, a completely 'open' public blockchain—that is, one with no centralized authority—is unlikely to function and get adopted as the world's currency.

INSTRUCTIONS ON PROCEDURE OF ARREST & ISSUANCE OF SUMMONS



CA SHRUSTI SHAH

Instruction No. 02/2022-23 [GST – Inv.]: 17 August, 2022

GUIDELINES FOR ARREST AND BAIL IN RELATION TO OFFENCES PUNISHABLE UNDER THE CGST ACT, 2017

On the observation made by Supreme Court in Criminal Appeal No. 838 of 2021 in its judgment dated 16th Aug. 2021 board has issued the instruction reg. power to arrest.

CONDITIONS PRECEDENT TO ARREST:

Once the legal ingredients of the offence are made out, the Commissioner or the competent authority must then determine if the answer to any or some of the following questions is in the affirmative:

- Whether the person was concerned in the non-bailable offence or credible information has been received, or a reasonable suspicion exists, of his having been so concerned?
- Whether arrest is necessary to ensure proper investigation of the offence?
- Whether the person, if not restricted, is likely to tamper the course of further investigation or is likely to tamper with evidence or intimidate or influence witnesses?
- Whether person is mastermind or key operator effecting proxy/benami transaction in the name of dummy GSTIN or non-existent persons, etc. for passing fraudulent input tax credit etc.?
- As unless such person is arrested, his presence before investigating officer cannot be ensured.

PROCEDURE FOR ARREST:

- The provisions of the Code of Criminal Procedure, 1973 (2 of 1974) read with section 69(3) of CGST Act relating to arrest and the procedure thereof, must be adhered to.
- Format of arrest memo has been prescribed under Board's Circular No. 128/47/2019-GST dtd. 23rd December, 2019.

- The arrest memo should indicate relevant section (s) of the CGST Act, 2017 or other laws attracted to the case and to the arrested person and inapplicable provisions should be struck off.
- The grounds of arrest must be explained to the arrested person and this fact must be noted in the arrest memo;
- A nominated or authorized person (as per the details provided by arrested person) of the arrested person should be informed immediately and this fact shall be mentioned in the arrest memo;
- The date and time of arrest shall be mentioned in the arrest memo and the arrest memo should be given to the person arrested under proper acknowledgment.
- A separate arrest memo has to be made and provided to each individual/arrested person. Further there are certain modalities which should be complied with at the time of arrest and pursuant to an arrest, which include the following:
 - a) A woman should be arrested only by a woman officer in accordance with section 46 of Code of Criminal Procedure, 1973.
 - b) Medical examination of an arrested person should be conducted by a medical officer in the service of Central or State Government and in case the medical officer is not available, by a registered medical practitioner, soon after the arrest is made. If an arrested person is a female, then such an examination shall be made only by or under supervision of a female medical officer, and in case the female medical officer is not available, by a female registered medical practitioner.

- c) It shall be the duty of the person having the custody of an arrested person to take reasonable care of the health and safety of the arrested person.
- d) Arrest should be made with minimal use of force and publicity, and without violence. The person arrested should be subjected to reasonable restraint to prevent escape.

The procedure is separately outlined for the different categories of offences, as listed in sub-section (4) and (5) of Section 132 of the CGST Act, 2017

POST ARREST FORMALITIES:

In cases, where a person is arrested under sub-section (1) of Section 69 of the CGST Act, 2017, for an offence specified under sub-section (4) of Section 132 of the CGST Act, 2017, the Assistant Commissioner or Deputy Commissioner is bound to release a person on bail against a bail bond

- i) The conditions will relate to, inter alia, execution of

a personal bail bond and one surety of like amount given by a local person of repute, appearance before the investigating officer when required and not leaving the country without informing the officer.

- ii) If the conditions of the bail are fulfilled by the arrested person, he shall be released by the officer concerned on bail forthwith. However, only in cases where the conditions for granting bail are not fulfilled, the arrested person shall be produced before the appropriate Magistrate
- iii) The officer authorized to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within 24 hours.
- vi) After arrest of the accused, efforts should be made to file prosecution complaint U/S 132 of the Act, before the competent court at the earliest, preferably within 60 days of arrest, where no bail is granted.

Instruction No. 03/2022-23 [GST – Inve.]

