



# E-NEWS LETTER

GHAZIABAD BRANCH OF CENTRAL INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



Year 2018-19

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## प्रतिबिम्ब



saare jahaan se achha  
**HINDUSTAN HAMARA**

# INDEX

S.No.	Particulars	Page No.
01	Editorial Board	03
02	Messages	04-06
03	Articles	07-08
04	Benevolent Fund	9
05	Due Dates for the Month of August	10-11
06	Case Laws	12-14
07	Past Events	15-19
08	Crossword	20-21
09.	Suggestions	22

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## CHAIRMAN MESSAGE



***"If you really look closely, most overnight successes took a long time."  
-- Steve Jobs***

I am honored to communicate to you through this edition of the newsletter. I extend wishes of the holy month of Shravan, **I hope we plan our work according to the possible constraints which are foreseeable like traffic etc.**

As I began with the expression by Steve jobs, I wish to share with you that whoever is working towards big dreams, which I know is most of us specially the young Chartered Accountants. I hear from them that "Nothing seems to move, at times". I just want to say that Keep working, because ***for that one moment of drastic change you have to make a million moves that do not seem to count.***

Talking about our month, it began with the 70th CA day Celebrations, the events were conducted in a graceful manner.

The First ever Members fest was celebrated in Ghaziabad on the CA day Eve 2018. It was a delight to have your presence.

A Swachh Bharat & Save Water awareness cyclothon followed by a Walkathon on the same mission was conducted on the Morning of the Platinum Jubilee of the Institute of Chartered Accountants of India, The Flag Hoisting at the Branch premises was followed by a fitness challenge performance along with the Health camp and Blood donation camp. In the evening we met for a discussion on the fitness, keeping in mind how important is fitness in our professional endeavors.

**I congratulate the newly qualified members** who have successfully attained the milestone on the July 20th, 2018. Here is a date none of you would forget. I wish you all the best in your career and remember the best is yet to come.

We have a lot coming up for you but most importantly, **the regional conference conducted by CIRC is being Hosted by our Ghaziabad Branch** and most of you would have already registered for the event. Those of you who have not please do as soon as possible. As the Chairman of the Ghaziabad branch it is my honor to express how gracious this opportunity to host the wonderful event is, & **I wish to see all our members from Ghaziabad to mark their presence and express our joy!**

**Warm Wishes,  
CA Puneet Sakhuja  
Chairman-Ghaziabad Branch of CIRC of ICAI**

## SECRETARY MESSAGE



### Esteemed Professional Colleagues!

“मनुष्य अपने विश्वास से निर्मित होता है। जैसा वो विश्वास करता है वैसा वो बन जाता है”  
श्रीमद्भागवद् गीता

I feel privileged while interacting you all through this column in **FOURTH EDITION** of E-newsletter for the members “**PRATIBIMB**” with thanks to editorial board team.

This month is going to be historic for the Ghaziabad Branch since we are hosting very first time Regional Conference of CIRC, i.e., “**Prakalp -2018 : Beginning of New Era**” on 18th and 19th August, 2018. Committee and members started preparation of it since many days and now it is the time to witness those efforts. I request all the members to join this conference as it will give platform to interact with the members who belongs to the entire Central Region. Further, the topics are very relevant which will be delivered by eminent speakers. Cultural Evening will add up attraction to this conference.

We are going to celebrate 72nd Independence Day on 15th August. I wish entire fraternity a very happy Independence Day. It is the time to know and use our rights on one side and also to fulfill our responsibility and expectations of the society, nation and the world at large with our skills.

We celebrated CA day last month with immense enthusiasm in which we organized many social activities in which many members and students participated. We also conducted Member's Fest on this occasion.

The month of July witnessed a very memorable month for many students who qualified their CA Examination and also for the students who cleared their CPT and Foundation exams. I convey my heartiest wishes and congratulate all the successful candidates. I would also like to convey best of luck to all the students who could not qualify in this month but surely you will make the history in the coming November examination by putting your best efforts, concentration and dedication. The aforesaid quote in starting of my message also conveys a positive message that we must do believe in ourselves as what we think, we become. So think positive and do positive. Give your best and leave the results upto destiny.

