

GURUGRAM BRANCH OF NIRC

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



e-Newsletter

NOVEMBER 2019

VOLUME 1

Chartered Accountant



CA. Arun Aggarwal
(Chairman)

“Before you start some work, always ask yourself three questions: Why I am doing it, What the results might be and Will I be successful. Only when you think deeply and find satisfactory answers to these questions, go ahead.”

- Chanakya





My Dear Professional Colleagues,

Season's Greetings...

I hope that our professional brethren have successfully completed the Tax Audit. The ensuing months are undoubtedly continue to be the busiest seasons for us with timelines for Annual Returns for GST, GST audit, MCA filing, etc.

As the festive season was light, Month of November saw a number of activities at your branch. In the quest to give our members access to the latest trends in the profession, Gurugram Branch hosted a program on Opportunities under Bankruptcy Code and recent amendments in Companies Act which was presided by CA Hans Raj Chugh, CCM and CS Atul Mittal. Apart this, Conference on Internal Audit : "Raising Internal Audit's Game : Changes and Opportunities in the New Digital Age" on 22-23 Nov 2019 was the highlight of the month wherein 30+ faculties shared their indepth knowledge on the subject amidst delegates like Hon'ble President of ICAI CA Prafulla P Chhajer.

As suggested in our previous letters, Gurugram branch is looking to host multiple career counselling sessions across the city with an intent to provide information about the CA course with students from Class IX, X, XI, XII and under graduates. In the process, your branch carried out 6 career counselling sessions at different schools during Nov. I would like to thank all the resource persons who took time out for this cause.

During the month, there was a welcome extension of due date for filing of e-forms AOC-4, AOC (CFS), ACO-4 XBRL upto 30th November 2019 and e-form MGT-7 up to 31st December 2019.

We would like to highlight the members, timeline to comply with the CPE credit hours requirement for the block period of 3 years starting from 01-01-2017 to 31.12.2019 is 31st December 2019. In order to enable our members to meet the CPE requirements, Gurugram Branch of ICAI has lined up series of CPE Meetings, Seminars and Workshops. Members are requested to comply with the same accordingly.

Through this year, your committee has made multiple efforts to improve the participation of the members in industry in branch activities. As a part of this process, a number of members in Industry specific programs were hosted about every month. As a next step to this, your branch shall be hosting a Placement Program for Industrial Trainees under CA curriculum. We are delighted to have received good response from the CA members in industry and CA Students and are looking forward to a fruitful session on 4th December 2019.

Your branch shall also host the first ever National Cricket tournament in the city on 14-15th December 2019. We request you to take time out and be present in these programs.

Chartered Accountants Benevolent Fund (CABF): Gurugram Branch of NIRC of ICAI requests its members and firms to contribute generously to Chartered Accountants Benevolent Fund (CABF). Contributing to CABF is one small step in giving more for our members - a payback which would help some one and their loved ones, amongst us, in their times of need. (For more details:- Talk to us or visit www.icaigurgaon.org)

As Chartered Accountants we are trained to do multitask and to provide professional services we need to continuously educate ourselves. I would close my remarks with below inspirational words from Shri APJ Abdul Kalam,

"If four things are followed - having a great aim, acquiring knowledge, hard work, and perseverance - then anything can be achieved."



CA. Arun Aggarwal
(Chairman)

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- Chief Editor

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CA. Mohit Singhal
CA. Nitin Kataria
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CA. Lalit Aggarwal
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Finance Panel wants Three Tier GST Structure: Report

The Fifteenth Finance Commission (FFC) has recommended simplifying the GST structure into three slabs, according to a report in Hindustan Times. The Finance Commission has suggested a uniform rate of 17%. GST, introduced in July 2017, currently has four rates – 5%, 12%, 18% and 28%. Other suggestions by the panel include a lower merit rate for items of common consumption and a higher rate on luxury and sin goods, the report said. The Finance Commission has forwarded the suggestions to the GST Council, which makes the final decision on the rates. Some policymakers are in favour of rationalising the slabs to simplify the GST structure and boost revenue collections, which have recently seen a slump. GST collection had crossed the Rs. 1 lakh crore mark in November 2019 after three months of lower collections. In another report in The Economic Times, the government is considering allowing companies to clear current GST dues without first clearing past pending payments. Officials from the Ministry of Corporate Affairs (MCA) and Department of Revenue (DoR) have begun discussing the matter, the report said. (Source: <https://www.moneycontrol.com/>)

