



KOTA BRANCH OF CIRC OF ICAI



Spectrum

Edition-2 Feb 2020



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CA Devendra Kataria
Secretary

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Editorial ...

Small cheer and great welcome always make a merry feast.



As rightly said by William Shakespeare, on behalf of editorial board and ICAI Kota Branch I am jovial to welcome our readers to the second edition of branch e-news letter.

We feel gratified to receive a heartfelt response to our first edition. Mails of appreciation always provide editorial board a motivation to work in the direction of providing readers a better reading experience.

We are grateful for your support to our team efforts and suggestions to improve ourselves. We also appreciate your time devotion from busy schedule for branch

newsletter. We would like to congratulate the members who have given correct answer to crossword and case study and appreciate the efforts taken by others.

In the words of Abdul Kalam, "Learning gives creativity, creativity leads to thinking, thinking provides knowledge, and knowledge makes you great." An erudite person's knowledge is not confined only to books and scholarly tomes but gained through a conscious effort to add to his existing repository through practical application on a sustained and continued basis. On the similar lines we would be trying to inculcate the experience our fellow members have gained from their practice.

Lastly, as we know the world is facing a difficult time due to the spreading pandemic of COVID -19 virus, we wish and hope for the safety of our fellow members. Work is worship, but only a healthy man makes a wealthy man, we urge professionals to make wise decisions and keep their health on utmost priority.

CA SHASHANK GARG

M. : 92140-90984

Chairperson's Message...

Dear Members,
Warm Greetings

It is a great feeling to communicate with you as the Chairperson of kota Branch of CIRC of ICAI.

At the outset I would like to express my heartfelt gratitude to the members of Kota Branch for entrusting me with the profound responsibility of serving my alma mater in the best interest of our students, members & the profession . With your active support we shall together add a new chapter in the growth story of our beloved Branch.

We, as managing committee Kota Branch assure you to continue the good work initiated by my predecessors & to make further efforts for achieving greater heights.

We are forming ten working teams to cover wide areas of activities. These teams are study circle committee, youth development Committee, social media committee, Students committee, committee of members in industry, Newsletter committee, Updates committee, Women empowerment committee, Cultural committee, CPE committee.

Congratulations to team newsletter convened by **CA Sanjay Khandelwal** and **CA Shashank Garg** as editor for their excellent working & issue of such a Wonderful e-newsletter . Claps for Students Committee under CICASA chairman **CA Nikhil Jain** working so dynamically & for issuing students newsletter.

Considering outbreak of this CORONA virus we will plan our activities accordingly. I request members to take care and follow guidelines issued by Health Department.

In the end I would like to thank whole managing committee members for their whole hearted support in my working methodology. I am quite hopeful that our continual endeavors & initiatives will bring laurels.

"Work hard to get whatever you like else you will have to like whatever you get".

Best wishes to you and your family for a cheerful Holi, Women's Day & Navratra.

CA Rajnee Mittal

Chairperson

M. : 86969-05577



Changes in Income Tax A.Y. 2020-2021



Compiled by : **CA Saurabh Jain**
M. : 92141-27777

1. New Section 194M

TDS of 5% In the case of INDL or HUF (not audited) for payment of Contractual or Professional fees in a year exceeding 50 lakh rupees (can do it via PAN, No TAN required effective date 01-09-2019)

2. Section 194IA

Sale consideration of immovable property for calculation of TDS @1% shall include all charges of the nature of :

- Club membership fee
- Car parking fee
- Electricity & water facility fee
- Maintenance fee
- Advance fee etc

(which are incidental to transfer of immovable property)

3. Deemed accrual of gift made to a person outside India :

Gift by resident to NR outside India, shall be deemed to accrue or arise in India, existing exemption as in 56(2) (x) shall continue to apply applicable for transfer on or after 5th July 2019 relevant for AY 20-21.

