



Sambalpur Branch of EIRC – E-Newsletter

March 2024 Edition

Branch Chairman's Message



Dear Esteemed Members and Professional Colleagues.

"Embrace the winds of change, for they carry the seeds of progress"

Guided by the wisdom of this inspirational quote, we embark on another edition of our March newsletter. This month, we delve into the transformative impact of digitization and AI tools in the CA profession, share in the vibrant celebrations of Holi and Utkal Divas, and reflect on the closing of the fiscal year.

Digitization and AI Tools in the CA Profession: The winds of change are sweeping through the CA profession, ushering in a new era of efficiency and innovation. Embracing digitization and AI tools enables CA professionals to automate routine tasks, streamline processes, and gain valuable insights from data analytics. By harnessing the power of technology, we can deliver greater value to clients, enhance decision-making, and stay ahead in a rapidly evolving landscape.

Holi Celebration: As we celebrate the vibrant festival of colors, let's embrace the spirit of joy, unity, and renewal. Holi is a time to cherish relationships, mend bonds, and rejoice in the beauty of diversity. May the colors of Holi fill our hearts with warmth and happiness, spreading love and positivity in our lives and communities.

Utkal Divas: On the auspicious occasion of Utkal Divas, let's honor the rich cultural heritage and glorious history of Odisha. Utkal Divas commemorates the formation of the state of Odisha and serves as a reminder of our collective identity and pride. Let's celebrate the achievements of Odisha and reaffirm our commitment to its progress and prosperity.

Reflections on the Close of the FY: As we approach the end of the fiscal year, it's a time for reflection and planning. Let's celebrate our achievements, learn from our challenges, and set ambitious goals for the year ahead. With diligence and determination, we can continue to drive growth, prosperity, and success for our organizations and clients.

Thank you for your unwavering support and active participation. Together, we're sowing the seeds of progress and shaping a brighter future for all.

Thank you.

CA Rajendra Agrawal

Chairman

Sambalpur Branch of EIRC of ICAI

EIRC Chairman's Message



Beloved Members and Esteemed Professional Colleagues, It is with immense happiness I address you as the newly elected 68th Chairman of

Eastern India Regional Council of The Institute of Chartered Accountants of India.

Recalling the words of Helen Keller "Alone we can do so little; together we can do so much", Team EIRC has come up with the theme for 2024-25 "WE" which promotes the message of "Working Equally". WE as a theme conveys a sense of Inclusivity and Togetherness among the Members of ICAI and the Industry at large.

EIRC of ICAI travels an extra mile when it comes to the benefits of the members and students. Team EIRC thus regularly organizes numerous Seminars, Workshops and Post Qualification Courses for the members. Keep following the website of EIRC to keep a track.

Sambalpur Branch of EIRC of ICAI has always come up with flying colours from its inception and has

always been lending a helping hand to the members and students.

I convey my heartfelt best wishes and congratulations to the newly elected Managing Committee of the branch:

CA. Rajendra Agrawal - Chairperson
CA. Ankit Agrawal - Vice Chairman
CA. Naveen Tiwari - Chairman of EICASA
CA. Pankaj Poptani - Secretary and Treasurer
CA. Pranav Lath - Immediate Past Chairman
CA. Siba Prasad Sahoo - Past Chairman and Member

I am ensured that in the coming days, Sambalpur Branch of EIRC of ICAI shall scale newer highs of success under the guidance and leadership of the enthusiastic team.

I would insist all the beloved members from Sambalpur to work hand-in-hand and come together to upkeep the highest standards of our profession. As the epitome of Accounting, Auditing, Taxation and Finance as a whole, we must focus on Multi-Disciplinary Practices to serve our clientele and set high industry standards. Upskilling ourselves and staying in line with Information Technology and Artificial Intelligence should be our utmost priority.

As the old saying goes, knowledge grows upon sharing, I would like to invite you to come forward as New Speakers and Faculties and contribute to the profession on topics you are best at under our new initiative Speaker @ 75. Please refer to <https://eirc-icai.org/members/speakers> for more information.

