



The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)



# AMRITSAR BRANCH OF NIRC

## STUDENT NEWSLETTER MARCH - 2020



On 28th February, 2020, during the 14th Executive Committee Meeting (2019-22),  
the Office Bearers were elected for the Year 2020-21

### OFFICE BEARERS :-

Chairman	CA SANJAY ARORA
Vice Chairman	CA JATINDER VANSIL
Secretary & Editor in Chief	CA SHASHI PAL
Treasurer	CA IQBAL SINGH GROVER
NICASA Chairperson	CA PALAK BANSAL
Executive Members	CA DEEPAK VERMA CA SUMIT JAITLEY

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### EDITORIAL BOARD

CA SHASHI PAL Secretary (Editor-In-Chief)
KRIKA SEHGAL NICASA Secretary
VISHISHT NARANG NICASA Vice Chairman

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*From the Desk of the Chairman.*

**“Before you are a leader, success is all about growing yourself. When you become a leader success is all about growing others”**

**Dear Students**

**– Jack Welch**

I am extremely grateful & blessed to take over as 42nd chairman of Amritsar Branch of ICAI more so in new decade , At the outset, I wish to share with you that I owe whatever I am today to the blessings and well wishes of my parents, family coupled with learning experience, which I got from my seniors and the continuing love and support I got from fellow Professionals.

It was indeed an enhanced learning time for me partnering in the consolidation measures of the Managing Committee for the Year 2019-20, as Vice-Chairman. Fortunately, the branch has a team of very young and enthusiastic committee members who are eager for betterment of branch & the Amritsar branch has been awarded as Best Branch at National Level in Medium Category for the year 2019. We are affluent to get continuous guidance from seniors.

The Office Bearers and the Managing Committee Members is as under:

Name of the Managing Committee Member	Office Bearer
CA Sanjay Arora	Chairman
CA Jatinder Vansil	Vice Chairman
CA Shashi Pal	Secretary
CA Iqbal Singh Grover	Treasurer & Immediate Past Chairman
CA Palak Bansal	NICASA Chairman
CA Sumit Jaitly	Executive Member

Vision and Strategic Action Plan 2020-2021

My Action Plan in brief is going to be guided by the following:-

- Improve the connectivity CA Members/students of Amritsar with ICAI
- Continuous improvement in infrastructure available to both members as well as students
- Ensure reasonable participation of each Members
- Ensure efforts to organize programs of due professional interests, lending us the effective edge for excelling in profession
- Ensure measures to effectively represent our strength in profession before concerned authorities.
- To Increase importance and presence of our fraternity in government departments.
- To develop & move to more and more student led activities.
- Mentorship Program for young Chartered Accountants
- Empowering small and medium practitioners by providing niche knowledge and capacity building initiatives of ICAI.

**Sincere Appeal to Strengthen the Corpus of CABF**

I appeal all stakeholders of our profession to come forward and actively support and contribute for the cause of membership of accountancy profession, i.e. Chartered Accountants Benevolent Fund (CABF), which is an initiative of ICAI to provide financial assistance to our members-in-distress for sustenance that may may bring back smiles on the faces of more needy families from our professional fraternity.

Contributions to CABF are exempted under Section 80(G) of the Income-tax Act, 1961.

I am thankful for being elected to take charge and lead the profession's pursuit of excellence, independence and integrity. Valuable suggestions/feedback are always welcome.

With Warm regards.  
**CA SANJAY ARORA**  
 Chairman, 2020-21  
 Amritsar Branch of NIRC of ICAI

March, 2020



Chairman



## *From the Desk of the Editor..*

### **Dear Students**

"Everything depends upon execution; having just a vision is no solution." I express my heartfelt gratitude to the members and executive members for giving me an opportunity for serving as Secretary of Amritsar branch. We ensure all the members of the branch, Team Amritsar Branch is continuously giving their contribution for the cause of profession. We have just successfully completed the renovation work of seminar room and corridor out side the seminar room and front Area of Building, Seminar room with ultra modern and new look with facilities of wall mounted projectors, wifi speakers and amplifiers.

Further it gives me immense pleasure to inform that with the efforts of all the office bearers and cooperation of members of the Amritsar branch for the session 2019-20, Our Amritsar branch has been awarded as 1st Prize of National level Best Branch Award under Medium category. I on the behalf of our chairman other office bearers assure all the members that we will continue to give our contribution to bring the branch to new heights and for the benefits of members.

This month is very crucial with regard to health & safety as wide spread of Covid-19 has created lot of panic and disturbance in society & financial sector. Due to this pandemic the activity of branch has also put on hold and advisory is issued to members for gaining the knowledge from digital hub platform. So I request all the members and students to stay safe, stay healthy and stay home

With Warm regards.  
Sd/-

**CA Shashi Pal**

Editor in Chief  
Secretary, ICAI Amritsar Branch

March, 2020





**BY MOHIT MAGGO**

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The Authority on Advance Ruling (AAR), Karnataka has ruled that GST is applicable on residential accommodation sublet by tenant, a ruling that experts said could open a Pandora's box of litigations.

In a case involving about 42 single rooms having been sublet by a tenant to students for a period ranging between three months to 11 months, AAR noted that the property given out for sub-renting matched that of a hotel-rooms with attached bathrooms "which can by no imagination be termed as a residential dwelling", or a house.