4. Mandatory furnishing of return of income by certain persons:

Currently only if total income exceeds maximum amount not chargeable to tax – return to be yield (except in case of Co. or firm)

Now other case for mandatory filing added:

- a. Deposited amount or amounts sum > 1cr in one or more Current Accounts Maintained with banking Co. or Co-operative bank or
- b. Foreign travel Expenses > 2 lakh for self or any other person
Or
- c. Electricity expense > 1 lakh expenditure
Or
- d. Other condition may be prescribed
Or
- e. Roll over benefits of exemption from capital gain in 54 /54B /54D /54EL /54E /54G /54GA /54GB , before such exemption if IT > maxim limit not chargeable to tax file return (AY 20-21)

5. Widening the scope of statement of financial transactions:

To enable pre-filing of return of income widening & reportable transaction, reportable entities & reducing thresholds.

6. Tax incentives for electric vehicles Section 80EEB (w.e.f. AY 20-21):

Deduction in respect to interest on loan taken for purchase of electric vehicle upto 1,50,000

Condition :

1. Loan from financial institution including NBFC from 1/4/2019 to

31/3/2023

2. No other electric vehicle on the date of sanction loan+

7. Tax Incentive for Affordable Housing Section 80EEA:

Deduction in respect to interest upto Rs 1,50,000 on loan taken for residential house property, such that

- (i) Loan sanctioned between 1/4/2019 to 31/3/2020
- (ii) Stamp duty value of house < or = 45 lakhs
- (iii) No other residential house property on date of sanctioned of loan (w.e.f. AY 20-21)

Meaning of “affordable housing” under 80IBA amended as under for AY 20-21 :-

- (i) Eligible for deduction under this section of residential unit

Carpet area < or = 60 sq. mt. for Metropolitan Cities

Or

Carpet area < or = 90 sq mt for other than Metropolitan Cities

(AND)

- (ii) Stamp value < or = 45 lakhs

8. Incentive to NPS:

- a. Exempt amount increase from current 40% to 60%
- b. Limit increase from 10% to 14% for contribution made by Central govt. to the account of the employee
- c. Amend 80C – central govt employee : can do contribution to Tier II account of pension scheme for deduction under this section from AY 20-21.

9. Prescription of exemption from deeming FMV of shares for certain transaction:

Board being empowered to specify transactions undertaken by certain class of persons to which provisions of 56(2)(x) & 50CA shall not be applicable from AY 20-21.

10. Cancellation of Registration of Trust or Institution:

Enhance in scope of cases of cancellation of Registration of Trust under 12A, to take into consideration non-compliance of provision of “any other laws” the compliance of which is required to achieve the objectives.

11. Provisions of Credit Relief Provided under section 89:

Amendment proposed in section 140A/ 143/ 234A/ B /C as to provide for computation of tax liability after allowing for relief under section 89

12. Sec 54GB benefit for investment of proceeds of sale of residential property into start ups has been extended upto Mar 2021. Also in case of investment in IT related products in a start up, lock in period has been relaxed from 5 years to 3 years and % shareholding required by the promoter has been reduced from 50% to 25%.



Finance Bill 2020 – Significant Amendments proposed under GST.



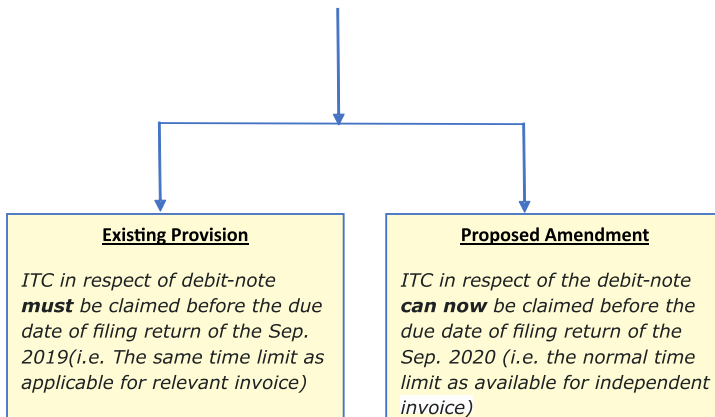
Compiled by : **CA Murtaza Rangwala**
M. : 96190-96664

Finance Bill, 2020 has been introduced by the Hon. Finance Minister on 1st Feb. 2020, which contains proposals to amend the Central GST Act, 2017, Integrated GST Act, 2017, Union Territory GST Act, 2017 and the GST (Compensation to States) Act, 2017. Few significant amendments proposed are illustrated below:-