I would also like to inform you about another initiative of Team EIRC. By 22nd August 2024, we have a aim to accumulate ₹ 75,00,000 (Seventy-Five Lakh Indian Rupees) as a contribution to the Chartered Accountants Benevolent Fund from the Eastern Region of India. You can refer to <https://eirc-icai.org/cabf/> for more information and contribution.

Lastly, I would love to resonate the words of Dr. Nelson Mandela **"It always seems impossible until it's done"**.

TOGETHER WE CAN.

Best Wishes and Regards,
CA. Sanjib Sanghi
Chairman (2024-25)
EIRC of ICAI

Message from Vice Chairman, Sambalpur Branch



Dear Esteemed Members,
I hope this message finds you in good health and high spirits.

As the Vice Chairman of the Sambalpur Branch of the Eastern India Regional Council (EIRC) of the Institute of Chartered

Accountants of India (ICAI), it is my privilege to extend warm greetings to each one of you.

First and foremost, I want to express my gratitude to all members for your continued support and dedication to our professional community. Your commitment to excellence in the field of accountancy is truly commendable.

I am pleased to share that our branch has been actively engaged in various initiatives aimed at fostering professional growth and knowledge enhancement among our members. From informative seminars to interactive workshops, we have strived to provide valuable opportunities for skill development and networking.

Additionally, I would like to appeal to each of you to contribute to the CA Benevolent Fund. The CA Benevolent Fund is a noble initiative aimed at providing financial assistance and support to fellow members and their families during times of need. Your contribution, no matter how small, can make a significant difference in alleviating the hardships faced by our colleagues in times of adversity. Let us come together as a community to support each other and uphold the values of compassion and solidarity that define our profession.

Moreover, I would insist you all to embrace the initiative of "WE" where we all be united and work hand-in-hand for our professional development and evolution of our community as a whole. By fostering unity and collaboration, we can amplify our collective impact and drive positive change within our profession.

I encourage each of you to actively participate in our branch activities and contribute your insights and expertise. Your involvement not only enhances the

value of our programs but also strengthens the bonds within our professional community.

As we move forward, let us continue to uphold the highest standards of professionalism and ethics in our practice. Together, we can overcome challenges and seize opportunities for growth and success.

Thank you once again for your unwavering support, and I look forward to our continued collaboration and success.

Warm regards,
CA Ankit Agrawal
Vice Chairman
Sambalpur Branch, EIRC of ICAI

Message from Past Chairman, Sambalpur Branch



Dear Members & Colleagues,
Namaskar !!

As I reflect on my tenure as Chairman of Sambalpur Branch of the Institute of Chartered Accountants of India, EIRC, I am filled with a profound sense of gratitude and pride. Serving this esteemed institution and its members has been both a privilege and a responsibility that I have cherished deeply.

During my tenure, we have navigated through various challenges and celebrated numerous achievements together. Together, we have upheld the highest standards of professionalism, integrity, and excellence in the field of accounting. Our collective efforts have strengthened the reputation of our branch & ICAI both in local & in national.

I want to express my heartfelt gratitude to all the Managing committee team, Past Chairman, members, and staff who have contributed tirelessly to the success of our initiatives. Your dedication and commitment have been the driving force behind our accomplishments.

As I pass on the baton to the new leadership, CA Rajendra Agrawal Chairman, I am confident that our branch will continue to thrive and evolve under their guidance. I urge all members to extend their full support and cooperation to the incoming leadership team, as they embark on their journey to lead our branch to greater heights.

In conclusion, I would like to thank each and every one of you for your unwavering support and trust throughout my tenure. It has been an honor to serve as your chairman, and I am proud of what we have achieved together.

Wishing ICAI and its members continued success in all their endeavours.

Warm regards,
CA Pranav Lath
Immediate Past Chairman
Sambalpur Branch of EIRC of ICAI
2023-24

Editor's Note



"The future belongs to those who believe in the beauty of their dreams."
-Eleanor Roosevelt

Dear Members,

As the editor of our newsletter, I am delighted to welcome you to another edition filled with articles, insights and inspiration. In this newsletter our members have curated a collection of articles and features aimed at keeping us informed and engaged.

