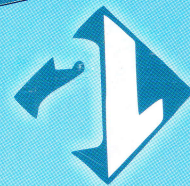


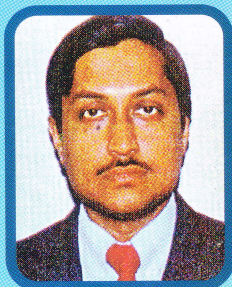
# Accountants' Library



## Newsletter

December 2017

For Private  
Circulation Only



Dear Members,

The festive season of Bengal is now over and we the professionals are busy with our schedules. We should have enjoyed a bit relaxed time after income tax filing in November but due to GST we will now remain busy all the months in the year. GST has made us all active and we need to upgrade our knowledge regularly. We have to face the challenge of guiding our clients seamlessly over the continuous change in laws.

In Accountants' Library we provide all possible resources for help of our professional fraternity. We have two reading rooms – one in Aayakar Bhawan and other in ITAT. We also installed a computer at Aayakar Bhawan with facility of Taxmann online which we believe, will be utilized by our members in every possible way. We also organize CPE programmes and workshops on subjects of professional interest at regular interval. In addition thereto the Library has become a platform where the fellow professionals can meet and exchange ideas with each other.

Accountants' Library is also circulating its Newsletter twice a year with a vision to bring the significant changes in professional matter through significant news and articles for our members. We are sincerely trying to increase the number of issues to Four.

I make an appeal to all our members to let us know your expectation from the Library and how it can be made more resourceful to our professional fraternity. Please send your suggestions through e-mail which will enable us to interact with you regularly.

With warm regards and best wishes,

**CA. Malay Goswami,**  
President, Accountants' Library  
December, 2017



Dear Member,

I would like to express my sincere gratitude to our President CA Malay Goswami and all members of the Managing Committee of the Accountants Library for giving me this opportunity to publish the 1<sup>st</sup> Newsletter for the year 2017-18.

With so many changes round the corner on various legislative fronts, we Chartered Accountants need to adapt ourselves with responsibility and accountability and be the much needed partners in nation-building. In this context, as Chairman of the CPE Committee of the Library for the year 2017-18 as well, we have been regularly organising seminars on matters of professional interest for the benefit of the members.

This Newsletter covers topics like Companies Amendment Bill 2017, recent amendments in GST law, Financial Planning, etc.

We hope you will enjoy going through the Newsletter. We would be delighted to receive your valuable feedback which would help us in making necessary improvements in future.

Wishing you a Merry Christmas and a very Happy New Year 2018.

With warm regards,  
Yours in Professional fellowship.

**CA Sumantra Guha**  
Chairman  
Newsletter Sub Committee  
December 2017



Sl. No.	Name	Designation	Contact No.	Address
1	CA. Malay Goswami	President	(M): 9830210585 (O) 2570-7192	Parvati Vihar Phase Two, 52/6, VIP Road , Block - J, Flat -401, Kolkata -- 59
2	CA. Kaushick Mallick	Vice - President	(M): 9830031392 (O) : 2237-6606	P-41, Princep Street, R. No.- 215 Kolkata--72
3	CA. Debasish Mitra	Vice - President	(M): 9831890318 (O) : 2417-9146	15/2/40 Jheel Road, Jadavpur, Kolkata - 75
4	CA. Animesh Mukhopadhyay	Hony. Secretary	(M): 9830107220 (O) : 2481-1380/ 2481-3320	Syndicon Enclave Flat No 2-B, 25/1A/1, Nagtala Road, Kolkata -- 47
5	CA. Manish Tiwari	Hony.Jt. Secretary & Hony. Treasurer	( M ) : 9836313873 (O) : 4003-5801	12, Ho-Chi-Minh-Sarani, Suit no. 2D&2F, 2nd floor, Kol- 700 071
6	CA. Tushar Kanti Basu	Imm Past President	(M) : 9830536643 (O) 2264-5762 ( R ) : 2419-7877	33B, Market Street, Kolkata - 87
7	CA. Indu Chatrath	Member	( M ) : 98310- 48516 (O) : 6544-7123/6366 ( R ) : 4008-2004	Saha Bhawan, 1'st Floor 8, Circus Market Place, Kolkata -- 17
8	CA. Indranil Banerjee	Member	( M ) 98300-55823 ( O ) : 2230-8998 :2210-5056 ( R ) : 2237-1790	20, Strand Road, 2'nd Floor, Kolkata - 1
9	CA. Anindra Nath Chatterjee	Member	( M ) : 98300-30849 (M) : 94330-30849 (O) : 2419-0350 : 3293-6041	41A, Townshend Road, 1'st Floor, Kolkata -- 25