GUIDELINES ON ISSUANCE OF SUMMONS UNDER SECTION 70 OF CGST ACT 2017

- As per Section 70 (1) of the CGST Act, summons can be issued by the proper officer to any person whose attendance is considered necessary either for giving evidence or producing a document or any other thing in an inquiry.
- Officers are also advised to explore instances when instead of resorting to summons, a letter for requisition of information may suffice.
- Power to issue summons are generally exercised by Superintendents, though higher officers may also issue summons. Summons by Superintendents should be issued after obtaining prior written permission from an officer not below the rank of Deputy/ Assistant Commissioner with the reasons for issuance of summons to be recorded in writing.
- In all cases, where summons are issued, the officer issuing summons should record in file about appearance/ non-appearance of the summoned person and place a copy of statement recorded in file.
- Recipient of summons has to prima-facie understanding as whether he has been summoned as an accused, co-accused or as witness.
- Issuance of summons may be avoided to call upon statutory documents which are digitally/ online available in the GST portal.
- Senior management officials such as CMD/ MD/ CEO/ CFO/ similar officers of any company or a PSU should not generally be issued summons in the first instance. They should be summoned when there are clear indications in the investigation of their involvement in the decision making process which led to loss of revenue.
- Issuance of repeated summons without ensuring service of the summons must be avoided
- Sometimes it may so happen that summoned person does not join investigations even after being repeatedly summoned. In such cases, after giving reasonable opportunity, generally three summons at reasonable intervals, a complaint should be filed with the jurisdictional magistrate.

GST ON RENTING OF IMMOVABLE PROPERTY

Not. No. 5/2022 -Central tax (rate) Dt. 18.07.2022, introduced a new entry under RCM u/s 9(3) vide entry no 5AA.



CA SAURABH JAIN

S.No.	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
"5AA"	Service by way of renting of residential dwelling to a registered person.	Any person	Any registered person."

This entry created lot of confusion for the taxpayers on payment of RCM on renting of residential property which was earlier exempt as per S.No. 12 of Notification no 12/2017 Central tax (rate) dated 28.06.2017.

By plain reading of the amendment notification it seemed that RCM would be needed to be paid by every registered person living in a rented residential property. Due to this confusion PIB issued a clarification through a twitter,

Below is the Tweet by PIB dated 12-08-2022

"Claim: 18% GST on house rent for tenants

#PibFactCheck

- ❑ Renting of residential unit taxable only when it is rented to business entity
- ❑ No GST when it is rented to private person for personal use
- ❑ No GST even if proprietor or partner of firm rents residence for personal use"

After the clarification it was clear the intention of the law was to apply RCM on rented residential premises by business entities and not on individuals.

As lot of companies in India has their registered office as a residential property, hence such rented residential property would now attract RCM for the companies,

Below is a summarised table for the applicability of taxability on Renting of immovable property

NO.	OWNER	TENANT	USE OF IMMOVABLE PROPERTY	TAXABILITY
A	Unregistered	Unregistered	Any	Exempt
B	Unregistered	Unregistered	Residential	Exempt
C	Unregistered	Unregistered	Commercial	Taxable Under Forward Charge
D	Unregistered	Registered	Commercial	Taxable Under Forward Charge
E	Unregistered	Registered	Commercial	No GST Payable – Ur Owner/supplier
F	Registered/un Registered	Registered	Residential Use Of Private Person Or Proprietor Or Partner Of Firm	Exempt As Per Pibfact Check Tweet Date 12/08/2022
G	Registered/un Registered	Registered To Business Entity	Residential Other Than (f)	Taxable Under Reverse Charge

do
You?
know



Sar utha ke jiyo!

GROUP TERM INSURANCE

ICAI in partnership with HDFC Life is offering group term insurance plan. This plan is a competitive rates based premium plan which helps you to pay premium in different payment tenure options.

Age Criteria

18 years – 60 years

Policy Term Age Limit

80 Years

Top-up

Enhanced Cover
Option Available

Sum Assured Limit

INR 50 Lakhs –
INR 10 Crores

Members may avail the scheme through <https://cmpbenefits.icai.org/hdfc-group-poorna-suraksha/>

A MOU with New India Assurance Co. Ltd for Motor Vehicle Insurance arranged by the Committee. The Motor Vehicle Insurance is basically designed for the members but also has been extended to the employees of ICAI.

