

GURUGRAM BRANCH OF NIRC

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



e-Newsletter

JUNE 2019

VOLUME 1

Chartered Accountant



CA. Arun Aggarwal
(Chairman)

“Great things in business are never done by one person. They are done by a team of people” - Steve Jobs.

These words by the great man tell us that the most important ingredient for success is our team work, without which it is difficult to Scale Up our abilities and Rise Up our performance.





My Dear Professional Colleagues,

'Every Summer has a Story'. And this summer India had a great story. As the curtains were drawn on the biggest festival of democracy, history was created. The incumbent Government under the leadership of Prime Minister Shri Narendra Modi retained power for the consecutive second term with a landslide victory. My heartiest congratulations to Shri Narendra Modi for the impressive electoral win. *Don't take rest after your first victory because if you fail in second, more lips are waiting to say, that your first victory was just luck – Shri A. P. J. Abdul Kalam.* These election results are testament to his able leadership in the largest economy of the world. He has dreamt about new India and made every citizen of the country believe that a new India would be created in the next 5 years as India moves to celebrate its 75 year of independence. But at the same time voters also have equal responsibility to create the new India.

At the maiden address by the Prime Minister to his team he said "We have worked for 'sabka saath, sabka vikas', now we have to strive for 'sabka vishwas'. One of the important values of Chartered Accountants is vishwas (trust). 'Trust takes years to build, seconds to break and forever to repair' The trust gives Chartered Accountants respect in the society and it is our responsibility that we maintain the trust that every stakeholder has put in us.

If you salute your duty, you no need to salute anybody, but, if you pollute your duty, you have to salute everybody – Shri A. P. J. Abdul Kalam.

Accordingly, we have conducted various seminar namely GST Annual Return and Audit, Valuation Standards & Ind-AS which were aimed at honing members' skills to help them better their services. We have received tremendous positive response to these seminar. The lecture meetings covering topics like Returns and Audit under GST were well appreciated by participants.

I am proud to share that we shall open the Reading room of ICAI Gurugram for CA Students at 5th Floor, Pavilion Building, Sector-14, Gurugram on 1st July 2019. It's a calm and serene place where students can pursue their studies in air conditioned environment.

We are celebrating the 70th CA Day by organizing a various social initiatives viz: Investor Awareness Program, GST Teaching & Career Counselling in Girls Colleges, Swachh Bharat Abhiyan, Blood Donation Camp, Tree Plantation, etc., during CA Day Week. We shall have flag hoisting & cultural events on CA Foundation Day. Members & students are requested to participate in CA week celebrations.

I sign off by conveying best wishes for our CA Foundation Day to all.



CA. Arun Aggarwal
(Chairman)

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My Dear Professional Colleagues,

I congratulate the newly formed government, as the people of country have made their choice and given mandate to the same government again to lead the world's largest democracy for the next five years.

For us, the month of May was with events like Two days conferences under the aegis of Direct Tax and Indirect Tax Committee of ICAI attended by more the 350 plus members . The first day was witnessed with galaxy of star speakers CA Girish Ahuja Ji, CA Parmod Jain, CA Sanjay Aggarwal , CA Rakesh Gupta on the direct taxes provision . While on second day, we had with us CA Ashok Bata, CA Bimal Jain and CA Naveen Garg.

The branch has completed its first course on DISA in the month of April-2019. Due to the huge response received from members for DISA course, the branch had again re-launch its second batch in a row from 25th May, 2019 for DISA itself.

In the month of May, we had also started a complete dedicated workshop specifically for GSTR-9 & GSTR-9C which is attended more than 60 plus members at the branch premises.

In the month of June-19, from 1st June, we are starting Certificate course on GST for the members for which we received very positive response from members. I would like to take this opportunity to sincerely thank all the contributors for sending the updates and sparing their precious time for the cause of the profession.