We congratulate the members whose articles have been published in this edition of **PRATIBIMB** and request the members to give us their write up on various professional topics so that we can publish it in our next edition. I wish you all a very happy and enjoyable learning. Jai Hind! Jai ICAI!

**CA. Vineet Rathi**

Secretary

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## EDITORIAL BOARD MESSAGE

Dear Readers,

We wish everyone a very Happy Independence Day.

It is with great pride and enthusiasm that we present to you the **4<sup>th</sup> Edition** of E-Newsletter “**PRATIBIMB**” of Ghaziabad branch of CIRC of ICAI.

This time Ghaziabad branch is Hosting Regional conference of CIRC of ICAI with the theme PRAKALP – Beginning of New Era. PRAKALP is with reference to changes and moving towards new innovative/dynamic generation.

We thank each one of you who have contributed to this newsletter in different ways through articles, crosswords and your valuable suggestions to make it more effective.

As they say that **the pen is mightier than the sword**, we encourage you to bring forward the writer inside you and submit us articles on current Professional topics surfacing in our economy, since the success of this newsletter depends on your participation.

Any suggestions for improvement of the newsletter are always welcome.

Happy Reading

Regards

**Editorial Board**

# Evolution of traditional forensic email review through FTA



**Aakash Agarwal.**

Membership No - 548051.

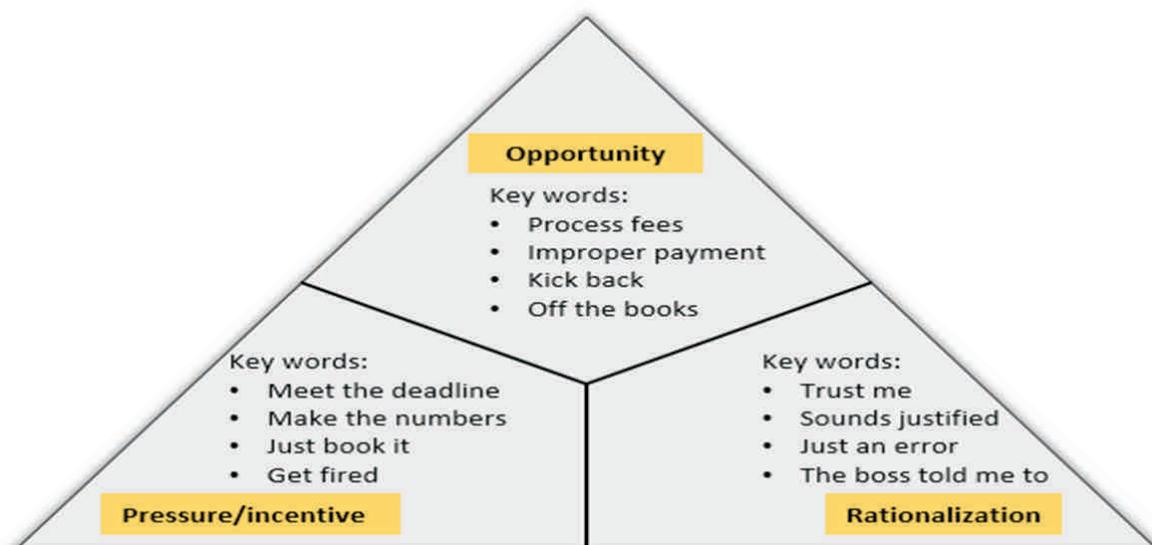
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## **Traditional email review for investigation:**

Email is also the primary source of numerous criminal activities on the Internet. Computer Forensics is a systematic process to retain and analyse saved emails for the purpose of legal proceedings and other civil matters. Email is the most utilized form of communication for businesses and individuals nowadays, and it is often exposed to illegitimate uses. If you are a forensic investigator, you are probably need to be able to determine if an email has or has not been falsified. Identification of evidences through forensic email review enables investigators to find perpetrators. However due to large volume of email generation, different methodologies has emerged using analytics which helps in sound email reviews

## **Evolving traditional email review using Fraud Triangle Analytics (FTA) for investigation or an anti-fraud response program**

Fraud Triangle Analytics (FTA) establishes relationship between the email communications and Fraud Triangle through the development of specific fraud related keywords that relate to incentive/pressure, opportunity, and rationalization. When building your keyword library around the Fraud Triangle, it's important to consider the type of fraud you're analysing such as asset misappropriation, corruption, or financial misstatement. Further, it is critical to incorporate industry and company-specific jargon, acronyms, and cultural slang that might be used within the specific group being analysed. FTA involves searching for the occurrence of those keywords within e-mail or instant message (IM) communications.



