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# NEWSLETTER

## VASAI BRANCH OF WIRC

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

APRIL 2023

No matter how hard the job will be,  
if a man is focused and determined  
I'm sure there's no way he will fail.  
Every hard work should be pay off.

**HAPPY LABOUR DAY**



We live in illusion and  
the appearance of things.  
There is a reality.  
We are that reality.  
When you understand this,  
you see that you are nothing,  
and being nothing, you are everything.  
That is all.  
Happy Buddha Purnima.





## CHAIRMAN'S COMMUNICATION

It is my honour and privilege to communicate with the members every month through the chairman communication and update you about the activities of the branch.

I wish Happy Maharashtra Day (01st May) to all the proud Maharashtrians & my fellow members. Let celebrate the rich cultural heritage and traditions of our state. On 01st May, we also celebrate International Workers Day and we wish to celebrate the achievements of workers around the world and renew our commitment to creating a more just and equitable society for all.

It is my pleasure to share that there were various initiative taken by the Vasai Branch, we are happy to announce that theme Adhay which were launch in the month of March, had received overwhelming response from the members and we have got registration more than 50+.

In this month we have launched Workshop on MS Office, a training program for the members. We have also successfully completed peer review program whereas eminent speaker and our central council members CA Durgesh Kabra & CA C V Chitale ji has contributed to the program. We are thankful to the Peer Review Board & Chairman CA (Dr.) Anuj Goyal ji and all the speakers and members for successfully completion of peer review program.

In previous year, we had successfully completed the Vasai Branch Premier League. In this year also we have launched VBPL Season – 2 an Auction Based Turf Cricket Tournament. We are happy to announce that 20 Open Category, 4 Women's Team and 4 Sr. Members Team have participated in VBPL Season-2 and the auction of the players has been successfully completed on 23rd April, 2023.

A physical seminar on Cyber Security jointly with Navbharat Times & supported by Marwadi Jankalyan Parishad has been taken on 23rd April, 2023. We are thankful the team of NBT & MJP for making aware our members and students about the online fraud and cyber security.

In very communication with the members, I feel that I have to do something unique for our members and your encouragement and support is my source of inspiration & strength. I wish to congratulate all my esteemed members and my sincere wishes to all.

*"To be yourself in a world that is constantly trying to make you something else is the greatest accomplishment."* – **Ralph Waldo Emerson**

With Warm Professional Regard

**CA. Amit Agarwal**  
Chairman  
Vasai Branch of WIRC of ICAI

## MANAGING COMMITTEE

<b>CA. Amit Agarwal</b> Chairman	9821374485
<b>CA. Tarun Dhandh</b> Vice Chairman	9833506461
<b>CA. Daya Bansal</b> Secretary	8976074320
<b>CA. Shrikrishna Purohit</b> Treasurer	9049224706
<b>CA. Aba Parab</b> WICASA Chairman	9892862548
<b>CA. Sorabh Agrawal</b> Immed. Past Chairman	9930357066
<b>CA. Lokesh Kothari</b> Committee Member	8108484120
<b>CA. Giriraj Bang</b> Committee Member	9004465822
<b>CA. Brajendra Talesara</b> Committee Member	9987506138
<b>CA. Shweta Jain</b> (Immed. Past Secretary-WIRC & EX-Officio)	9920737198
<b>CA. Ankit Rathi</b> (RCM & Branch Nominee)	9029059911
<b>CA. Hrudayesh Pankhania</b> (RCM & Branch Nominee)	9969393191

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## Upcoming Events

Date	Time	Fees	Topic(s)	Speaker(s)	Branch Committee Member (Chief Co-ordinator)	Co-Ordinators	CPE Hours
06-05-2023	5:00pm to 7:00pm	118 Incl GST	MVAT Anmesty Scheme - 2023	CA Janak Vagani	CA Krishna Purohit	CA Manoj Khemka	3
07-05-2023	9:30am to 10:00pm	500	Cricket Turf Tournament		CA Aba Parab, CA Krishna Purohit, CA Daya Bansal	CA Ankit Agrawal, CA Ashok Kumawat, CA Harshal Udani, CA Nitish Shah	
13-05-2023	10:00am to 5:00pm	750 incl GST	GST Conclave	CA Bimal Jain CA Avinash Poddar CA Nihalchand Jain CA Manish Gadia	CA Tarun Dhandh	CA Nitesh Kothari, CA Nikunj Bhangaria	6
14-05-2023	10:00am to 1:00pm	Free	Half Day Mentorship Program	CA Hyrudesh Pankania	CA Aba Parab	CA Ashok Kumawat	0
21-05-2023	10:00am to 1:00pm	354 incl GST	Virtual CFO & Startup	CA Sameer Choudhary	CA Daya Bansal		3



## Tax Column



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**Question** I am a CFO of a closely held company having more than 100 employees. The HR Department is evaluating a proposal to provide meals coupons / cards to the employees. As per their understanding, provision of such meal coupons / cards per month

is exempt from tax. Thus, there will be tax savings for the employees as the meal coupons / cards will be part of CTC. Kindly confirm the above views and also advise.

**Answer** Under the Income Tax Act, an employer can offer food allowance of Rs.50/- per meal, during the working hours. If you decide to provide two meals during a day, then it comes to Rs.100/- per day. If the working days per month is 22 days, then the food allowance would be Rs.2,200/- per month and annually Rs.26,400/-.

The meal coupons / cards upto Rs.50/- per day is exempt and not considered as perquisite. However, the company has to establish that they have provided one or two meals during a day, which is a precondition for exemption. If your working hours during a day is 8 hours, then you can give maximum coupon for one meal. Further, the company must ensure that meal coupons / cards are used exclusively for food stuff and that too during the working hours. It would be difficult for the company to keep track of meal coupons / cards being used. Therefore, my advice is to consider all these aspects and calculate the actual tax benefit to employees and if the tax benefit is not much, then it not worthwhile to carry out tax saving exercise.

**Question** I am an individual and sold my residential flat for a total consideration of Rs.60 crore. The deal was done through a broker and therefore I have to pay Rs.60 lac to the broker as brokerage. My question is that when I make the payment of Rs.60 lac to the broker, am I supposed to deduct tax at source, particularly when I am an individual and not carrying out any business activity ?

**Answer** Section 194M was inserted with effect from 1st September 2019 to the Income Tax Act, which makes an individual liable to deduct TDS on payment of brokerage / professional fees, etc. in excess of Rs.50 lac. Since your payment is more than Rs.50 lac, you are liable to deduct TDS at 5% at the time of making payment. However, you need not to apply for TAN Number and no

need not to file annual TDS Return. Simply pay the TDS online in form 26QD.

**Question** Can you brief me what is the TCS on foreign remittance and what is the amended provisions ?

**Answer** The Finance Act 2,020 has introduced Sub-section (1G) in Section 206C with effect from 1.10.2020 where it was provided for Tax Collection at Source (TCS) at 5% on remittance out of India under the LRS i.e. Liberalized Remittance Scheme. There was a threshold of Rs.7 lac, therefore rate of 5% TCS was applicable on the amount in excess of Rs.7 lac. However, TCS was applicable only when the remittance is under LRS. If foreign remittance is not under LRS but through other means such as NRO /NRE Account, Business Account, etc. then TCS is not applicable. Further, TCS on remittance is applicable only to individuals.

However, amendments were made vide Finance Act 2023, where the rate of TCS has been increased from existing 5% to 20% for remittance made under LRS with effect from 1.7.2023.

Further, under the amended provision, threshold of Rs. 7 lac is restricted only to the cases where the remittance is for the purpose of education or medical treatment. Therefore, technically, TCS will now be at 20% without any threshold for all the purposes, except education and medical treatment.

Further, under the amended provision, TCS will be applicable from 1.7.2023 on Rupee transfer as well. Earlier TCS was applicable only when the remittance was done out of India under LRS. Under the amended provision, the word "out of India" has been removed and therefore TCS is also applicable if the LRS is availed in giving payment in Rupee.

The concessional rate of 0.5% where the remittance is out of educational loan remains the same even after amendment.

Under the amended provision, 20% TCS is also applicable where the remittance is for the purpose of an Overseas Tour Programme Package. However, even under the amended provision, the individual can claim TCS as tax paid while filing his Tax Return. TCS is like an advance tax and therefore it is not a loss but adjustable against payment of taxes on other income or can be claimed as refund.

**Question** I am a trustee of one charitable trust. In the financial year 2017-18 the trust has earned substantial income but could not spent and sought accumulation of Rs. 1 crore under section 11(2) to be spent within next years. The 5 years period ends on 31.3.2023. Unfortunately, the trust did not spend. Let me know what are the consequences and action plan ?



**Answer** The Finance Act has inserted a new clause in sub-section (3) of section 11 with effect from 1.4.2023 where it has been clearly mentioned that income which is accumulated but not utilized for which it was accumulated, then such income shall be deemed to the income of the trust in last previous year of five year period. Therefore, the entire income of Rs. 1 crore, which was not utilized, would be the deemed income for the financial year 2022-23.

A new section 115BBI was also inserted with effect from 1.4.2023, where it is provided that deemed income under section 11(3) would be taxed at a special rate of 30% plus applicable sur-charge and cess.

The charitable trust has no option but to offer the amount of Rs. 1 crore as deemed income in financial year 2022-23 relevant to assessment year 2023-24 and pay the taxes and file the return.



## How to Response Notice issued by Income Tax Dept for Donation given to Political Parties



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As we know that Donation given to Political parties are eligible for deduction under chapter VIA as under. Now a days many Notices has been issued by the Income Tax Dept to the Assesseees, who has been given donation to political parties and such notices has issued as SCN U/S.148A

for the Assessment year 2019-20.

### DEDUCTION UNDER CHAPTER VIA:

1. U/S. 80GGB- To Indian Company = 100% ded.
2. U/S. 80GGC- To any person except local authority = 100% ded.

### DISCLOUSER IN ITR:

Only amount to be disclosed u/s.80GGB & 80GGC, No need to disclose name of political party and other details.

### MEANING OF POLITICAL PARTY:

For the purpose of sec 80GGB & 80GGC "Political party" means a political party REGISTERED under section 29A of the Representation of People Act 1951.