While renting of accommodation is exempted from goods and services tax(GST), the authority has ruled, "the exemption prescribed cannot be sought and be lessors have to charge GST while issuing invoice for the lease services". It said,"the applicant is not providing the services of leasing in individual capacity to the company but as a part of the group of lessors. It is seen from the agreement that lessors are providing the service of leasing or renting of immovable property for a consideration".

The AAR order dated March 23 is likely to Trigger a number of litigations, experts said. "With this ruling, lessors may not have the comfort of presuming GST to be exempt, where end use of the property is residential, "said Harpreet Singh partner at KPMG India. One would need to

ascertain whether the leased property qualifies as a "residential dwelling" to claim the exemption benefit.

On the basis of the ruling, tax authorities could well begin demanding 18% GST applicable on renting out commercial property from the landowner leasing residential hostel-style accommodation to school, colleges, educational institutions, offices, corporates, or any other establishment. "Though Ruling has some basic logic to it, still it is expected to open a Pandora's box of litigations for numerous individuals earning passive income," said Rajat Mohan, senior partner at AMRG Associates.



## Incentives under Income Tax for Cashless Economy



**BY KRITIKA SEHGAL**

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*“Who wants to leave the fruits,  
if seeds are sown at own”*

let us discuss sections relating to discouraging cash payments and expenditure working as an incentive to build a cashless economy.

### **(A) Cash transaction limit reduced to Rs.10000/- under section 40A(3A):**

Existing threshold limit of cash payment to person Rs.20000/- reduced to Rs. 10000/- in a single day. Provided that payments otherwise than by an account payee cheque/bank draft or use of ECS through a bank account, means cash payment above Rs 10,000 to a person in a day, shall not be allowed as deduction in computing business income.

### **(B) Cash transaction for capital expenditure more than Rs.10000/- No Depreciation U/s 43 and No Deduction U/s 35AD**

Where an assessee incurs any expenditure for acquisition of any asset in respect which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft or ECS through a bank account, exceeds Rs.10000/-, such expenditure shall be ignored for the purposes of determination of actual cost of such asset and no depreciation shall be allowed on same u/s 43.

Similarly, such expenditure is not eligible for deduction in respect of expenditure incurred on setting up of a Specified Business u/s 35AD.

### **(D) Cash receipt restricted to 3 lakh rupees u/s 269ST & 271D :**

No person, except the Government, any banking company, post office savings bank or co-operative bank shall receive in cash, an amount of 3 lakh rupees or more, from a person in a day, in respect of a single transaction for a single event or occasion.

Section 271DA imposes a 100% penalty on a person who receives a sum in contravention of the new Section 269ST. Means penalty will be equivalent to the amount of such receipt.

### **(E) Restriction on Cash Donation u/s 80G:**

No deduction shall be allowed in respect of donation of amount exceeding of 2000 rupees paid in Cash.

### **(F) Transparency in Electoral Funding : Section 13A**

In order to discourage the cash voluntary contribution received by the Political party, it is proposed to reduce the limit of INR 20,000 to INR 2,000 for which such political party need to keep and maintain a record of such contributions and name and address of person who has made such contribution.

### **Insertion of Sec 194N**

To discourage cash transactions and push digital payments, Budget 2019 has proposed to impose tax deduction at source (TDS) at the rate of 2 percent if the total cash withdrawn in a financial year exceeds Rs 1 crore from a bank, post office



This proves to be an incentive as it will boost digital payments but this new tax will hit hard to some and prove to a disincentive for them.

Like the businessmen, who need to incur a lot of cost in cash like transportation, labour charge and everyday expenses, cannot avoid the cash payments.

One more segment hampered by this, The Indian Tea Association said that in the absence of adequate banking infrastructure in tea garden areas and lack of access to banks for tea garden workers, the tea garden management is required to pay workers wages in cash.

In this backdrop, this TDS will compromise the liquidity of tea estates and cast an additional burden on the industry. ITA has appealed to the government to exempt the tea industry from this provision till such time the bank accounts of tea garden workers are made operational.

At last I would say that the incentives turn into disincentives when we are not able to utilize their benefit and the lack of awareness of these incentives adds to this.

The provisions and incentives will prove to be beneficial if they are more clearer to the common man otherwise we the consultants are surely there to help you.

## GLIMPSES - NIRC AMRITSAR BRANCH ACTIVITIES



It is indeed a matter of great pride for the Branch that, Amritsar Branch of NIRC has been adjudged BEST ALL INDIA BRANCH in the Medium Category for the year 2019-20 in Northern India Regional Council. The Branch management Committee along with other Members received the Award and Certificate of Appreciation in the Award Function organized on 07th February, 2020 in New Delhi by NIRC.



Amritsar Branch of NIRC organized Cricket Match for CA Members on 22nd February 2020 at Gandhi Ground, Amritsar where in 22 Members participated in cricket match. The Programme was well attended by CA Members.



Amritsar Branch of NIRC organized Standup Comedy Event by Mr. Parvinder Singh for CA Members and CA Students on 21st February 2020 at ICAI BHAWAN, New Amritsar .The Programme was well attended by 180 Members, Students and their families.



Guests of Honour : CIT Shri SK Rastogi and CIT(A) Madam Prabhjot Kaur  
CA (Dr.) Girish Ahuja, CA Hans Raj Chugh (CCM), CA Navya Malhotra,  
Mr Vasudev (DGM Bank of India) and CA Balram Sharma (Zonal Credit Manager)