



Gurugram Branch of NIRC
The Institute of Chartered Accountants of India

e-Newsletter

September 2021



Editorial Board

CA. CA. Nitin Kataria
Chief Editor

Members:

CA. Dheeraj KS Sharma, CA. Mohit Singhal, CA. Lalit Aggarwal,
CA. Arun Aggarwal, CA. Sanjeev Aggarwal, CA. Nishant Kumar,
CA. Nitin Kanwar, CA. Vijay Kumar Gupta, CA. Avinash Gupta

Published by Gurugram Branch of NIRC of ICAI



CA. Garima Jain

Utilization of Input Tax Credit

Email : garimajain452@gmail.com

Sub section 5 of Section 49 of CGST Act, 2017 states the manner of utilization of Input Tax Credit in the following manner:

- integrated tax shall first be utilized towards payment of integrated tax and the amount remaining, if any, may be utilized towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;
- the central tax shall first be utilized towards payment of central tax and the amount remaining, if any, may be utilized towards the payment of integrated tax;
- the State tax shall first be utilized towards payment of State tax & the amount remaining, if any, may be utilized towards payment of integrated tax

Amendment in clause “c”

Provided that the input tax credit on account of state tax shall be utilized towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;

D) the Union territory tax shall first be utilized towards payment of Union territory tax and the amount remaining, if any, may be utilized towards payment of integrated tax

Amendment in clause “d”

Provided that the input tax credit on account of Union territory tax shall be utilized towards

payment of integrated tax only when the balance of the input tax credit on account of central tax is not available for payment of integrated tax

Amendment made in clause “c” and clause “d” can be understand with the help of following example :

IGST Liability: Rs. 25,000

CGST Input: Rs. 20,000

SGST/ UTGST Input: Rs. 15,000

Before 01.02.2019	On or after 01.02.2019 as per CGST Amendment Act, 2018
SGST/ UTGST: Rs. 15,000 CGST: Rs. 10,000	CGST: Rs. 20,000 SGST/ UTGST: Rs. 5,000

E) the central tax shall not be utilized towards payment of State tax or Union territory tax; and

F) The State tax or Union territory tax shall not be utilized towards payment of central tax.

Sec. 49A of CGST Act, 2017:

Notwithstanding anything contained in section 49, the input tax credit on account of central tax, State tax or Union territory tax shall be utilized towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilized fully towards such payment.



Utilization of Input Tax Credit

Sec.49B of CGST Act, 2017:

Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilization of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.”.

Conclusion:

We have to first utilize the input tax credit of IGST, and then for the balance liability we can utilize CGST/SGST input tax credit. The following sequence required to be maintained:

According to old law i.e. before 01.02.2019

IGST Liability	CGST Liability	SGST Liability
<ul style="list-style-type: none"> • IGST Credit • CGST or SGST Credit 	<ul style="list-style-type: none"> • CGST Credit • IGST Credit 	<ul style="list-style-type: none"> • SGST Credit • IGST Credit

According to Amended CGST Act, 2018 i.e. on or after 01.02.2019

IGST Liability	CGST Liability	SGST Liability
<ul style="list-style-type: none"> • IGST Credit • CGST Credit • SGST Credit 	<ul style="list-style-type: none"> • IGST Credit • CGST Credit 	<ul style="list-style-type: none"> • IGST Credit • SGST Credit

Let us understand both the old and new scenario with an example:

Old Scenario:

Taxes	Liability (Rs.)	Input Tax Credit (Rs.)	Adjustment from ITC	Balance need to pay in Cash (Rs.)
IGST	10	25	Rs. 10	0
CGST	30	25	Rs. 25 (CGST) Rs. 5 (IGST)	0
SGST	30	25	Rs. 25 (SGST) Rs. 5 (IGST)	0

New Scenario:

Taxes	Liability (Rs.)	Input Tax Credit (Rs.)	Adjustment from ITC	Balance need to pay in Cash (Rs.)
IGST	10	25	Rs. 10	0
CGST	30	25	Rs. 15 (CGST) Rs. 15 (IGST)	0
SGST	30	25	Rs. 25 (SGST)	5

*Hence, in the above example under the new law registered person is required to pay tax where as in the old scenario the liability of GST get adjusted towards inputs.