E-mail and IM (instant messaging) from selected individuals as the first sources of data is often obtained by Investigators and regulators, during investigations. Traditional document review requires the investigator to read and understand thousands of e-mails and IMs looking for clues of fraud. However, using FTA, we can efficiently mine a large amount of e-mails and IMs for evidence by automatically analyzing the frequency of specific fraud-related words and phrases – keywords that describe individuals' incentive/pressure, opportunity and rationalization, due to which it is extensively important to develop library for specific fraud related words for successful email review using FTA

### **Interactive FTA dashboard to navigate the information:**

Using interactive FTA dashboards can help investigators by selecting the custodian of data (employee of which email data is subjected to investigation) which will highlight the individual's e-mail hit frequency for specific fraud related keywords. In the end, the Interactive Dashboard helps the investigator identify top individuals of interest (based on the Fraud Triangle Theory) and key time periods and keywords to focus for further inquiry.

### **Conclusion**

FTA has been used to help investigators uncover fake billing, vendor schemes, check-kiting schemes, bribery and corruption violations, and financial misstatements. It has also worked in reverse. Sometimes no substantial keyword spikes were identified, which when combined with other corroborating evidence, suggested to the investigation team that they might look outside the company for the perpetrator. This methodology will continue to gain in its popularity and adoptions because it attacks the status quo of traditional, document-intensive e-mail review projects and couples it with proactive anti-fraud analytics that rely solely on transaction data.



# CHARTERED ACCOUNTANTS' BENEVOLENT FUND

## AN APPEAL TO ICAI MEMBERS FOR CONTRIBUTION TO CABF

Chartered Accountants' Benevolent Fund (CABF) established in 1962 by ICAI, is one of the largest body providing welfare and support to the Chartered Accountants Fraternity. It provides financial assistance for medical treatment, education, maintenance or any other similar purpose to necessitous persons of the CA fraternity. Financial assistance in lump sum is also given to the widows/relatives of the deceased member in case of accidental/unnatural death at age below 55 years. A considerable number of members/family is already getting such assistance from CABF.

To continue this endeavour, CABF invite contribution from our CA members. The contribution can be made in the form of:

- |                                  |  |
|----------------------------------|--|
| <b>1. Life Membership</b>        | - <b>Rs.5000/-</b>                             |
| <b>2. Ordinary Membership</b>    | - <b>Rs. 1000/- annually</b>                   |
| <b>3. Voluntary Contribution</b> | - <b>An honorable amount up to any extent.</b> |

All subscription and contribution made towards CABF is eligible for deduction under Section 80 (G) of Income Tax Act, 1961.

Please contribute generously towards the Fund through at par cheque/DD favoring "Chartered Accountants Benevolent Fund" and sent it to concerned Regional Office of ICAI or to following address:



Chairman  
Chartered Accountants Benevolent Fund  
**The Institute of Chartered Accountants of India**

"ICAI Bhawan",  
A-29, Sector 62, Noida-201309,  
Dist. Gautam Budh Nagar (U.P.)  
Email: cabf@icai.in

## DUE DATES FOR COMPLIANCES FOR AUGUST 2018

### Under GST:

Dates	Particulars
11-08-2018	<b>GSTR-1</b> - taxpayers with Annual Aggregate turnover <b>More than</b> 1.50/- Crore
24-08-2018	<b>GSTR-3B</b> - Pay due Tax till this date. (Earlier it was filed first & now May onwards GSTR-1 is to be filed first so data needs to be finalized before 10th itself.)
20-08-2018	<b>GSTR-5</b> - (filed by a Non-resident Taxable person) for the for the month of July 2018
20-08-2018	<b>GSTR-5A</b> - (filed by a Non-resident Taxable person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient) for the for the month of July 2018