Registered	
Recognized	Unrecognized

### REGISTERED UNRECOGNIZED POLITICAL PARTY: (RUPP)- 2796 Parties

Those parties, which are:

1. Newly registered
2. Never contested election
3. Not secured 6 & of votes OR 2 seats in assembly or general election

### DE-REGISTRATION OF POLITICAL PARTIES:

In the case of INDIAN NATIONAL CONGRESS(I) VS. INSTITUTE OF SOCIAL WELFARE ORS.(SC) (2002) 5 SCC 685- It was held that

Election commission of India does not have power to De-register a political party for non-compliance with the conditions for the grant of such registration.

### INCOME TAX SEARCH:

On 07.09.2022 search has been conducted on 23 RUPP at Ahmedabad, found: 35 Bogus Intermediaries & 3 major exist providers.

### Documents found:

- A) Diaries having commission details-1.5% to 5%
- B) Bogus donation receipts
- C) Whatsapp chats
- D) Lose papers
- E) Persons involved statements.

### NOTICE FOR RE-ASSESSMENT

Notices for re-opening/re-assessment has been issued for Donation given to political parties, ranging from Rs.25,000/- to Rs.5,00,000/-, to SALARIED & SMAL PROPRIETORS, For ASSESSMENT YEAR 2019-20.

### A.O.'s PAWER IN THESE CASES:

AO may ask about:

1. Disallowance of other deductions claimed.
2. Sum credited in Bank account
3. Other investment sources.
4. Cash deposited in Bank account.

A.O. cannot treat it u/s.68 or 69 and sec 115BBA is also not applicable, since it a disallowance of deduction and not Income addition.

### PROCEDURE OF RE-ASSESSMENT:

1. Show cause Notice issued u/s.148A
2. Reply to be given in 7 to 30 days (as mentioned in Notice)
3. u/s.148A(d) Order to be issued for fit case u/s.148
4. ITR to be filed in response to notice u/s.148
5. Assessment proceeding to be completed by AO



### ASSESSMENT PROCEDURE U/S.148:

#### OPTIONS TO ASSESSEE:

##### A) SURRENDER DEDUCTION CLAIMED:

Immediate payment of

- 1) 30% Tax
- 2) Interest 1% per month
- 3) penalty for misreporting 200%

##### B) CLAIM TO BE DONE:

- 1) File Appeal
- 2) pay 20% of Tax & Interest
- 3) penalty only after decision of appeal.

#### WHAT ASSESSEE CAN DO:

- 1) FOR ASSESSMENT YEAR 2019-20 & ASS YEAR 2020-21:

As far as case for reopening for the Assessment year 2019-20 & Assessment year 2020-21 are concern, the Assessee can Surrender and offer for tax OR can go for Litigation, these two options are available to Assessee.

- 2) FOR ASSESSMENT YEAR 2021-22 & ASS YEAR 2022-23:

Assessee may file Updated ITR

#### CHANCES FOR AMNESTY SCHEME:

There are more chances of introducing Amnesty scheme under these demand, because:

1. Small traders and salaried assesses are involved
2. More than 8 Lakhs Appeals are still pending before CIT(A)
3. Deptt wants to reduce litigations

Hence possibility of VSVS-2 are more.

#### HOW TO REPLY FOR SUCH NOTICES:

##### A) Technical issues

1. As per Notification NO.18/2022 dated 29.03.200- such Notices should be issued by FAO, not by JAO.
2. Some time there is no signature on the Notices.
3. Incorrect information about Party.
4. Approval u/s.151- by specified authority or mechanical approval.

##### B) OTHER ISSUES:

1. Such type of donation was given because of same Agenda, objective and ideology of the political party.
2. Details of mode of donation must be give- cash/cheque/RTGS
3. Impressed with the Leader of such party.
4. No cash deposited or No drawings showing in Bank statement.

#### ONUS TO PROVE:

Here onus is on the Department to prove, because No name in the statement given by the political party,

And it is not possible to prove Cash Return.

#### THIRD PARTY MATERIAL MAY ONE OF THE CAUSE

In the reply to Notice, it can be said that third party material can be used only after confrontation.

Full statement can be demanded, can ask to show name of assessee in the statement- as held in the case of C.VASANTLAL (1962)45 ITR 206 (SC)

#### CROSS EXAMINE

Ask AO to cross examine: it was held in the case of **ANDAMAN TIMBER INDUSTRIES (2015)62 TAXMANN.COM 3(SC)** that

“when statement of witness are made basis of demand, not allowing assessee to cross examine witness is serious flaw which makes order nullify, as it amounts to violation of principles of natural justice.”

#### BOOK ENTIRES:

As held by the Supreme court in the case of **COMMON CAUSE VS. UNION OF INDIA 394 ITR 220(SC)** that

Entries in the loose papers/sheets are irrelevant and not admissible u/s.34 of the Evidence Act.

As to the value of entries in the books of accounts, such statement shall not alone be sufficient evidence to charge and person with liability, even if they are relevant and admissible, and that they are only corroborative evidence. Even than independent evidence is necessary as to trust worthiness of those entries which is a requirement to fasten the liabilities.

#### IMPORTANT CASE LAW:

ACIT vs. ARMEE INFOTECH:

In the case of **ACIT VS. ARMEE INFOTECH (2022) 136 Taxmann.com 128 (Ahmedabad Tribunal)**

#### Brief of the facts

In the AY 2012-23 THE Assessee has given donation of Rs.55.00 lakhs to Rashtriya Komi Ekta Party, which is duly registered with the Election commission of India, similarly for the AY 2014-15 the Assessee has given donation of Rs.679.00 Lakhs to various parties/trusts.

The AO has disallowed the donation given in both AY.

#### Decision:

It is fact that the Appellant has given contribution to Rashtriya Kommee Ekta party, which is a political party and registered with Election commission of India. The necessary documentary evidence in for of copy of receipt of the donation given and also evidence regarding registration of said political party with election commission of India had been furnished. The donation has been made through cheque to political party approved by the election commission of India, therefore the condition to claim deduction u/s. 80GGC are fully complied. Having regard to the totality of the facts and circumstances of the case, I hold that the AO is in error in disallowing claim for deduction as per the provision of sec 80GGC. Accordingly the disallowance made by the AO is hereby deleted and AO is directed to allow the same.



## How to Select Cases in Scrutiny and need for the Same



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### Why there is a need for scrutiny selection by the Income Tax Department?

There was a great need and importance of scrutiny selection by department, as all the assesses who file their return do not disclose their true income and mostly understates the income by showing

bogus expenses, fictitious entries, undervaluation of closing stock, eliminating cash sales, over booking of expenses etc. Department should select the cases, where there is a major variation in various ratios like N.P., G.P., Stock T.O. ratios. Deviation in prevailing ratios adopted by the industries. The main motive and objective of Income tax department is to maximize revenue of the government and to cover more and more persons under the purview of Income Tax Act.

Cases where A.O. must manually pick the case for scrutiny and called for the required documents and details to correctly ascertain the income;

- 1) High volume of TDS and refund ratio.
- 2) Huge cash transactions.
- 3) Huge credit entries in bank statements.
- 4) Huge amount of unsecured loan as shown in liability side and interest rate at which such loan is taken.
- 5) Huge Capital addition in the books of account.
- 6) Non-Business or personal nature expenses debited in the profit and loss account.
- 7) Deviation in Tax audit report and ITR filed by the assessee regarding disallowance of various expenses.
- 8) TDS liability not discharged properly. The above list is an illustrative list.

Cases are picked into scrutiny by two methods;

- 1) Manually by A.O.
- 2) CASS i.e. Computer aided scrutiny selection.

The first one is already discussed above, under the second method i.e. CASS this is an automated software system of department which automatically takes the case under scrutiny by matching the ITR filed by the assessee with the database available with the system like mismatch in Form 26AS and ITR filed.

While selecting the return under scrutiny or reopening of case, A.O. must ensure the relevant provisions of the Act like provisions

of section 143(1), 143(2), 142(1), 147, 148, 144 and specially provisions of section 143(2) and 149 i.e. time limit for issuing notice.

With the target of increasing tax collection, A.O. after selecting the case under scrutiny must take the following steps to properly assess the income;

- 1) Check all the Cash transactions and various provisions of section 269ST, 269SS, 269T, 40(A)(3), Fixed assets worth more than Rs. 10,000/- purchased in cash.
- 2) Vouchers and Invoice of expenses debited in profit and loss account.
- 3) Applicability of TDS provision on payments made.
- 4) Reconciling the T.O. as declared in ITR with GST returns and Bank Accounts.
- 5) Capital introduction in the business by assessee, if any.
- 6) Change in method of accounting, method of valuation of closing stock as it directly affects calculation of profit.
- 7) Penalty and other expenses which are required to be disallowed.
- 8) Provisions of section 28 to 44.
- 9) Personal nature expenses, if any.
- 10) Detailed checking of Cash Book, Expense ledgers.
- 11) High variation in ratios if any, than A.O. must seek reply and reasons for such deviation.
- 12) Eligibility and validity of deductions and exemption claimed in return.
- 13) Loans and advances given must be checked.
- 14) Long outstanding creditors and debtors in the books of accounts.
- 15) Unsecured loans and interest on the same must be checked, if there is no change in the balance of outstanding amount than there should be complete checking of that particular account.
- 16) Validity and proper valuation of investments reflecting in the books of accounts.
- 17) Compliance of section 145(2) i.e. Income computation and disclosure standards, profit and loss must be computed in accordance to these standards.

Happy Readings





## E-Way Bill Under GST



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### RELEVANT SECTION AND RULES:-

Section 68:- Inspection of goods in movement.

Section 122:- Penalty for certain offences.

Section 129:- Detention, Seizure and release of Goods and Conveyance in

transit.

Rule 138:- Information to be furnished prior to commencement of movement of goods and generation of e-way bill.

### INTRODUCTION:-

During the pre GST period the goods consigned could have either invoice or delivery challan or the prescribed challan under the respective VAT or Sales Tax Act of the particular State. The goods which were consigned were normally instructed to be verified by the outgoing and incoming check post of that region. Because of this there used to be a huge delay in the movement of goods and more time was wasted in the check post or with the roving squad detentions, in case of improper documentation or for other purpose.

When the Goods and Services Tax was introduced by the Government, one of its purpose was to make movement of goods easier and enable the business to be carried on in a better way. Hence, in GST regime check posts were abolished all over the country.