CA. Mohit Singhal
(Secretary)

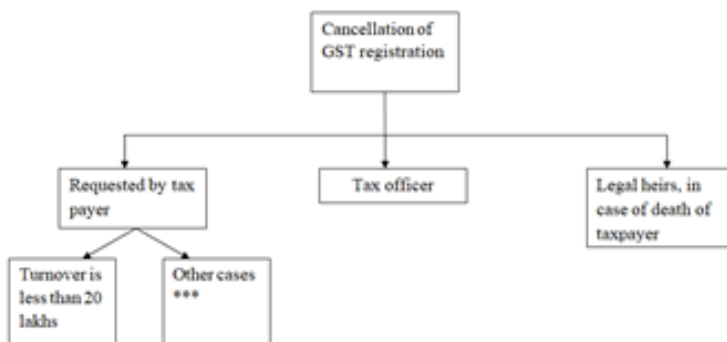




CA. Sanjeev Singhal

Email: ca.sanjeevkumar@hotmail.com

Cancellation of Registration is more important than registration of GST. Reason is simple that all are doing registrations of GST and process is simple but on the other way Cancellation is more complicated because only few have come across this situation and not aware of the steps and form to be filed for cancellation.



** Rs. 20 Lacs or Rs. 40 Lacs .

*** in case of Voluntary Registration made under GST, can be made only after one year of the date of registration.

From the above chart it is clear that cancellation can be initiated by Tax Payer ----- > Tax Officer ----- > Legal heir in case of Death of Taxpayer.

Reason for cancellation:

The registration can be cancelled for the following reasons:

- A person registered under any of the existing laws, but who is not liable to be registered under the GST Act;
- The business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of;
- There is any change in the constitution of the business;
- The taxable person (other than the person who has voluntarily taken registration under sub-section (3) of section 25 of the CGST Act, 2017) is no longer liable to be registered;
- A registered person has contravened such provisions of the Act or the rules made there under;

- A person paying tax under Composition levy has not furnished returns for three consecutive tax periods;
- Any registered person, other than a person paying tax under Composition levy has not furnished returns for a continuous period of six months; This also called as suo moto cancellation.
- Any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration;
- Registration has been obtained by means of fraud, willful misstatement or suppression of facts.

Procedure for cancellation:

- The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under Central Goods and Services Tax Act.
- In the event, the Superintendent of Central Tax has reasons to believe that the registration of a person is liable to be cancelled, a notice to such person in FORM GST REG-17, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled; will be issued.
- The reply to the show cause notice issued has to be furnished by the registered person in FORM REG-18 within a period of seven working days.
- In case the reply to the show cause notice is found to be satisfactory, the Superintendent of Central Tax will drop the proceedings and pass an order in FORM GST REG -20.
- However, when the person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the Superintendent of Central Tax will issue an order in FORM GST REG-19, within a period of thirty days from the date of application or, as the case may be, the date of the reply to the show cause issued, cancel the registration, with effect from a date to be determined by him and notify the taxable person,





directing him to pay arrears of any tax, interest or penalty.

vi. The registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher.

vii. In case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

viii. The cancellation of registration shall not affect the liability of the person to pay tax and other dues for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

Final Returns:

When the registration of a registered person other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the composition scheme or TDS/TCS; has been cancelled, the person has to file a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, electronically in FORM GSTR-10 through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

Revocation of Cancellation:

i. When the registration has been cancelled by the Proper Officer (Superintendent of Central Tax) on his own motion and not on the basis of an application, then the registered person, whose registration has been cancelled, can submit an application for revocation of cancellation of registration, in FORM GST REG-21, to the Proper Officer (Assistant or Deputy Commissioners of Central Tax), within a period of thirty days from the date of the service of the order of cancellation of registration at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

ii. However, if the registration has been cancelled for failure to furnish returns, application for revocation shall

be filed, only after such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.

iii. On examination of the application if the Proper Officer (Assistant or Deputy Commissioners of Central Tax) is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, then he shall revoke the cancellation of registration by an order in FORM GST REG-22 within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

iv. However, if on examination of the application for revocation, if the Proper Officer (Assistant or Deputy Commissioners of Central Tax) is not satisfied then he will issue a notice in FORM GST REG-23 requiring the applicant to show cause as to why the application submitted for revocation should not be rejected and the applicant has to furnish the reply within a period of seven working days from the date of the service of the notice in FORM GST REG-24.

v. Upon receipt of the information or clarification in FORM GST REG-24, the Proper Officer (Assistant or Deputy Commissioners of Central Tax) shall dispose of the application within a period of thirty days from the date of the receipt of such information or clarification from the applicant. In case the information or clarification provided is satisfactory, the Proper Officer (Assistant or Deputy Commissioners of Central Tax) shall dispose the application as per para (iii) above. In case, it is not satisfactory the applicant will be mandatorily given an opportunity of being heard, after which the Proper Officer (Assistant or Deputy Commissioners of Central Tax) after recording the reasons in writing may by an order in FORM GST REG-05, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

vi. The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under Central Goods and Services Tax Act.