I believe in the power of knowledge and the importance of staying connected. Though our newsletter, I strive to bring you valuable content that enriches your lives and sparks meaningful articles.

we' re thrilled to share articles, important links, upcoming events, glimpses of past events and inspirational stories on "Women empowerment".

Thank you for being part of our newsletter. Together, let's explore, learn and grow.

Warm Regards,
CA Priya Gupta
Editor
Sambalpur Branch



Incorporation of Tricolor:



The incorporation of the tricolor into the logo is a powerful symbol of the Institute's connection to India. The three colors of the Indian flag represent unity, diversity, and sovereignty, and they reflect the brand's commitment to serving the people of India and contributing to the nation's development. The tricolor has been used in such a fashion that it hints at motion, a flight, and a journey toward progress, showcasing the Institute's forward-thinking approach.

Color Palette:



Significance of blue color:



The primary color of the new logo is blue, which has been culled from the ICAI logo. Blue is a color that is associated with divinity, immortality, bravery, and determination. It reflects vastness, being the colour of the sky and ocean, and has an integral part of the Indian cultural, political, and social landscape over the years. Blue is also culturally significant, as it has been a part of the Indian tradition for more than 5,000 years.

Guidelines (2023) for using the new CA India logo for CA members.

The logo consists of the letters 'CA' in blue colour with a tri colour tick mark (upside down) with white background. The blue colour denotes creativity, innovativeness, knowledge, integrity, trust, truth, stability, and depth. The upside-down tick mark, typically used by Chartered Accountants, has been included to symbolise the wisdom and value of the professional. "India" is also added in the logo, as it epitomizes the Institute's connection to India First approach and commitment to the serve the Indian economy in public interest. With growing international recognition of "CA" and international curriculum of ICAI proposed in the New CRET, incorporation of the country's name is also a distinct identity and pride of one of the largest economies.

There should be no alteration of the font (colour, bold/unbold, Size) Moreover, there should in spacing and dimension.

Adaptability on all platforms:



The new logo can be adapted for use on all platforms, digital and analog, which is essential for a modern brand. This versatility ensures that the Institute's brand is consistent across all channels, helping to strengthen its identity and credibility. The adaptability of the new logo also makes it more accessible the Institute's stakeholders, including members, students, and the general public.

- Do not change the design background. colours including white background.
- Refrain from rotating or tilting the logo clockwise and anti- clockwise.
- The logo should not be shrunk or distorted changing the original proportion.
- While members are encouraged to use CA India Logo as published on letterheads, visiting cards, website etc, a transition time of 1 year has been provided to use the old 'CA' logo on existing stationary/signage etc.
- Effective from 24th November 2023.

In a nutshell:



The new logo of CA India reflects the brand's connection to India while retaining its existing identity. The incorporation of the tricolor, the significance of the blue color, and adaptability on all platforms are all essential elements of the new logo. The design is intended to be aesthetically pleasing and culturally significant, making it a strong representation of the Institute's values and commitment to serving the people of India.

Updates in closure and beginning of Financial Year

As we approach the conclusion of the financial year 2023-24 and prepare for the financial year 2024-25, it is imperative for the businesses as well as the professionals to remain aware of Goods and Services Tax ('GST') implications that could impact the annual closure of books and future strategizing.

Making a shift from one year to the next requires attention to the regulatory compliances, strategic decision-making such as considering options like opting for composition scheme, QRMP scheme, etc.

In this document, we will cover all the possible compliances that one may need to comply for a smooth transition for the upcoming year.