1. ITC, in respect of debit note- Amendment to sub-sec. (4) of sec. 16 of CGST Act:-

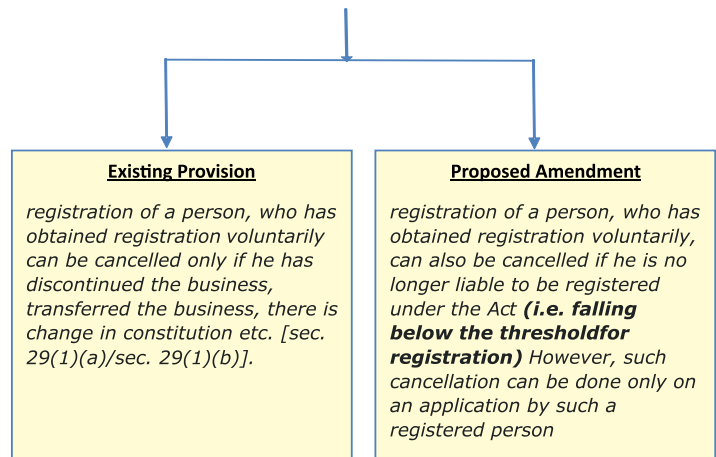
It is proposed to delink ITC in respect of a debit note from that of the invoice to which the debit note relates. Thus, the time limit to claim ITC, in respect of a debit note, would be determined on the basis of the date of debit note and not on the basis of invoice date, to which such debit note, relates.

For example, a machine was sold in Feb. 2019 [FY 2018-19] against a tax invoice and subsequently a debit-note was issued in April 2019 [FY 2019-20] for some additional amount, in respect of the said invoice. In this case let us evaluate the implication on ITC as per earlier law and proposed law.



In light of above we can conclude that debit note shall now be on par with normal tax invoice. Further clarification is required with regard to whether this amendment shall be treated prospective or retrospective. For instance, in case a debit note is issued on 1st April 2020 in respect of an invoice dated 1st April 2018, then whether ITC in respect of such debit-note can be claimed after this amendment comes into force.

1. Cancellation of registration-Substitution of clause (c) of sub-sec. (1) of sec. 29:



What's 2 + 2?



- ENGINEER** : It lies between 3.98 and 4.02.
- MATHEMATICIAN** : In 2 hours I can demonstrate it equals 4 with the following proof.
- PHYSICIST** : It's in the magnitude of 1×10^0 .
- LOGICIAN** : This problem is solvable.
- SOCIAL WORKER** : I don't know the answer, but I'm glad we discussed this important question.
- ATTORNEY** : In the case of Smith vs State, 2+2 was declared to be 4.
- TRADER** : Are you buying or selling?
- ACCOUNTANT** : What would you like it to be?



Jokes

He - Age kya hai tumhari?
Me - Ladkiyon se age nai poochhte. Mein ni bataungi.
He - Oh Ok Sorry. Acha So Kitne attempt lage tumhe?
Me - 20 saal h meri age.
CALIFE

While working from home, the client asks: I want to speak to someone with higher authority

.
.
.

Me: Mummyyyy....

Secret Diary

of an Entrepreneur



Subhash Chandra
Chairman, Essel Group &
ZEE

I owe my success to	My grandfather
Strength	My upbringing
Weakness	Over-trusting
My motto	Keep moving. Don't stop. Don't limit yourself with targets
Most inspiring phrase	Live in the present
Most important decision	Not getting married till I repaid my debts
Sleepless nights	Trying to raise debt when I was short of funds in the initial years
Biggest blunder	Believing that stock market investors had my interests at heart
Most vulnerable moment	Breaking down in front of an investor after my stock crashed
The day I felt really low	When I couldn't complete the Agrani project
My sounding board	Myself
Success means	To solve somebody's problem
Most relaxed	Vipassana
Advice to kids	Be honest and work hard

"Live in the present. Don't recount and regret the past"



