



August 2021

Thinking Beyond



Hiregange Academy

(A division of Empower Education Foundation®)

“Empowering Knowledge & Employability”

**Goods and Services Tax (GST) –
Articles, Notifications,
Circulars**

**Legal updates (GST, Service
tax, Customs)**

ICAI Announcements

**Webinars & Training
Sessions**

Reach us at:

**Hiregange Academy #1010, 1st Floor,
26th Main, (Above Union Bank) 4th 'T'
Block, Jayanagar, Bangalore- 560041
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August 2021

Triple “A” Empowerment Tool – To Lead an Empowered Life

CA Madhukar N Hiregange



In today’s world where information and means to get it have become relatively easy, our attitude and response system has become a very important differentiator. Attitude depends on our state of being. All of us have varying levels of “being”.

Some positive empowered states are purposeful, passionate, joyous, happy, fulfilled, ever grateful, calm, peaceful, loving, motivated, inspired/ inspiring, enthusiastic, energetic, excited, empathetic among many others.

Some disempowering states are the lack of the positives, angry, anxious, insecure, misunderstood, stressed, resentful, tired/ jaded, frustrated, overwhelmed, isolated, impatient, self-critical, fearful, distracted, guilty, worried among many more. [Read more](#)

Activities Without Consideration- Supply a must for GST Applicability

CA Madhukar N Hiregange and CA Narendra Nimmala



Traditionally, taxes were applicable only on transactions where consideration /money was exchanged between supplier and recipient. However, under GST regime provisions have been introduced wherein activities between related persons or distinct persons (branch office in other states) are treated to be supplies even if made without consideration. The provisions of Schedule I of CGST Act, have been downplayed or did not invite much attention so far. They are expected to be focused in the Audit by Department which have been few due to the pandemic. While tax is being discharged by taxpayers in organized sector on supply of goods to related parties including branch offices, the supply of services needs a much closer look and compliance with the provisions. 4 years into GST, audits and litigations could be expected to be started... [Read more](#)

Fragmentation of supply - No tax on electricity but controversy awaits

CA Manish Sachdeva



Published in
Taxmann

The 101st amendment to the Constitution (COI) was a path-breaking event. It substantially altered the constitutional framework of indirect taxes in India. It's been 4 years since the GST is implemented, and there are already several landmark judgments from Supreme Court and High Courts interpreting the constitutional aspect one or the other way.

Recently, another constitutional controversy came up before the Hon'ble Tripura High Court in *ONGC Tripura Power Co. Ltd. v. State of Tripura* [WP (c) No. 14 of 2021, dated 31-3-2021], held Section 4 (4) of the Tripura Electricity Act, 2019 as unconstitutional to the extent it sought to impose Electricity Duty on the inter-state sales of electricity. The ruling seems to have inadvertently kick-started a battle which can create number of undesired consequences. [Read More](#)

Export under GST - Issue

CA Madhukar N Hiregange and CA Narendra Nimmala



GST law has evolved ever since the law was introduced back in July 2017 and in fact, it has evolved so much so that some of the professionals even question on Have We Lost Original GST? However, one needs to question the approach adopted by the policy makers on the issues being faced with respect to exports. Exports are pivotal to the growth of the economy and India needs to fully reimburse the cascading taxes (4% for petroleum products, restriction under section 17(5)) poor infrastructure, high cost of power, expensive labor etc. The exporters (including the SEZ & 100% EOU) while penetrating new markets have thin margins and need to extend longer credit lines. The competition is from many South Asian countries as on date who have lower costs. The managing of cash flows becomes critical. [Read more](#)

[Click Here](#) for the video.

Meaning of Full Input Tax Credit in 2nd proviso to Rule 28

CA Manish Sachdeva



Published in TaxGuru

The supplies between distinct persons and related persons are subject to derogate measure, such that the transaction value is discarded at the very outset and the valuation of the supplies should be on the basis of objective rules. The first objective criteria is 'open market value' [Rule 28], a value not easily available, if at all available in number of situations. Fortunately, 2nd proviso to Rule 28 provide exclusion from the derogate measure stating, Provided further that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.