Government Asks Officials to Identify, Book Tax Evaders through Data Analytics

The meeting chaired by Revenue Secretary Ajay Bhushan Pandey deliberated on sharing information between GST and income tax departments about all such taxpayers who have taken high input tax credit (ITC) but the information does not match with their personal income tax return submitted to I-T department. In a bid to meet ambitious tax target amid economic slowdown, the Finance Ministry recently held a review meeting with tax officials and directed them to make special efforts to identify and book tax evaders through data analytics and information sharing. The meeting chaired by Revenue Secretary Ajay Bhushan Pandey deliberated on sharing information between GST and income tax departments about all such taxpayers who have taken high input tax credit (ITC) but the information does not match with their personal income tax return submitted to I-T department, sources said. Also, the GST information would be made available to income tax departments to identify the cases of suppression of personal income or tax evasion by showing lower GST

turnover or taking refund from GST fraudulently. The officials were told to get into a campaign mode to recover past arrears, sources said.

In furtherance of its concerted efforts to augment tax collection in the coming four months, the Department of Revenue conducted the meeting with senior income tax officials including all its Principal Chief Commissioners and Chief Commissioners to strategise and achieve direct tax collection target of Rs.13.5 lakh crore despite recently announced corporate tax relief of Rs. 1.45 lakh crore by the government. Directions were given to the taxmen to put forward special efforts to identify and book tax evaders through data analytics and information sharing and also share findings with GST officials to initiate stern actions against wilful tax evaders or those using fake invoices or inflated or fake e-way bills, source said.

However, officials were asked to ensure that the genuine taxpayers shall not be troubled but none of the tax evaders should go scot free. Officials were also told to communicate with taxpayers that they must genuinely file their taxes before the taxman/ notice of the tax department reaches them, sources said. It may be noted that the government is taking all possible careful measures to curb tax evasion and leakages in its anti-evasion drive. The GST Council in its 38th meeting, held recently, decided to lower the limit of ITC outgo from 20% to 10% before invoices are loaded. To genuine taxpayers who have mistakenly missed out some information in their tax return, tax authorities have provided them an opportunity to submit their revised returns as well, sources said. It may be recalled that earlier, the finance ministry put its GST tax collection targets to Rs. 4.45 lakh crore for the remaining period of this financial year with targeting of Rs. 1.1 lakh crore per month with Rs. 1.25 lakh crore for a single month. (Source: <https://www.financialexpress.com/>)

Fintech and Financial Inclusion

In Fintech and Financial Inclusion, Business Insider Intelligence explores the business opportunity for incumbent banks looking to tap the growing opportunity presented by the financially underserved, highlights through case studies how innovative players are utilising technology to capture share in this market, and outlines recommendations for how banks can enter the space as well. Some of the key takeaways from the report are that despite the US





being one of the most developed financial ecosystems in the world, a quarter of households in the country make little or no use of mainstream banking products. Also, several barriers have stymied underserved consumers' adoption of mainstream banking products, both from the consumer and FI perspective. Further, innovation in digital banking channels has helped reduce some of these barriers to adoption, making financial products viable for consumers and FIs alike. The report also says banks planning to target consumers that are financially underserved need to consider a number of factors, including product fit, financial literacy, and how they measure metrics for assessing of a financial inclusion effort. (Source: <https://www.businessinsider.in/>)

Robots in Finance could Wipe Out Some of its Highest-paying Jobs

Robots have replaced thousands of routine jobs on Wall Street. Now, they are coming for higherups. That is the contention of Marcos Lopez de Prado, a Cornell University professor and the former head of machine learning at AQR Capital Management LLC, who recently testified in Washington about the impact of artificial intelligence on capital markets and jobs. The use of algorithms in electronic markets poses a challenge for regulators. The use of algorithms in electronic markets has automated the jobs of tens of thousands of execution traders worldwide, and it's also displaced people who model prices and risk or build investment portfolios, he said. During the almost two-hour hearing, lawmakers asked experts about racial and gender bias in AI, competition for highly skilled technology workers, and the challenges of regulating increasingly complex, data-driven financial markets. (Source: <https://www.bloomberg.com/>)