The Seed



Compiled by : CA Yogesh Chandak
M. : 98299-55006

A successful business man was growing old and knew it was time to choose a successor to take over the business. Instead of choosing one of his directors or his children, he decided to do something different. He called all the young executives in his company together. "It is time for me to step down and choose the next CEO, he said. *"I have decided to choose one of you."* The young executives were shocked, but the boss continued. *"I am going to give each one of you a seed today - a very special seed. I want you to plant the seed, water it, and come back here one year from today with what you have grown from the seed I have given you. I will then judge the plants that you bring, and the one I choose will be the next CEO."*

One man, named Jim, was there that day and he, like the others, received a seed. He went home and excitedly, told his wife the story. She helped him get a pot, soil and compost and he planted the seed. Every day, he would water it and watch to see if it had grown. After about three weeks, some of the other executives began to talk about their seeds and the plants that were beginning to grow. Jim kept checking his seed, but nothing ever grew.

Three weeks, four weeks, five weeks went by, still nothing. By now, others were talking about their plants, but Jim didn't have a plant and he felt like a failure.

Six months went by - still nothing in Jim's pot. He just knew he had killed his seed. Everyone else had trees and tall plants, but he had nothing. Jim didn't say anything to his colleagues, however. He just kept watering and fertilizing the soil - he so wanted the seed to grow. A year finally went by and all the young executives of the company brought their plants to the CEO for inspection. Jim told his wife that he wasn't going to take an empty pot. But she asked him to be honest about what happened. Jim felt sick at his stomach. It was going to be the most embarrassing moment of his life, but he knew his wife was right.

He took his empty pot to the board room. When Jim arrived, he was amazed at the variety of plants grown by the other executives. They were beautiful in all shapes and sizes. Jim put his empty pot on the floor and many of his colleagues laughed. A few felt sorry for him! When the CEO arrived, he surveyed the room and greeted his

young executives. Jim just tried to hide in the back. "My, what great plants, trees, and flowers you have grown," said the CEO. "Today one of you will be appointed the next CEO!"

All of a sudden, the CEO spotted Jim at the back of the room with his empty pot. He ordered the financial director to bring him to the front. Jim was terrified. He thought, "The CEO knows I'm a failure! Maybe he will have me fired!" When Jim got to the front, the CEO asked him what had happened to his seed. Jim told him the story. The CEO asked everyone to sit down except Jim. He looked at Jim, and then announced to the young executives, "Here is your next Chief Executive! His name is Jim!"

Jim couldn't believe it. Jim couldn't even grow his seed. How could he be the new CEO the others said? Then the CEO said, "One year ago today, I gave everyone in this room a seed.

I told you to take the seed, plant it, water it, and bring it back to me today. But I gave you all boiled seeds; they were dead - it was not possible for them to grow. All of you, except Jim, have brought me trees and plants and flowers. "When you found that the seed would not grow, you substituted another seed for the one I gave you. Jim was the only one with the courage and honesty to bring me a pot with my seed in it. Therefore, he is the one who will be the new Chief Executive!"

- If you plant honesty, you will reap trust*
- if you plant goodness, you will reap friends.*
- If you plant humility, you will reap greatness.*
- If you plant perseverance, you will reap contentment*
- if you plant consideration, you will reap perspective.*
- If you plant hard work, you will reap success.*
- If you plant forgiveness, you will reap reconciliation.*
- And at the last, if you plant love, you will reap.....*

Answer is in your kitty.



कोरोना - इस से तुम डरो ना, अपितु, अब तो तुम कुछ करो ना



We thought that in 2020, we'll have flying cars, cities on other Planets..... But no, here we are, teaching people how to wash hands.

Health is extremely critical, yet often a neglected subject. The general tendency is to ignore the regular body symptoms and presume that it will be alright on its own. However, when symptoms go beyond control, we finally wake-up, run from post to pillar and are willing to spend with a... Beg, Borrow and Steal mentality.

As you are aware, WHO has declared Novel Corona Virus, COVID19, as pandemic and thus, all precautionary measures shall be taken to avoid its outbreak. Government of India has also issued advisory from tentative outbreak and mitigate its impact.