1. Due dates of various declarations and options under the GST Act.

The list of due dates for various provisions that taxpayers should be aware of for the Financial Year ('FY') 2024-25 are summarized in the below table:

Particulars	Details	Due date
Filing of Letter of Undertaking ('LUT')	Filing of Letter of Undertaking ('LUT') for undertaking zero-rated supplies i.e. export of goods or services without payment of IGST for FY 2024-25	31-03-2024
Quarterly Return Monthly Payment scheme	Opt-in or opt-out of the Quarterly Return Monthly Payment ('QRMP') which	01-02-2024 to 30-04-2024

	is available for registered persons with an aggregate turnover upto Rs. 5 crores.	
Opting composition scheme	Opt-in for the composition scheme from FY 2024-25 onwards in Form GST CMP-02	31-03-2024
Filing GST ITC-03 in case opting for composition scheme	Reversal of Input Tax Credit ('ITC') in Form GST ITC-03 on account of transitioning from normal registration to composition scheme.	30-05-2024
Opting FCM by GTA	Declarations of the Goods Transport Agency ('GTA') for opting to pay GST under the Forward Charge Mechanism ('FCM') in Annexure-V	01-01-2024 to 31-03-2024

2. Closure of books of accounts

As the end of the year approaches, adjustments are required to be made in the books of accounts and returns to avoid any mismatches at a later stage.

2.1. Calculation of reversal of common ITC on annual basis

The GST law requires to apportion the input tax credit on account of non-business purposes or exempt supplies. Such reversal, on account of exempt supplies or inputs used for other than business purposes is

firstly required to be made on monthly basis in the manner given in Rule 42 of the CGST Rules, 2017 ('CGST Act') on input and input services and as per Rule 43 of the CGST Rules on capital goods.

However, at the end of the financial year, the value of reversal is required to be adjusted by calculating it on annual basis.

Requirement of reversal under Rule 42 of the CGST Rules

After having undertaken monthly reversal on inputs and input services, the annual calculation is required to be done and any excess or shortfall in the reversal should be duly accounted for in GST returns for the tax period of March 2024.

Requirement of reversal under Rule 43 of the CGST Rules

After having undertaken monthly reversal of common credit on capital goods, the annual calculation is required to be done and any excess or short reversal should be duly accounted for in GST returns for the tax period March 2024.

It is important to note that in case of delay in reporting of additional reversal, if any, Interest would apply from 01-04-2024 onward for common ITC reversal which should have been done in FY 2023-24.

2.2. Various reconciliations are required to ensure accuracy in reporting outward supplies

- Turnover as per books of accounts versus GST Returns (Form GSTR-1 and Form GSTR-3B)
- For identifying the shortage/excess stock if any, prepare a reconciliation of physical stock versus stock as per books of accounts.
- Reconciliation of E-way bills generated during the FY 2023-24 with tax invoices reported in Form GSTR-1
- Review the correct HSN /SAC code and GST rate has been opted
- Reconciliation of E-Invoices with IRN viz. E-way bills generated viz. reported in Form GSTR-1

2.3. Matching of Input Tax Credit ('ITC') and its reversals.

Various reconciliations are required for matching the ITC.

- ITC as per audited books of accounts versus ITC as per Form GSTR-2B
- ITC as per audited books of accounts versus ITC claimed in Form GSTR-3B
- ITC as per Form GSTR-3B versus Form GSTR-2B
- Check the closing balance of ITC as per books of accounts versus closing balance as per electronic credit ledger
- ITC which is not matched with Form GSTR-2B needs to be reconciled and adjustments need to be done in output tax liability in return for the tax period March 2024.

3. Other important points

3.1. Requirement of new invoice series from April 01, 2024

GSTIN advisory provides that a taxpayer should have unique invoice series for every financial year. Similar provisions have been included under Rule 46 and 49 of the GST Rules, 2017.

Hence, the taxpayer is required to reset the invoice series at the beginning of the financial year. If this provision is not adhered to, apart from the compliance issues, a taxpayer may face problems while generating an E-way bill on the E-way bill system, or furnishing their Form GSTR-1, or applying refund on the GST Portal. Therefore, it is necessary that suitable modification may be made by the taxpayers in this regard in their invoices or bill of supply, to avoid any inconvenience in the future.