Mr. Shubham Goyal

Email: shubhamgoyal95@gmail.com

Money laundering is the illegal process of concealing the origins of money obtained illegally by passing it through a complex sequence of banking transfers or commercial transactions. The overall scheme of this process returns the money to the launderer in an obscure and indirect way.

In simpler & lucid language, it is defined as process where the conversion or transfer of property, the concealment or disguising of the nature of the proceeds, the acquisition, possession or use of property, knowing that these are derived from criminal activity and participate or assist the movement of funds to make the proceeds appear legitimate, is money laundering.

The whole process is being regulated by "Prevention of money laundering Act, 2002". Major purpose for enactment of this act is to prevent money laundering, to provide for confiscation of property involved & to combat channelising of money into illegal activities & economic crimes.

Whole cycle of money laundering is being broken into three cycles:



1. Placement: Crime Money is injected in the system.
2. Layering: This money is layered & spread over various transactions in different accounts in different countries. Therefore it is not easy to detect the origin.
3. Intergration : Original Association with crime is sought to be wiped out, so that now the money can be used as clean money.

Lets understand the concept more clearly with help of example.

Likewise, Raghu in country "India" who wants to transfer some money to Anurag in country "Cyprus" gives the money to hawala broker in india. The agent accepts it & calls up his colleague in Cyprus. His colleague gives the money in Cyprus Currency to Anurag to whom it has to be transferred. An identification code is requested, ensuring the authenticity of the receiver.

In hawala transfer, the money enters the hawala system in local currency & leaves as foreign currency. The currency exchange happens at a rate set by the agents & not the official rates. This way they make an additional profit than commission.

Then, if anybody does the act which is in contravention to above, or in contravention to the provision of the act will be liable for the punishment under section 4 of the act.

Some Core terminology as defined in Money laundering Act, 2002:

1. Money laundering
2. Proceeds of crime
3. Property
4. Scheduled offences
5. Payment System
6. Transfer
7. Beneficial owner
8. Financial Institution

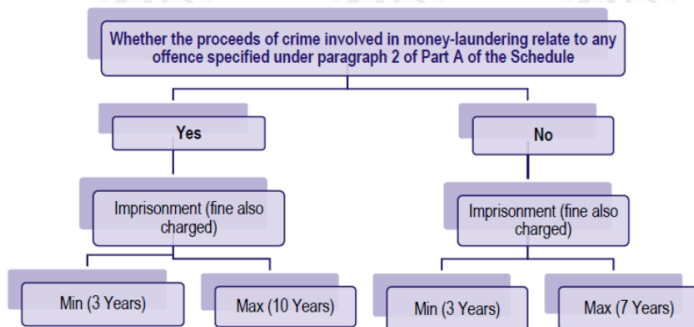
Punishment for the offences of money laundering:

All offences of Money laundering are categorised in 2 categories:

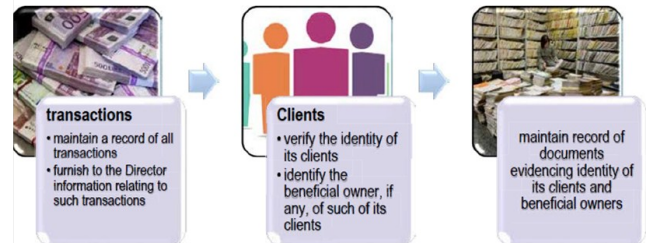
1. General offences mentioned in Schedules to this act for which punishment is different.
2. Specific Offences mentioned in Paragraph 2 of Part



A of Schedule i.e (Under narcotic drugs & Psychotropic substance act 1985)



obligations to report the transactions entered into by them, and they are known as reporting entities for this act. Following are the responsibilities they are vested with:



Methods for conducting Money Laundering:

Money laundering can take several forms, although most methods can be categorized into one of a few types. These include "bank methods, smurfing [also known as structuring], currency exchanges, and double-invoicing. Some of them are as:



Reverse money laundering :

Reverse money laundering is a process that disguises a legitimate source of funds that are to be used for illegal purposes. It is usually perpetrated for the purpose of financing terrorism but can be also used by criminal organizations that have invested in legal businesses and would like to withdraw legitimate funds from official circulation. Unaccounted cash received via disguising financial transactions is not included in official financial reporting and could be used to evade taxes, hand in bribes and pay "under-the-table" salaries.