However, to have a check on the documentation of the movement of goods, the Government introduced a way bill on the e-portal, which is nothing but a delivery challan created in the e-portal. The portal provides an identification number to the e-way bill ("EWB").

The EWB contains the entire details of the consignment like Name, Address and GSTIN of consignor and consignee. It also has the details of commodity consigned, quantity consigned and value consigned. The details of movement of goods is also mentioned in the e-way bill. The registered dealers under GST can generate e-way bill as a supplier or as a recipient of the goods.

The Government vide Notification No.09/2018 – Central Tax dated 23.01.2018 notify [www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in) as the Common Goods and Services Tax Electronic Portal for furnishing the e-way bill. This website will be managed by the National Informatics Centre, Ministry of Electronics & Information Technology, Government of India. From 01.04.2018, the inter-State movement of goods for a value beyond Rs.50,000/-, need to have the e-way bill. The assessee will have to look in to the movement of goods whether inter-State or intra-State. When the movement is inter-State or intra-State they have to follow the procedures of CGST & SGST Act and for generation of EWB within the State, the threshold will be as per SGST Act.

### BENEFITS OF E-WAY BILL:-

**Cost reduction:-** E-way bill reduces the logistics cost. E-way bill has reinforced proper invoicing and thereby reduce tax avoidance.

**Efficient transportation:-** It has enabled efficient and speedy transportation. A truck in India covers an annual average distance of 85,000 kms as compared to 1,50,000 to 2,50,000 kms in developed countries which is a clear indication that our transportation systems needs some reforms. E-way bill would help to reform the transportation industry.

**Waiting Time:-** No waiting time at check post and faster movement of goods resulting in the optimum use of vehicle/resources.

**User friendly e-way bill system ("EWS"):-** EWS and portal are user friendly and easy; even dealers can easily download the e-way bill.

**Easy & Quick generation of EWB:-** EWB could be generated easily and quickly, there is not big task to generate EWB.

### IMPORTANT TERMS:-

#### Transport:-

Movement or journey is part of transportation and it can be said that transportation has commenced as soon as the consignor hands over the goods with clear and irrevocable instructions to a carrier to put them on its journey to a specified destination and hand them over to a specified (or altered) consignee (or his order). Transportation will conclude only when the Handbook on E-Way Bill under GST instructions of the consignor have been satisfactorily carried out by the carrier by handing over the goods to the consignee (or his order). E-way bill is required 'before' commencement of transportation regardless of the time of commencement of the journey.

#### Movement of Goods:-

Transportation of goods within the State is called intra State movement. The threshold limit to generate EWB mandatorily is as per the SGST Rules. Similarly, transportation of goods outside the State is called as inter State movement and it is mandatory to generate EWB if the consignment value exceeds ` 50,000/-.

E.G.:- Assume Transportation of goods for a consignment value of ` 65,000/- from the place of business of Mr. A in Chennai, Tamil Nadu to the place of business of Mr. B in Chennai, which is a unit located in the Special Economic Zone. The nature of supply for the above transaction as per Section 7 of IGST Act, 2017 will be inter-State supply. However, the movement of goods is intra-State movement. The limit to generate EWB in case of intra State movement is Rs.1,00,000/- as per TNGST Rules, 2017.

Hence, generation of EWB is not mandatory. Not all inter-State supply results in inter State movement. Similarly, not all intra State supply results in intra State movement. It must be noted that EWB has to be generated based on the nature of movement of goods and on the consignment value.





### Consignment Note:-

A consignment note is a document issued by a goods transportation agency against the receipt of goods for the purpose of transporting the goods by road in a goods carriage.

### Consignment Value:-

The consignment value of goods shall be the value, determined in accordance with the provisions of Section 15 of CGST Act, 2017, declared in a tax invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the Central Tax, State or Union Territory Tax, Integrated Tax and Cess charged, if any, in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

### Place of Delivery:-

FORM GST EWB-01 requires the 'place of delivery' to be specified and this expression 'place of delivery' must not be inter changed with 'place of supply', which is a legal expression as determined by the tests laid down in IGST Act. EWB is intended to create contemporaneous trail of physical movement of the goods. It is not meant to address the legal concept of 'place of supply' which can vastly differ from 'place of delivery'. Though physical movement of the goods may be from one location to another, in the eyes of law, the place of supply could be the location of the recipient. Hence it is not conceivable for EWB to require information about the 'place of supply' but simply the 'place of delivery' or 'destination of journey'. In fact, it can be seen that, when GSTIN of the recipient is incorporated, the place of delivery will auto-populate within the EWB.

### PENALTY (Section 122):-

As per section 122(1)(xiv) of CGST Act, 2017 penalty will be as follow

**Offence:-** For transports any taxable goods without the cover of documents.

**Penalty:-** Rs. 10,000/- each for CGST and SGST OR Tax amount, Whichever is higher.

In Case of Minor Error in Particulars in Part A of GST EWB-01 penalty will be Rs. 500/- Each in CGST and SGST Act, 2017.

### INSPECTION OF GOODS IN MOVEMENT (Section 68):-

Section 68(1) of the CGST Act stipulates that the Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding **Rupee fifty thousand** (Rule 138) to carry with him such documents and such devices as may be prescribed. And the same is prescribed in Rule 138. In other words, the provisions relating to implementation of e-way bill are contained in Section 68 of the CGST / SGST Act, 2017 read with Rule 138 of the CGST Rules, 2017, for inter-State movement of goods and Rule 138 of the respective SGST / UTGST Rule 2017, for intra-State movement of goods.

As per Section 68(2) details of documents should be validated.

Section 68(3) require the person in charge of the said conveyance to produce the document and devices and also allow the inspection of goods.

### GENERATION OF E-WAY BILL PRIOR TO COMMENCEMENT OF MOVEMENT OF GOODS (RULE 138):-

Rule 138(1):-Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees needs to prepare E-way bill before commencement of such movement for the following transactions.

- In relation to a supply; or
- For reasons other than supply; or
- Due to inward supply from an unregistered person.

From the above analysis it is clear that registered person needs to prepare E-way bill even if the combined value of all the consignments are more than fifty thousand rupees although value of single consignment is less than fifty thousand rupees.

However Registered person or transporter may at his option, generate and carry the e-waybill even if the value of the consignment is less than fifty thousand rupees. {First Proviso of rule 138(3)}

### Proviso of sub rule (1):-

**First Proviso:-** Transporter can generate E-Way bill on authorisation received from registered person.

**Second Proviso:-** E-Commerce operator or Courier agencies can generate E-Way bill on authorisation received from consigner if goods are transported through them.

**Third Proviso:-** where goods are sent by a principal located in one State or Union territory to a job worker located in any other State or Union territory, the e-way bill shall be generated either by the principal or the job worker, if registered, irrespective of the value of the consignment. **(E-Way bill is Compulsory irrespective of the value of the consignment.)**

**Fourth Proviso:-** where handicraft goods are transported from one State or Union territory to another State or Union territory by a person who has been exempted from the requirement of obtaining registration under clauses (i) and (ii) of section 24 (i.e. Compulsory registration), the e-way bill shall be generated by the said person irrespective of the value of the consignment. **(E-Way bill is Compulsory irrespective of the value of the consignment.)**

**Handicraft Goods:-** As per Explanation of Notification No. 21/2018 -Central Tax (Rate)\_Dt. 26.07.2018 "handicraft goods "means Goods predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced goods of similar utility.

### Compulsory Registration (Section 24):-

**Clause (i):-** Persons making any inter-State taxable supply

However Notification No. 03/2018 IT, Dt. 22.10.2018 specifies the persons, who engaged in inter-State taxable supplies of handicraft goods as defined in the "Explanation" in notification No. 21/2018 CTR, Dt. 26.07.2018 and notification No. 03/2018 IT, Dt. 22.10.2018



and notification No. 09/2017 IT, Dt. 13.10.2017, shall be exempted from obtaining registration under the said Act provided aggregate turnover, to be computed on all India basis, not exceeding threshold limit in a financial year.

Such persons making inter-State taxable supplies of handicraft goods mentioned in the preceding paragraph shall be required to obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.

**Clause (ii):-** Casual taxable persons making taxable supply

However Notification 32/2017 CT Dt. 15.09.2017 hereby specifies the casual taxable persons making taxable supplies of handicraft goods shall be exempted from obtaining registration under the aforesaid Act provided aggregate turnover, to be computed on all India basis, not exceeding threshold limit in a financial year.

The casual taxable persons mentioned in the preceding paragraph shall obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the Central Goods and Services Tax Rules, 2017.

The above exemption shall be available to such persons who are making inter-State taxable supplies of handicraft goods and are availing the benefit of notification No. 03/2018 IT, Dt. 22.10.2018.

#### **Parts of E-Way Bill:-**

**Part A:-** Part "A" Contain particulars related to consignor, consigner, goods.

**Part B:-** Part "B" Contain particulars related to type of transport (i.e. by Road, Rail, Air, Vessel etc.)

#### **ANALYSIS OF APPLICABILITY OF E-WAY BILL:-**

EWB is not required for all transactions undertaken by a taxable person. EWB is required for all transactions involving movement of goods only whether by way of a supply or not. EWS is required in transactions involving goods but 'treated as' supply of services such as leasing of goods or delivery of food drink. In other words, every time there is movement of goods, whether by way of supply of goods or supply of services, EWB will be required. Goods supplied and goods involved in the supply of services will require EWB as these involve movement of goods. But goods consumed in supply of services which does not involve movement, do not require EWB.

#### **GENERATION OF E-WAY BILL:-**

E-Way bill shall be generate, in Form of **FORM GST EWB-01**, only after furnishing the information in Part B of FORM GST EWB-01 if goods are moving by road (i.e. Own conveyance or a hired one or a public conveyance).

The e-way bill shall not be valid for movement of goods by road unless the information in Part-B of FORM GST EWB-01 has been furnished except in the case of movements covered under the third proviso to sub-rule (3) and the proviso to sub-rule (5).

If goods are moving by railways or by air or vessel E-Way bill shall be generated in Form of **FORM GST EWB-01** even if the information in Part B of FORM GST EWB-01 furnished after commencement of

movement.