## Accountants' Library Newsletter

Sl. No.	Name	Designation	Contact No.	Address
10	CA.Santosh Kumar Bajaj	Member	( M ) : 98306-48424 ( O ) : 2211-6753	34A, Metcalfe Street, Kolkata --13
11	CA. Ranjit Kumar Ghosh	Member	( M ) : 98300-39523 ( O ) : 2231-1995/1996 /1997 : 6512-9333 ( R ) : 2352-5125 : 2354-6787	7, Esplanade East , Kolkata -- 69
12	CA. Chandan Chattopadhyay	Member	(M) : 98300-53731 ( O ) : 2231-1995/1996 /1997? :2248-1201 ( R ) : 6239-9905	11, Old Post Office Street Kolkata - 1
13	CA.Sumantra Guha	Member	( M ) : 98310-15331 ( O ) : 2350-6991 : 2360-9686	16/1, Girish Vidya Ratna Lane, Kolkata -- 9
14	CA. Krishanu Bhattacharyya	Member	(M) : 98312-08273 ( O ) : 2663-6802	47( Old), 122 ( New) , Lawence Street, Uttarpara, Hooghly, Pin -- 712258
15	CA.Sreemati Ghose	Member	(M) : 98310-37528 ( O ) : 2419-8732 ( R ) : 2483-7473	13, Parkside Road, Ground Floor, Kolkata -- 26
16	CA. Radhakanta Chatterjee	Member	( M ) 98301- 09030 ( O ) : 3028-1168 :2213-2308 ( R ) : 2269-6096	2, G.C. Avenue , 8'th Floor, R/No : 8, Kolkata -- 13
17	CA. Srikumar Banerjee	Member	( M ) : 9830061889 ( O ) : 2546-3305 ( R ) : 6513-4879	152/H, South Sinthee Road, Kolkata -- 50
18	CA. Barun Kumar Ghosh	Member	(M) : 9830034914 ( O ) : 4064-8107/8108 /8109 ( R ) : 2346-7766	Webel Bhavan , Gr floor B- EP & GP Sec -V, Bidhan Nagar, Saltlake, Kol-91



## **COMPANIES (AMENDMENT) BILL 2017 – AN OVERVIEW**

**By CA Animesh Mukhopadhyay**

The Companies (Amendment) Bill, 2017, introduced in Lok Sabha on 16 March, 2016 as Companies (Amendment) Bill, 2016 and referred to the Standing Committee on Finance on 12 April, 2016. The Committee after hearing the views of the representatives of the Chambers of Commerce and Industry as well as professional bodies adopted its report on 30th November, 2016. Lok Sabha has passed the Companies (Amendment) Bill, 2017 on July 27, 2017, however Rajya Sabha is yet to pass the same.

**Bill Amends following Sections of Companies Act, 2013** – 2, 4, 7, 12, 21, 26, 35, 47, 53, 54, 62, 73, 74, 76A, 77, 78, 82, 89, 92, 94, 96, 100, 101, 110, 121, 123, 129, 130, 132, 134, 135, 136, 137, 139, 140, 141, 143, 147, 148, 149, 152, 153, 157, 160, 161, 164, 165, 167, 168, 173, 177, 178, 180, 184, 186, 188, 196, 197, 198, 200, 201, 2016, 223, 236, 247, 366, 374, 379, 384, 391, 403, 409, 410, 411, 412, 435, 438, 439, 440, 441, 447, 458.

**Bill Inserts Following New Section in Companies Act, 2013-**

Section 3A- Members severally liable in certain cases,

section 446A- Factors for determining level of punishment.

section 446B – Lesser penalties for One Person Companies or small companies.

**Bill Substitutes Following Sections of Companies Act, 2013-**

section 42 Issue of shares on private placement basis,

Section 90- Register of significant beneficial owners in a company.

section 446A- Factors for determining level of punishment

### **SECTION WISE SOME OF THE MAJOR AMENDMENTS**

#### **Section 2(51)- Definition of 'Key Managerial Personnel'**

Under the definition of the term "Key Managerial Personnel", such other officer not more than one level below the directors who is in whole time employment and designated as KMP by the Board, is proposed to be included.

#### **Section 2(76)- Definition of 'Related Party'**

Following two amendments are proposed:

Instead of only a company, anybody corporate which is holding, subsidiary or an associate company of such company or a subsidiary of a holding company to which it is also a subsidiary or an investing company or venture of the Company, shall be considered as a related party.

"An investing company or the venturer of the company" will mean a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

#### **Section 2(85)- Definition of 'small company'**

It is proposed to increase the maximum paid-up share capital amount which can be prescribed for the purpose of determining a company as a small company from five crore rupees to ten crore rupees and prescribed turnover amount from twenty crore rupees to one hundred crore rupees.

Further turnover should be as per profit and loss account for the immediately preceding financial year and not as per its last financial year.

#### **Section 2(91)- Definition of 'Turnover'**

It is proposed to change the definition of turnover to mean the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

#### **Section 4- Memorandum**

It is proposed that in case of incorporation, name reserved by the RoC shall be valid for 20 days from date of the approval or such other period as may be prescribed instead of 60 days from the date of application, as currently provided;



in case of change in name by an existing company, name reserved by the RoC shall be valid for 60 days from the date of approval.

**Section 7- Incorporation of company**

At the time of incorporation of the company, declaration by each subscriber will be required to be attached instead of an affidavit, as currently provided.

**Section 12- Registered office of company**

It is proposed that the company shall within 30 of its incorporation have registered office instead of current requirement to have registered office on and from the fifteenth day of its incorporation.

It is proposed that notice of every change of the situation of the registered office, shall be given to the Registrar within 30 days instead of 15 days, as currently provided.

**Section 21- Authentication of documents, proceedings and contracts**

Apart from KMP and any officer of the company, it is proposed that an employee can also be authorized to authenticate documents on behalf of the company.