Before reaching the Lungs, Corona Virus remains in the Throat area for approx. 4 days. During this time, the patient feels pain in the throat and has coughing. Hence, should drink lot of water and gargle with warm water, adding pinch of salt or vinegar. This reduces/eliminates the possibility of Virus severity to a greater extent.

Vitamin C boosts your immunity by helping WBC functioning better. Increase your intake of Vitamin C, Honey etc. to strengthen immunity and,.... drink lots and lots of HEALTHY Water.

Harvard University confirms that Vitamin D efficiency increases risk of Respiratory Infections from Virus by more than 50%. Due to drastically reducing exposure to direct Sunlight, our body (skin and eyes) do not make sufficient amount of Vitamin D3, putting all of us at higher risk of various health challenges.

The World is taking a Break... For a change, we should Practice Social Distancing : the practice of reducing close contact between people to slow the spread of infection or disease. Social distancing measure includes limiting large groups of people coming together, closing buildings and cancelling events.

Following are certain measures to be taken to protect yourself and

avoid the Virus Spreading :

- Wash your hands with Soap and Water or Sanitize it frequently.
- Cough or Sneeze into your Elbow.
- Maintain distance of atleast 1mtr from people, especially the patient.
- Do not shake hands or, greet people thru Body Contact.
- Avoid going to crowded / public places.
- Use mask while going in public places, if essential to go outside.
- If you are sick, stay at home and wear a Surgical Mask.
- If you have returned from a high risk area (China, Hong Kong, Singapore, South Korea, Iran, Italy, etc) and present symptoms of Respiratory infection such as fever, cough, difficulty in breathing within 14 days of your return, o not visit a local hospital or a doctor. Instead call the Corona Helpline.

The unfortunate attack of COVID19 is a wake-up call for all of us to take an Audit of our individual health. Our Current Lifestyle, Poor Food Habits, Laziness, no time to do any sort of Physical Activity and overall lack of interest in being Fit, can be very costly during this time.

ACT NOW. INCREASE YOUR IMMUNITY. STAY HEALTHY.



Compiled by : CA VIPUL AGARWAL

8854033223

मास्क पहनते समय यह अवश्य ध्यान रखें



मास्क के प्लीट को खोलें; ध्यान दें कि खोलते समय वह नीचे की तरफ खुले



अपनी नाक, मुंह और टोड़ी के ऊपर मास्क लगाएं और सुनिश्चित करें कि मास्क के दोनों ओर कोई गैप न हो, ठीक से फिट करें



मास्क का उपयोग करते समय मास्क को छूने से बचें



मास्क को गर्दन पर लटकता हुआ न छोड़ें



मास्क के गीला होने पर या हर 6 घंटों में मास्क को बदलते रहें



डिस्पोजेबल मास्क का पुनः प्रयोग न करें और प्रयोग किए गए मास्क को कीटाणुरहित कर बंद कूड़ेदान में डाल दें



मास्क को उतारते समय मास्क की गंदी बाहरी सतह को न छुएं



मास्क को हटाने के बाद अपने हाथों को साबुन और पानी या अल्कोहल आधारित हैंड रब से धोएं

हम सब मिलकर कोरोनावायरस से लड़ सकते हैं

अधिक जानकारी के लिए
स्वास्थ्य एवं परिवार कल्याण मंत्रालय,
भारत सरकार के 24X7 हेल्पलाइन नं.
पर कॉल करें