However, Where the goods are transported for a distance of up to fifty kilometres within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the recipient, or as the case may be, the transporter may Not furnish the details of conveyance in Part B of FORM GST EWB-01. {Third Proviso of rule 138(3)}

Further where the goods are transported for a distance of up to fifty kilometres within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of the conveyance may not be updated in the e-way bill. {Proviso of rule 138(5)}

Where the goods are transferred from one conveyance to another, the consignor or the recipient, who has provided information in Part A of the FORM GST EWB-01, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in Part B of FORM GST EWB-01.

**Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal and the unique number so generated shall be valid for a period of fifteen days for updation of Part B of FORM GST EWB-01.**

The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing the details in FORM GSTR-1.

Provided that when the information has been furnished by an unregistered supplier or an unregistered recipient in FORM GST EWB-01, he shall be informed electronically, if the mobile number or the e-mail is available.

#### **WHO CAN GENERATE E-WAY BILL:-**

- Registered person or
- Un-Registered person (However goods are supply to registered person then the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods) or
- Transporter

Where the consignor or the consignee has Not generated the e-way bill in FORM GST EWB-01 and the aggregate of the consignment value of goods carried in the conveyance is more than fifty thousand rupees, the transporter, except in case of transportation of goods by railways, air and vessel, shall, in respect of inter-State supply, generate the e-way bill in FORM GST EWB-01 on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in FORM GST EWB-02 on the common portal prior to the movement of goods.

Provided that where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of FORM GST EWB-01 may be furnished by such e-commerce operator or courier agency.



### CANCELLATION OF E-WAY BILL:-

Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-waybill, the e-way bill may be cancelled electronically on the common portal within twenty four hours of generation of the e-way bill.

Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.

### VALIDITY OF E-WAY BILL:-

Sl No.	Distance	Validity Period
1	Up to [200 km.]	One day in cases other than Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship]
2	For every [200 km.] or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship]
3	Upto 20 km	One day in case of Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship]
4	For every 20 km. or part thereof thereafter	One additional day in case of Over Dimensional Cargo [or multimodal shipment in which at least one leg involves transport by ship]

Provided that where, under circumstances of an exceptional nature, including trans-shipment, the goods cannot be transported within the validity period of the e-way bill, the transporter may extend the validity period after updating the details in Part B of FORM GST EWB-01, if required.

Provided also that the validity of the e-way bill may be extended within eight hours from the time of its expiry.

“Over dimensional cargo” means a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in Rule 93 of the Central Motor Vehicle Rules, 1989, made under the Motor Vehicles Act, 1988, or in simple terms it means vehicles carrying cars of fuel falling in the category of over dimensional units of conveyance have to move very slow as compared to other vehicles.

### COMMUNICATION OF GENERATION OF E-WAY BILL:-

The details of the e-way bill generated under this rule shall be made available to the,

- Supplier, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the recipient or the transporter; or
- Recipient, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the supplier or the transporter, on the common portal.

And the supplier or the recipient, as the case may be, shall communicate his acceptance or rejection of the consignment covered by the e-way bill.

Where the person to whom the information specified above has been made available does Not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, or the time of delivery of goods whichever is earlier, it shall be deemed that he has accepted the said details.

### CASES WHERE NO E-WAY BILL IS REQUIRED {RULE 138(14)}:-

- Where the goods being transported are specified in Annexure.

Sr. No.	Description of Goods
1	Liquefied petroleum gas for supply to household and Non domestic exempted category (NDEC) customers
2	Kerosene oil sold under PDS (Public Distribution System)
3	Postal baggage transported by Department of Posts
4	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71) [excepting Imitation Jewellery (7117)]
6	Currency
7	Used personal and household effects
8	Coral, unworked (0508) and worked coral (9601)

- Where the goods are being transported by a Non-motorised conveyance.

### MOTOR VEHICLES: -

As per Section 2(76) of CGST Act, 2017 Motor vehicle shall have the same meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988.

As per Section 2(28) of the Motor Vehicles Act, 1988 Motor Vehicles or Vehicles means any mechanically propelled vehicle adapted for use upon roads whether the power of propulsion is transmitted thereto from an external or internal source and includes a chassis to which a body has not been attached and a trailer; but does not include a vehicle running upon fixed rails or a vehicle of a special type adapted for use only in a factory or in any other enclosed premises or a vehicle having less than four wheels fitted with engine capacity of not exceeding twenty-five cubic centimetres.

Motor Vehicles (Those which are used upon Road)	
Includes	Exclude
1) Four Wheelers or More	1) Three Wheelers of less having engine capacity <25CC
2) Three Wheelers or Less having Engine Capacity >25CC	2) Rail
3) Chassis (Frame)	3) Specifically used in factory or enclosed premises

- Where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs.



- In respect of movement of goods within such areas as are Notified under clause (d) of sub-rule (14) of rule 138 of the State or Union territory Goods and Services Tax Rules in that particular State or Union territory.
- Where the goods, other than de-oiled cake, being transported, are specified in the Schedule appended to Notification No. 2/2017- Central tax (Rate) dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 674 (E) dated the 28th June, 2017 as amended from time to time. (Basically Exempted Goods)
- Where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel. (Non GST Items)
- Where the supply of goods being transported is treated as No supply under Schedule III of the Act.

**SCHEDULE III:- ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES.**

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Services by any court or Tribunal established under any law for the time being in force.
3. (a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;  
(b) The duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or  
(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.
4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
6. Actionable claims, other than lottery, betting and gambling.
7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
8. (a) Supply of warehoused goods to any person before clearance for home consumption;  
(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located

outside India but before clearance for home consumption.

- Where the goods are being transported,
  1. Under customs bond from an inland container depot or a container freight station to a custom sport, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
  2. Under customs supervision or under customs seal.
- Where the goods being transported are transit cargo from or to Nepal or Bhutan.
- Where the goods being transported are exempt from tax under Notification No 7/2017-Central Tax(Rate), dated 28th June 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 679(E)dated the 28th June, 2017 as amended from time to time and Notification No 26/2017 Central Tax (Rate), dated the 21st September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1181(E)dated the 21st September, 2017 as amended from time to time.

Following Supplies are notifying in Notification No. 7/2017-Central Tax (Rate), Dated 28th June 2017.

1. The supply of goods by the CSD (Canteen Stores Department) to the Unit Run Canteens.
  2. The supply of goods by the CSD (Canteen Stores Department) to the authorized customers.
  3. The supply of goods by the Unit Run Canteens to the authorized customers.
- Any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee.
  - Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail.
  - Where empty cargo containers are being transported.
  - Where the goods are being transported up to a distance of twenty kilometres from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55.
  - Where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.

**REQUIREMENT OF DOCUMENTS TO BE HAVE WITH TRANSPORT OF GOODS (Rule 138A):-**

1. Tax Invoice or Bill of supply or Delivery Challan.
2. Copy of E-Way Bill. (However E-way bill is not required to be carry with in case of movement of goods by rail or by air or vessel).



In case of imported goods, the person in charge of a conveyance shall also carry a copy of the bill of entry filed by the importer of such goods and shall indicate the number and date of the bill of entry in Part A of FORM GST EWB-01.

In case of E-Invoice, the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) in it, may be produced electronically, for verification by the proper officer in lieu of the physical copy of such tax invoice.

### **VERIFICATION OF DOCUMENTS AND CONVEYANCES (Rule 138B):-**

**Who Can verify:-** Commissioner or Officer empowered by him.

**What is to be verify:-** E-Way bill in Physical or Electronic Form for all Inter-State or Intra-State Movement of Goods.

**Physical verification of Conveyance:-** On receipt of specific information on evasion of tax.

### **INSPECTION AND VERIFICATION OF GOODS (Rule 138C):-**

#### **Report of Verification of Goods:-**

1. **Summary Report:-** Part A of FORM GST EWB-03 (Within 24 Hrs. of Inspection)
2. **Final Report:-** Part B of FORM GST EWB-03 (Within 3 Days of such Inspection) {3 Days time may be further extended for further period of not exceeding 3 Days}

No Further Verification of Goods if once done unless and until have information relating to evasion of tax.

### **INFORMATION REGARDING DETENTION OF VEHICLE (Rule 138D):-**

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in FORM GST EWB-04 on the common portal.

### **RESTRICTION ON FURNISHING OF INFORMATION IN PART A OF FORM GST EWB-01 (Rule 138E):-**

GST Portal shall not allow to generate E-Way Bill for following reasons.

1. Composite Dealer have not file CMP-08 for two consecutive Quarters.
2. Normal Dealer failed to file Form 3B for Consecutive Two Tax Period OR failed to file GSTR-1 for two Months or Quarters.
3. Whose registration has been suspended.

However Registered Person may allow to make application in FORM GST EWB-05 along with reason to allow him to generate E-Way Bill.

Officer may allow him to generate E-Way Bill and pass order in FORM GST EWB-06.

### **TRANSACTION TYPE:-**

**Outward:-** Causing outwards movement of goods for supply or other than supply.

**Inward:-** Causing inward movement of goods for supply or other than supply.

### **REASON FOR TRANSPORTATION (SUB TYPE):-**

**Supply:-** In case of outward supply of goods, the supply liable to GST as per Schedule I or inward supply of goods liable to tax under reverse charge by a taxable person.

**Export or Import:-** In case of export of goods from or import of goods into the territory of India

**Job Work:-** When the principal and the job worker are registered persons the EWB will be generated by the principal when he occasions the movement of goods for job work and by the job worker when he occasions the movement after job work, and by the recipient, if job worker is not a registered person.

**SKD or CKD:-** The goods may be supplied on semi knocked down (SKD) condition or the goods may be supplied in batches to be assembled at the place of recipient in case of completely knocked down (CKD) conditions, the e-way bill is to be generated, based on the value of the product being transported.

**Line Sales:-** When the goods are taken in the delivery van in a particular route to effect sale to all the retailers, the movement of goods is to be covered by an e-way bill. When the goods are moved under 'Recipient not known', they may not know the details of sales. However the total value of consignment e-way bill has to be generated.

**Sales Return:-** When the recipient rejects and sends back the goods they have to generate e-way bill or the supplier will have to generate e-way bill on the capacity of the recipient of such goods.

**Exhibition or Fairs:-** When the registered person is going to participate in any exhibition or fair, and the goods are moved from the godown of such person, then e-way bill is to be generated.

**For own use:-** When goods are purchased for personal use, the supplier will generate EWB.

**Others:-** For any item other than the above, such as movement of goods for provision of supply of service or for any other purpose which involves movement of goods, EWB should be generated.