### Under Income Tax Act:

31-08-2018	<p>Annual return of income for the assessment year 2018-19 for all assessee <b>other than:-</b></p> <ul style="list-style-type: none"> <li>Corporate-assessee or</li> <li>Non-corporate assessee (whose books of account are required to be audited) or</li> <li>working partner of a firm whose accounts are required to be audited or</li> <li>An assessee who is required to furnish a report under section 92E.</li> </ul> <p><b>Penalty</b> would be imposed as below in case of delay:-</p> <p>Late Filing between 1st Sep &amp; 31st December – Rs.5000 Late Filing After 31st December – Rs.10,000</p> <p>Penalty if taxable income is less than Rs.5 Lakhs – Rs.1000</p>
07-08-2018	Due date for deposit of tax deducted /collected at source for m/o July 2018
15-08-2018	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for June quarter
15-08-2018	Due date for furnishing of Form 24G by an office of Government where TDS for m/o July 2018 has been paid without the production of a challan
14-08-2018	Due date for issue of TDS Certificate for tax deducted under section 194-IA (TDS on Immovable property) in m/o June 2018
14-08-2018	– Due date for issue of TDS Certificate for tax deducted under section 194-IB (TDS on Certain Rent payment) in m/o June 2018
30-08-2018	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA(TDS on Immovable property) in m/o July 18.
30-08-2018	– Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IB(TDS on Certain Rent payment) in m/o July 18.

## Under ESI, PF Acts:

15-08-2018	PF Payment for m/o July 2018.
15-08-2018	ESIC Payment for m/o July 2018
25-08-2018	PF Return filling for June -2018 (including pension and Insurance scheme forms)

## CASE LAWS



**CA. Ankur Goel**

E-mail: agoel2894@gmail.com

### GOODS AND SERVICE TAX -

1. **ITC not deniable to buyer when tax collected by selling dealer but not remitted to Government – Mad.H.C. - Elite Furniture Mart v. Assistant Commissioner (ST), Coimbatore - 2018(14) G.S.T.L. 508 (Mad. H.C)**

Input Tax Credit – Denial of – Revenue seeking reversal of credit taken on account of non-remittance of tax collected by selling dealers from petitioner, into Government Treasury – HELD : Denial, not on account of default committed by Petitioner – Failure to pay tax by selling dealer cannot be reason for reversing Input Tax Credit – Decision in Sri Vinayaga Agencies, applicable – Denial of Input Tax Credit unsustainable in law and set aside – Article 226 of Constitution of India.

2. **Condition when Manufacture by Job Worker not covered under Job Work–2018 (14) G.S.T.L. 571 (A.A.R.-GST) Before The Authority for Advance Ruling under GST, Maharashtra v. In re: JSW Energy Ltd.**

Job work under GST – Manufacture & job work – Prime raw material of Job Worker M/s. JEL, i.e., steam coal, not the inputs for Principal, i.e., M/s. JSL for their final product, i.e., Steel as they are utilizing coal other than steam coal – Electricity so produced supplied to Principal, i.e., M/s. JSL only through distribution system of third party, i.e., MSEDCL – Further, no one-to-one correlation can be established vis-à-vis the receipt of processed goods due to involvement of third

party – Condition of the definition of job work under Sections 2(68) and 143(1)(a) of Central Goods and Services Tax Act, 2017 not fulfilled as M/s. JSL did not sent other inputs such as water, air, etc. used by M/s. JEL – Therefore, transaction between Appellant and M/s. JSL not qualifies for job work – Activity undertaken by appellant would amount to manufacture of electricity – Transaction between appellant and M/s. JSW to be considered as supply of goods and supply of service – Sections 2(48) and 143 of Central Goods and Services Tax Act, 2017.