Accounting for Lease Modification as per Ind AS 116

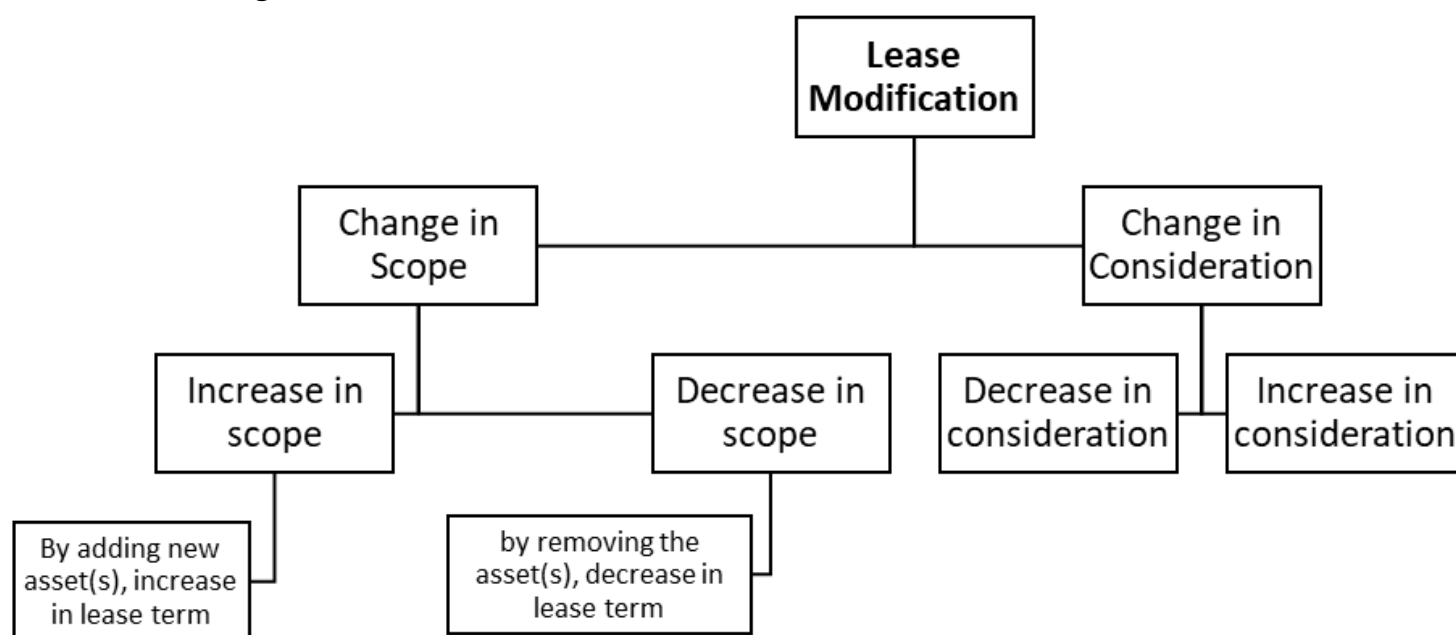
Email : vkgoyal28@gmail.com

CA. Vikas Kumar Goyal

What is Lease Modification?

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions.

Refer below diagram to understand the lease modifications



Accounting of Lease Modifications

A lessee accounts for a lease modification as a separate lease if both of the following conditions exist (para 44):

the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

the consideration for the lease increases by an amount equivalent to the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