RBI Caps Lending on P2P Platforms at Rs. 50 Lakh

As per the guidelines, the transfer of funds under P2P lending happens through an escrow account mechanism, which is operated by a bank promoted trustee. To protect the interest of consumers, RBI recently said that on a peer-to-peer lending (P2P) platform the permissible exposure of a lender to all borrowers should not exceed Rs. 50 lakh at any given point of time. The lender investing more than Rs. 10 lakh across P2P platforms will produce a certificate to P2P platforms from a practising Chartered Accountant certifying minimum net-worth of Rs. 50 lakh. As per the guidelines, the transfer of funds under P2P lending

happens through an escrow account mechanism, which is operated by a bank promoted trustee. It requires at least two escrow accounts, one for funds received from lenders and pending disbursal, and the other for collections from borrowers, be maintained. It also mandates that all the transactions through bank accounts, and cash transaction are strictly prohibited. (Source: <https://www.financialexpress.com/>)

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IFSC Banking Units Can Open Foreign Currency Current Accounts

The RBI recently said IFSC Banking Units can open foreign currency current accounts of entities operating in IFSC and of non-resident institutional investors to facilitate their investment transactions. However, IBUs are not allowed to open savings accounts. Issuing instructions regarding permissible activities of IBUs, the RBI further said it will not prescribe any limit for raising short-term liabilities from banks. IBUs can also open foreign currency current accounts (including escrow accounts) of their corporate borrowers subject to the provisions of FEMA 1999 and other applicable regulations. Also, no cheque facility will be available for holders of current accounts in the IBUs. All transactions through these accounts must be undertaken via bank transfers. (Source: <https://economictimes.indiatimes.com/>)





Q. Whether a member can act as a Tax Auditor and Internal Auditor of an entity?

A. No, the Council has decided that an Internal auditor of an assessee, whether working with the organisation or an independently practicing Chartered Accountant, being an individual chartered accountant or a firm of chartered accountants, cannot be appointed as his Tax auditor.

Q. Can a Concurrent Auditor of a Bank also undertake the assignment of quarterly review of the same bank?

A. No, the Concurrent Audit and the assignment of quarterly review of the same entity cannot be taken simultaneously as the concurrent audit is a kind of internal audit and the quarterly review is a kind of statutory audit undertaken simultaneously are prohibited under the provisions of the 'Guidance Note of Independence of Auditors'.

Q. Can a member holding Certificate of Practice is entitled to own Agricultural land and continue agricultural activity?

A. Yes, a member holding Certificate of Practice can own and hold agricultural land and continue agricultural activity.

Q. Whether a member in practice can establish a Tax Information Network - Facilitation Centre (TIN-FC)? Whether he can be franchise for a TIN-FC?

A. A member in practice may establish a TIN-FC and as well establish a TIN-FC under franchise from the other entity which is already a TIN-FC.

Q. Whether there are any Know Your Client (KYC) Norms to be followed by members in practice?

A. Yes, members in practice are required to follow Know Your Client (KYC) Norms, which are mandatory w.e.f 1.1.2017. These are applicable for all attest functions.

"Attest Functions" for this purpose include services pertaining to Audit, Review, Agreed upon Procedures and Compilation of Financial Statements.

The KYC Norms are appearing at www.ica.org.

Q. Whether a member in practice can engage as GST practitioner?

A. Yes, a member in practice can engage as GST practitioner, as the activities to be performed by GST practitioner mentioned in CGST Act, 2017 read with CGST Rules, 2017 are within the purview of a member in practice as per the provisions of Chartered Accountants Act, 1949 and Regulations framed thereunder.

Q. Whether a member holding Certificate of Practice, who is an employee in a CA Firm, can be enrolled as GST practitioner?

A. Yes, a member holding Certificate of Practice, being an employee in a CA Firm can enroll as GST practitioner (as this is not an attest function), subject to contractual obligations, if any, with the employer.

Q. Whether a member holding Certificate of practice on part time basis, working as an





employee in an entity other than a CA Firm, can be enrolled as GST practitioner?