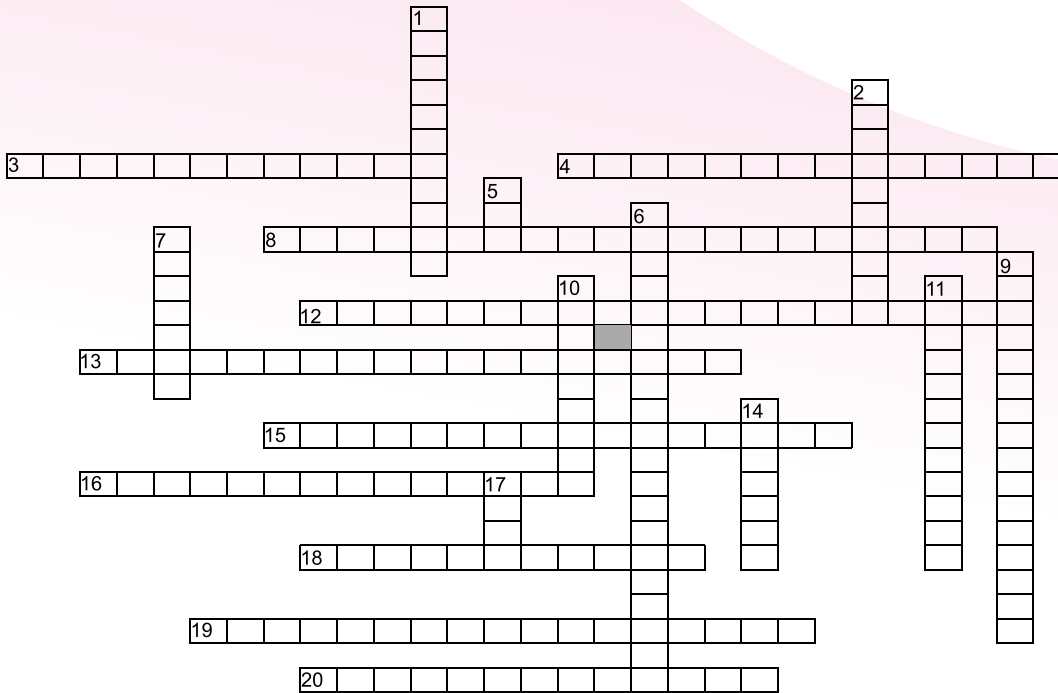
1075 (टोल फ्री) | 011-23978046

ई-मेल करें ncov2019@gmail.com

CROSS WORD NO. 2



Designed by : **CA Manju Jain**
M. :



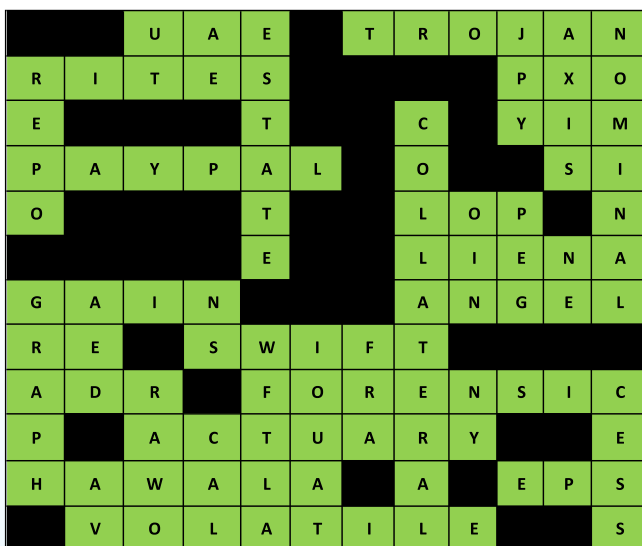
Across

3. A federal agency established in 1914 that administers consumer protection legislation.
4. Illegal schemes
8. A relationship that requires financial dependence, contribution and communication
12. The yearly interest rate charged on outstanding credit card balances.
13. The minimum interest rate an investor can expect from an issuing company.
15. Interest calculated on both the principal and the accrued interest.
16. comparing the cost of two or more goods or services to find the best value.
18. A law that protect consumers from being discriminated against due to race, sex, marital status, religion or age when obtaining credit.
19. Taking out one loan to cover a variety of debts, often with the goal of paying a lower interest rate overall.
20. A record of an individual's past borrowing and payments.

Down

1. The recording of financial transactions and exchanges.
2. A legal process in which a mortgaged property is taken because the borrower has failed to keep up payments.
5. Insurance to help protect a mortgage lender in the event a borrower cannot make payments
6. Helps protect consumers by steeling established procedures for resolving credit billing.
7. A savings plan designed to help set aside funds for future college costs.
9. An analysis made by a lender about a consumer's riskiness as a borrower.
10. A period of economic decline
11. The principal that a buyer is responsible for checking the quality and suitability of goods before making a purchase.
14. Benefits and bonuses offered to customers to entice them to open a card
17. Insurance or investments offered by the government.