### **DETENTION, SEIZURE AND RELEASE OF GOODS AND CONVEYANCES IN TRANSIT (SECTION 129):-**

**Offence:-** Contravention of Sections or Rules.

**Notice:-** Issue Notice within 7 days of such detention & Pass order for penalty within 7 Days of service of Notice.

#### **Penalties:-**

- Owner of the goods comes forward for payment of such penalty.
  1. **For Taxable Goods:-** 200% of Tax Payable or 50,000/- Whichever is Less.
  2. **For Exempted Good:-** 2% of Value of Goods or 50,000/- Whichever is Less.
- Owner of the goods does not come forward for payment of such penalty.



1. **For Taxable Goods:-** 50% of Value of Goods or 200% of Tax Payable Whichever is Higher.
2. **For Exempted Goods:-** 5% of Value of Goods or 50,000/- Whichever is Less.

**Time limit for Payment of Penalty:-** Within 15 days of order, otherwise the goods or conveyance so detained or seized shall be liable to be sold or disposed of.

**Release of Vehicle:-** On Payment of Penalty specify above or 1 Lakh Rupee Whichever is Less.

#### **Important FAQs:-**

**Q:- I am dealer in tractors. I purchased 20 tractors from the manufacturer. These tractors are not brought on any motorized conveyance as goods but are brought to my premise by driving them. Also, these tractors have not got the vehicle number. Is e-way bill required in such cases?**

**A:-** E-way bill is required in such cases. The temporary number or any identifiable number with the tractor have to be used for filling details of the vehicle number for the purpose of e-way bill generation.

**Q:- What should be the value in e-way bill in case goods are sent on lease basis as the value of machine is much higher than leasing charges?**

**A:-** The value of goods needs to be mentioned as per the explanation 2 of the sub-rule (1) of rule 138.

**Q:- Expired stock has no commercial value, but is often transported back to the seller for statutory and regulatory requirements, or for destruction by seller himself. What needs to be done for such cases of transportation of the expired stock?**

**A:-** E-way bills are required to be generated even in cases where goods are moved for reasons other than supply. Delivery Challan is the basis for generation of e-way bill in such cases.

**Q:- Whether shipping charges charged by E-commerce companies needs to be included in 'consignment value' though the same is not mentioned on merchant's invoice?**

**A:-** Consignment value of goods would be the value determined in accordance with the provisions of section 15. It will also include the central tax, State or Union territory tax, integrated tax and cess charged, if any. So shipping charges charged by the e-commerce companies need not be included in the 'consignment value'.

**Q:- Where an invoice is in respect of both goods and services, whether the consignment value should be based on the invoice value (inclusive of value of services) or only on the value of goods. Further, whether HSN wise details of service is also required to be captured in Part A of the e-way bill in such case.**

**A:-** Consignment value and HSN needs to be determined for goods only and not for services as only the goods are in movement and e-way bill needs to be generated accordingly.

**Q:- How to generate the e-way bill for different registered place of business?**

**A:-** The registered person can generate the e-way bill from his account from any registered place of business. However, he/she needs to enter the address accordingly in the e-way bill.

**Q:- How does taxpayer enter Part-A details and generate e-way bill, when he/she is transporting goods himself/herself?**

**A:-** Sometimes, taxpayer wants to move the goods himself. E-way bill Portal expects the user to enter transporter ID or vehicle number. So if he/she wants to move the goods himself/herself, he can enter his/her GSTIN in the transporter Id field and generate Part-A Slip. This indicates to the system that he/she is a transporter and he/she can enter details in Part-B later when transportation details are available.

**Q:- What has to be entered in GSTIN column, if consignor or consignee is not having GSTIN?**

**A:-** If the consignor or consignee is unregistered taxpayer and not having GSTIN, then user has to enter 'URP' [Unregistered Person] in corresponding GSTIN column.

**Q:- Are e-way bills required to be issued for imports and exports as well?**

**A:-** Since imports and exports have been considered as inter-state supplies under the GST act, the e-way bill is required to be issued for these transactions as well. For imports, the e-way bill will be generated by the importer. The exporter is liable to generate the e-way bill for export supplies.

**Q:- What has to be the shipping address in case of export supply type?**

**A:-** For Export supply type, the 'Bill To' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and shipping address and PIN code will be of the location (airport/shipping yard/border check post) from where the consignment is moving out from the country.

**Q:- What has to be the Dispatching address in case of Import supply type?**

**A:-** For Import supply, the 'Bill From' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and dispatching address and PIN code will be of the location (airport/shipping yard/border check post) from where the consignment has entered the country.

**Q:- How the distance has to be calculated, if the consignments are imported from or exported to other country?**

**A:-** The approximate distance for movement of consignment from the source to destination has to be considered based on the distance within the country. That is, in case of exports, the distance is taken as the consignor's place to the place from where the consignment is leaving the country, after customs clearance and in case of imports, the distance is taken as the place where the consignment reached the country and was cleared by the custom to the destination place.



**Q:- Whether e-way bill is required, if the goods are being purchased and moved by the consumer to his destination himself?**

**A:-** Yes. As per the e-way bill rules, e-way bill is required to be carried along with the goods at the time of transportation, if the value is more than Rs. 50,000/-. Under this circumstance, the consumer can get the e-way bill generated from the taxpayer or supplier, based on the bill or invoice issued by him. The consumer can also enrol as citizen and generate the e-way bill himself. For threshold limit of value of goods intrastate movement for generation of E Way Bill, please refer to the relevant statute/provisions passed by the respective States/ Union Territories.

**Q:- How to enter the vehicle number DL1A123 as there is no format available for this in e-way bill system?**

**A:-** If the RC book has vehicle number like DL1A123, then you enter it as DL01A0123. The vehicle entered in the e-way bill system is only for information and GST officer will accept this variation.

**Q:- How to handle “Bill to” - “Ship to” invoice in e-way bill system?**

**A:-** Sometimes, the tax payer raises the bill to somebody and sends the consignment to somebody else as per the business

requirements. There is a provision in the e-way bill system to handle this situation. In the “Transaction Type”select the Bill to - Ship to option in Transaction Type dropdown. Then the system will enable the “Ship to” field for entering different state pin code for the Consignment.

**Q:- How to handle “Bill from” - “Dispatch from” invoice in e-way bill system?**

**A:-** Sometimes, the supplier prepares the bill from his business premises to consignee, but moves the consignment from some others' premises to the consignee as per the business requirements. This is known as 'Billing From' and 'Dispatching From'. E-way bill system has provision for this in the “Transaction Type”. Select the “Bill From - Dispatch From” in Transaction Type dropdown, then system will enable the Dispatch From field for entering different Dispatch state pin code for the Consignment.

**Q:- In case of Public transport, how to carry e-way bill?**

**A:-** In case of movement of goods by public transport, e-way bill will be generated by the person who is causing the movement of the goods. In case of any verification, the person can show e-way bill number to the proper officer.

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## GST collection



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**Introduction:** In April 2023, India's Goods and Services Tax (GST) collection hit an all-time high, crossing the Rs 1.87 lakh crore mark. This record-breaking collection is a significant milestone for India's economy, and it is a testament to the government's

efforts to simplify the tax system and promote compliance.

This article will explore the reasons behind the record-breaking GST collection in April 2023, its implications for the Indian economy, and how the government can build on this success to promote economic growth and development.

**GST collection in April 2023:** The GST collection in April 2023 reached a total of Rs 1,87,035 crore, marking a significant increase compared to the previous year's collection of Rs 1,02,709 crore. This increase in GST collection can be attributed to several factors.

Firstly, the government's measures to promote compliance and curb tax evasion have been effective. The government's e-invoicing system, which was implemented in October 2020, has helped to reduce tax evasion by ensuring that every invoice is authenticated and registered with the GST Network. This has helped to improve compliance and increase GST collection.

Secondly, the increase in GST collection can also be attributed to the economic recovery that India has been experiencing. With the pandemic subsiding, economic activity has picked up, leading to an increase in consumption and revenue generation.

**Implications of record-breaking GST collection:** The record-breaking GST collection in April 2023 has several implications for the Indian economy. Firstly, it is a positive sign of economic recovery, indicating that the economy is bouncing back from the pandemic-induced slowdown.

Secondly, the record-breaking GST collection will provide a boost to the government's revenue, which will help to fund infrastructure

development and other key initiatives. This will contribute to the overall growth and development of the economy.

Thirdly, the increase in GST collection will also help to reduce the government's fiscal deficit, which has been a cause of concern in recent years. The reduction in the fiscal deficit will help to stabilize the economy and improve investor confidence.

**Building on success:** To build on the success of the record-breaking GST collection in April 2023, the government needs to take several measures. Firstly, the government should continue to promote compliance and curb tax evasion. This can be achieved by implementing more effective measures, such as strengthening the e-invoicing system, introducing digital audits, and increasing the use of data analytics to identify tax evaders.

Secondly, the government should focus on promoting economic growth and development. This can be achieved by investing in infrastructure development, promoting exports, and attracting foreign investment. These measures will help to increase economic activity and revenue generation, leading to an increase in GST collection.

Thirdly, the government should work towards simplifying the tax system further. The GST system has already simplified the tax structure to a large extent, but there is still scope for improvement. The government should consider reducing the number of tax slabs and rates, which will make the tax system more user-friendly and promote compliance.

**Conclusion:** The record-breaking GST collection in April 2023 is a significant milestone for India's economy, and it is a testament to the government's efforts to simplify the tax system and promote compliance. The increase in GST collection has several implications for the Indian economy, including boosting revenue, reducing the fiscal deficit, and promoting economic growth and development.

To build on this success, the government needs to continue to promote compliance, focus on promoting economic growth, and simplify the tax system further. If these measures are implemented effectively, India's economy will continue to grow and thrive, leading to a better quality of life for its citizens.







## Maharashtra VAT Amnesty Scheme 2023



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As we move ahead in the GST regime, we are still caged under our erstwhile tax regime where assessments are still pending under the VAT law, Luxury tax, Entry of goods act and so on. Government officials are still probing through books as per the erstwhile law. Tax payers are also

stuck up in the past and are confused whether they should focus on the new GST law and carry their business as per the new law or get their assessments completed as per the former law.