Obligation of banking companies, Financial institutions & Intermediaries

There are several sectors like banks, financial institutions & intermediaries who have several

Attachment of Property involved in Money laundering:

Where the director or any other officer not below the rank of deputy director authorized by the director for the purposes of this section, has reason to believe, on the basis of material in his possession, that :-

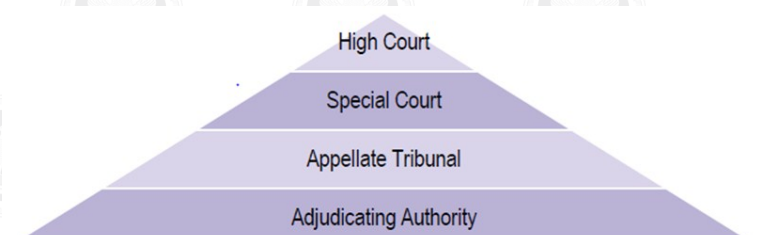
Any person is in possession of any proceeds of crime and

Such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime under this chapter.

he may, by order in writing, provisionally attach such property for a period not exceeding 180 days from the date of order, in such manner as may be prescribed.

APPEAL STRUCTURE:

Hierarchy for appeal from bottom to up under the Prevention of money laundering act, 2002



Appeal to Appellate tribunal:

By whom: Appeal can be made by any director, any



reporting entity or any other person aggrieved by the order of adjudicating authority under this act.

Time period of Filing: Appeal shall be filed within 45 days from the date on which copy of the order made by the adjudication authority is received. If the sufficient cause is there, appeal can be filed after expiry of 45 days also.

Time frame for disposal: Appeal filed before the appellate tribunal shall be dealt with by it as expeditiously as possible & disposed of appeal finally within 6 months from date of filing of appeal.

Appeal to High court:

By whom: Any person aggrieved by order of appellate tribunal may file an appeal to high court.

Time period of filing: Appeal can be filed within 60 days from the date of communication of decision or order of appellate tribunal on any question of law or fact arising out of such order.

Concept of Contracting state and letter of request:

In case of conduct of any offence outside India by person of India or when proceeds of crime has been transferred to place outside India which is related to offence committed in India & such offences are classified as scheduled offence under money

laundering act, in that case Central government of India has entered into contract with government of such country through treaty or otherwise with an objective to

- To enforce the provisions of this act
- For exchange of information for prevention of offences.

In case of investigation officers is of the opinion that any evidence related to offence will be available from contracting state, then special court issues the "LETTER OF REQUEST" to such contracting state to take such steps as special court may specify & to examine facts/circumstances of the case.

Is Money laundering just siphoning of funds?

Money laundering is moving of illegally acquired cash through financial systems so that it appears to be illegally acquired.