3.2. Calculation of aggregate turnover as per the required provision for various compliances related to FY 2024-25

Strategic decision-making and various compliances under GST depend on the amount of aggregate turnover of the preceding year such as registration requirement, QRMP scheme, composition scheme, etc. Thus, the calculation of aggregate turnover should be aligned as per the applicable provision of the respective requirement.

3.3. Requirement of registration for generating E-Invoice

Taxpayers having an aggregate turnover of more than Rs. 5 crores in FY 2023-24 are required to issue E-Invoice for the first time w.e.f. 01-04-2024. Thus, they need to register themselves on the invoice registration portal and start generating E-invoice.

CA. Rahul Agrawal

GST Refund Issues

INTRODUCTION-

The Goods and Services Tax (GST) system has revolutionized taxation in India, streamlining processes and enhancing transparency. However, when it comes to GST refunds, complexities often arise, leaving businesses and taxpayers perplexed. In this article, we delve into the labyrinth of GST refund issues, exploring unexpected hurdles and common pitfalls. Whether it's delayed refunds, mismatched data, or procedural bottlenecks, we dissect the intricacies and provide insights to help you navigate the refund landscape effectively.

ISSUE 1: Bunching of refund claims across Financial Years

Vide para 8 of the Circular No. 125/44/2019-GST dated 18.11.2019, the following was contended-

"The applicant, at his option, may file a refund claim for a Tax period or by clubbing successive Tax periods. The period for which refund claim has been filed, however, cannot spread across different financial years. Registered persons having Aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or the current financial year opting to file FORM GSTR-1 on quarterly basis, can only apply for refund on a quarterly basis or clubbing successive quarters as aforesaid. However, refund claims under categories listed at (a), (c) and (e) in para 3 above must be filed by the applicant chronologically. This means that an applicant, after submitting a refund application under any of these categories for a certain period, shall not be subsequently allowed to file a refund claim under the same category for any previous period. This

principle/limitation, however, shall not apply in cases where a fresh application is being filed pursuant to a deficiency memo having been issued earlier."

Hon'ble Delhi High Court in Order dated 21.01.2020 [2020] 20 TAXLOK.COM 064 (Delhi), in the case of M/s Pitambra Books Pvt Ltd., vide para 13 of the said order has stayed the rigour of paragraph 8 of Circular No. 125/44/2019-GST dated 18.11.2019 and has also directed the Government to either open the online portal so as to enable the petitioner to file the tax refund electronically, or to accept the same manually within 4 weeks from the Order. Hon'ble Delhi High Court vide para 12 of the aforesaid Order has observed that the Circulars can supplant but not supplement the law. Circulars might mitigate rigours of law by granting administrative relief

beyond relevant provisions of the statute, however, Central Government is not empowered to withdraw benefits or impose stricter conditions than postulated by the law.

Further, same issue has been raised in various other representations also, especially those received from the merchant exporters wherein merchant exporters have received the supplies of goods in the last quarter of a Financial Year and have made exports in the next Financial Year i.e. from April onwards. The restriction imposed vide para 8 of the master refund circular prohibits the refund of ITC accrued in such cases as well.

On perusal of the provisions under sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, 2017 and sub-section (3) of section 54 of the CGST Act, there appears no bar in claiming refund by clubbing different months across successive Financial Years.

The issue was examined and it has been decided to remove the restriction on clubbing of Tax periods across Financial Years. Accordingly, circular No. 125/44/2019-GST dated 18.11.2019 stands modified to that extent i.e. the restriction on bunching of refund claims across financial years shall not apply.

ISSUE 2: Refund of accumulated Input tax credit (ITC) on account of reduction in GST Rate

It has been brought to the notice of the Board that some of the applicants are seeking refund of unutilized ITC

on account of inverted duty structure where the inversion is due to change in the GST rate on the same goods. This can be explained through an illustration. An applicant trading in goods has purchased, say goods "X" attracting 18% GST. However, subsequently, the rate of GST on "X" has been reduced to, say 12%. It is being claimed that accumulation of ITC in such a case is also covered as accumulation on account of inverted duty structure and such applicants have sought refund of accumulated ITC under clause (ii) of sub-section (3) of section 54 of the CGST Act.