3. **Unit Container-Packing in 'bag' cannot be treated as packing in "Unit Container"-(2018) 15G.S.T.L. 112 (A.A.R. – GST) Before The Authority for Advance Ruling under GST, Haryana v. IN RE:AOV Agro Food Pvt. Ltd.**

Meat – Frozen Meat – Unit Container – Whole (sheep/goat and chicken) animal carcasses in frozen state in different weight and size packed in primary LDPE bags and two such LDPE bags further packed in secondary HDPE bags, cannot be regarded as 'Unit Container' – Products fall under exemption list as per Entry Nos. 10 and 13 of Notification No. 2/2017-I.T. (Rate), dated 28-6-2017 upto 14th November, 2017 and thereafter as per Entry No. 9 of Notification No. 44/2017-I.T. (Rate), dated 14-11-2017.

4. **Exam Support Services is a composite supply-(2018) 15G.S.T.L. 107 (A.A.R. – GST) Before The Authority for Advance Ruling under GST,**

## Haryana v. IN RE: BC Examinations and English Services India Pvt. Ltd.

Services proposed to be provided by applicant for conducting IELTS exams are so bundled with each other that these cannot have independent existence and therefore these are composite supply of services – Principal supply being of the service of conducting exams, rightly classifiable under Service Code 999299 Group 99929 and Heading 9992 of GST Tariff as education support service and therefore taxable @ 18% (9% CGST and 9% HGST) vide Sr. No. 30 of Notification No. 11/2017-C.T. (Rate), dated 28-6-2017 and corresponding State Notification No. 46/ST-2, dated 30-6-2017 – Sections 2(30) and 2(90) of Central Goods and Services Tax Act, 2017/Haryana Goods and Services Tax Act, 2017.

5. **Change of ownership of factory does not amount to removal of goods-**(2018) 15G.S.T.L. 49 (Bom.) Commissioner of C.Ex., Nagpur v. Indorama Synthetics (I) Ltd.

Assessee had not removed goods from godown, but goods were removed by successor, who had already paid Excise duty on removal of such goods – No error by Tribunal in not considering provisions of Section 4 of Central Excise Act, 1944 – Duty correctly held as not imposable – Section 11A of Central Excise Act, 1944 corresponding to Section 73 of finance Act, 1994 – Rule 4 of Central Excise Rules, 2002.

## DIRECT TAX -

1. **Retention money:-** Deputy Commissioner of Income-tax-14(1)(2), Mumbai v. Commtel Networks (P.) Ltd. [2018] 95 taxmann. com 50 (Mumbai - Trib.)

Where assessee entered into contract for providing telecommunication services and in terms of contract certain amount was withheld by contractee towards retention money for

satisfactory execution of contract by assessee, retention money was to be taxed in assessment year in which it was actually paid to assessee.

2. **Capital Gain on Compulsory Acquisition of Agricultural Land:-** Income-tax Officer, Ward I & TPS v. Basavaraj M Kudarikannur [2018] 95 taxmann.com 106 (Bangalore-Trib.)

Interest awarded under section 28 of Land Acquisition Act, 1894, on enhanced compensation paid for compulsory acquisition of agricultural land, would be eligible for exemption under section 10(37).

3. **Bogus purchases:-** Commissioner of Income-tax, Gandhinagar v. Aashadeep Industries [2018] 95 taxmann.com 135 (Gujarat)

Question as to whether Tribunal erred in law and on facts of case in restricting addition to 25 per cent of value of alleged purchases after categorically finding it to be bogus, was to be admitted for consideration.

4. **Business expenditure:-** Principal Commissioner of Income-tax, Surat-1 v. Juned B. Memon [2018] 95 taxmann.com 20 (Gujarat)

Where assessee inflated purchase expenditure by raising bogus claim of cash purchases exceeding Rs. 20,000, profit element embedded therein should be brought to tax; entire amount was not to be disallowed under section 40A(3).

5. **Creditor's confirmation:-** Assistant Commissioner of Income - tax, Kheda Circle Nadiad v. Dattatray Poultry Breeding Farm (P.) Ltd. [2018] 95 taxmann.com 130 (Ahmedabad – Trib.)

Where assessee had shown outstanding sundry creditors for several years but failed to produce such creditors and furnish correct address of all creditors, their PAN numbers and confirmations, Assessing Officer was justified in holding that there was cessation of liability and merely because liabilities were shown in books

of account by assessee and not written back, such liabilities could not be held to be subsisting liability.