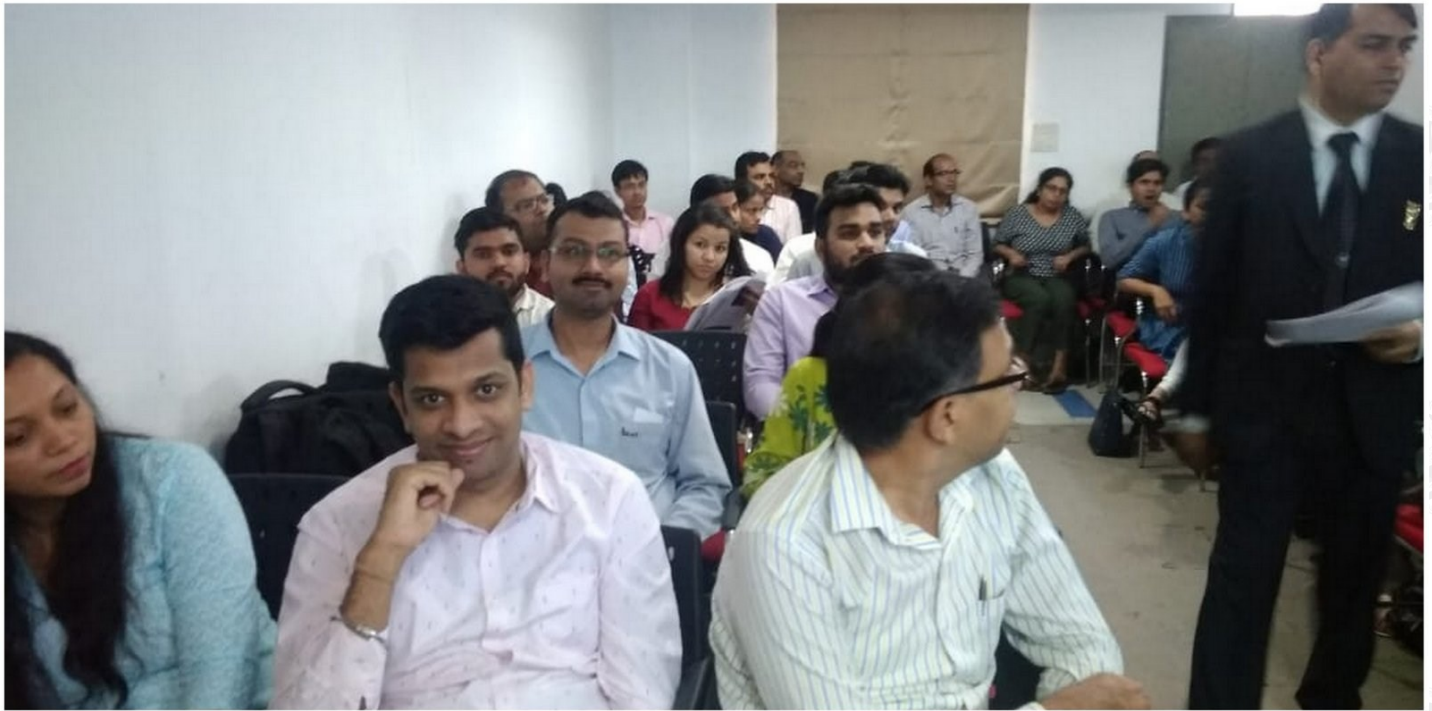
Therefore money laundering is not just siphoning of funds, but it is conversion of money which is illegally obtained.

Prevention of money laundering act has been enacted with an aim for combating channelling of money into illegally activities.

Gurugram Chartered Accountants, a newsletter owned by Gurugram Branch of NIRC of ICAI is normally published in the first week of every month. Non Receipt of any issue should be notified within one month. Articles in interest of profession and management skills are welcome. Views expressed by contributors are their own and may not be in concurrence with Gurugram Branch of NIRC of ICAI and the branch does not take any responsibility of views expressed by contributors. Gurugram Branch is not responsible in any manner of any result of the action taken on the basis of advertisements published in the newsletter. Rights & copying of articles or write ups is not allowed without permission of Editorial Committee.



Seminar on GST Annual Return and Audit



Topic : Seminar on GST Annual Return and Audit

Audience : Members

Date & Day : 1st June 2019, Saturday

Venue : 2A(second floor), Pavilion Building, 339/2 (Behind Hotel VITS Mango) Sector-14, Gurugram.

CA Students Seminar on GST Audit and Return



Topic : CA Students Seminar on GST Audit and Return

Audience : CA Students

Date & Day : 14th June 2019, Friday

Venue : 2A (second floor), Pavilion Building, 339/2 (Behind Hotel VITS Mango) Sector-14, Gurugram.

Speaker :



Seminar on GST Audit and Annual Return - Practical Concerns & Views



Topic : Seminar on GST Audit and Annual Return - Practical Concerns & Views

Audience : Members

Date & Day : 16th June 2019, Sunday

Venue : Hotel Radisson Gurugram, Sohna Road, Sector 49, Gurugram.

5th International Yoga Day



Topic : 5TH INTERNATIONAL YOGA DAY

Audience : Members

Date & Day : 21st June 2019 , Friday

Venue : Sivananda Yoga Centre, F-40, South City 1, Sector-41, Gurugram-122001.

Lecture Meeting on "Income Tax"



Topic : Lecture Meeting on "Income Tax"

Audience : Members

Date & Day : 27th June 2019, Thursday

Venue : 2A(second floor), Pavilion Building, 339/2 (Behind Hotel VITS Mango) Sector-14, Gurugram.

Speaker : CA Nitin Kanwar

Career Counseling Session for Girls, GST Awareness Program for Students & Swachh Bharat Abhiyaan Awareness



Topic : Career Counseling Session for Girls, GST Awareness Program for Students & Swachh Bharat Abhiyaan Awareness

Audience : Students

Date & Day : 28th June 2019, Friday

Venue : ITI Building Industrial Development Area, Sector 14 Gurugram.