A. A member holding Certificate of Practice on part time basis and working as an employee in an entity other than a CA Firm can enroll as GST practitioner, subject to contractual obligations, if any, with the employer.

Q. Whether it is permissible for a member to mention himself as “GST Consultant”?

A. No, in terms of provisions of Clause (7) of Part -I of First Schedule to The Chartered Accountants Act, 1949, it is not permissible for a member to mention himself as GST Consultant.

Q. Whether two or more members can collectively have joint training session for their clients on GST , and share the fees collected from the clients thereof?

A. It is permissible for two or more members to collectively have joint training session for their clients on GST , and share the fees collected from the clients thereof.

Q. Whether it is permissible for a Firm of Chartered Accountants to sponsor a Conference?

A. It is not permissible for a Firm of Chartered Accountants to sponsor a Conference. However, an individual member in practice can be a knowledge partner to such conference.

Q. Whether members in practice can have a website only for the purpose of Tax services and Consultancy?

A. Yes, however it will be governed only by the website Guidelines issued by ICAI,

notwithstanding that only tax services and consultancy are being offered.

Q. Whether partner of a Firm of Chartered Accountants doing audit of an Insurance company can accept the assignment of surveyor of the said Company?

A. No, it is not permissible for a partner of a Firm of Chartered Accountants doing audit of an Insurance company to accept the assignment of surveyor of the said Company, as it is likely to impact independence as auditor.

Q. Whether a member in practice can act as a mediator?

A. Yes, a member in practice can act as a mediator since acting as a ‘mediator’ would be deemed to be covered within the meaning of ‘arbitrator’, which is inter alia permitted to members in practice as per Regulation 191 of the Chartered Accountants Regulations, 1988.

Q. Whether a member in practice who is the statutory auditor of a bank can accept Stock audit/Inspection Audit of the same bank?

A. No, it is not permissible since stock audit/ inspection audit is kind of management function, which cannot be done simultaneously with the statutory audit.



Seminar on Opportunities under Bankruptcy Code and recent amendments in Companies Act



Topic : Seminar on Opportunities under Bankruptcy Code and recent amendments in Companies Act

Audience : CA Members

Date & Day : 16th November 2019, Saturday

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

Seminar on ICAI Code of Ethics



Topic : Seminar on ICAI Code of Ethics

Audience : CA Members

Date & Day : 16th November 2019, Saturday

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

Conference on Internal Audit



Topic : Conference on Internal Audit

Audience : Members

Date & Day : 22nd & 23rd November 2019 , Friday & Saturday

Venue : Hotel Leela Ambience, Gurugram.

Conference on Internal Audit



Topic : Conference on Internal Audit

Audience : Members

Date & Day : 22nd & 23rd November 2019 , Friday & Saturday

Venue : Hotel Leela Ambience, Gurugram.

CA Student Seminar on analysis of new ITC provision in GST



Topic : CA Student Seminar on analysis of new ITC provision in GST

Audience : CA Students

Date & Day : 22nd November 2019, Friday

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

Career Counseling Session



Topic : Career Counseling Session

Audience : Students

Date : 16th, 22nd, 23rd, 26th & 30th December 2019

Venue : Gurugram

"Certificate Course on NPOs"



Topic : "Certificate Course on NPOs"

Audience : Members

Date & Day : Starting from 23rd November 2019

Venue : Hotel Radisson, Sohna Road, Sec 49, Gurgaon.

GST Annual Return and GST Audit including recent amendments and query session



Topic : Lecture Meeting on GST Annual Return and GST Audit including recent amendments and query session

Audience : CA Members

Date & Day : 26th November 2019, Saturday

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

Excel Training for Young CAs



Topic : Excel Training for Young CAs

Audience : Members

Date & Day : 29th November 2019, Friday

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



Gurugram Branch of NIRC
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



National CA Conference *“2020 Aghaaz”*



29th & 30th December 2019

Hotel Le Méridien Gurgaon
Sec-26, M.G. Road, Gurugram

Organized by
The Committee for Capacity Building of Members in Practice
(CCBMP)

Hosted by
Gurugram Branch of NIRC of ICAI



The Institute of Chartered Accountants of India





Gurugram Branch of NIRC

The Institute of Chartered Accountants of India
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12 CPE Hours