6. **Donation to certain funds, charitable institutions:- CIT v. Maharaja Sawai Man Singh II(SC) 295**

Approval under section 80G(5)(vi) could not be denied on ground that educational activity was not included in objects of assessee-trust created for upkeep and maintenance of museum; SLP dismissed.

### International Taxation-

1. *TPO is required to simply determine ALP of international transaction, unconcerned with fact, that any benefit accrued to assessee and thereafter, it is for Assessing Officer to decide deductibility of this amount under section 37(1)-(Delhi-Trib)*

[2018] 92 taxmann.com 112 (Delhi - Trib.) Daikin Airconditioning India (P.) Ltd. vs Deputy Commissioner of Income-tax, Circle-7(1), New Delhi

Section 92C of the Income-tax Act, 1961 - Transfer pricing - Computation of arm's length price (Comparables and adjustments /Adjustment - General) - Assessment years 2009-10 and 2010-11 - Whether it is sine qua non that two or more transactions, in order to be aggregated, must be interlinked and have a close connection with each other - Held, yes - Assessee benchmarked international transaction of 'Payment of consultancy fee' by aggregating it with 'Manufacturing segment' and, then, determined ALP on aggregate basis under TNMM - TPO did not accept aggregation of

transaction - He opined that payment of 'Consultancy charges' should be benchmarked separately under Comparable Uncontrolled Price (CUP) method and, accordingly, he determined ALP of international transaction at Nil - He proposed transfer pricing adjustment holding that no benefit was received by assessee - It was found that assessee did not undertake any manufacturing activity as manufacturing unit was being set up during year - Further, transactions did not have any close connection and were independent of each other and, hence, could not be aggregated for purpose of benchmarking - Whether, on facts, TPO was required to simply determine

ALP of international transaction, unconcerned with fact that any benefit accrued to assessee and thereafter, it was for Assessing Officer to decide deductibility of this amount under section 37(1) and, thus, matter be adjudicated afresh - Held, yes [Para 15] [Matter remanded]

2. *Capital gains falling under article 13 of India-Singapore DTAA not taxable though gains wasn't remitted to Singapore-*

[2018] 96 taxmann.com 75 (Mumbai - Trib.) Deputy Commissioner of Income-tax, IT Circle- 2 (1) (2), Mumbai vs D. B. International (Asia) Ltd.\*

Article 13(4) of DTAA between India and Singapore is not an exemption provision but it speaks of taxability of particular income in a particular State by virtue of residence of assessee and provisions of article 24 of India Singapore Tax Treaty does not have much relevance insofar as it relates to applicability of article 13(4) to income derived from capital gain.



