

SICASA

E-NEWSLETTER

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

(FORMERLY KNOWN AS KANCHIPURAM DISTRICT BRANCH OF SIRC)

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Note: The views expressed in the articles published are their own views and SICASA Chengalpattu District Branch does not endorse or take any responsibility for the views expressed in the articles.

ARTICLES INVITED FROM STUDENTS:

Note: Articles are invited from students for publishing in newsletter. The articles shall be either on the specific subject or a general article.

Students can mail their article with Name, SRO Number, Mobile Number, Residential Address, Office Address & Photo to our Mail mentioned below

Contact Us



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FROM THE SICASA CHAIRMAN'S DESK

My dear students

Everyone wants to be successful but do you deserve it.
One of the governing laws of life is

**YOU DO NOT GET WHAT YOU DESIRE,
YOU ONLY GET WHAT YOU DESERVE.**



Your motivation has to come from you. Your desires and your deservingness have to propel that motivation. You defeat yourself without self-motivation.

The future belongs to self-starters and not kick-starters. Nobody in the world including your parents are going to keep pushing you all the time.

In fact, the dividing line between the also-rans and the champions is their levels of self-motivation. Circumstances create a man is for externally motivated people. Man creates his own circumstances for self-motivated people.

Let the push come from within you with proper direction. The context has to be where do you want to reach in life. With out direction, your days will be filled with activities. With direction, there will be accomplishments.

Keep asking yourself, is my processes are incongruent with my goals. If not change the processes and give your very best and a little more to achieve your goals.

When you follow the above with earnest faith your desires will convert into deservingness and success will come and kiss your feet.

Play your part, rest will fall in line.

Stay Safe, Stay Healthy
CA Shivachandra Reddy K
Chairman, SICASA

FROM THE BRANCH CHAIRMAN'S DESK

Dear Students,



My congratulations to those who have cleared their exams in the recently held CA exams and better luck next time to those who haven't. Put more strategic efforts towards preparation for upcoming exam.

Take your articleship training very serious and learn the most during this period. **No Principal CA is obliged to train any students.** It's out of their passion towards the profession, they admit and train CA students. By training you, your principal is creating his own competitor. You can learn everything during your training. But once you complete your training, no one will teach anything. Hence be faithful and grateful to your principal at all times.

Our branch has decided to open the reading rooms for our students appearing for the upcoming CA exams. The students are requested to strictly adhere to the Covid 19 SOP as per the government guidelines and utilize the reading room's facility.

Any students can approach the branch or the Managing Committee for any assistance regarding any exams.

Work hard and systematically so that you can clear your CA exams and lead an ethical life.

Best wishes.

CA Kathiresan C

CHAIRMAN

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

DUTIES UNDER CUSTOMS ACT



Thilaga

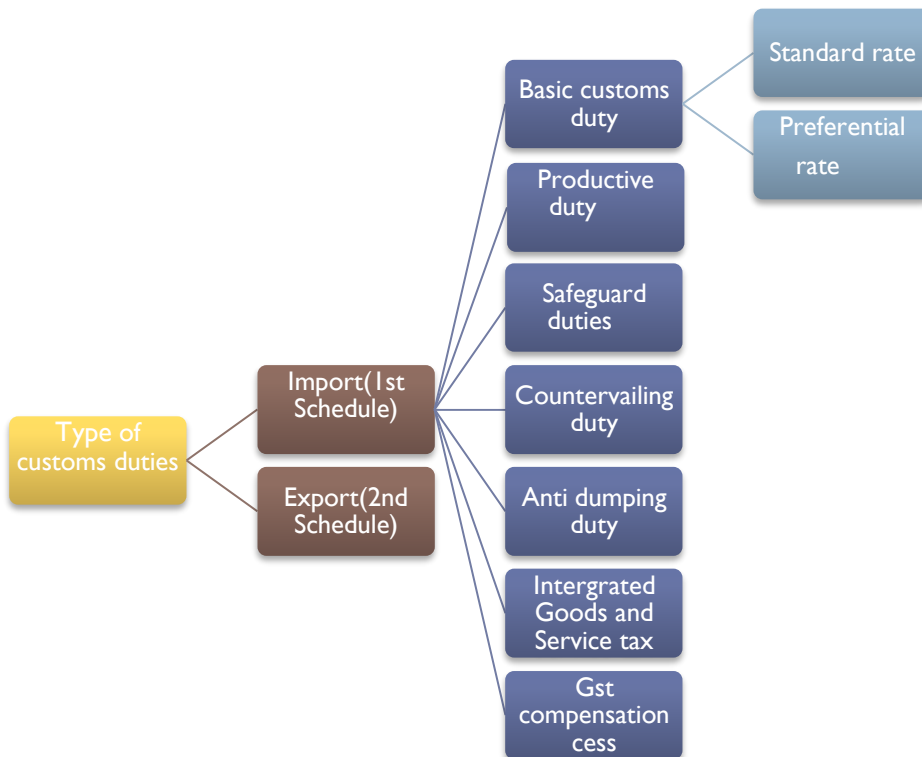
SRO0556157

INTRODUCTION:

Customs Duty refers to the tax that is imposed on the transportation of goods across international borders.