To expedite the assessment process, Maharashtra State government has introduced Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2023 (hereinafter referred to as 'VAT Amnesty Scheme 2023'). The salient features of the scheme are as under:

- **Date of applicability of the Act:** 01 May 2023
- **Acts covered under the Scheme:**
  - (i) the Central Sales Tax Act, 1956;
  - (ii) the Bombay Sales of Motor Spirit Taxation Act, 1958;
  - (iii) the Bombay Sales Tax Act, 1959;
  - (iv) the Maharashtra Purchase Tax on Sugarcane Act, 1962;
  - (v) the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;
  - (vi) the Maharashtra Sales Tax on the Transfer of Right to use any Goods for any Purpose Act, 1985;
  - (vii) the Maharashtra Tax on Luxuries Act, 1987;
- **Waiver available under this scheme:**

- (viii) the Maharashtra Tax on Entry of Motor Vehicles into Local Areas Act, 1987;
- (ix) the Maharashtra Sales Tax on the Transfer of Property in Goods involved in the Execution of Works Contract (Re-enacted) Act, 1989;
- (x) the Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002;
- (xi) the Maharashtra Value Added Tax Act, 2002,

and also includes the rules made or notifications issued thereunder;

- **Person eligible for the scheme:** Any person registered or not under any acts listed above, having arrears under dispute whether under appeal or not.
- **Benefit granted:** Where the amount of arrears is less than Rs 50 lacs as per statutory order – only 20% of the tax arrears is to be paid, balance tax, interest and penalty shall stand waived off. In case where the amount of arrears is more than 50 lacs, 30% of the tax arrears, 10% of the interest payable along with 5% of the penalty thereon is to be paid, balance shall stand waived off.
- **Benefit also extended to:**

The applicant, who has availed benefits under any of the previous Amnesty Schemes shall also be eligible to make an application. Provided that, the applicant who has availed or is availing the benefits in respect of the Settlement Act, 2022, but whose order has not been passed under the said scheme; shall not be eligible to opt for the benefits under this Act with respect to the arrears for which application under the Settlement Act, 2022 has already been made and where the due date for payment of requisite amount under the Settlement Act, 2022 has not been over.

Sr. No	Amt	Onetime payment option		Instalment Option	
1	Undisputed tax	100%	-	100%	-
<b>Where amount of arrears as per statutory order is &gt; Rs 50,00,000 and order is issued on or after 1 Apr 2005 but before 30 Jun 2017</b>					
2	Disputed Tax	50% (30% for period on or before 31 Mar 2005)	50% (70% for period on or before 31 Mar 2005)	56% (35% for period on or before 31 Mar 2005)	45% (65% for period on or before 31 Mar 2005)
3	O/s Interest as per order	15% (10% for period on or before 31 Mar 2005)	85% (90% for period on or before 31 Mar 2005)	15% (10% for period on or before 31 Mar 2005)	85% (90% for period on or before 31 Mar 2005)
4	O/s Penalty as per order	5%	95%	5%	95%
5	Int or penalty assessed but not levied up to date of application	NIL	100%	NIL	100%



6	Late fees payable in respect of return filed on or before 31 Oct 23	5%	95%	5%	95%
<b>Where amount of arrears as per statutory order is &lt; Rs 50,00,000 and order is issued on or after 1 Apr 2005 but before 30 Jun 2017</b>					
7	Applicant may opt for a lumpsum tax payment	20% of the tax amount	Bal 80% along with interest and penalty thereof but not levied up to date of application	NA	NA

- Time limit to file application to avail benefit under this scheme: Application to be made starting from 1st May 2023 to 14 November 2023. Delay of 30 days may be condoned, where application could not be made due to reasonable grounds and payment is made within time

Separate application to be made for each financial year and for each arrear identified under different act along with proof of requisite amount paid as per the below options selected.

- **Time limit to make payment under this scheme:**

Entire amount paid in one time	Instalment Option
1st May 23 to 31st Oct 23	Min 25% - 1st May 23 to 31st Oct 23 Bal 75% - in 3 equal quarterly instalments from date of application ensuring all instalments are paid in 9 months from date of application. Interest applicable where instalment is not made in time within 9 months. Benefit available proportionately if total payment not made in 9 months.

- **Payment in Instalment option:** The requisite amount shall be paid under One Time Payment option. However, if the arrears are in excess of rupees fifty lakh, then the applicant may opt to pay the requisite amount under Instalment option.  
Amount paid once shall not be refunded. In case if application made is rejected, the amount paid by the applicant under this Act shall be treated to have been paid under the Relevant Act.
- **Condition for settlement:** Any appeal pending before appellate authority, tribunal or Court shall be withdrawn fully and un-conditionally. A copy of acknowledgement of appeal withdrawn to be submitted along with application under this scheme. Where refund under VAT is adjusted against any liability arising out of assessment under CST act and appeal is filed for such adjustment, such appeal shall also be withdrawn fully and un-conditionally.
- **Situation where payment made under the scheme is less than the requisite amount to be paid under this scheme:** Application made shall continue to be valid. The designated authority shall compute the proportionate amount of waiver admissible under the option opted by the applicant, in proportion to the requisite amount paid by the applicant.
- **Procedure to be followed post making application:** Designated authority shall pass an order within 3 months from last date specified from payment under One-time option and or the date specified for payment of last instalment of the requisite amount under Instalment option, as the case may be.

An order of settlement issued under this Act shall be conclusive as to the settlement of arrears covered under that order, and the matter covered by such order of settlement shall not be re-opened in any proceeding of review or revision or any other proceedings under the Relevant Act, except any proceedings on account of specific observations made by the Comptroller and Auditor General of India

Where the application made is not in accordance of the scheme, the application made shall be rejected post giving a reasonable opportunity to the applicant. An appeal can be filed against the above order with 60 days from date of receipt of order before following authorities:

Order passed by	To be appealed before
Authority subordinate to Deputy Commissioner of State Tax (Administration),	Concerned Deputy Commissioner of State Tax (Administration)
Deputy Commissioner of State Tax	Concerned Joint Commissioner of State Tax (Administration)
Joint Commissioner of State Tax.	Concerned Additional Commissioner of State





## UAE Corporate Tax



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**Introduction:-**

The UAE's Ministry of Finance published the Federal Decree Law No. 47 of 2022 on Taxation of Corporation and Businesses on 9th December 2022. (CIT Law). The CIT Law will apply to businesses that commences their first financial year on or

after 1st June 2023.

**Definition of Corporate Tax:-**

Corporate Tax is a form of direct tax that is imposed on the net income or profit of corporations and other businesses as per Decree Law no 47.

**Tax Rates:-**

General Corporate Tax rate is 9% if the taxable income of the person or entity exceeds AED 375000 and in case of person or entity falling under Free Zone category qualifying income will be taxed at 0% and remaining income will be taxed at 9%.

**Exemption:-**

**-Automatic Exemption**

- ✓ Govt. Entities except when engaged in business activity.
- ✓ Govt. controlled entity doing mandated business activity.
- ✓ Entities engaged in businesses of extraction and exploitation of UAE natural resources.
- ✓ Business in related non extractive natural resource activities.

**-Approval Required**

- ✓ Qualifying Public Benefit Entity.
- ✓ Qualifying Investment Funds.
- ✓ Public and regulated private social security and retirement pension funds.

- ✓ A person wholly owned and controlled by an exempt person.
- ✓ Any other person as per the cabinet decision.

**Computation of Taxable Income:-**

- ✓ Accounting profit (or loss) as per FS – to be the starting point.
- ✓ FS to be prepared using IFRS or notified acceptable accounting standards.
- ✓ Audit of FS required only if specified.
- ✓ Specified adjustments to be made to accounting profits such as :
  - Unrealized gains and losses
  - Exempt income.
  - Non-deductible expenditure
  - TP Adjustments.

**Disallowances:-**

- a. Expenditure incurred for earning exempt income.
- b. 50% of Entertainment expenditure allowed as deduction.
- c. Net Interest expenditure shall be deductible up to 30% of EBIDTA and disallowed interest to be carried forward and set off up to 10 tax periods.

**Key Points to note :-**

- ✓ One tax group needs to file one corporate tax return annually and exemption limit of AED 375000 is for one tax group. Selection of tax group is voluntarily but to be formed carefully as VAT and CT groups can be different.
- ✓ No carry over of VAT registrations for CT purposes.
- ✓ Maintenance of records stipulated for 7 years following the end of tax period.
- ✓ CT will be applicable from 1st June 2023 to the companies whose financial years starts on or after 1st June 2023 otherwise to all entities it is applicable from 1st Jan 2024 as per the analysis.





## Financial frauds and Its Identification Through Forensic Audit



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### Introduction

Forensic audit is a type of audit that is used to investigate financial transactions, fraud, and other related activities. **Financial frauds** are one of the type of frauds which comes under Forensic audit. Financial frauds are one of the most common types of white-collar crimes that occur in organizations. They involve intentional manipulation, misrepresentation, or concealment of financial information in order to deceive others for personal gain. These frauds can cause significant financial losses for organizations and individuals, and can also damage their reputations. Therefore, it is important for organizations to take measures to prevent and detect financial frauds. One such measure is forensic audit.

### Types of Financial Frauds

There are various types of financial frauds that can occur in organizations. Some of the common types include:

1. **Embezzlement:** This involves the misappropriation of funds or assets by an employee for personal use. It can occur through various means such as check fraud, credit card fraud, or false invoicing.
2. **Financial Statement Fraud:** This involves the intentional manipulation of financial statements to misrepresent the financial health of an organization. It can involve overstating or understating revenues, assets, or liabilities.
3. **Bribery and Corruption:** This involves the offering or accepting of bribes or kickbacks to influence business decisions. It can occur in various forms such as procurement fraud, conflict of interest, or insider trading.



4. **Money Laundering:** This involves the concealment of the true origin of illegally obtained funds through a series of transactions. It can involve various means such as structuring transactions, smurfing, or trade-based money laundering.

### Identification of Financial frauds through Forensic Audit:



A specialized form of audit called a forensic audit uses investigative methods and tools to spot and look into financial wrongdoing. Some auditors use the Red and Green flags to identify financial scams and prevent it.