1. Discount on Motor OD Premium up to 85% for Private Car & Two Wheeler upto the vehicle age of 10 years and 75% for vehicles between the vehicle age of 10 to 15 years.
2. 30% Discount on following Add on of Private Cars:
 - a. Road Tax Cover
 - b. Return to Invoice Cover
 - c. No Claim Bonus Protection Cover
 - d. Engine Protect Cover
 - e. Additional Towing Charges Cover
3. Other add on covers available are:
 - a. Nil Depreciation Cover
 - b. Consumable Items Cover
 - c. High Value PA Cover
 - d. Personal belongings Cover
4. This facility is extended to family members of CA i.e Parents, Spouse and Children and for the vehicles registered in the name of the firm in which CA is a partner.



MOTOR VEHICLE INSURANCE FOR MEMBERS OF ICAI

COMPLIANCE CHART

SEPTEMBER 2022

Return / Forms	Month/ Year	Due/Exten. Date	Remark
GSTR 1	August-22	11 Sept. 2022	RP having monthly filing of return
GSTR 3B	August-22	20 Sept. 2022	RP having ATO > Rs 5CR
GSTR 5	August-22	20 Sept. 2022	Non-Resident taxable person
GSTR 6	August-22	13 Sept. 2022	ISD return
GSTR 7	August-22	10 Sept. 2022	TDS return
GSTR 8	August-22	10 Sept. 2022	TCS return
GSTR 2B	August-22	14 Sept. 2022	Auto-populate data for Rule 36(4)
Last date of issuance of Credit Note for invoices relating to FY 21-22 u/s 34	FY 22-23	30 Sept. 2022	Application to apply for forward charge
Challan for QRMP scheme	Aug-22	25 Sept. 2022	Taxpayer opting QRMP scheme
IFF for QRMP	Apr - Jun 22	13 Sept. 2022	
Deposit of TDS/TCS	Aug. -22	07 Sept. 2022	
Issue of TDS Certificate for tax deducted u/s 194-IA/194-IB & 194M in the month of July, 2022	Jul-22	14 Sept. 2022	
Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system	Aug. -22	15 Sept. 2022	
2nd Installment of Advance Tax (45%)	AY 23-24	15 Sept. 2022	
Tax Audit Report u/s 44AB (Form 3CA-3CD & 3CB-3CD)	AY 22-23	30 Sept. 2022	
Income tax UDIN Updation	AY 21-22	30 Sept. 2022	
Furnishing of Challan - cum - statement in respect of tax deducted U/S 194-IA/ 194-IB & 194M	Aug. -22	30 Sept. 2022	
DIR-3 KYC	-	30 Sept. 2022	
PF and ESI	Aug. 22	15 Sept. 2022	



CA Sunil Talati



CA (Dr.) Manish Borad



NATIONAL CONFERENCE ON DIRECT TAX

5th & 6th Aug, 2022



CA B.M. Biyani



CA Girish Agrawal



**CHIEF GUEST SHRI PUSHYAMITRA BHARGAV
(MAYOR- INDORE) LIGHTING THE LAMP**



CA (Adv.) Kapil Goel



CA Ajit Shah



**CA MANOJ GUPTA, CA AJAY TULSYAN, CA ANIL GARG
& CA MANISH DAFARIA AT BRAIN TRUST SESSION**



Adv. Ajay Singh



CA Ashish Goyal



MEMBERS DURING THE CONFERENCE

Seminar on Clause by Clause Analysis of TAX AUDIT



Speaker :
CA. Pankaj Saraogi
(New Delhi)





आज़ादी का अमृत महोत्सव

MSME YATRA
29th August, 2022



**TAX LITERACY
DRIVE
at BSF**



**EK SHAAM
DESH KE NAAM**
(Kavi Sammelan)
13th August, 2022



**Face to Face with
CA VISHAL JOSHI**
(Vice-Chairman BOS)
26th August, 2022

**Seminar on
WHAT AFTER CA?**
20th August, 2022
Speaker :
CA Deepak Mulchandani



**Seminar on How to
BOSS THE INTERVIEW**
27th August, 2022
Speaker : CA Swarnim Gupta

Felicitation of Newly Qualified CA Candidates



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To,

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