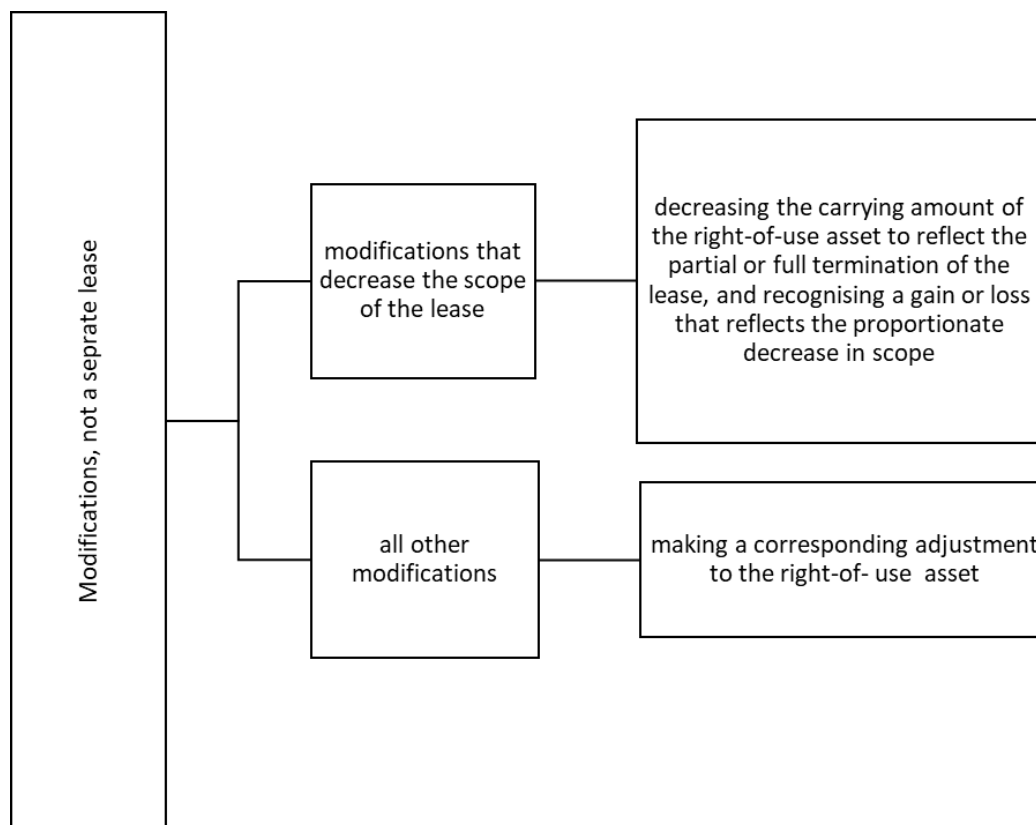
In this case, the lessee accounts for the separate lease in the same way as any new lease and makes no adjustment to the initial lease.

All other modifications which does not follow the above conditions shall not be a separate lease.



Accounting for Lease Modification as per Ind AS 116

For a modification that is not a separate lease, at the effective date of the modification the lessee accounts for it by remeasuring the lease liability using a discount rate determined at that date and :



Recent Changes made to Ind AS 116

Para 46A & 46B added:

46A as a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

46B The practical expedient in paragraph 46A applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:-

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before the 30th June, 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before the 30th June, 2021 and increased lease payments that extend beyond the 30th June, 2021); and
- (c) there is no substantive change to other terms and conditions of the lease.



Corporate revival schemes & ROC compliance schedule 2020-21

Email : lalitrajput537@gmail.com
sagar@sankalp.co

CS. Lalit Rajput CA. Sagar Singla

Ministry of Corporate Affairs (MCA) has taken preventive steps via issued guidelines and relaxation in Corporate Filings due to COVID-19 Outbreak. MCA has Launched Corporate Revival Schemes: One time opportunity for Defaulting Corporates including Companies and LLP to become Compliant Entities. Aim is to provide a clean slate to all those law-abiding companies, giving them extended time and a certain level of financial relief with regard to compliances considering the current global situation.

Corporate Revival Schemes introduced by MCA are to promote Corporate Governance and rescue defaulting Corporates:

- Company Fresh Start Scheme, 2020 (CFSS-2020)
- LLP Modified Settlement Scheme, 2020