**Red flags** are warning signs that may indicate the presence of financial fraud. Some common red flags include:

1. **Unexplained or excessive transactions:** Transactions that are unexplained or excessive may be a sign of financial fraud.
2. **Lack of documentation:** Lack of documentation or incomplete documentation may indicate attempts to hide fraudulent activities.
3. **Internal control weaknesses:** Weaknesses in internal controls can make it easier for fraud to occur.
4. **Unusual behavior:** Unusual behavior, such as sudden changes in spending habits or lifestyle, may be a sign of financial fraud.



**Green flags**, on the other hand, are positive indicators that suggest the absence of financial fraud. Some common green flags include:

1. **Extreme behavior of being friendly:** An accountant may be attempting to establish trust and preserve openness if they are exceptionally cordial with their coworkers. This behaviour





might imply that they are open to cooperating with the investigation and have nothing to hide.

2. **Not taking advances when going outstation tours:** An accountant may be attempting to establish trust and preserve openness if they are exceptionally cordial with their coworkers. This behaviour might imply that they are open to cooperating with the investigation and have nothing to hide.



3. **Suddenly becoming very responsible and undertaking some extraordinary work:** An accountant may be trying to make up for past mistakes if they take on extra responsibility or show an interest in starting new initiatives. This behaviour shows that the accountant is determined to changing for the better and is working to make up for whatever mistakes they may have made..

4. **Paying from his own pockets to make up for the lapse:** An accountant may be more inclined to accept accountability for their actions if they are prepared to pay out of their own money to fix a mistake or cover up for any oversight. This behaviour shows that the accountant is trustworthy and holds themselves and their job in high regard.

It is important to note that these behaviors alone may not be enough to conclude that there has been no wrongdoing. However, they can be considered as positive indicators during a forensic audit.

### Conclusion:

Financial fraud can be prevented and found with the use of forensic audits. Companies can utilise them to determine the underlying causes of financial irregularities and take action to stop similar occurrences in the future. Companies can better safeguard themselves against financial fraud and maintain accountability and transparency in their financial reporting by understanding the many types of forensic audits, red flags, and green flags.



## Valuation Myths



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Valuation myths have been developed in recent years that there exists a single and appropriate value for a company and the more sophisticated is valuation method, better it is. Some of the most common valuation myths are:

- (a) That a private business should only be valued, when the business is ready to be sold
- (b) A good valuation provides a precise estimate of value: Even at the end of the most careful and detailed valuation, there will be uncertainty about the final numbers, because of the assumptions that we make about the future of the company and the economy.
- (c) The proprietor believes that his /her business can be sold for more than annual revenue so there is no need to pay some other person to value the business.
- (d) The owner believes that if a local competitor can sell business at a very high price than I can also sell my business at a good price.
- (e) If a business is operating on losses then it is not possible to get good price and hence there is no need for valuation.

- (f) The owner believes that valuer use specific formula to figure out valuation
- (g) That if good and proper maintenance is there, then it will result in high valuation.
- (h) That valuation depends on negotiations and it varies from buyer to buyer.
- (i) Valuation is affected by the appraisal of buyer and seller.
- (j) In a booming economy, valuations will always be high.
- (k) For intangible assets that have the potential to create future cash flows, we argue for the use of option pricing models.
- (l) Valuation is objective – the truth is that it is subjective
- (m) Valuation is a science- the truth is that it is science as well as art
- (n) Valuation gives precise number- the truth is that valuation only gives an estimate
- (o) A single valuation serves more than one purpose- the truth is that the value will change if the purpose changes
- (p) A complex financial model gives better valuation- the truth is that it doesn't give better valuation
- (q) Growth in earning increases valuation- the truth is that may not be correct always
- (r) Valuation is worthless as it involves lot of assumptions- the truth is that it is useful in decision making





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HR - "Hello Parth, are you interested in Valuations?" The Finance lover in Parth replied "Yes".

You must have heard about Valuation in the recent show Shark Tank India many times and of course, it was also a much debated term during #IPOs too.

And, If you are someone, who is interested in articleship in Valuations, then this post is for you. First of all, what is Valuations?

Valuations is calculating the worth of an asset in monetary terms.

It is mandatory to be done by specific provisions:

- ☛ Income Tax Act such as Section 56 read with rule 11UA/UB,
- ☛ Companies Act, 2013
- ☛ FEMA Act, 1999, etc.

The financial reporting frameworks such as IND AS, IFRS and US GAAP also require valuations to be carried out in terms of calculating FMV of Fixed Assets, Intangible assets, Financial instruments, etc.

What is the scope of work in Valuations for Articles?

- ☛ As an article, you get the exposure of carrying out the valuation exercises using different valuation approaches such as Market, Income or Cost approach.
- ☛ You learn how the business projects its cashflows and as an analyst do you justify the same.
- ☛ You get an understanding of business transactions, and how venture capitalists and angel investors work.
- ☛ In the end, it opens the door for investment banking and the financial sector during CA industrial Training, which is considered one the most reputed job profiles!



## Listed Debt Securities – New Avenue For Fund Raising

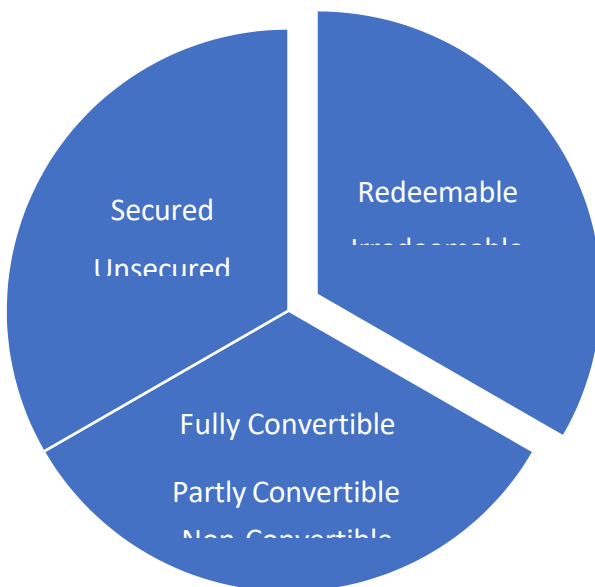


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Bonds, commercial papers, certificate of deposits, debentures, etc are different types of debt securities which are regularly issued in the corporate world to raise funds which will be repaid back in future. While most of the types of debt securities are not clearly defined, debenture has been defined u/s 2(30) of the Companies Act, 2013. Debenture is a document evidencing a debt or acknowledging it and any document which fulfils either of these conditions is a debenture. It contains a contract for repayment of principal after a specified period or at the option of the company and also for payment of interest at a fixed rate payable at regular intervals.

Debenture includes debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of a company or not as defined in the Companies Act. This is an inclusive definition and amounts to borrowing of monies from the holders of debentures on such terms and conditions subject to which the debentures have been issued. There can be different types of debentures depending upon security offered, redeemability and convertibility, besides listing status.



### Green Debt Securities:

A Debt Security may be considered as “Green or Green Debt Securities”, if the funds raised through issuance of the debt securities



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are to be utilised for project(s) and/or asset(s) falling under any of the following broad categories:

- Renewable and sustainable energy including wind, solar, bioenergy, other sources of energy which use clean technology etc.;
- Clean transportation including mass/public transportation etc.;
- Sustainable water management including clean and/or drinking water, water recycling etc.;
- Climate change adaptation;
- Energy efficiency including efficient and green buildings etc.;
- Sustainable waste management including recycling, waste to energy, efficient disposal of wastage etc.;
- Sustainable land use including sustainable forestry and agriculture, afforestation, etc.;
- Biodiversity conservation;
- Any other category as may be specified by SEBI

### Listed Debt Securities:

Listed bonds are the debt securities which are listed on a recognised stock exchange while unlisted bonds are not listed on any stock exchange. Due to listing status, listed bonds are owned by public at large since they are publicly traded on the platform of stock exchanges and can be easily accessible to wider range of investors. Usually, listing of debt securities means listing of non-convertible debentures (NCDs).

Listing of is not mandatory under the Companies Act, 2013, however, it becomes necessary when a public limited company desires to issue bonds or debentures to general public. When a public company wishes to issue and list its debt securities on stock exchanges, then it has to comply with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS) in addition to applicable provisions under the Companies Act, 2013. These regulations provide a simplified regulatory framework across 7 chapter for issuance and listing of debt securities issued by public company, public sector undertaking or statutory corporations. These Regulations will not apply to issue and listing of securitized



debt instruments and security receipts for which separate regulatory framework is already in place. Moreover, for listing of debt securities, the issuer companies are required to comply with LODR and ICDR too.

Nowadays, listing of public issue of bonds or debentures on stock exchange is simpler, faster and also cost effective. BSE has emerged as an exchange of choice as a "Designated Stock Exchange" for issuers listing their public issue of debentures / bonds. BSE's Exchange platform "IBBS" has also been a market leader in terms of garnering online bids for the issuers. Listing of publicly issued debt follows 3 main stages:

- A. Obtaining 'In-Principle' approval (Within 7 working days of uploading the Draft Red Herring Prospectus on the Exchange website, subject to no public comments received)
- B. Basis of Allotment
- C. Listing and Trading Approval.