It may be noted that refund of accumulated ITC in terms clause (ii) of sub-section (3) of section 54 of the CGST Act is available where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies. It is noteworthy that, the input and output being the same in such cases, though attracting different tax rates at different points in time, do not get covered under the provisions of clause (ii) of sub-section (3) of section 54 of the CGST Act. It is hereby clarified that refund of accumulated ITC under clause (ii) of sub-section (3) of section 54 of the CGST Act would not be applicable in cases where the input and the output supplies are the same.

However, in a significant ruling, the Kerala High Court, in the case of M/s. Malabar Fuel Corporation, has acknowledged the right of the assessee to claim a refund under the Inverted Duty Structure, even when facing identical inward and outward supplies. The Hon'ble Kerala High Court in the case of M/s. Malabar Fuel Corporation v. Assistant Commissioner Central Tax & Central Excise [WP (C) No. 26112 of 2023 dated January 11, 2024] [2024] 68 TAXLOK.COM 128 (Kerala) allowed the writ petition and held that,

Assessee is entitled to claim refund under Inverted Duty Structure even in case of same inward and outward supplies.

Issue 3: Applicability of limitation period on refund application filed post receipt of deficiency memo in original refund application filed within time-

An Application Reference Number (ARN) will be generated only after the applicant has completed the process of filing the refund application in FORM GST

RFD-01, and has completed uploading of all the supporting documents / undertaking / statements / invoices and, where required, the amount has been debited from the electronic credit/cash ledger.

As soon as the ARN is generated, the refund application along with all the supporting documents shall be transferred electronically to the jurisdictional Proper officer who shall be able to view it on the system. The application shall be deemed to have been filed under sub-rule (2) of rule 90 of the CGST Rules on the date of generation of the said ARN and the time limit of 15 days to issue an acknowledgement or a deficiency memo, as the case may be, shall be counted from the said date. This will obviate the need for an applicant to visit the jurisdictional tax office for the submission of the refund application and /or any of the supporting documents. Accordingly, the acknowledgement for the complete application (FORM GST RFD-02) or deficiency memo (FORM GST RFD-03), as the case may be, would be issued electronically by the jurisdictional tax officer based on the documents so received from the common

If a refund application is electronically transmitted to the wrong jurisdictional officer, he/she shall reassign it to the correct jurisdictional officer electronically as soon as possible, but not later than three working days, from the date of generation of the ARN. Deficiency memos shall not be issued in such cases merely on the ground that the applications were received electronically in the wrong jurisdiction.

Now the question that arises is whether the limitation period of two years are applicable for filing of refund application would also apply to a subsequent application filed after the completion of the period of two years when the initial refund application for which deficiency memo was issued was filed within the period of limitation. This question also came up before the Hon'ble HIGH COURT OF DELHI in case of National Internet Exchange of India Vs Union of India & Ors.

The Delhi High Court, considering all aspects, concluded that GST refund cannot be denied on the limitation ground if the application for refund is filed within time and in the prescribed manner, even if

there are deficiencies in the submission. This judgment has set a

precedent for all GST refund claims, emphasizing the importance of timely and proper filing, and ensuring that taxpayers are not unfairly penalized for deficiencies that can be rectified. It underscores the need for a just and streamlined process in the implementation of tax laws.

CA. Kanhaiya Balodia

Section 132: Search and Seizure Under Income Tax Act, 1961

The authority vested in officers for search and seizure is a crucial aspect of upholding tax laws and ensuring compliance within a jurisdiction. Understanding the framework of this authority, who wields it, and under what circumstances it is invoked is essential for both tax authorities and taxpayers. In this article, we delve into the intricacies of this authority, examining the roles, powers, and procedures surrounding search and seizure in the context of income tax regulations.

OFFICER AUTHORIZED FOR SEARCH AND SEIZURE

Who is authorized to issue orders for search and seizure?