# PAST EVENTS ORG BY GZB BRANCH

1<sup>st</sup> July 2018- Medical Checkup & Blood Donation Camp



Medical Checkup



Blood Donation

# 1<sup>st</sup> July 2018 - Flag Hoisting



Flag Hoisting



Flag Hoisting N Organ Donation Sesssion



**Walkathon**



**Cycling**

# 30<sup>th</sup> June 2018 Cultural Evening



# 30<sup>th</sup> June 2018 Cultural Evening



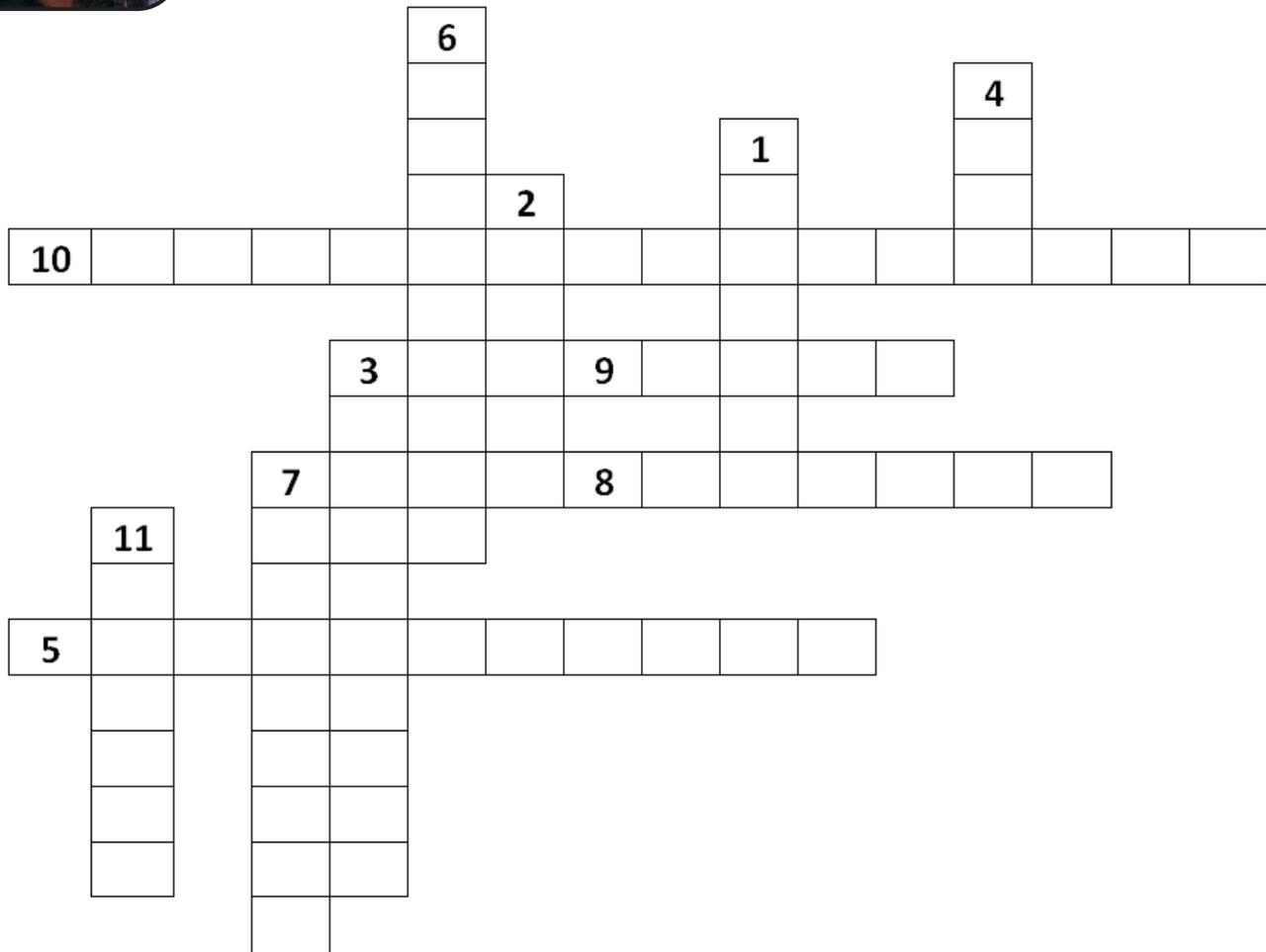
# CROSSWORD



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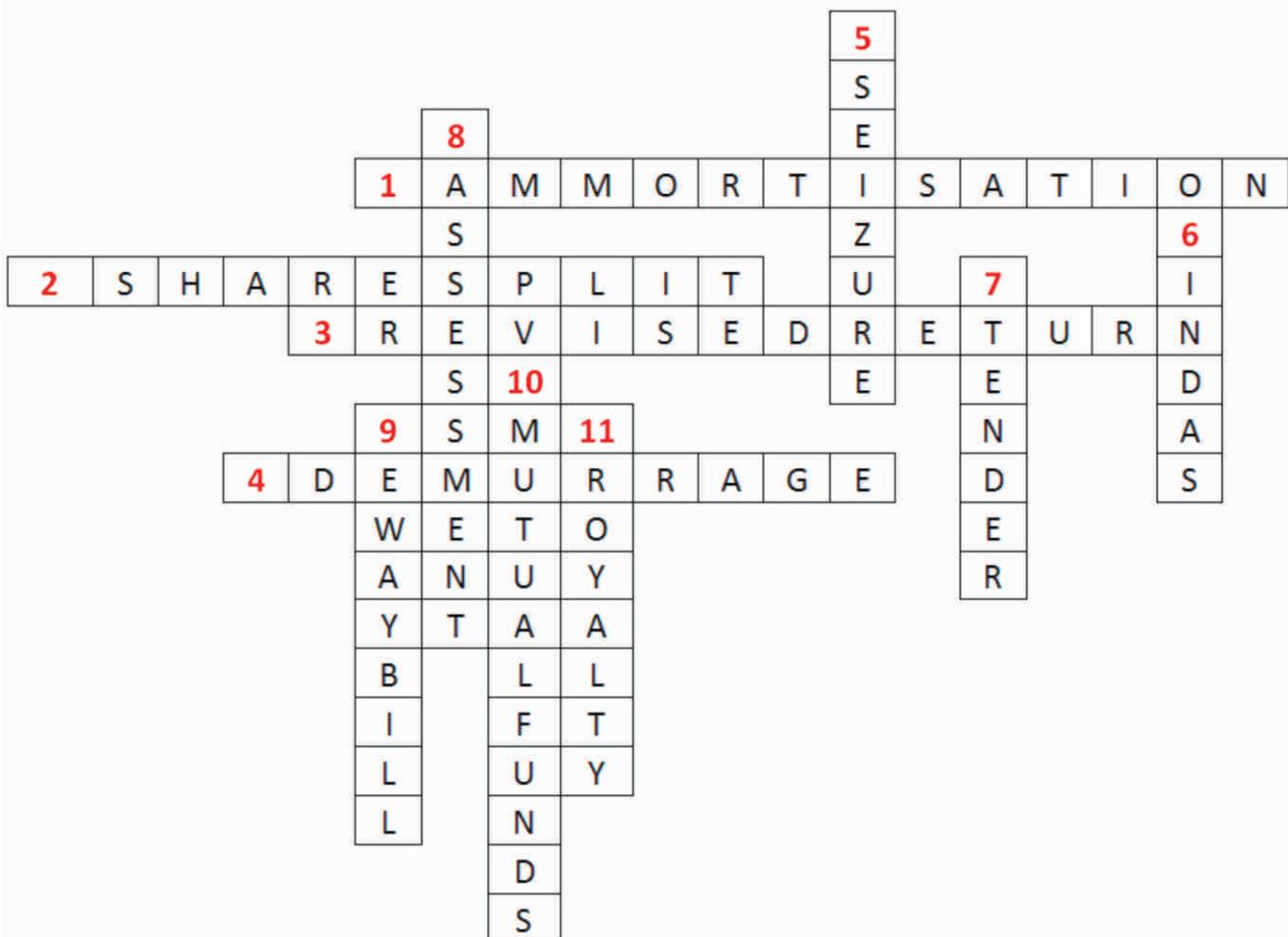
## Across

- 5) Tax paid in instalments during the assessment year on Pay as you earn basis
- 8) Consolidation of companies or assets through various Financial Transactions
- 9) As per Section 40A (3) if the transaction exceeds a certain amount in this form, it shall be disallowed under Income Tax Act
- 10) If all the Requisite schedules and annexures are not filled along with the Income Tax Return, such return is treated as?

## Down

- 1) If you are a resident and your taxable income doesn't exceed Rs 3, 50,000/- you will be eligible for this.
- 2) Such Institutions are eligible for relief u/s 11, 12, 12A, 12AA
- 3) A general increase in prices and fall in value of money
- 4) When the tax paid by the Company is less than 18.5% of Book Profits, the company has to pay it
- 6) An additional Charge or tax applicable to high income group companies/individuals
- 7) A form of return paid by the company to its share holders
- 11) As per Section 41(1) of Income Tax Act, reduction in value of trade liabilities is called?

## Answer to Previous



## INVITATION FOR WRITE UP/ ARTICLES

We are thankful to all the members who contributed articles for our e- newsletter “PRATIBIMB”  
Members are invited to send their articles on Professional Topics for publication in the newsletter.

Hope You have liked our initiative

Please write us at:

ebicaigzb@icaigzb.org

## SUGGESTIONS/ FEEDBACK

Suggestions/ Feedback

Dear readers, attempts are being made to make it more informative and enjoyable, your feedback and suggestions are valuable to us. So, if you have any feedback or suggestions, please write to us at ebicaigzb@icaigzb.org

Your feedback is important to us!!!

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