Assessable value for import is CIF(Cost Insurance Freight).

CIF is paid when once the goods are reached to the importing country the importer has to pay Cost (i.e. Free On Board) along with Insurance and Freight from exporter country to importer country.



1. BASIC CUSTOM DUTY (As per Sec 12 of the Customs Act, 1962):

- Goods imported to India are chargeable to basic customs duty (BCD) under Customs Act, 1962. The rates of BCD are indicated in 1st Schedule (for Imports) of Customs Tariff Act, 1975.
- Generally, BCD is levied at standard rate of duty but if certain conditions are satisfied (provided below), the importer can avail the benefit of preferential rate of duty on imported goods.

Conditions for availing the benefit of Preferential Rate of duty:

- Specific claim must be made by the importer.
- Import must be from preferential area notified by Central Government.
- Goods are to be produced or manufactured in such preferential area.

2. PROTECTIVE DUTIES:

- A duty imposed on imported goods for the protection of the interest of any industry established in India on the recommendations of Tariff Commission.
- It is not applicable for persons operating form 100% Export Oriented Units (EOU) and Special Economic Zone (SEZ) units.

3. SAFEGUARD DUTY:

- Safeguard duty is product specific. The duty imposed under this section shall be in force for a period of 4 years from the date of its imposition and can be extended with total period of levy not exceeding 10 years.
- Safeguard duty shall not apply to articles imported by a 100% EOU undertaking or a unit of Free Trade Zone or SEZ unless specifically made applicable.

Circumstances when Safeguard duty shall not be imposed:

- When article originating from a developing country , so long as the share of imports of that article from that country does not exceed three per cent.

- Where the article is originating from more than one developing country then, aggregate of the imports from each of the developing Countries with less than three per cent import share taken together does not exceeding nine per cent of the total imports of that article into India.

CIRCULAR 23/2015 – CUSTOMS DATED 29.09.2015: *Safeguard duties are rebatable as duty drawback.*

- Rates for drawback does not consider safeguard duty
- The importer who paid SD can apply for claim of SD with the duty drawback
- Importer has to prove with evidence that goods imported which suffered SD is used for production of goods that are exported.
- If imported goods which suffered SD are exported as such, then such SD can be claimed as drawback after satisfying certain conditions.

4. COUNTERVAILING DUTY:

- Duty levied on imports which was subsidized by respective country.
- This CVD shall not exceed the amount of subsidy received.
- Valid for 5 years from date of imposition (further can be extended to 5 years)
- If Goods Manufactured in India are Exempt from Excise Duty, then there is no CVD.
- It has been subsumed under GST.

5. ANTI-DUMPING DUTY:

Dumping means exporting Goods in a Foreign Market at a Price which is less than their Cost of Production or below their **“Fair” Market value.**

Then, upon the importation of such article into India, the Center Government may impose an anti-dumping duty. Dumping gives a hard competition to a domestic goods manufacturer and small scale business units in India.

6. INTEGRATED GOODS AND SERVICE TAX (IGST):

IGST is charged on customs law on goods imported u/s. 3(9) of Customs Tariff Act, 1975. This tax subsumed erstwhile duties called CVD / Special CVD. IGST shall be charged on all imports from 1st July 2017.

If any Bill Of Entry (BOE) submitted with tax payment before 1st July 2017 and goods arrive after that date, then those BOE to be recalled and reassessed and IGST shall be charged on those goods.

Basic custom duty (BCD), Social welfare surcharge (SWS), Anti-dumping duty and safeguard duties shall be added the value for calculating IGST. IGST paid can be claimed as ITC.

7. GST COMPENSATION CESS:

Under GST regime, Compensation Cess will be charged on luxury products like high-end cars and demerit commodities like pan masala, tobacco and aerated drinks for the period of 5 years in order to compensate states for loss of revenue. It is calculated on basic value and any other charge under any other law.