**Section 73- Prohibition on acceptance of deposits from public**

It is proposed that an amount being not less than 20% of the amount of deposits, maturing during the following financial year be deposited on or before the 30th day of April each year and kept in a scheduled bank in a separate bank account to be called deposit repayment reserve account.

Currently atleast 15% of such amount is required to be deposited and that is also of amount of deposits maturing during a financial year and the financial year next following.

Further it is proposed to omit the requirement of providing deposit insurance.

It is also proposed that companies which had defaulted in repayment of deposits, can also accept deposits after a period of 5 years from the date of making good the default.

**Section 74- Repayment of Deposits, etc., accepted before commencement of this act**

Where any amount of deposit or part thereof or interest thereof remains unpaid on the commencement of the Companies Act 2013, it is proposed that such amount shall be repaid within 3 years from the date of commencement or before the expiry of the period for which the deposit was accepted, whichever is earlier. Currently the amount was to be repaid within 1 year or before the expiry of the period for which the deposit was accepted, whichever is earlier

**Section 76A- Punishment for Contravention of Section 73 or Section 76**

It is proposed to change the penalty from a fine not less than rupees one crore to rupees one crore or twice the amount of deposits accepted by the company, whichever is lower.

Further it is proposed that an officer of the company who is in default shall be punishable with imprisonment and fine. Earlier it was imprisonment or fine. In the process, the offence has been made non-compoundable.

**Section 78- Application for Registration of charge**

It is proposed that the person in whose favour the charge has been created can file the charge on the expiry of 30 days from the creation of charge where a company fails to file so. Currently the charge holder can register the charge only in case the company fails to do so within the period specified under section 77, which is 300 days.

**Section 82- Company to report satisfaction of charge**

Timeline for filing of satisfaction of charge is proposed to be increased to 300 days on payment of additional fee.

**Section 92- Annual Return**

It is proposed to omit the requirement of MGT-9 i.e. extract of annual return to form part of the Board's Report. Instead, the copy of annual return shall be uploaded on the website of the company, if any, and its link shall be disclosed in the Board's report.



The Central Government may prescribe abridged form of annual return for One Person Company ('OPC'), Small Company and such other class or classes of companies as may be prescribed.

It is also proposed to omit the requirement related to disclosing indebtedness and details with respect to name, address, country of incorporation etc. of FII in the annual return of the company.

Time limit of 270 days within which annual return could be filed on payment of additional fee has been done away with. It is proposed that a company can file the annual return with ROC at any time on payment of prescribed additional fee.

#### **Section 96- Annual General Meeting**

It is proposed that Annual General Meeting ('AGM') of unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.

#### **Section 100- Calling of Extraordinary General Meeting**

It is proposed that Extraordinary General Meeting ('EGM') of wholly owned subsidiary of a company incorporated outside India can be held outside India. A company other than wholly owned subsidiary of a company incorporated outside India must hold EGM at a place within India.

#### **Section 101- Notice of meeting**

It is proposed that a general meeting may be held at a shorter notice if in case of an Annual General Meeting consent in writing or by electronic mode is given by not less than 95% of the members entitled to vote and in case of other general meetings consent is given by majority in number of members entitled to vote and who represent not less than 95% of paid-up share capital (in case of company having share capital) or total voting power exercisable at the meeting (in case of company not having share capital).

Where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the

others, then his vote with respect to shorter notice shall only be counted for the purpose of the resolution on which he can vote.

Currently for calling both AGM and EGM at shorter notice, consent of 95% of members entitled to vote at the meeting is required.

#### **Section 117- Resolutions and Agreements to be filed**

It is proposed to provide exemption to banking companies from filing resolutions with respect to grant of loans, giving of guarantee or providing of security in respect of loans in the ordinary course of its business.

It is proposed to omit clause (e) of sub-section (3) of the section as the requirement under the clause is already covered in clause (a).

The minimum fine for non-filing under this section for company and officer in default is proposed to be reduced from rupees five lakh to one lakh rupees and from rupees one lakh to rupees fifty thousand.

Time limit of 270 days within which resolutions and agreements could be filed on payment of additional fee has been done away with. It is proposed that a company can file the resolutions and agreements with ROC at any time on payment of prescribed additional fee.

#### **Section 121- Report on annual general meeting**

Time limit of 270 days within which report on annual general meeting could be filed on payment of additional fee has been done away with. It is proposed that a company can file the report on annual general meeting with ROC at any time on payment of prescribed additional fee.

#### **Section 130- Re-opening of accounts on court's or tribunal's orders**

It is proposed that in addition to authorities already specified, any other person concerned shall be given notice before passing an order for re-opening of accounts and the court or the Tribunal shall also take into consideration the representations made by the other person.

It is also proposed that order for reopening of accounts can be made upto eight financial years preceding the current financial year unless there is a specific direction under section 128(5) from the Central Government that the books of accounts may be kept for longer period in which case the books of account may be ordered to be reopened for a longer period.

#### **Section 134- Financial Statement, Board's report, etc.**

It is proposed that CEO whether appointed as a Director or not, will sign the financial statement, in case there is no chairperson of the Company. Currently CEO is required to sign, only if he is also acting as a director.



In case of Board report, it is proposed that disclosures which have been provided in the financial statement shall not be required to be reproduced in the report again.

It is proposed that in place of extract of the annual return, only the web address, if any, where annual return has been placed shall be mentioned

It is proposed that instead of exact text of the policies, key feature of policies along with its web link shall be disclosed in Board report.