Qua supplier or qua supplies: Much like the other provisions in the GST law, 'full input tax credit' is controversial [Read more](#)

Value addition of AMP expenses in Customs - still in need of consensus

CA Manish Sachdeva



Published in Taxongo

For a considerable time now, the inclusion of advertisement, marketing, and promotion (AMP) expenses for the customs duty purpose is in dispute before various Courts. Recently, the Supreme Court in Indo Rubber and Plastic Works has dismissed the Civil Appeal [3685/2020] filed by the revenue against the Tribunal order [Customs Appeal 50017 of 2019].

In the distributorship agreement, the foreign seller of the goods often persuades the Indian importers to incur/ contribute for AMP to maintain/ increase margins of the goods, and to boost the sale of goods in the importing territory and to an extent overall as well In the modern world, the agreements are given several shapes e.g ; seller requires, the importer to use its best endeavors to promote, or require him to spend a certain percentage towards AMP; or require him to contribute towards common AMP costs and others. [Read more](#)

Related Persons transactions without consideration – Valuation

CA Madhukar N Hiregange & CA Akshay Hiregange



Common types of related party transactions:

1. Forward Charge Mechanism [FCM] - supply of goods to related person
2. FCM - supply of services to related person
3. Reverse Charge Mechanism [RCM] - Imports from associated enterprises

All the above transactions would have different implications when performed with or without

consideration. To help the taxpayer identify the possible transactions and ensure GST

compliance, the types of transactions along with possible identification have been provided.

Although, in this article the paper writers have deliberated upon the transactions in relation to related party transactions without consideration only... [Read more](#)

Interplay between GST and IBC: Mutual set off between credits and liabilities

CA Manish Sachdeva



Published in Taxguru

It's quite fateful that both the indirect tax reform and bankruptcy reform occurred around the same time, with the [Corporate] Insolvency & Bankruptcy Code (IBC), setting on motion in May 2016 and GST coming into effect a year later. Both the laws in their respective domain are developing at a rapid speed, with countless judicial development happening day in and day out. Things start to get very complicated when the stakeholders found themselves wriggled with both the laws simultaneously. As per Section 238 of the IBC over-rides GST, but only to the extent, GST provisions are inconsistent with IBC.

An interesting, intertwined topic is mutual set off of the tax credits and tax liabilities either when the corporate debtor (CD) is either revived or liquidated. It's not often that CD under CIRP is left with any tax credit (ITC), but for the sake of exploring the various stages of complications, we assume that the CD had ITC to the [Read more](#)

Legal Updates

1	Blocking of electronic credit ledger after 1 year is not allowed
2	Supply of goods by the charitable trust is a business activity carried out for pecuniary benefits
3	Levy of Interest on availment of inadmissible ITC
4	Exemption to collections made by Residential Welfare Associations wherein the contribution exceeds INR 7,500 per member per month
5	Transfer of ITC not allowed on shifting of the factory from one State to another State
6	Issuance of a non-speaking order
7	No service tax on convenience fees received by PVR
8	Once the Tribunal order has confirmed the matter, the Department cannot issue SCN
9	Service tax is not liable to be paid on liquidated damages
10	Distribution of ITC through the ISD mechanism is optional and not mandatory
11	CENVAT credit not mentioned in ST-3 is a mere procedural lapse
12	CENVAT credit of repairs and maintenance done in the regular course of the manufacturing process is allowed
13	Show Cause Notice without affording an effective pre-consultation is set aside
14	Amendment of shipping bill cannot be denied if the conduct is bonafide
15	SCN is to be set aside if the allegations of revenue are incorrect even if the appellants are following wrong practices.
16	CENVAT credit can be availed if service tax is paid on exempt services
17	Preferential location service is part of the composite supply of construction services

To read more in detail, [Click here](#)