Seminar on Ind-AS



Topic : Seminar on Ind-AS

Audience : Members

Date & Day : 29th June 2019, Saturday

Venue : Fortune Select Global, Global Arcade, Mehrauli-Gurgaon Rd, Gurugram.





Feedback & Suggestions

Gurugram Branch will be happy to receive the feedback from you regarding the seminars/workshops and other activities organized by branch.

You may please send feedback at-

Gurugram Branch of NIRC of ICAI requests the members & students to come forward & share the articles (Professional & other) to be published in the upcoming newsletter. The submissions may be sent to arunaggarwalca@gmail.com with the subject line (Article Newsletter).

Regarding	Email	Subject line
Seminars/Workshops	icaigurgaon@gmail.com	Sub: Seminar_____
Others	icaigurgaon@gmail.com or arunaggarwalca@gmail.com	Feedback_____

Gurugram Branch Managing Committee for the Session 2019-20

Name	Designation	Contact No.	E-mail
CA. ARUN AGGARWAL	CHAIRMAN	9891338830	arunaggarwalca@gmail.com
CA. DHEERAJ SHARMA	VICE - CHAIRMAN	9818396559	dheerajsharma.dsc@gmail.com
CA. MOHIT SINGHAL	SECRETARY	9555379714	fcasmc@gmail.com
CA. NITIN KATARIA	TREASURER	9899354222	canitinkataria@gmail.com
CA. SANJEEV AGGARWAL	CHAIRMAN, NICASA	9818264355	sanjeevagarwal2@gmail.com
CA. LALIT AGGARWAL	CHAIRMAN, TAXATION COMMITTEE	9999565491	lalit.agrwal@gmail.com
CA. NISHANT KUMAR	CHAIRMAN, IT COMMITTEE	9560753535	nishant@jkn.in



Respected Members,

We are pleased to inform that the Registration for Annual Membership of Gurugram Branch of NIRC of ICAI for year 2019-20 has been started.

The Study group membership entitles members to attend all the CPE events organised by Gurugram Branch during the financial year. CPE programs organised by Gurugram branch are amongst the best managed programs in the region wherein best speakers take session at 4-5 star rated hotel venues.

Below is what you need to know for the membership:-

1. Annual Membership fee is applicable for 1st April 2019 to 31st March 2020;
2. Membership entitles the member to attend most seminars/workshops/conferences and other events hosted by Gurugram Branch at zero cost;
3. Seminars/Workshops/Conferences hosted at the branch are evenly spread through the year keeping in mind the key due dates;
4. Seminars/Workshops/Conferences hosted at the branch cover all major and recent topics that interest professionals in practice as well as Industry;
5. 2019 is the last year in the four year block to complete the CPE hours requirement. Joining the annual membership program is a sure way to be compliant;
6. Seminars/Workshops/Conferences in Gurugram are a good place to network;
7. Gurugram Branch reserves the right to organize Seminars/Conferences/Workshops/Events which can be attended on chargeable bases irrespective of the Membership.

Registration Form can be accessed at this link ([Click Here](#))

Particulars	Fee Per member	GST @ 18%	Total Amount
For Individual Member	Rs.5500/-	Rs.990/-	Rs.6490/-
For five or more declared members from any organization i.e. names of the Members to be declared at the time of payment of fee. (payment will be made with a single cheque only)	Rs.5000/-	Rs.900/-	Rs.5900/-

Payment can be made via different mechanism:-

- a) Offline Mode - Please fill up the form (attached form) and send the cheque to branch along duly filled form.
- b) NEFT/RTGS Mode - RTGS/NEFT at below bank and share the details of payment along duly filled form at icaigurgaon@gmail.com

Bank Account Details:-

A/C Name : Gurgaon Branch of NIRC of ICAI

A/C Number : 910010026661826

IFSC Code : UTIB0000056

(Kindly mention your name and Membership Number in the remarks while making the payment)

- c) Payumoney - Please follow the link and make the payment.

For Individual Member : <https://goo.gl/v7i7XU>

For Five Member : <https://goo.gl/Mn3kuN>

Note:- GST details (in membership form) need to be shared at the time of making the payment. An invoice once issued will not be altered,

Disclaimer :- Request you to please send a mail at icaigurgaon@gmail.com alongwith invoice/GST details (in membership form) within 3 days of making the payment to receive a copy of GST Invoice with your details.