In respect to performance evaluation, it is proposed to omit the responsibility of the Board for carrying the performance evaluation of Board, Directors and committee. It is now required to include in the Board's report of listed companies and other prescribed public companies that annual evaluation of the performance of the Board, its Committees and of individual directors has been made.

Central Government may prescribe abridged Board Report for small and one person companies.

**Section 160- Right of persons other than retiring directors to stand for directorship**

It is proposed that the requirement of deposit of rupees one lakh with respect to nomination of directors shall not be applicable in case of appointment of independent directors or directors nominated by nomination and remuneration committee or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute Nomination and Remuneration Committee.

**Section 164- Disqualifications for appointment of director**

It is proposed that when a director is appointed in company which is in default of filing of financial statements or annual return or repayment of deposits or pay interest or redemption of debentures or payment of interest thereon or payment of dividend then such director shall not incur the disqualification for a period of six months from the date of his appointment.

It is also proposed to be clarified that disqualification arising due to conviction by court or order passed by court or tribunal or conviction related to section 188, shall continue to exist even if appeal or petition has been filed against the order of conviction or disqualification.

**Section 165- Number of Directorship**

It is proposed that the directorship in a dormant company shall not be included in the limit of directorships of 20 companies.

**Section 167- Vacation of office of director**

It is proposed that in case a director incurs any of disqualifications under section 164 (2) due to default of filing of financial statements or annual return or repayment of deposits or pay interest or redemption of debentures or payment of interest thereon or payment of dividend, then he shall vacate office in all the companies other than the company which is in default.

It is also proposed that the director will not vacate office in certain cases where an appeal is preferred.

**Section 168- Resignation of director**

It is proposed to make filing of Form DIR-11 regarding forwarding of copy of resignation by director to the Registrar optional.

**Section 173- Meetings of Board**

It is proposed to allow participation of directors on restricted items at Board meetings through video conferencing or other audio-visual means if there is quorum through physical presence of directors.

**Section 177- Audit Committee**

It is proposed that instead of every listed company, every listed public company shall constitute an audit committee.

It is proposed that related party transactions other than those prescribed under section 188, if not approved by Audit committee, will require the approval of Board of Directors.

In case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it

It is also proposed that approval of audit committee with respect to transactions between a holding company and its wholly owned subsidiary company will only be required, if the transactions falls under section 188



Further it is proposed that in respect of appointment of managing director, whole time director or manager, approval of Central Government shall only be required in case the appointment is not in accordance with the matters specified in Part I of Schedule V.

**Section 403- Fee for Filings, etc.**

It is proposed that only document, fact or information required to be submitted under section 92 (Annual Return) or 137 (Copy of financial statement to be filed with registrar) may be submitted, after expiry of the period so provided in those sections, on payment of such additional fee as may be prescribed which shall not be less than Rs. 100 per day and different amounts may be prescribed for different classes of companies.

Further it is proposed that where the document, fact or information, in cases other than sections 92 or 137, is not submitted, within the period provided in the relevant section, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, on payment of such additional fee as may be prescribed and different fees may be prescribed for different classes of companies.

It is also proposed that where there is default on two or more occasions in submitting, filing, registering or recording of the document, fact or information, it may, without prejudice to any other legal action or liability under this Act, be submitted, filed, registered or recorded, on payment of a higher additional fee, as may be prescribed and which shall not be lesser than twice the additional fee provided under the first or the second proviso as applicable.

Further it is proposed that where a company fails or commits any default to submit, file, register or record any document, fact or information before the expiry of the period specified in the relevant section, the company and the officers of the company who are in default, shall, without prejudice to the liability for the payment of fee and additional fee, be liable for the penalty or punishment provided under this Act for such failure or default.

**Section 446A- Factors for determining level of punishment**

It is proposed to insert a new section providing for the following factors which the court or special court will consider while determining level of punishment:

- (a) size of the company;
- (b) Nature of business carried on by the company;
- (c) Injury to public interest;
- (d) Nature of the default; and
- (e) Repetition of the default.

**Section 446B- Lesser penalties for One Person Companies or small companies**

It is proposed to provide relief to OPC and Small co., in case of failure to comply with the provisions of sub-section (5) of section 92 (Annual Return), clause (c) of sub-section (2) of section 117 (Resolutions and agreements to be filed), sub-section (3) of section 137 (Copy of financial statement to be filed with Registrar). In case of default, such company and officer in default of such company shall be punishable with fine or imprisonment or fine and imprisonment, as the case may be, which shall not be more than one-half of the fine or imprisonment or fine and imprisonment, as the case may be, of the minimum or maximum fine or imprisonment or fine and imprisonment, as the case may be, specified in such sections.

**Section 447- Punishment for Fraud**

It is proposed that only person guilty of fraud involving an amount of at least ten lakh rupees or one percent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than 6 months but which may extend to ten years and shall also be liable to a fine which shall not less than the amount involved in the fraud but which may extend to three times the amount involved in the fraud.

Further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.



## Financial Planning

CA. DEBAYAN PATRA

*-Planning is bringing the future into the present so that you can do something about it now-*

In this article, I will discuss **Financial Planning** in the **context of Individuals** and not go into any financial planning issues related to business entities or corporate which naturally comes to our mind.