- the Director General of Income Tax, or
- the Director of Income Tax, or
- the Chief Commissioner of Income Tax, or
- the Commissioner of Income Tax, or
- any such Joint Director or Joint Commissioner of Income Tax as may be empowered by the Board.

The Director General, Director, Chief Commissioner, Commissioner, Joint Commissioner, or Joint Director empowered by the Board can authorize officers subordinate to them, not below the rank of Income Tax Officer, to conduct searches. The authorized officer issues a search warrant in Form 45.

CIRCUMSTANCES FOR SEARCH AND SEIZURE

Under Section 132(1), a duly empowered authorized officer possessing information must have reasonable grounds to believe that:

- a) A person to whom a summons under section 131(1) or a notice under section 142(1) has been served has failed to produce or caused to produce the requested books of accounts or documents, or
- b) A person to whom a summons under section 131(1) or a notice under section 142(1) may be issued is unlikely to produce or cause to produce any relevant books of account or documents, or
- c) A person is in possession of undisclosed money, bullion, jewellery, or other valuable assets, representing undisclosed income or property.

PERSONS SUBJECT TO SEARCH

Persons subject to search are those:

- a) Who possess books of account or documents not produced or unlikely to be produced in response to notices or summonses, or
- b) Who are likely to possess undisclosed income or property.

BASIS FOR SEARCH AND SEIZURE

The assessing officer must have reasonable grounds to believe that the person, regardless of whether a notice has been served, is unlikely to produce their books, etc. In such cases, the presumption is that the person will suppress books of account and other relevant documents. If challenged, the authorizing authority must substantiate the basis of belief.

POWERS OF THE AUTHORIZED OFFICER FOR SEARCH AND SEIZURE

The officer to whom authority is granted for search and seizure possesses the following powers:

- a) Enter and search any building, place, vessel, vehicle, or aircraft where there is reasonable suspicion that books of accounts, documents, money, bullion, jewellery, or other valuable items are kept.

b) Break open the lock of any door, box, locker, safe, almirah, or other container if the keys are not available, to exercise the aforementioned powers.

c) Search any person who is in or around the premises if there is reason to suspect that they possess any of the aforementioned items.

d) Require any person found in possession or control of electronic records in the form of books of account or other documents to facilitate inspection.

e) Seize any books of account, documents, money, or other valuable items found during the search. However, as of June 1, 2003, the officer cannot seize bullion, jewellery, or valuable items constituting stock-in-trade; instead, they must make note or inventory of such items.

f) Place identification marks on books of account or documents, or make extracts or copies from them.

g) Make a note or inventory of any money, bullion, jewellery, or other valuable items found during the search.

ADDITIONAL POWERS OF THE AUTHORIZED OFFICER

a) Deemed Seizure: If it's impractical to physically seize valuable items due to volume, weight, or dangerous nature, the officer may issue an order restricting the owner from dealing with the item without permission, which will be deemed as seizure.

b) Restraint Order: If seizing certain items is not possible, the officer can issue an order restricting the owner from dealing with them without permission.

c) Power to Requisition: The officer can requisition the services of police or central government officers for assistance during the search.

d) Examination on Oath: The officer can examine any person found in possession of relevant items under oath, and statements made can be used as evidence.

e) Presumption of Ownership: Certain presumptions regarding ownership and truthfulness of documents are established.

f) Retention of Seized Items: Seized items must not be retained beyond 30 days without written approval from higher authorities.

g) Copies of Extracts: The person from whose custody items are seized may make copies or extracts under supervision.

h) Handing Over Seized Items: Seized items must be handed over to the assessing officer within 60 days.

These powers and procedures govern the requisition of books of accounts and documents under Section 132.

When invoking such power under Rule 112D:

The Director General, Chief Commissioner, or Commissioner may invoke this power when:

i) A person who was issued a summons under section 131(1) or a notice under section 142(1) fails to produce the required books of account or documents, and these items have been taken into custody by another officer or authority under different laws.

ii) There is reason to believe that certain books of account or documents will be relevant to proceedings under the Act, but the person to whom summons or notices have been issued will not produce them upon return from custody under other laws.

iii) Assets seized under other laws represent undisclosed income or property for the purposes of the Act.