Companies Fresh Start Scheme, 2020 (CFSS-2020)	Modified LLP Settlement Scheme, 2020.
<p><u>Overview:</u></p> <p>The Ministry of Corporate Affairs (MCA) vide its General Circular No. 12/2020 dated 30.03.2020 has come up with the Companies Fresh Start Scheme, 2020 for one-time application of condonation of delay of filling the various documents, forms, returns etc. with the Registrar.</p>	<p><u>Overview:</u></p> <p>MINISTRY OF CORPORATE AFFAIRS (MCA) vide General Circular No. 13/2020 and File No. F. No. 17/61.2016-CL-V-Pt-I issued dated 30th March, 2020, has modified the provisions related to LLP SETTLEMENT SCHEME, 2020.</p>
<p><u>Applicable:</u></p> <p>Applicable w.e.f. 01.04.2020 And shall remain into Force up to 30.09.2020. In all Approximately 54 Forms of Companies Act, 2013 and 10 Forms of Companies Act, 1956 are Covered under the Scheme.</p>	<p><u>Applicable</u></p> <p>w.e.f. 01.04.2020 And shall remain into Force up to 30.09.2020.</p>
<p><u>Scope of this Scheme:</u></p> <p>Any 'defaulting company' is permitted to file belated documents which were due for filing on any given date in accordance with the provisions of this Scheme: Immunity from the launch of prosecution or proceedings for imposing penalty shall be provided only to the extent such prosecution or the proceedings for imposing penalty under the Act pertain to any delay associated with the filings of belated documents.</p>	<p><u>Scope of this Scheme:</u></p> <p>The defaulting LLP, which have filed their belated documents till 30.09.2020 and made good the default shall not be subjected to prosecution by the Registrar of such defaults.</p>



Corporate revival schemes & ROC compliance schedule 2020-21

Companies Fresh Start Scheme, 2020 (CFSS-2020)	Modified LLP Settlement Scheme, 2020.
	<p>Manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme – The defaulting LLPs may themselves avail of the scheme for filing documents which have not been filed or registered in time on payment of fee as payable for filing of such document / return.</p> <p>Provided that no additional fees shall be payable for filing and belated documents under this scheme.</p>
<p><u>Key Points:</u></p> <ol style="list-style-type: none"> 1. It is Compulsory to File Form DIR 3 KYC/ webform DIR 3 KYC of all the Existing directors of Defaulters Companies before availing the benefit of the said Scheme 2. It is compulsory to file Active Form INC-22A. Only the companies whose status is Active will be able to seek the benefit of the scheme. 3. Immunity will be Granted only for those forms that will be filed in *CFSS duration i.e. 01/04/2020 to 30/09/2020*. 4. Delayed MGT -14: For filing MGT-14 beyond 300 days, condonation is required. However, AoC-4 for the past year(s) can be filed without any condonation. 5. Company is under NCLT, and Operations are managed by IP: Can take benefits if Company status is not struck off and if it struck off it can take the benefit after it is revived 6. Foreign company having Project Office in India – Yes Applicable 7. Annual Filing Form – AOC 04 filed with inadvertent errors: AoC-4 or any other STP form filed with inadvertent errors can be marked as 'defective' by the jurisdictional RoCs based on evidence and formal request. Once the particular STP is marked as defective fresh filing has to be made. 	<p><u>Previous Scheme:</u></p> <p>LLP SETTLEMENT SCHEME , 2020 vide General Circular No. 6/2020 dated 04.03.2020</p> <p>Shall allow a One-time condonation of delay in filing statutorily required documents with the Registrar. Scheme shall come into force on the 16th March, 2020 and shall remain in force up to 13th June, 2020. Applicable for LLP Form 3, 4, 8 and 11.</p> <p><u>The Scheme shall not apply:</u></p> <p>This Scheme shall not apply to LLPs which has made an application in Form 24 to the Registrar, for striking off its name from the register as per provisions of Rule 37(1) of the LLP Rules, 2009.</p> <p>After 30.09.2020, the Registrar shall take necessary action under the LLP Act, 2008 against the LLPs which have not availed this Scheme and are in default in filing of documents as required under the provisions of LLP Act, 2008 in a timely manner</p>



Corporate revival schemes & ROC compliance schedule 2020-21

ROC Compliance Schedule 2020-21

Ministry of Corporate Affairs (MCA) has issued various Circulars regarding Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak to provide relaxations in Company Law / LLP Law Compliance Norms.