### Introduction:

**Financial Planning** is the process of meeting one's life goals through the proper management of his finances.

**Financial Planning** is a critical exercise in ensuring long-term financial security. A **financial plan** is a road map to help one achieve his life's financial goals. It helps to answer certain basic questions regarding one's current financial situation, where he wants to get to, what are the financial implications of the same and what is the financial strategy that will best take him there.

Most of our life goals can be stated in some financial terms. Some **of our goals can be stated as follows:**

- What would it take to make my family financially secure if something happens to me?
- What is the amount that I need for my children's education and marriage?
- What is the amount that I need to save for my retirement?
- What is the amount that I need to have liquidity for unforeseen circumstances?
- What is the amount that I would need to make a down payment on my house?
- How much do I have to save to have a certain amount to start my business?

**Financial Planning Standards Board Ltd. (FPSB)** defines financial planning as a "**process of developing strategies to help people manage their financial affairs to meet life goals.**" In creating their recommendations and plans, **financial planners** may review all relevant aspects of a client's situation across a **breadth** of financial planning activities, including inter-relationships among often conflicting objectives.

The practice of financial planning is not an easy task to accomplish. For one it **requires an in depth understanding of financial products, their cash flows, their risk return profile, their performance over different market cycles.** Secondly, **combining various securities in a portfolio, keeping a record of the portfolio performance over different periods of time, and rebalancing the portfolio in response to market conditions** requires not only a certain knowledge of financial tools and techniques but also the time and patience to continuously monitor one's financial portfolio. With a number of financial alternatives to choose from, it becomes difficult for an individual to assess which particular products and in what proportion would meet his requirements. In this situation the service of a professional such as a financial planner which devotes his entire time to managing the finances of various clients becomes indispensable. **The financial planner may be in a better situation to make a realistic assessment of your needs and goals, helping you to list them in order of priority and make a balanced decision with regard to your conflicting goals of security and liquidity with that of growth and accumulation.**



**Financial Planning Process:**

You may be confused about how to distinguish **Financial Planning** from other kinds of financial advice. To help you understand what to expect from the **Financial Planning process**, practitioners follow certain standards - called **Financial Planning Practice Standards** - when providing Financial Planning advice. Practice Standards describe the process you should reasonably expect a Financial Planner to use during a Financial Planning engagement. These standards are based on a six-step Financial Planning process as prescribed by the **Financial Planning Standards setting authorities around the world**.

**The steps in the financial planning process are as follows:**

1. **Establish and define the relationship with the client.**  
The financial planning professional informs the client about the financial planning process, the services the financial planning professional offers, and the financial planning professional's competencies and experience. The financial planning professional and the client determine whether the services offered by the financial planning professional and his or her competencies meet the needs of the client. The financial planning professional considers his or her skills, knowledge and experience in providing the services requested or likely to be required by the client. The financial planning professional determines if he or she has, and discloses, any conflict(s) of interest. The financial planning professional and the client agree on the services to be provided. The financial planning professional describes, in writing, the scope of the engagement before any financial planning is provided, including details about: the responsibilities of each party (including third parties); the terms of the engagement; and compensation and conflict(s) of interest of the financial planning professional. The scope of the engagement is set out in writing in a formal document signed by both parties or formally accepted by the client and includes a process for terminating the engagement.
2. **Collect the client's information.**  
The financial planning professional and the client identify the client's personal and financial objectives, needs and priorities that are relevant to the scope of the engagement before making and/or implementing any recommendations. The financial planning professional collects sufficient quantitative and qualitative information and documents about the client relevant to the scope of the engagement before making and/or implementing any recommendations.
3. **Analyze and assess the client's financial status.**  
The financial planning professional analyzes the client's information, subject to the scope of the engagement, to gain an understanding of the client's financial situation. The financial planning professional assesses the strengths and weaknesses of the client's current financial situation and compares them to the client's objectives, needs and priorities.
4. **Develop the financial planning recommendations and present them to the client.**  
The financial planning professional considers one or more strategies relevant to the client's current situation that could reasonably meet the client's objectives, needs and priorities; develops the financial planning recommendations based on the selected strategies to reasonably meet the client's confirmed objectives, needs and priorities; and presents the financial planning recommendations and the supporting rationale in a way that allows the client to make an informed decision.
5. **Implement the financial planning recommendations.**  
The financial planning professional and the client agree on implementation responsibilities that are consistent with the scope of the engagement, the client's acceptance of the financial planning recommendations, and the financial planning professional's ability to implement the financial planning recommendations. Based on the scope of the engagement, the financial planning professional identifies and presents appropriate product(s) and service(s) that are consistent with the financial planning recommendations accepted by the client.



6. **Review the client's situation.**

The financial planning professional and client mutually define and agree on terms for reviewing and reevaluating the client's situation, including goals, risk profile, lifestyle and other relevant changes. If conducting a review, the financial planning professional and the client review the client's situation to assess progress toward achievement of the objectives of the financial planning recommendations, determine if the recommendations are still appropriate, and confirm any revisions mutually considered necessary.

**Relevance for Chartered Accountants:**

As per **Section 2(m)** of the **Securities and Exchange Board of India (Investment Advisers) Regulations, 2013** "investment adviser" means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes any person who holds out himself as an investment adviser, by whatever name called;.