APPLICATION OF SEIZED OR REQUISITIONED ASSETS (SEC 132B)

Seized assets are dealt with as follows:

They may be applied towards existing and future liabilities.

Seized assets may be released after meeting existing liabilities in certain cases.

Money seized may be applied to discharge liabilities.

Assets other than money may also be used to discharge liabilities.

Excess assets seized must be returned.

Interest is payable at the rate of 0.5% per month or part of the month on the aggregate sum of:

- a) Seized money reduced by any released amount, and
- b) Proceeds of assets sold to discharge liabilities.

Interest accrues from the expiry of 120 days from the execution of the last authorization for search until the completion of assessment under section 153A or block assessment.

Conclusion:

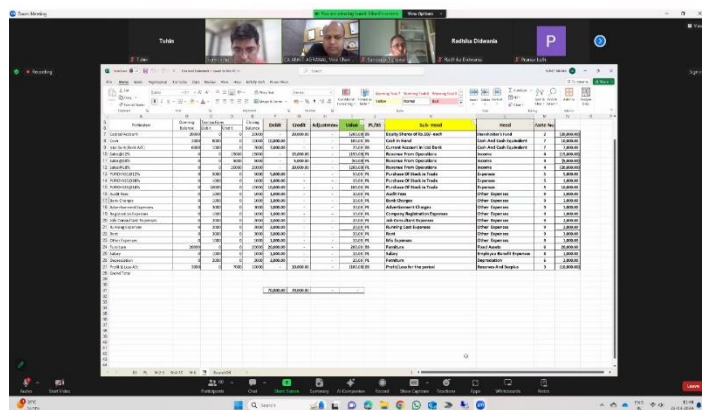
In conclusion, the powers bestowed upon authorized officers for search and seizure play a pivotal role in maintaining the integrity of tax laws and ensuring compliance. Through a thorough examination of the individuals empowered, the circumstances necessitating such actions, and the procedures governing them, we gain insight into the mechanisms that uphold fiscal responsibility. As these powers are exercised judiciously, balancing the need for enforcement with the protection of individual rights is paramount. With clear guidelines and oversight, search and seizure operations serve as effective tools in upholding the principles of equity and justice within the realm of taxation.

Warm regards,
CA Ashish Agrawal
Past Chairman
Sambalpur Branch of EIRC of ICAI

2020-21



Seminar on Income tax and Company Law



Virtual Seminar on Digital office and Google workspace

Glimpes of seminars and events of March 2024



Closure of Books of Accounts in association with JCI Bargarh United



Seminar Bank Branch Audit for FY 2023-24

Important Links and Announcements and Notifications of ICAI

Extension of Last Date for Online Empanelment of Members to act as Observers for May/June 2024 Examinations up to 15th March 2024 - (01-03-2024)

Revised Applicability of Peer Review Mandate (Phase II & III) - (16-03-2024)

IMPORTANT ANNOUNCEMENT -

Important Announcement - Reschedulement of Chartered Accountant Examinations, May 2024 - (19-03-2024)

Re-Opening of Correction Window for May 2024 CA Examinations. - (24-03-2024)

Auditing and Assurance Standards Board - Online Panel of Experts for addressing Bank Branch Audit related queries - (28-03-2024)

India to be Accounting and Finance Hub : Invitation for Comments/Suggestions: Consultation Paper on Draft IFSCA (Book-keeping, Accounting, Taxation and Financial Crime Compliance Services) Regulations 2024 - (30-03-2024)

Notification dated 28.03.2024 for new Branch at Raigarh (Chhattisgarh) - (28-03-2024)

Notification dated 28.03.2024 for inclusion of Barnagar in the Jurisdiction of Ujjain Branch of CIRC - (28-03-2024)

Notification for Online Assessment Test (AT) for Certificate Course on Forensic Accounting and Fraud Detection on 04th May 2024 (Saturday) - (28-03-2024)

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