SNo	Form No.	Due Date	Information Required / Remarks
1	Form MBP-1	In the first meeting of a board of directors of the company (Within 30 days of incorporation). Thereafter in the first board meeting to be held in every financial year.	List of Companies, in which Director appointed / Change of Directorship
2	Bank Account Opening	60 days post incorporation the company must issue the subscribed shares.	Board Resolution
3	ADT-1	With in 30 days of incorporation / 3 months via EGM	Board Resolution Appointment Letter
4	MSME-1 (April to September) (October to March)	Half – yearly return 30/04/2020 31/10/2020 (can be filed delayed without additional fee)	List of Micro and small enterprises having outstanding as on due date of return
5	DIR – 3 KYC	30.09.2020	Web KYC – OTP's KYC through Form – Aadhaar , PAN, Mobile No., Email id
6	DPT-3 (Return of Deposit)	30.09.2020	Details of Deposits as per rule 2 (1) (c) of the Companies (Acceptance of Deposit) Rules, 2014
7	BEN-2 Return to the Registrar in respect of declaration under section 90	30.09.2020	Declaration in BEN-1
8	AOC-4 and AOC-4 CFS (FOR FY-2019-20)	Within 30 Days From Conclusion Of AGM (29/10/2020 (In Most Of The Cases) (In Case where AGM Date is 30/09/2020)	Financial Statements (Notice, Board Report , Balance sheet, Notes & Auditors Reports)
9	MGT-7 Annual Return	Within 60 Days From Conclusion Of AGM (28/11/2020 In Most Of The Cases) (In Case where AGM Date is 30/09/2020)	List of Shareholders Share Transfer Details
10	CRA-2 Form of intimation of appointment of cost auditor by the company to Central Government	Within a period of 30 days of the Board meeting in which such appointment is made or within 180 days of the commencement of the financial year, whichever is earlier.	Board Resolution Copy



Corporate revival schemes & ROC compliance schedule 2020-21

ROC Compliance Schedule 2020-21

Ministry of Corporate Affairs (MCA) has issued various Circulars regarding Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak to provide relaxations in Company Law / LLP Law Compliance Norms.

SNo	Form No.	Due Date	Information Required / Remarks
11	CRA-4 Form for filing Cost Audit Report with the Central Government	Within 30 Days From Receipt Of Cost Audit Report	XBRL document in respect of the cost audit report and company's information and explanations on every qualification and reservation contained therein
12	PAS-6 Form for Reconciliation of Share Capital Audit Report on half yearly basis.	within 60 days from the date deployment of form on Website of MCA.	Reconciliation of Share Capital Audit Report
13	INC-20A Declaration for commencement of business	Within 360 Days Of Incorporation {180+180 (Extended Due To Covid-19)} (5)	Bank Statement
14	LLP-11 Annual Return of Limited Liability Partnership (LLP)	30.05.2020 Extended up to 30/09/2020 – (Moratorium Period) And Modified LLP Settlement Scheme, 2020	List of Companies / LLP' in which Director is a Partner
15	LLP-8 Statement of Account & Solvency	30/10/2020	Disclosure under MSME & statement of Accounts
16.	NFRA -2 – Auditor's Return	Annual Return to Be Filed By Auditor With The National Financial Reporting Authority <u>NFRA-2 e-Form live since 9th December 2019.</u>	210 days from the deployment of this form



Gurugram Branch Managing Committee for the Session 2021-2022

Name	Designation	Contact	E-mail
CA. NITIN KATARIA	Chairman	9899354222	canitinkataria@gmail.com
CA. MOHIT SINGHAL	Vice - Chairman	9555379714	fcasmc@gmail.com
CA. NISHANT KUMAR	Secretary	9560753535	nishant@jkn.in
CA. LALIT AGGARWAL	Treasurer	9999565491	lalit.agrwal@gmail.com
CA. DHEERAJ SHARMA	Immediate Past Chairman	9818396559	dheerajks@sankalp.co
CA. ARUN AGGARWAL	Executive Member	9891338830	arunaggarwalca@gmail.com
CA. SANJEEV AGGARWAL	Executive Member	9818264355	sanjeevagarwal2@gmail.com

DISCLAIMER

The opinion expressed in each article is the opinion of author and does not necessarily reflect the opinion of Gurugram Branch. Gurugram Branch assumes no liability or responsibility for any inaccurate delayed or incomplete information nor for any actions taken in reliance thereon. The information contained about each individual event or organization has been provided by such individual event organizers or organization.



Gurugram Branch of NIRC of ICAI

 2A Second Floor Pavilion Building Sector-14 Gurugram-122001

 gurgaon@icai.org  www.icaigurugram.org  124-4268867