Solution : Cross word No. 1



You may please take the printout and fill the same, and scanned copy may please be sent at the Mail id: spectrum.icaikota@gmail.com by 27th of March,2020. Answers along with first two correct entries shall be published in next news letter with names of the members and a surprise gift is also ready for you.

We are very happy to share that we received overwhelming response to the first Crossword and we hereby share the winners.



Winner
CA Deepanshi Khandelwal



Runner-up
CA Santosh Gupta

Case Study



Mr. "A" of Rajasthan is a registered person receiving services of architectural design in relation to his property located in Delhi from Mr. "B", an architect (also a registered person in Rajasthan). Mr. A will pay Rs.2,00,000 as fee for services and reimbursement of travelling and lodging cost of Rs.25,000 on a lump sum basis and GST as applicable.

Now Mr. "B" has approached you for consultation on following points:

1. Mr. B will be raising separate Invoices for his services and reimbursements. On what amount GST will be applicable.
2. Mr. B will have to charge CGST+SGST or IGST from Mr. A on invoices to be raised by him.
3. Whether Mr. A will be able to take credit of the same [assuming he is eligible to take ITC and credit is not blocked u/s 17(5)]
4. Since the draft GSTR-1 is prepared by Mr. B's accountant, how these transactions have to be shown in B2B section of the return.
5. How the similar transactions will be reported in New Upcoming GST Return Forms.

Answers of the above questions are invited from the members at the Mail id: spectrum.icaikota@gmail.com by 27th of March,2020. First two replies with correct answers shall be published in next news letter with names of the members



Compiled by: **CA Tushar Dhigra**
M. : 98997-29326

Solution to the Case Studies of January Edition

Case 1

"Recipient of Supply of Goods or Services" Section 2(93) of The CGST Act, 2017

"recipient" of supply of goods or services or both, means —

- (a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- (b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- (c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

One such example when Supplier and Recipient are in same state, but IGST is charged is: -

Supply of goods to a person situated in SEZ in a State by a person situated outside the SEZ but in same state. In this transaction, supplier and recipient both are in same state but IGST will be charged as Supply to SEZ unit is considered as Inter State Supply (Section 7 of The IGST Act, 2017)

Case 2

Section 51 – Tax Deduction at Source – Proviso

Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient

No Deduction in case – Place of Supply and Recipient are in difference states.

In our case, Recipient is Govt of MP. Place of Supply will be MP. (Reason behind this is Construction of Road by MP Government will be done in MP only). Supplier, if registered in Rajasthan and providing services from Rajasthan, IGST will be charged and IGST @ 2% will be deducted. If the supplier takes registration in MP and raises bill from there, CGST and MPGST @ 1% each will be deducted by the MP Government.

As per above proviso, No TDS will be deducted, if Place of Supply is in Rajasthan, Place of Supply is Rajasthan and Place of Recipient is in MP. It is not possible for recipient of MP to deduct CGST and RGST.

Case 3

As per Notification no. 17/2017 CTR, Electronic Commerce Operator notified to pay tax for the services provided for transportation of passengers by Radio taxi, Motor Cab, Maxi Cab or Motor cycle and services of providing accommodation in hotels, Guest houses, Clubs, Campsites and other commercial places, etc. except where the person supplying such service is liable for registration under CGST

Therefore, if the Gross Receipts of the Hotel are less than Rs. 20 Lacs, E-Commerce Operator will be liable to pay GST. However if the Hotel takes voluntary registration, then, Gross Receipts of the Hotel become Taxable and he shall be liable to pay tax subject to other Exemptions.



Winner of the Case Study
CA Ankit Gupta



Runner Up
CA Manish Patni

Photo Gallery



Managing Committee 2020-21



Felicitation of CA Ashish Vyas for being co opted as member of professional development committee of central council of ICAI



Women Empowerment Committee Meeting



Students' committee meeting



News Letter Committee Meeting

Editorial Board:

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Members are requested to send their articles, suggestions etc. at Mail id: spectrum.icaikota@gmail.com