CIRCUMSTANCES UNDER WHICH NO DUTY WILL BE LEVIED:

1. PILFERAGE (Section 13): It means the action of stealing of things which has little value.

Conditions to be satisfied for exemption from duty:

The imported goods should have been pilfered.

The pilferage should have occurred after the goods are unloaded, but before the proper officer makes the order of clearance for home consumption or for deposit into warehouse.

The pilfered goods should not have been restored back to the importer.

2. RELINQUISHMENT OF TITLE TO THE GOODS(Section 23(2)):

The owner of any imported goods may, at any time before an order for clearance of goods for home consumption or an order for permitting the deposit of goods in a warehouse has been made, relinquish his title to the goods and thereupon, he shall not be liable to pay the duty thereon.

Relinquishment not allowed in case of Offence / Violation of Law. The owner of any such imported Goods shall not be allowed to relinquish his title to such goods regarding which an offence appears to have been committed under this Act or any Other Law for the time being in Force.

3. Abatement of Duty (Section 22):

Imported goods had been damaged or had deteriorated at any time before or during the unloading of goods in India.

Imported goods had been damaged or had deteriorated at any time after the unloading of goods in India but before their examination for assessment by customs authorities provided such damage is not due to any willful act.

Any warehoused goods had been damaged on account of any accident at any time before clearance for home consumption provided such damages is not due to any willful act.

4. REMISSION OF DUTY ON GOODS LOST OR DESTRUCTION OF GOODS (SECTION 23(1)):

Remission of Central Excise Duty means duty which is required to be paid as per statutory provisions, but waived from payment in specified circumstances by the competent authority.

- Sec 23 applicable in case of loss or destruction (including leakage if any) must be due to fire, natural calamity.
- Loss or destruction should be found before clearance of goods from the customs.
- Sec 23 applies only when there is no pilferage under section 13. It applies even for goods warehoused.

CONCLUSION:

The government levied these taxes on the export and import of goods and services for raising its revenue, to protect the domestic establishment from competitors which are in other countries and to regulate movement of goods. The rate of Customs duty varies depending on where the goods were made and what they were made of.

Thanks & Regards
Thilaga

Students' Corner

*It's Possible Not When You Think You Can
It's Possible When You Sweat For What You Need In Life.*

- Haarika Kavirala

Why E-Invoice?

Every new process implemented by the tax department is to reduce the major mismatch errors in GST reconciliation, in that way introduction of E-Invoicing enables Pre-population of GST returns which drastically reduces reconciliation related problems, as there was no need for fresh data entry. After understanding the basic purpose of e-invoice, the very next question comes to our mind is that mandatory to all the registered persons in GST?



Sreeja
SRO0545602

As an updated on 8th march 2021, the CBIC notified that e-Invoicing will be applicable from 1st April 2021 for businesses with a turnover of more than Rs.50 crores (in any financial year from FY 2017-18 onwards, as intimated in Notification No. 5/2021 – Central Tax. (The turnover will include the turnover of GSTINs under single PAN nationwide).

However, irrespective of the turnover, as of now e-Invoicing shall not be applicable to the following categories of registered persons, as notified in CBIC Notification No.13/2020 – Central Tax

- A Goods Transport Agency.
- A registered person supplying passenger transportation services.
- A registered person supplying services by way of admission to the exhibition of cinematographic films in multiplex services.
- An insurer or a banking company or a financial institution, including an NBFC.
- An SEZ unit (excluded via CBIC Notification No. 61/2020 – Central Tax).

Let's look into some of the important terms and aspects used in E-Invoicing

Schema/Format:

Schema is nothing but a format of electronic invoice (INV-01), a standard format for e-invoicing. This form has got 29 mandatory fields and others are optional. The entity may use their existing billing software to generate the invoice. Schema is designed in such a way that it is machine readable, understandable and further processed by different software that were used for accounting.

After understanding about the format of schema, this form should be reported to IRP (Invoice Registration Portal).

Invoice Registration Portal:

IRP is nothing but a website used for reporting the invoices in the specified schema by the notified persons. Vide notification no. 69/2019-Central Tax dated 13.12.2019, ten portals were notified for this purpose. This is to ensure uninterrupted availability, also it has some specific validation and facilitates bulk upload of invoices and the same should be digitally signed.

Invoice Registration Number:

IRN is an unique 64 Character, which need not be printed on the invoice as it is already embedded in QR code. It also acts as a point of validation; Invoice will be valid only with a valid IRN.

