



**(Set up by an Act of Parliament)**

**JANUARY 2020 | VOLUME 1**

# **GURUGRAM BRANCH OF NIRC OF ICAI**

# **e-Newsletter**

## **Chartered Accountant**



My Dear Professional Colleagues,

स्वदेशे पूज्यते राजा । विद्वान्सर्वत्र पूज्यते ॥

The knowledge is precious and supreme. The king is respected in his own country. But, vidwan (scholar) is respected everywhere in the world.

Many congratulations to all the members on winning silver shield in the National best branch competition for 2019! This is second time that your branch was recognized for its efforts on National level (previous one was Trophy of Appreciation received for 2014).

Year 2019 was a year with difference – economically, financially, politically, socially and environmentally. Let's look forward to make 2020 as the year of growth using technology, super specialization and keeping abreast with the recent changes. Your branch has been trying its best to ensure an ecosystem that provides updated knowledge to our members and students and equip them suitably to work with challenges.

Your branch has floated the tender for construction of Branch building, ICAI Bhawan at Manesar. The last date of filling for the bid is 12th February 2020. More details are available at [www.icaigurugram.org](http://www.icaigurugram.org), [www.icaai.org](http://www.icaai.org). We request you to kindly share the same with your friends and clients so the best contractor be finalized for this project which is a dream for us.

On 24-25th January 2020, your branch concluded a much awaited and well attended conference on International Taxation. "National Conference on International Taxation" under the aegis of International Taxation Committee of ICAI was graced by the best speakers from across country and was very well received by the participants. This too is to 4 national level programs hosted by your branch in this year. On 26th January 2020, your branch turned 21 and we celebrated that by hosting an Annual day revisiting the year gone by.

As the Union Budget is pronounced on 1st Feb 2020, your branch is well prepared with a power packed discussion with CA (Dr.) Girish Ahuja and Adv. Sanjay Jhanwar on 3rd Feb. See you all there!

Before I sign off, wish you a very happy Mahashivratri and month (not only week) full of love.

It is aptly said, "To the world you may be one person. But to one person you are the world!" Let this Valentine's Day be dedicated for that person in your life!



**CA. Arun Aggarwal**  
(Chairman)

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**CA. Nitin Kanwar**  
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CA. Lalit Aggarwal

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### 1. Composition Levy Scheme [SECTION 10]

Section 10 of the CGST Act, 2017 provides for composition levy to such person. Such person means whose turnover below a certain limit\*. Composition Scheme is a simple and easy scheme under GST because of taxable person who opt composition scheme is not required to maintain detailed records and filling of detailed returns.

\*Certain Limit:

Normal Limit for goods: As per Section 10(1) of CGST Act, 2017 A registered person whose aggregate turnover\*\* in the previous financial year did not exceed 1.5 crore.

The limits for special category states [(i) Arunachal Pradesh (ii) Uttarakhand (iii) Manipur (iv) Meghalaya (v) Mizoram (vi) Nagaland (vii) Sikkim (viii) Tripura] is 75 lakhs. Himachal Pradesh and Assam

Limit for service provider is Rs. 50 Lakhs.

**\*\* AGGREGATE TURNOVER MEANING IS SAME AS READ IN REGISTRATION.**

Supply of goods by job worker :

If Supply of goods by job worker after completion of job work treated as a supply of goods by the principal as per section 143 of CGST Act 2017 and value of such goods shall not be included in the calculation of Aggregate Turnover of job worker but it will be included Aggregate Turnover of principal.

### 2. Persons not entitled to avail Composition Scheme

(a) A taxable person is engaged in making any interstate outward supplies of goods/services ( one state to another state )

(b) A taxable person is engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under Section 52 of the Act.

(c) A taxable person is a manufacturer of such goods as may be notified by the Government on the recommendation of the GST council.

(d) Where more than one registered person is having the same PAN, the registered person shall not be eligible to opt for the composition scheme unless all such registered persons are eligible under composition scheme and opt to pay tax under the scheme.