Webinars & Training sessions

Topic	Speaker	Link
Refund Issues faced by Taxpayers in claiming refund W.R.T. Exports	CA Madhukar N Hiregange and CA Narendra Nimmala	Click Here
Professional Opportunities in GST	CA Madhukar N Hiregange	Click Here
Advising or Replying with Email or Letter received	CA Roopa Nayak	Click here
Managing and avoiding GST disputes and opportunities	CA Madhukar N Hiregange	Click Here
Ply through Pandemic	CA Sushil Kumar Padhy	Click Here
Recent Judicial Pronouncement under GST	CA Bhavesh Mittal	Click Here
Billing Dilemma	CA Madhukar N Hiregange	Click Here
Concept of Delegation	CA Madhukar N Hiregange	Click Here
Productivity and Time Management	CA Madhukar N Hiregange	Click Here
Effective Listening	CA Madhukar N Hiregange	Click Here
Mental Block	CA Madhukar N Hiregange	Click Here
Countering Corruption in GST	CA Madhukar N Hiregange	Click Here
Activities without consideration - Supply a must for GST Applicability	CA Madhukar N Hiregange and CA Narendra Nimmala	Click here

GST portal updates

Sl. No	Functionality
1	<u>Advisory for Taxpayers regarding Blocking of E-Way Bill (EWB) generation facility resume after 15th August, 2021.</u>
2	<u>Updating the Annual Aggregate Turnover (AATO) by taxpayers.</u>
3	<u>Functionality to check and update bank account details.</u>
4	<u>New functionality on Annual Aggregate Turnover (AATO) deployed on GST Portal for taxpayers.</u>
5	<u>Filing of Annual returns by composition taxpayers. - Negative Liability in GSTR-4</u>



CBIC updates

GST	
Notifications	
Notification No. and Date of issue	Subject
29/2021-Central Tax dated 30.07.2021	Seeks to notify section 110 and 111 of the Finance Act, 2021 w.e.f. 01.08.2021 Read more:
30/2021-Central Tax dated 30.07.2021	Seeks to amend Rule 80 of the CGST Rules, 2017 and notify Form GSTR 9 and 9C for FY 2020-21. Rule 80 provides for exemption from GSTR-9C to taxpayers having AATO upto Rs. 5 crores. Read more:
31/2021-Central Tax dated 30.07.2021	Seeks to exempt taxpayers having AATO upto Rs. 2 crores from the requirement of furnishing annual return for FY 2020-21 Read more:
Circulars	
Circular No. and Date of issue	Subject
157/13/2021-GST dated 20-07-2021	Clarification regarding extension of limitation under GST Law in terms of Hon'ble Supreme Court's Order dated 27.04.2021. Read more:



CBIC updates

Customs

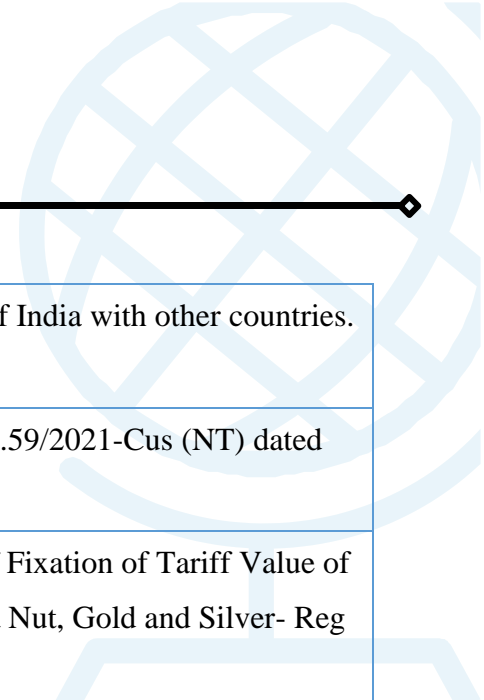
Tariff - Notifications

Notification No. and Date of issue	Subject
35/2021-Cus,dt. 12-07-2021	Seeks to exempt basic customs duty on imports of specified API/ excipients for Amphotericin B and raw materials for manufacturing COVID test kits, till specified period. Read more:
36/2021-Cus,dt. 19-07-2021	Seeks to amend notification No. 45/2017-Customs dated 30th June, 2017, to clarify leviability of IGST, on recommendation of the GST Council. Read more:
37/2021-Cus,dt. 19-07-2021	Seeks to amend notification No. 46/2017-Customs dated 30th June, 2017, to clarify leviability of IGST, on recommendation of the GST Council. Read more:
38/2021-Cus,dt. 26-07-2021	Seeks to amend notification No. 50/2017-Cus dated 30.06.2017 to reduce the basic customs duty from 10% to Nil on Lentils (Masur) [HS 0713 40 00] and to amend notification No. 11/2021-Cus dated 1.02.21 to reduce the Agriculture Infrastructure Development Cess on Lentils (Masur) [HS 0713 40 00] from 20% to 10% Read more:

Non-Tariff - Notifications

Notification No. and Date of issue	Subject
57/2021 – Customs (NT) d.t 01.07.2021	Exchange rate Notification No.57/2021-Cus (NT) dated 01.07.2021. Read more:
58/2021 – Customs (NT) d.t 01.07.2021	Notification under sub-section (2) of Section 151B of the Customs Act, 1962 to notify Agreements or Arrangements on 'Cooperation and Mutual Administrative Assistance

CBIC updates



	(CMAA) in Customs matters' of India with other countries. Read more:
59/2021 – Customs (NT) d.t 15.07.2021	Exchange rates Notification No.59/2021-Cus (NT) dated 15.07.2021 Read more:
60/2021 – Customs (NT) d.t 15.07.2021	Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver- Reg Read more:
61/2021 – Customs (NT) d.t 23.07.2021	Seeks to amend Sea Cargo Manifest and Transhipment Regulations 2018. Read more:
62/2021 – Customs (NT) d.t 23.07.2021	Seeks to amend Customs Brokers Licensing Regulations, 2018. Read more:
63/2021 – Customs (NT) d.t 30.07.2021	Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver- Reg Read more:
64/2021 – Customs (NT) d.t 30.07.2021	Seeks to amend Sea Cargo Manifest and Transhipment Regulations 2018. Read more:
65/2021 – Customs (NT) d.t 05.08.2021	Exchange rates Notification No.65/2021-Cus (NT) dated 5.8.2021 Read more:

Anti-Dumping Duty

Notification No. and Date of issue	Subject
41/2021-Customs(ADD), dt. 31.07.2021	Seeks to further amend notification No. 23/2016-Customs (ADD) dated 6th June, 2016 to extend the levy of Anti-Dumping duty on Polytetrafluoroethylene originating in or exported from Russia, up to and inclusive of 30th November, 2021. Read more:
42/2021-Customs(ADD), dt. 01.08.2021	Seeks to amend notification No. 48/2017-Customs (ADD), dated the 9th October, 2017 to extend the levy of Anti-Dumping duty on ' Wire Rod of Alloy or Non-Alloy Steel '

CBIC updates

originating in or exported from China PR up to and inclusive of 31st January, 2022 [Read more:](#)

Circulars

Circular No. and Date of issue	Subject
13/2021, 01-07-2021	Online filing of AEO T2 & T3 application - Circular 13/2021 customs dt 01.07.2021. Read more:
14/2021, 07-07-2021	Improvements in Faceless Assessment - Measures for expediting Customs clearances - reg. Read more:
15/2021, 15-07-2021	Implementation of RMS for processing of Duty Drawback claims Read more:
16/2021, 19-07-2021	Clarification regarding applicability of IGST on repair cost, insurance and freight, on goods re-imported after being exported for repairs, on the recommendations of the GST Council made in its 43rd meeting – reg. Read more:
17/2021, 23-07-2021	Efforts required to Reduce the compliance burden for citizens and business activities Read more:
18/2021, 31-07-2021	Amendment in AEO Programme: Auto-Renewal of AEO-T1 validity for continuous certification based on continuous compliance monitoring- regarding (Circular No. 18/2021 dated 31.07.2021) Read more:

ICAI Announcements



1. [Relaxations from Regulatory Compliances due to Outbreak of COVID-19 pandemic-Part II by CL&CGC ICAI - \(13-07-2021\)](#)
2. [Certificate Course on Public Finance & Government Accounting- 15th Online Batch commencing from 8th August, 2021. - \(15-07-2021\)](#)
3. [IFRS Practice Statement - Management Commentary - \(16-07-2021\)](#)
4. [List of Qualified Members of Certificate Course on CSR Assessment Conducted on 03.07.2021 - \(17-07-2021\)](#)
5. [Advanced Integrated Course on Information Technology and Soft Skills \(Advanced ICITSS\) - Adv. Information Technology Test - \(20-07-2021\)](#)
6. [Further extensions regarding the validity of Peer Review Certificate in the wake of COVID -19 spurt across the country - \(22-07-2021\)](#)
7. [Invitation to join the Carbon Footprint Challenge - Sustainability Reporting Standards Board, ICAI - \(22-07-2021\)](#)
8. [Result of the Online Examination of the Certificate Course on Ind AS held on 27th June, 2021. - \(22-07-2021\)](#)
9. [Commencement notification of provisions of Companies \(Amendment\) Act, 2020 relating to Rectification of name of Company and insertion of Rule 33A in Companies \(Incorporation\) Rules, 2014 w.e.f. 01st September, 2021 - \(24-07-2021\)](#)
10. [Applicable date of certain deferred provisions of Volume-I of Revised Code of Ethics, 2019. - \(26-07-2021\)](#)
11. [Launch of 'Refresher Course on Ind AS' on 21st August, 2021 - \(26-07-2021\)](#)
12. [ICAI International Sustainability Reporting Awards 2020-21 for Excellence in Sustainable Initiatives and Innovations organized by SRSB, ICAI \(Last Date: November 15th, 2021\) - \(27-07-2021\)](#)
13. [Exposure Draft of Disclosures of Accounting Policies - Amendments to Ind AS 1, Presentation of Financial Statements - \(30-07-2021\)](#)

ICAI Announcements



14. [Announcement regarding Clarification on spending of CSR funds for CoVID-19 Vaccination by CL&CGC ICAI. - \(31-07-2021\)](#)
15. [Inviting Expression of Interests from members for contributing in development of Knowledge Data warehouse on Ind AS - \(02-08-2021\)](#)
16. [Exposure Draft on Initial Application of IFRS 17 and IFRS 9 - Comparative Information Proposed amendment to IFRS 17 - \(03-08-2021\)](#)
17. [Result of the online Examination of the Certificate Course on Derivatives held on 24th July,2021. - \(03-08-2021\)](#)
18. [2nd National Online Quiz on Insolvency and Bankruptcy Code, 2016 - \(04-08-2021\)](#)
19. [Check your level for Business English course and Register for Online Business English Language Course in collaboration with British Council for ICAI Members & Students - \(04-08-2021\)](#)
20. [Consent for registration for Exclusive Blended Online Weekend Batch of Spanish language \(level A1.1\) for ICAI Members and Students w.e.f. 21st August 2021 - \(04-08-2021\)](#)
21. [Announcement of Online Examination of the 'Certificate Course on Ind AS' to be held on 3rd October 2021 - \(04-08-2021\)](#)
22. [10 Weeks Online Management Development Programme: Leadership Beyond Boundaries \(Batch 3\) Steered By Eminent CAs/National/International Faculties from 04 September to 10 November 2021 at CoE, Hyderabad - \(05-08-2021\)](#)

Disclaimer: "Thinking beyond" is meant for informational purposes only and does not purport to advice or give an opinion, legal or otherwise, whatsoever. The information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action, a qualified professional adviser should be consulted.