Day 1 : Sunday, 29th December 2019

Registration : 09.30 am

Inaugural & address by Vice President - CA. Atul Kumar Gupta

10.00 am - 11.00 am : Special Session on key initiatives of CCBMP

11.00 am - 12.30 pm : New Tax Rates for companies, e-assessment proceedings and other recent updates
- CA. (Dr.) Girish Ahuja

12.30 pm - 02.00 pm : Burning Issues and Recent updates on GST
- CA. Bimal Jain

02.00 pm - 02.45 pm : Networking Lunch

02.45 pm - 04.45 pm : Investment Avenues and Risk mitigation in 2020
- Mr. Amit Agrawal

Day 2 : Monday, 30th December 2019

10.00 am - 11.30 am : Auditors Responsibility - Expectation GAP
- CA. Amarjit Chopra, Past President, ICAI

11.30 am - 01.30 pm : Acceptance of Deposits, Loans and Advances, Related Party Transaction and Exemptions to Pvt Ltd Companies
- CA. Pramod Jain, CCM, ICAI

01.30 pm - 02.15 pm : Networking Lunch

02.15 pm - 04.45 pm : Nuances of New Benami Law and its Interplay with Anti-Money Laundering Law (PMLA) and role of CAs in handling these laws before the ED, IO and other authorities
- CA Ashwani Taneja, Advocate (Ex-Member ITAT)

For CA Members : Rs. 1500 | For Non CA Members : Rs. 2000

No fee for Study Group Members (1st April 2019 - 31st March 2020)





Gurugram Branch of NIRC

The Institute of Chartered Accountants of India

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12 CPE Hours

DIGNITARIES



CA. Atul Kumar Gupta, Vice-President ICAI



CA. Rajesh Sharma, Chairman CCBMP



CA. Prasanna Kumar D, Vice-Chairman CCBMP



CA. (Dr.) Girish Ahuja



CA. Amarjit Chopra,
Past President, ICAI



CA. Pramod Jain,
CCM, ICAI

GUEST SPEAKERS



CA. Bimal Jain



CA. Ashwani Taneja,
Advocate (Ex-Member ITAT)



Mr. Amit Agrawal



CA. Arun Aggarwal,
Chairman Gurugram Branch



CA. Dheeraj Sharma,
Vice-Chairman Gurugram Branch



CA. Mohit Singhal,
Secretary Gurugram Branch



CA. Nitin Kataria,
Treasurer Gurugram Branch



CA. Sanjeev Aggarwal,
NICASA Chairman



CA. Lalit Aggarwal,
Executive Member



CA. Nishant Kumar,
Executive Member



CA. Nitin Kanwar,
Ex-Officio Member

Managing Committee,
Gurugram Branch

Organized by

The Committee for Capacity Building of Members in Practice (CCBMP)

Hosted by

Gurugram Branch of NIRC of ICAI



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

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From	To	Particulars
16-11-2019	16-11-2019	Career Counseling Session
16-11-2019	16-11-2019	Seminar on ICAI Code of Ethics
16-11-2019	16-11-2019	Seminar on Opportunities under Bankruptcy Code and recent amendments in Companies Act
16-11-2019	16-11-2019	Career Counseling Session
22-11-2019	22-11-2019	CA Student Seminar on analysis of new ITC provision in GST
22-11-2019	22-11-2019	Career Counseling Session
22-11-2019	22-11-2019	Conference on Internal Audit - "Raising Internal Audit's Game : Changes and Opportunities in the New Digital Age"
22-11-2019	23-11-2019	Conference on Internal Audit - "Raising Internal Audit's Game : Changes and Opportunities in the New Digital Age"
23-11-2019	23-11-2019	Certificate Course on NPOs
23-11-2019	23-11-2019	Career Counseling Session
24-11-2019	24-11-2019	Certificate Course on NPOs
26-11-2019	26-11-2019	Career Counseling Session
26-11-2019	26-11-2019	Lecture Meeting on GST Annual Return and GST Audit including recent amendments and query session
29-11-2019	29-11-2019	Seminar on Excel Training for Young CAs
30-11-2019	30-11-2019	Certificate Course on NPOs
30-11-2019	30-11-2019	Career Counseling Session