#### Process Snapshot:

Issuer company has to follow the following procedure for issue of debt securities and getting them listed on recognised stock exchanges:

1. Get consents from the Debenture Trustees and RTA
2. Give intimation to stock exchange before board meeting under Regulation 29(1)(D) of LODR
3. Convene Board meeting to discuss following agenda:
  - Approval for issue of NCDs alongwith underlying terms
  - Appointment of debenture trustee before the issue of offer letter
  - Execution of tri-partite agreement with RTA
  - Appointment of credit rating agency
  - Opening a new bank account with a scheduled bank
  - Creation of charge on assets of the company
  - Approval of offer letter for private placement
  - Identification of prospective investors for issuing NCDs
4. Intimate stock exchanges about outcome of board meeting as per regulation 30 of LODR
5. Appoint merchant banker as well as lead manager to issue which can handle the issue by co-ordinating with the regulators
6. Finalise Masterfile creation form with depositories and obtain ISIN number
7. Execute agreements with the depositories for dematerialisation of debt securities
8. Submit an application to at least one recognised stock exchanges for listing of debt securities and get 'In-Principle' approval
9. File Form No. MGT-14 with the Ministry of Corporate Affairs ("MCA") u/s 179 of Companies Act, 2013 and get the approval from the regulators

10. Obtain credit rating from a recognised credit rating agency and disclose it in the offer document. Even unaccepted rating has also to be disclosed in the offer document.
11. Decide the price and amount of minimum subscription in consultation with the Merchant Banker and disclose it in the offer document
12. Upload draft and final offer documents on the corporate website. It should also be visible on the website of the stock exchanges.
13. Open a separate bank account to deposit proceeds of issue with a scheduled bank
14. File 'shelf offer document' if the issuer company has planned to allot debentures on private placement basis and this document will be valid for all placements made in 180 days.
15. Give an advertisement in english, hindi and vernacular language newspapers before opening issue
16. Finalise and issue the offer letter in Form PAS-4 togetherwith application form. Maintain record of offer letter posted to selected persons in PAS-5.
17. Receive subscription from selected persons in the newly opened bank account and maintain record of bank accounts from where money had been transferred.
18. Issue NCDs to successful applicants in demat form and also intimate to stock exchange about the same.
19. File 'Return of Allotment' in Form PAS-3 with the MCA before utilising issue proceeds.
20. Create charge by filing Form CHG-9 with the MCA as per Rule 3 of Companies (Registration of Charges) Rules, 2014. Also, enter relevant details of charge created in the statutory register as per Rule 10 of Companies (Registration of Charges) Rules, 2014.
21. Pay stamp duty at 0.005% of total value of NCDs issued as per Indian Stamp Act, 1899.
22. Execute Trust Deed with the Debenture Trustees.
23. Credit NCDs in the demat account of successful allottees through corporate action with depositories.
24. Submit an application to recognised stock exchange alongwith necessary documents for listing of debt securities.
25. Refund money back to the subscribers in the event of non-receipt of minimum subscription.

#### Conclusion:

With the listing of debt securities, the company enjoys liquidity while investors get a readily marketable security which can be sold to other investor by using market platform of the recognised stock exchanges. On listing of debt securities on stock exchanges, the issuer company will be considered as a listed company and so, they will be subject to alternate provisions under different SEBI regulations including LODR and ILDR. Given the increasing demand for finance, Chartered Accountants are well placed to help the companies to raise funds by availing this mechanism.







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- 1) In which case did the Delhi High Court rule that the denial of the input tax credit (ITC) for the delayed filing of GSTR-3B returns is unconstitutional?
  - a) Radha Krishan Industries Vs. Union of India
  - b) Brand Equity Treaties Limited Vs. Union of India
  - c) Pioneer Urban Land and Infrastructure Limited Vs. Union of India
  - d) Bajaj Auto Limited Vs. Union of India
- 2) What is the time limit for completing the proceedings under form ASMT-10 of GST in India?
  - a) 6 months from the date of issuing notice
  - b) 12 months from the date of issuing notice
  - c) 18 months from the date of issuing notice
  - d) 24 months from the date of issuing notice
- 3) What is the purpose of issuing a notice under form MOV-1 of GST in India?
  - a) To inspect the goods in transit and verify the documents
  - b) To demand the payment of outstanding tax, interest, or penalty
  - c) To cancel the registration of the taxpayer
  - d) To initiate criminal proceedings against the taxpayer
- 4) A registered person has purchased a new car for the purpose of business. Can the person claim ITC on the GST paid on the purchase of the car?
  - a) Yes, as it is a capital asset used for business
  - b) No, as it is specifically excluded under Section 17(5)
  - c) Yes, if the person has obtained prior permission from the GST department
  - d) No, if the total ITC claimed on capital goods exceeds the eligible ITC
- 5) What is the late fee for not filing GSTR-7 within the due date?
  - a) Rs. 50 per day
  - b) Rs. 100 per day
  - c) Rs. 200 per day
  - d) Rs. 500 per day
- 6) What is the maximum amount of deduction allowed for municipal taxes paid on a house property?
  - a. Rs. 1,00,000
  - b. Rs. 50,000
  - c. Rs. 30,000
  - d. Rs. 10,000
- 7) Which of the following is not included in the calculation of income from house property?
  - a. Fair rental value
  - b. Unrealized rent
  - c. Standard deduction
  - d. Capital gains
- 8) What is the tax treatment of rental income received from a house property?
  - a. It is fully taxable subject to deductions under sec 24
  - b. It is partially taxable
  - c. It is not taxable
  - d. It is exempt up to a certain limit
- 9) Under which section of the Income Tax Act, can a person claim deduction for property taxes paid during the financial year?
  - a) Section 24(c)
  - b) Section 24(b)
  - c) Section 24(a)
  - d) Section 80GG
- 10) Which of the following is not considered as income from house property?
  - a. Rent received from a property
  - b. Unrealized rent due to vacancy of a property
  - c. Unrealized rent due to inability of tenant to pay rent
  - d. Interest earned on security deposit received from tenant



SCAN ME

**March 2023 Quiz Contest Winner**

CA Chetan Tak, CA Kishore Mehta, CA Akshay Jain



## Seminar on “Capital Market” organized by the Vasai Branch of WIRC on 9th April, 2023 at Vasai Branch Premises, Bhayandar (West).



CA. Amit Agarwal, Chairman – Vasai Branch greeted to the Speaker Mr Vipul Prasad with a bouquet.



CA. Amit Agarwal, Chairman – Vasai Branch greeted to the Speaker CA Kunal Soni with memento



CA Amit Agarwal The Chairman Addressing the Seminar.



Mr Vipul Prasad addressing the Seminar.

## Seminar on Practical Training MS Office-15th April to 20th May 2023 organized by the Vasai Branch at Vasai Branch Premises, Bhayandar (West).



Workshop on MS Office held on 9 April 2023 was accompanied by the Vasai Branch Committee members.



Participants at Workshop on MS Office.



CA Tarun Dhandh, Vice Chairman – Vasai Branch greeted to Advocate Ruchi Dixit with a bouquet.



## Seminar on “Peer Review” organized by the Vasai Branch of WIRC on 16th April, 2023 at Vasai Branch Premises, Bhayandar (west).



Seminar on “Peer Review” held on 16 April 2023 was accompanied by the Vasai Branch Committee members with Guest.



CA. Amit Agarwal, Chairman – Vasai Branch greeted to CA. C. V. Chitale, Central Council Member, ICAI with a bouquet.



CA Durgesh Kabra Central Council Member CA Ankit Rathi RCM, honoured to CA Suyash Patodia.

### SPEAKERS



CA Ankit Maheshwari



CA C V Chitale



CA Durgesh Kabra



CA Nakul Arora



CA Sonu Jain



## Seminar on “Cyber Security” organized by the Vasai Branch of WIRC on 23rd April, 2023 at Vasai Branch Premises, Bhayandar (West).



CA. Daya Bansal, Secretary – Vasai Branch of WIRC, CA. Shrikrishna Purohit, Treasurer – Vasai Branch of WIRC – ICAI, CA. Amit Agarwal, Chairman – Vasai Branch, CA Tarun Dhandh, Vice Chairman – Vasai Branch with Guests.



Photo of Participants



CA. Amit Agarwal, Chairman – Vasai Branch greeted to Mr Govind Ray with a bouquet.



CA Tarun Dhandh, Vice Chairman – Vasai Branch greeted to CA. C. V. Chitale, Central Council Member, ICAI with a bouquet



Photo of Participants



## Cricket Auction



Venue



Cricket Auction WIRC Chairman



Cricket Auction Coordinators



Cricket Auction Owners



## Media Coverage

### सीए परीक्षा में बैठने वालों के लिए आईसीएआई द्वारा मॉक टेस्ट का आयोजन

By Khubra Purvanchal | April 18, 2023



भारत । पिछले वर्षों की तरह इस वर्ष भी आईसीएआई की सबसे बड़ा काम है मई 2023 की सीए परीक्षा में बैठने वाले छात्रों के लिए 5 अंकों से सीए टेस्ट सीरीज का आयोजन किया है। सीए अर्थिज अकादमी (आयएआ) ने सुविधा किया है कि आईसीएआई निर्धारित कम से नौवां से बैठने वाले छात्रों की बेहतरी के लिए सीए टेस्ट सीरीज का आयोजन कराया है। सीए अकादमी (विकास अकादमी) ने सुविधा किया है कि पिछली सीए टेस्ट सीरीज में भी लगभग 50 छात्रों ने भाग लिया था और सीए टेस्ट के बाद छात्रों की बेहतरी के लिए वेब प्रदान किया गया है। सीए टेस्ट प्रदान करता है। सीए अकादमी (विकास अकादमी) ने सुविधा किया है कि पिछली सीए टेस्ट के दौरान हुई गलतियों को सुधारने में मदद करने ताकि परीक्षा में देना न हो सके।



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(विकास अकादमी) ने सुविधा किया है कि पिछली मॉक टेस्ट सीरीज में भी लगभग 50 छात्रों ने भाग लिया था और मॉक टेस्ट के बाद छात्रों को रबीक्षा के लिए वेब प्रदान किए गए थे। सीए अकादमी (विकास अकादमी) ने सुविधा किया है कि मॉक टेस्ट के बाद वेब प्रदान करने के लिए वेब प्रदान किया है। मॉक टेस्ट को और सफल बनाने के लिए वेब प्रदान किया है। मॉक टेस्ट को और सफल बनाने के लिए वेब प्रदान किया है।

द गाम टुडे,भयंदर । पिछले वर्षों की तरह इस वर्ष भी आईसीएआई की सबसे बड़ा काम है मई 2023 की सीए परीक्षा में बैठने वाले छात्रों के लिए 5 अंकों से सीए टेस्ट सीरीज का आयोजन कराया है। सीए अकादमी (विकास अकादमी) ने सुविधा किया है कि पिछली सीए टेस्ट सीरीज में भी लगभग 50 छात्रों ने भाग लिया था और सीए टेस्ट के बाद छात्रों की बेहतरी के लिए वेब प्रदान किया गया है। सीए टेस्ट प्रदान करता है। सीए अकादमी (विकास अकादमी) ने सुविधा किया है कि पिछली सीए टेस्ट के दौरान हुई गलतियों को सुधारने में मदद करने ताकि परीक्षा में देना न हो सके।

Editor: CA. Amit Agarwal Published by Vasai Branch of Western India Regional Council of The Institute of Chartered Accountants of India at Finesse Graphics and Prints Pvt. Ltd., 309, Parvati Ind. Est.,Sun Mill Compound, Lower Parel, Mumbai 400 013. Tel. : 4036 4600

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