### 3. Conditions & Restrictions for GST Composition Levy

The person exercising the option to pay tax under section 10 shall comply with the following conditions, namely:-

(a) he is neither a casual taxable person nor a non-resident taxable person;

(b) the goods held in stock by him on the appointed day have not been purchased in the course of inter-State trade or commerce or imported from a place outside India or received from his branch situated outside the State or from his agent or principal outside the State, where the option is exercised by a dealer migrating to GST scheme starting from appointed day;

(c) the goods held in stock by him have not been purchased from an unregistered supplier and where purchased, he pays the tax under sub-section (4) of section 9;

(d) he shall pay tax under sub-section (3) or sub-section (4) of section 9 on inward supply of goods or services or both; (HAVE TO ALSO PAY REVERSE CHARGE TAX)

(e) he was not engaged in the manufacture of such goods as may be notified by the Government, during the preceding financial year;

(f) he shall mention the words "composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him; and





(g) he shall mention the words “composition taxable person” on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.

### 4. Composition Rate of Tax

S.NO.	Category of Registered Person	Rate of CGST	Rate of SGST	Total
1.	Manufacturers other than manufacturers of such goods as may be notified by the Government.	0.50%	0.50%	1%
2.	Restaurant services and Outdoor catering services (not serving alcohol)	2.50%	2.50%	5%
3.	Any other services	3%	3%	6%
4.	Any other supplier eligible for composition levy (section 10)	0.50%	0.50%	1%

### 5. GST Composition Returns

S.NO.	Returns to be filed	Due Date for filing of Return
1.	GSTR - 4 (Quarterly return) Now CMP 04	18th of the month after the end of the Quarter
2.	GSTR - 9A (Annual return)	31st December of next financial

### 6. Penalty for delay filing of GSTR 4/ CMP 04:

GSTR 04 filed in Quarterly basis within the given time frame but if it's not file than penalty levied on it.

Rs. 100 for CGST and Rs. 100 for SGST per day or Rs. 5000 each CGST & SGST

whichever is lower.

### 7. Form to be submitted:

(i)	GST- CMP- 02	Intimation to pay tax under section 10 (composition levy) (for person registered under the Act) Intimation of availed opt for scheme middle of the financial year	Prior to commencement of Financial year
(ii)	GST- CMP- 04	Intimation/Application for withdrawal from Composition levy	Within 7 days of occurrence of event
(iii)	GST- CMP- 05	Show Cause Notice issued by Proper officer in contravention of rules or Act (Notice for denial of option to pay tax under section 10)	In contravention of rules or Act
(iv)	GST- CMP- 06	Reply of show cause notice given by the taxable person	Within 15 days of received of Show Cause Notice
(v)	GST- CMP- 07	Issue of Order for acceptance/rejection of reply to show cause notice	Within 30 days of received of SCN
(vi)	GST REG- 01	Registration Certificate under Composition Scheme (for person who applied for fresh register under GST to opt scheme)	Prior to appointed date
(vii)	GST ITC- 01	Details of input in stocks, semi-finished and finished goods	30 days of composition scheme option withdrawn
(viii)	GST ITC- 03	Intimation of ITC (Input Tax Credit) available	Within 60 days of commencement of the financial year.

### 8. Important Notes for Composition Dealers:

1. No Input Tax Credit (ITC) will be made available to composition levy of tax.
2. Composition dealers cannot make interstate sales.
3. Composition dealers are not required to maintain detailed records.
4. Composition dealers cannot issue Tax Invoice.
5. Composition dealers cannot charge tax from their customers. It should be pay tax out of their own pocket.
6. Composition dealers must issue Bill of Supply instead of Tax Invoice and should mention “composition taxable person” not eligible to collect tax on supplies on their top of Bill of supply.





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 TINFC 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.icaig.org](http://www.icaig.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

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### Lecture Meeting on Code of Ethics - Fundamental Spirit



**Topic : Code of Ethics - Fundamental Spirit**

**Audience : Members**

**Date & Day : 17th January 2020, Friday**

**Venue : 2A (second floor), Pavilion Building, 339/2, Sector-14, Gurugram.**

### National Conference on International Taxation



**Topic : National Conference on International Taxation**

**Audience : Members**

**Date & Day : Friday & Saturday, 24<sup>th</sup>-25<sup>th</sup> January 2020**

**Venue : Club5, Opp. Trinity Tower Sector 53, DLF City, DLF Phase 5, Gurugram .**



## Medanta - The Medicity

Medanta – The Medicity with ‘The Institute of Chartered Accountants of India’ for providing medical services to the members & their dependents of ‘The Institute of Chartered Accountants of India’