**A Financial Planner** is thus considered to be an **Investment Adviser**.

*In terms of the IA Regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from SEBI on and from the commencement of IA Regulations unless an exemption specifically applies. The IA Regulations are available on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in). [Ref. Regulation 3(1)]*

**If any person found to be engaged in providing investment advisory services without getting registered with SEBI, appropriate action as deemed fit, under SEBI Act, 1992 may be initiated. [Ref. Regulation 3(1)].**

**Members of the Institute of Chartered Accountants of India who provide investment advice to their clients incidental to their professional services are exempted from obtaining registration under IA Regulations. However, if the same is not incidental to their professional services, registration would be required.**

**Opportunities:**

*Our country has a huge population. The country's middle class population if not others surely requires Financial Planning for a better life. With the spread of awareness, the need for financial planning will obviously increase and there will be a paradigm shift in the expectation of our clients. Rather than getting a Tax Plan, individuals will look forward to get their comprehensive Financial Plans done by us. This will increase the opportunities undoubtedly and manifold. As professionals we also need to change our perspective and create awareness amongst clients in relation to Financial Planning.*

**Conclusion:**

*Financial Planning can open up a third dimensional area of practice for Chartered Accountants for which we Chartered Accountants need to change the way we deal individual clients and create awareness in relation to Financial Planning amongst them which with time will obviously bear fruits for the profession at large.*

**-Without putting in effort, nothing will change, although all efforts may not bring a change-**



## **E-assessment**

### **CA Manoj Kumar Tiwari**

#### **Introduction**

In October 2015, the Central Board of Direct Taxes (CBDT) initiated a pilot project on the concept of using emails to correspond with tax payers at the time of scrutiny assessments. Under the pilot project, tax officers were to send questionnaires, notices etc. electronically and taxpayers had the option to respond through emails. The pilot project was introduced only in major cities for a limited number of cases. The objective of the project was to improve taxpayer services, enhance efficiency, and usher in a paperless environment for assessment proceedings.

In furtherance of the pilot project, the CBDT, on 23 June 2017, launched an "E-Proceeding" facility for an electronic conduct of scrutiny assessment proceedings.

#### **"E-Proceeding" Facility**

As per the E-Proceeding facility, the tax officer shall communicate with the taxpayers through the income tax e-filing website. The taxpayers are required to submit the responses along with attachments and evidences (as applicable) on the e-filing portal. The response submitted by the taxpayer will be viewed by the tax officer electronically.

The E-Proceeding facility is available for limited scrutiny, complete scrutiny as well as compulsory manual scrutiny (formats for issue of selection notices under these circumstances have also been notified and they incorporate an version in relation to the said "E-Proceeding Facility"). However, where a compulsory manual scrutiny is being carried out in case of a search or a requisition, the assessment proceedings shall be conducted manually.

In addition to the above, the assessment proceedings may be conducted manually, if required, in the following situations:

where the manual books of accounts or original documents are to be examined,  
where the tax authorities enforce personal attendance of a person under section 131 of the IT Act (i.e. summons for personal appearance),

where the examination of a witness is required by the taxpayer or the tax department, or

where a show-cause notice contemplating an adverse view is issued by the tax authorities and the taxpayer requests for personal hearing to explain his case.

The E-Proceedings facility has been introduced from the current financial year, and the CBDT has requested all taxpayers who do not have an account on the e-filing website to register themselves and create an account.

#### **Comment**

The E-Proceedings facility promotes the Government's 'Digital India' campaign and is an environmentally friendly initiative promoting paperless assessment proceedings. In addition, the E-Proceedings facility shall provide the following benefits:

##### To the Taxpayer:

The E-Proceeding facility will substantially reduce the compliance burden on the taxpayer and facilitate information being provided to the tax officers in a quick and cost-efficient manner and will further bring in transparency in tax administration.

The E-Proceeding facility, shall reduce the time and costs spent on the logistics of making any submission before the tax authorities. The tax payers shall have the facility to make their submissions online from any place and at any time.

In case an adjournment or extension of time is required, the tax payer would not be required to travel to the tax office in order to obtain the same. It can simply be done on email.

The E-filing portal shall also act as a repository and assist the tax payer in maintaining complete information and records of all submissions made before the tax officer.

Since everything will be available in an organized manner, representation before the higher appellate authorities will be also simplified.

Taxpayers retain an option to request for manual hearing in case they need to explain an issue for which a show-cause notice has been issued.

##### To the Tax Officer:

With the introduction of electronic service of notices, a lot of issues arising out of non-service of notices, questionnaires, etc. will be taken care of. Posting these documents on the portal itself will act as intimation to the tax payer (doing away with issues arising on service, like change in address of taxpayer, non-receipt or non-acceptance of notices, etc.

The E-Proceeding facility shall assist the tax officers in maintaining a record of all assessment proceedings in an organized manner, and shall eliminate the risk of loss and damage of files.

The tax officers still retain their right to enforce the personal attendance of any tax payer or witness, if required and carry out manual proceedings in certain specified cases.

Tax officers will be able to devote more time to their core activities as well as assessment proceedings, as this initiative will save them a lot of time (that was earlier spent in sending notices, meeting taxpayers and their representatives even for basic things like submission of details, etc.).