Cancellation and amendment of IRN:

- It can be cancelled within 24hrs of generation, however, if e-way bill in connection with the particular invoice is still active or verified by the officer, the cancellation will not be permissible.
- Amendment is not possible, changes to the invoice could be done while reporting in the GST portal.

QR Code:

QR code will enables offline verification of invoices using mobile application. The following are the key particulars of QR code containing unique IRN:

- GSTIN of supplier
- GSTIN of Recipient
- Invoice number as given by Supplier
- Date of generation of invoice
- Invoice value (taxable value and gross tax)
- Number of line items
- HSN Code of main item (the line item having highest taxable value)
- Invoice Reference Number (IRN)
- Date of generation of IRN

The following points will take through the process of E-Invoicing:

Invoice will be generated by the notified persons through their regular billing software.

The generated invoice should be reported to Invoice registration portal After reporting, IRP will generate the invoice with IRN and QR Code, and the same will be issued to the receiver.

Auto population of E-Invoice in GSTR1:

All the generated e-invoices will get auto populated in GSTR1 with e-invoice data. GST system will do mapping of E-invoice fields with GSTR 1 fields.

GSTR1 will be updated or modified even after the process of e-invoicing auto population (i.e.), the tax payer could upload the invoice for GSTR1 which will overwrite the e-invoice auto populated.

The process of auto population will be done at the end of every day; soon this will be made available on real-time basis.

Finally let's look into the boons of E-Invoicing:

- Real time tracking of invoices, enables easy creation of e-way bills, reduction of reconciliation issues and disputes and costs.
- Also it paves the way for better internal control and increases standardization and allows interoperability.

**Thanks & Regards,
Sreeja
SRO0545602**

Students' Corner

Falling is Beautiful

As it is meant for a New Rise

- Haarika Kavirala

MCA notifies option for Aadhaar Based Authentication for GSTIN Registration

What is Aadhaar Authentication?

Aadhaar authentication is a process by which the Aadhaar number along with other biometric details of the Aadhaar holder is submitted to the Central Identities Data Repository (CIDR) for verifying its correctness. The CIDR verifies the correctness of data on the basis of information available with it. The main purpose behind the Aadhaar authentication is to create an online platform wherein the identity of Aadhaar holders can be validated anytime anywhere. This will keep a check on the malpractices happening under the Goods and Services Tax.



Shobhit Jaiswal
NRO0416324

Latest Amendment in Companies (Incorporation) Rules, 2014

The Ministry of Corporate Affairs (MCA) notifies the Companies (Incorporation) Third Amendment Rules, 2021 which seeks to amend Companies (Incorporation) Rules, 2014. The rules shall come into effect from 02-03-2021.

The following option shall be inserted in the Companies (Incorporation) Rules, 2014 in the Annexure, in Form INC-35 AGILE-PRO, part of SPICe+, in serial number 12, at the end of Table (A):

Do you wish to perform Aadhaar authentication for GSTIN registration-

- **OPTION YES**
- **OPTION NO**

Authentication of Aadhaar number under the GST Act

The Central Board of Indirect Tax and Customs (CBIC) had issued a notification on 23rd March 2020, about Aadhaar authentication for GST registration from 1st April 2020.

The same has been amended vide notification 62/2020 dated 20th August 2020 to be made optional. The Aadhaar authentication for GST registration is not required for non-residents, persons other than citizens of India and persons who have already been registered under GST.

Mandatory Cases of Aadhaar Authentication

As per Section 25(6C) of the CGST Act, the Aadhaar authentication is mandatory for the following class of individuals as per Rule 8 of the CGST Act in order to become eligible for the GST registration:

- Authorized signatory of all types
- Managing/authorized partners of a partnership firm
- Karta of a Hindu Undivided Family

Exceptions

The only exception is if an individual is not a citizen of India or he is a person other than the one mentioned below:

- Individual
- Authorized signatory of all types
- Managing/authorized partners of a partnership firm
- Karta of a Hindu Undivided Family.

Steps for Aadhaar Authentication

The following steps must be followed to authenticate Aadhaar number for GST registration for all the authorized signatories mentioned on the application.

Step 1: On the submission of the application for registration, the authentication link shall be sent to the registered mobile number and email ID mentioned in the application.

Step 2: Click on the link received on mobile number and the email. A confirmation message will be displayed for successful authentication. The user can get authentication link once again anytime later by visiting the GST portal. Go to My Saved Applications>Aadhaar Authentication Status> Resend verification link to obtain the new link.

References: <http://www.mca.gov.in/> and <https://cbic-gst.gov.in/#>

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