### Following are the agreed terms & conditions:

- 10% discount on OPD services such as Consultation Fees, Investigations (Laboratory & Radiology). Please note that no discount will be given on any package based OPD procedures, drugs, consumables, blood components, implants, devices, day care procedures, CT Angiography, CT Scan, PET CT, MRI & outsourced investigations.
- 10% discount on IPD services (for non – insured employees) such as Room Rent & Investigations ( Laboratory & Radiology) except drugs, disposables, consumables, blood components, implant, devices, contents of pre defined packages, outsourced services, CT – Angiography, MRI, OT, Anesthesia Charges & outsourced investigations.
- 10 % discount on Standard Health Checkup packages.
- Personal assistance in admissions & treatment.
- Health Education talks in organization premises.
- Discount on Healthcare services can be availed by the employee by showing the Membership ID Card. In case of dependent family member the Membership ID Card of the member & the Govt. ID Card (like PAN Card, Election ID Card, Passport etc.) of the dependent will be required.
- The validity of the agreement will be one year i.e. from September, 15, 2018 to September, 14, 2019.
- All services are agreed in cash mode. No credit to be extended.



'Lite Bite Foods' is one of the largest & most dynamic Food & Beverage retail company in the country, with over 14 core brands & 6 Franchise brands under its umbrella. We have 95 operational outlets in India, Bangkok, Singapore, Abu Dhabi, Dubai & United States of America & with a plan of opening 31 new outlets company aims to become one of the largest Food & Beverage players in India by 2016. Currently we have a strong presence in Malls, High Streets, Airports, Multiplexes, Office complexes, Hotels and other high footfall locations.

Our

S.No	Outlet Name	Location	Outlet Landline No.	Address
1	ASIA 7	Ambience Mall	0124-4665571	Shop No. 318, 3rd Floor, Next to Food Court, Ambience Mall, Gurugram.
2	BAKER STREET	Ambience Mall	0124-4665567	Shop No.16, Food Union, 3rd Floor, Ambience Mall, Gurugram.
3	FRESC CO	Ambience Mall	0124-4665572	Shop No. 317, 3rd Floor, Next to Food Court, Ambience Mall, Gurugram.
4	PINO'S	Ambience Mall	0124-4665495	Shop No. 14, 3rd Floor, Food Union, Ambience Mall, Gurugram.
5	PUNJAB GRILL	Ambience Mall	0124-4665478	Shop No. 319, 3rd Floor, Next to Food Court, Ambience Mall, Gurugram.
6	SF by PG	Ambience Mall	0124-4665513	Shop No. 02, 3rd Floor, Food Union, Ambience Mall, Gurugram.
7	SF by PG	MGF Metropolitan Mall	0124-4222238	Shop No. 05, 3rd Floor, Food Court, MGF Metropolitan Mall, Gurugram.
8	SF by PG (Delivery Only)	Udyog Vihar	0124-4236633	Plot - 317 Udyog Vihar Phase - 4 Gurugram
9	SUBWAY	Ambience Mall	0124-4665515	Shop No. 04, 3rd Floor, Food Union, Ambience Mall, Gurugram.
10	SUBWAY	DT Mega Mall	0124-4015577	3rd Floor, Food Court, DT Mega Mall, Gurugram.
11	SUBWAY	Cyber Green	0124-4016962	Ground Floor, Food Court, Cybergreen Tower, DLF Phase-III, Gurugram.
12	SUBWAY	Fortis Hospital	0124-4039728	Fortis Hospital Sector 44, Gurugram Haryana
13	ZAMBAR	Ambience Mall	0124-4665639	Shop No. 310, 3rd Floor, Next to Food Court, Ambience Mall, Gurugram.
14	ZAMBAR	Cyber Hub	91-8130450438	Ground Floor, Cyber Hub, Cyber City, Gurugram

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### 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](mailto:arunaggarwalca@gmail.com) with the subject line (Article Newsletter).

Regarding	Email	Subject line
Seminars/Workshops	<a href="mailto:icaigurgaon@gmail.com">icaigurgaon@gmail.com</a>	Sub: Seminar_____
Others	<a href="mailto:icaigurgaon@gmail.com">icaigurgaon@gmail.com</a> or <a href="mailto:arunaggarwalca@gmail.com">arunaggarwalca@gmail.com</a>	Feedback_____

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