**Instruction No. 5/2017  
Government of India  
Ministry of Finance  
Department of Revenue (CBDT)**

**North-Block, New Delhi the 7th of July, 2017**

**To**

**All Pr. Chief-Commissioners of Income-tax/Chief-Commissioners of Income-tax  
All Pr. Directors-General of Income-tax/ Directors-General of Income-tax**

*Sir/Madam*

**Subject: Guidelines for selection of cases for scrutiny during the financial-year  
2017-2018-regd.-**

1. In supersession of earlier Instructions on the above subject, the Board hereby lays down the following procedure and criteria for compulsory manual selection of returns/cases requiring scrutiny during the financial-year 2017-2018:-

(i) Cases involving addition in an earlier assessment year(s) on a recurring issue of law or fact of following amounts:

- in excess of Rs 25 lakhs in eight metro charges at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune, while at other charges, quantum of such addition should exceed Rs. 10 lakhs;

- for transfer pricing cases, quantum of such addition should exceed 10 crore and where:

(a) such an addition in assessment has become final as no further appeal was/has been filed; or

(b) such an addition has been confirmed at any stage of appellate process in favour of revenue and assessee has not filed further appeal; or

(c) such an addition has been confirmed at 1st appeal stage in favour of revenue or subsequently and further appeal of assessee is pending.

(ii) All assessments pertaining to Survey under section 133A of the Income-tax Act, 1961 ('Act') excluding those cases where books of accounts, documents were not impounded and returned income (excluding any disclosure made during the Survey) is not less than returned income of preceding assessment year. However, where the assessee retracts from disclosure made during the Survey, such cases will not be covered by this exclusion.

(iii) Assessments in search and seizure cases to be made under section(s) 158B, 158BC, 158BD, 153A & 153C read with section 143(3) of the Act and also for the returns filed for the assessment year relevant to the previous year in which authorization for search and seizure was executed u/s 132 or 132A of the Act.

(iv) Return filed in response to notice u/s 148 of the Act.

(v) Cases where registration/approval under various sections of the Act such as 12A, 35(1)



(ii)/(iii), 10(23C) of the Act have not been granted or have been cancelled/withdrawn by the competent authority, yet the assessee has been claiming tax-exemption/deduction in the return. However, where such order of withdrawal of registration/approval has been reversed/set-aside in appellate proceedings, those cases will not be selected under this clause.

(vi) Cases in respect of which specific and verifiable information pointing out tax-evasion is given by any Government Department/ Authority. However, before selecting a case for scrutiny under this criterion, Assessing Officer shall take prior administrative approval from the concerned jurisdictional Pr. CIT/ Pr.DIT/CIT/DIT.

**2. Computer Aided Scrutiny Selection (CASS):**

Cases are also being selected under CASS-2017 on the basis of broad based selection filters and in a non-discretionary manner in two categories Limited Scrutiny & Complete Scrutiny. List of such cases is being separately intimated by Pr.DGJT(Systems) to the concerned jurisdictional authorities for further action in these cases.

3. These instructions may be brought to the notice of all concerned for necessary compliance.

4. Hindi version to follow.

**F.No. 225/180/2017 /ITA.II**

**(Rohit Garg)**  
**Director-ITA.II, CBDT**



## Recent Amendments in the GST Law

By CA Shubham Khaitan

Following are the complete list of amendments as **effective from 15<sup>th</sup> November, 2017**:

- ? For the purpose of **reversal** of Input Tax Credit, **exempt supplies** will **not include** export of **services to Nepal and Bhutan** even if payment is received in Indian Rupees

(Notification No. 55/2017-Central Tax dated 15th November, 2017)

- ? The mandatory requirement of issuance of **tax invoice** within the provisions of GST law by **banks/NBFCs/Financial institutions** has now been made '**optional**'

(Notification No. 55/2017-Central Tax dated 15th November, 2017)

- ? **Manual filing and processing** of refund claims in respect of zero rated supplies (**exports/supplies to SEZ**) has now been enabled.

(Notification No. 55/2017-Central Tax dated 15th November, 2017)

(Circular No. 17/17/2017- GST dated 15<sup>th</sup> November, 2017)

- ? Form **GSTR 3B** will stay as a **monthly** return for all taxpayers and is to be filed by 20<sup>th</sup> of the succeeding month **till March, 2018**.

(Notification No. 56/2017-Central Tax dated 15th November, 2017)

- ? Upto March, 2018, filing of **GSTR 1** will be as follows:

- a) **Quarterly** return for Taxpayers with annual turnover **upto Rs. 1.5 crore**

Period	Dates
July - Sep	31st Dec 2017
Oct - Dec	15th Feb 2018
Jan - Mar	30th April, 2018

- b) **Monthly** return for Taxpayers with annual turnover **more than Rs. 1.5 crore**

Period	Dates
July - Oct	31st Dec 2017
Nov	10th Jan 2018
Dec	10th Feb 2018
Jan	10th Mar 2018
Feb	10th Apr 2018
Mar	10th May 2018

(Notification No. 57/2017-Central Tax and 58-Central Tax dated 15th November, 2017)



- ? Special procedure or extension of the time limit for furnishing the details or return in **GSTR 3** for July, 2017 to March, 2018 **will be subsequently notified**

(Notification No. 57/2017-Central Tax dated 15th November, 2017)

- ? **Extension of due dates** for various forms have been as follows:

Forms	Description	Period	Due Date	Notification/Circular dated 15th November
Form GST TRAN-1	Transitional Period Statement (Original/Revised)		27th December	Order No. 9/2017 and 10/2017
Form GST ITC-04	Goods dispatched to/received from job worker (to be furnished by principal)	July-Sept	31st December	Notification No. 63/2017 - Central Tax
Form GSTR 4	Quarterly Return for Composition Taxpayers	July-Sept	24th December	Notification No. 59/2017 - Central Tax
Form GSTR 6	Input Service Distributors (ISD)	July	31st December	Notification No. 62/2017 - Central Tax
Form GSTR 5A	Suppliers of OIDAR services from outside India	July	15th December	Notification No. 61/2017 - Central Tax
Form GSTR 5	Non Resident Taxpayers	July	11th December	Notification No. 60/2017 - Central Tax

- ? Supplier of **services through e-commerce platform** have been **exempted** from obtaining compulsory registration if their **aggregate turnover is < Rs. 20 lakhs** (non special category states) and Rs. 10 lakhs (special category states) in a financial year

(Notification No. 65/2017-Central Tax dated 15th November, 2017)

- ? **Supplier of goods** other than persons under composition scheme need **not pay any taxes on advance** payments. Time of supply in this case will be earlier of:

- Date of issue of invoice
- Last date of issue of invoice

It may be noted that tax on **advances** in respect of supply of **services** will still **continue**

(Notification No. 66/2017-Central Tax dated 15th November, 2017)



- ? Rules for value attributable to States/Union Territories in case of supply of advertisement services to CG/SG/Local Authority/statutory body has been prescribed  
(Notification No. 12/2017-Integrated Tax dated 15th November, 2017)
- ? Amendments to the **GST rates** notified after giving effect to the decisions of the 23rd GST Council meeting  
(Notification No. 41/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 43/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 41/2017-Union Territory(Rate) dated 14th November, 2017)
- ? Amendments to the GST exemption list notified after giving effect to the decisions of the 23rd GST Council Meeting  
(Notification No. 42/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 44/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 42/2017-Union Territory(Rate) dated 14th November, 2017)
- ? GST is to be paid on **reverse charge basis** on procurement of **raw cotton** by any registered person from an agriculturist  
(Notification No. 43/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 45/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 43/2017-Union Territory(Rate) dated 14th November, 2017)
- ? **Refund of unutilized ITC** restricted on certain types of knotted netting of twine, cordage or rope, corduroy fabrics and narrow woven fabrics  
(Notification No. 44/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 46/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 44/2017-Union Territory(Rate) dated 14th November, 2017)
- ? Concessional GST rate of **2.5%** provided on **scientific and technical equipments** supplied to public funded research institutions  
(Notification No. 45/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 47/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 45/2017-Union Territory(Rate) dated 14th November, 2017)



- ? Instead of 'services provided' used generically in the rate notification in respect of construction services, **composite supply of works contract** has now been **specifically used**  
(Notification No. 46/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 48/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 46/2017-Union Territory(Rate) dated 14th November, 2017)
- ? Following rates have been prescribed in respect of supply of food or article for human consumption by a restaurant, eating joint including mess, canteen:
- o Other than those in hotels, inns etc. where declared tariff > Rs. 7,500 per day – 5%
  - o In hotels, inns etc. where declared tariff > Rs. 7,500 per day – 18%
- (Notification No. 46/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 48/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 46/2017-Union Territory(Rate) dated 14th November, 2017)
- ? Rate of 5% prescribed on **job work** relating to manufacture of certain **handicraft goods**  
(Notification No. 46/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 48/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 46/2017-Union Territory(Rate) dated 14th November, 2017)
- ? **Exemption** to services by way of admission to declared **protected monuments**  
(Notification No. 47/2017-Central Tax (Rate) dated 14th November, 2017)  
(Notification No. 49/2017-Integrated Tax(Rate) dated 14th November, 2017)  
(Notification No. 47/2017-Union Territory(Rate) dated 14th November, 2017)
- ? **IGST Exemption** applicable to **skimmed milk powder**, **concentrated milk** for use in the production of milk distributed through dairy co-operatives extended to **companies registered under Companies Act, 2013**  
(Notification No. 50/2017-Integrated Tax(Rate) dated 14th November, 2017)



## GST RETURN FILING AND RELEATED ISSUES on 22.09.2017



CA. Abhishek Agarwal being felicitated



Cross Section of Delegates

## ASSESSMENT OF IT RETURNS & RECENT CHANGES IN GST on 15.11.2017



CA. Sumantra Guha, CA. Manoj Tiwari  
CA. Shubham Khaitan, CA. Malay Goswami



CA. Shubham Khaitan



CA. Manoj Tiwari being felicitated



Cross Section of Delegates



## TAX AUDIT & RELATED ISSUES AND COMPANY LAW AMENDMENT

on 04.09.2017



CA. Malay Goswami, President



CA. Sumantra Guha, CA. Animesh Mukhopadhyay,  
CA. Sanjay Bhattacharya



CA. Animesh Mukhopadhyay, CA. Manish Tiwari,  
CA. Malay Goswami



CA. Sanjay Bhattacharya, CA. Animesh Mukhopadhyay,  
CA. Malay Goswami, CA. Sumatra Guha

## GST RETURN FILING AND RELATED ISSUES

on 22.09.2017



CA. Chiranjib Das



CA. Abhishek Agarwal