EMPOWER EDUCATION FOUNDATION

BENGALURU, KARNATAKA, INDIA

welcomes you to

"An insight into Music Appreciation"

A two-part series scheduled on 15th & 22nd August 2021

Presenter

Pandit KS Rajesh, Bengaluru
Flute Artiste & Music Composer



About the series

The main purpose is to create and spread awareness about the subject of MUSIC and deal with a section or group of people who might have, in general, heard MUSIC on a routine basis, but would have never got a chance to go a little more deeper analyzing the Sound of Music to DISCOVER and EXPERIENCE the inner depths involved.

Many ideas are put across musically with an intent to educate the listener in a simple and effective way, which may boost the confidence of the common man to even get into a learning program of his or her own choice in the near future.

TIME - 6PM to 7:30 PM including Q&A | All are welcome

To express your interest, please register below -

<https://forms.gle/eCRPAQLR3WndPx016>

Madhukar N Hiregange
Trustee - EEF

KS Naveen Kumar
Trustee - EEF

Sudhir VS
Trustee - EEF

Events

About the Presenter - Pandit KS Rajesh

- Born in a family of music lovers, Rajeshji was introduced to music at the early age of 3.
- He is a senior disciple of Legendary Flute Maestro Pt. Hariprasad Chaurasia.
- He has undergone rigorous training in Hindustani Classical Music.
- His education comprises of Commerce, Accounting, Law and Music.
- Rajeshji is also the founder of Nirvan Foundation Trust - an organization set up to draw a synthesis between Music and Spirituality. To know more about the organization - www.nirvanfoundationtrust.org
- He was a Staff Artiste, Department of Music, All India Radio, Bengaluru.

Session Guidelines

- The registered participant should log in at least 5 minutes before the scheduled time and are expected to be there till the end of the session.
- During the course of the program, the participants are expected to keep their cameras on. The audio should be muted unless requested by the presenter/moderator.
- Questions can be posed in the chat box and would be taken up at the end of each session.
- Questions can also be sent in advance by email to - rajagopalan@hiregangeacademy.com (or) fluterajesh@gmail.com
- In case the participants want to ask questions at the end, they may raise their hand and their microphone would be unmuted subject to availability of time and at the discretion of the presenter/moderator.

About Empower Education Foundation

Empower Education Foundation (EEF) is a public charitable trust to support the educational endeavours of underprivileged students. EEF, by way of donations towards school fees, notebooks/stationery and uniforms has helped educate and empower around 1300 students and put them on the path of achievement and accomplishment. EEF aspires to continue and diversify its support to many more students in the near future and also empower the students/general public by conducting workshops, seminars and programs on various subjects including technical subjects, arts and literary works. EEF is managed by committed professionals, who act as its Board of Trustees.

For any queries -
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GST PROCEDURES SERIES - FILING OF RETURNS

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Who can learn?

- Working professionals who deal with GST returns
- Commerce students/Job-seekers
- Any interested individual who is willing to skill up

Events

Structure -

- **Day 1 - 26 August 2021 - 4:30 PM to 6:30 PM including Q&A**
Brief introduction to returns; Different types of returns; Due Dates of Returns; Data requirement for GSTR 1/IFF/3B; DEMO - MS Excel Formulas helpful for filing returns
- **Day 2 - 27 August 2021 - 4:30 PM to 6:30 PM including Q&A**
Various reconciliations; Showcasing features of Government Portal; DEMO - Uploading of data to Government Portal and Filing of Returns
- **Day 3 - 28 August 2021 - 10 AM to 12:30 PM including Q&A**
DEMO - Aspects of filing of returns and practical examples; Exercise - Letting the participants file a sample returns.

PRICE - ₹1,220 incl. of taxes

Number of Participants - 75 nos. based on 1st come 1st served.

There will be multiple batches following this. If you miss it now, you can enroll for the later batches.

Certificate of Pursuance will be provided to the Participants!

Trainers



CA Dhruv Dedhia



CA Narendra Nimmala

Kindly register at the below link to receive alerts about the program

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For any queries contact -

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Social Responsibility



Authored Books



Compendium of Issues and Solutions on GST - 3rd Edition by Madhukar N Hiregange, Adv K S Kumar Naveen assisted by CA. Spudarjunan S

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