



From the President

멈추지 말고 계속 해나가기만 한다면 늦어도 상관없다.

Meomchужи malgo gyesok haenagagiman handamyeon neujeodo sangwaneopda.

It does not matter how slowly you go as long as you do not stop.

In the series of Languages Link the World, we will cover another oldest language of the world, i.e., Korean language.

The traditional culture of Korea has its mythical beginnings 5000 years ago. The legend of Dangun, the mythical founder of Korea, makes an impact upon Korean culture to this day. Add to that the profound impact of Shamanism, Buddhism, Daoism, Confucianism and Christianity, and it yields the varied and colourful culture that is Korea. According to the legend, Princess Suriratna from Ayodhya (UP), also known as Heo Hwang-Ok, went to Korea in 48 AD, some 2000 years ago, and started the Karak dynasty by marrying a local Korean king. On 6th November 2018 on the eve of Deepavali celebration, South Korean first lady, Kim Jung-sook laid the foundation stone for the expansion and beautification of the existing memorial of Ms. Heo Hwang-Ok in Ayodhya.

Entire country is eagerly awaiting to celebrate Diwali festival and Hindu New Year. Diwali is a festival of lights and one of the most popular festivals of Hinduism. Diwali symbolises the spiritual "victory of light over darkness, good over evil and knowledge over ignorance". In northern India, they celebrate the story of King Rama's return to Ayodhya after he defeated Ravana by lighting rows of clay lamps. Southern India, celebrates it as the day that Lord Krishna defeated the demon Narakasura.

Most of our members had to burn midnight oil to complete Audit and Tax filing assignments and deal with pressure and suspense maintained by CBDT over extension of due date for Tax Audit. My colleagues and members will get long deserved break during Diwali to relax and enjoy with family, friends, near and dear ones. Sometimes what you need is simply to unwind, to see something beautiful, to rest, to taste good things, to feel comfortable and to have time where you don't have to think or work.

Education is not the learning of facts, but the training of mind to think – Albert Einstein.

If the mind is intensely eager, everything can be accomplished.

Mountains can be crumbled into atoms – Swami Vivekananda.

The above quotes of Albert Einstein and Swami Vivekananda are relevant for India. India is the world's seventh-largest economy home to 1.34 billion people – 18% of the world's population, sitting between France and Italy. By 2050, India's economy is projected to be the world's second-largest. It has the world's largest youth population, but isn't yet fully capturing this potential demographic dividend – over 30% of India's youth are NEETs (not in employment, education or training), according to the OECD.

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Ease of doing business Index

India climbed another 23 points in the World Bank's ease of doing business index to 77th place, becoming the top ranked country in South Asia for the first time and third among the BRICS. In the last two years the country has climbed 53 notches, a performance matched in the past only by Bhutan. However, we still rank very much behind in indicator-wise rankings for starting a new business and enforcing contracts

Record increase in tax filers and tax to GDP ratio for India

The number of income tax return (ITR) filings surged 71 per cent to 5.42 crore till August 31 — the last date for submission for financial year 2017-18. This was led by a massive eight-fold jump in returns filed by entities under the presumptive tax scheme and 54 per cent increase in e-filing by salaried individuals. Almost 34.95 lakh returns were e-filed on August 31, 2018. We need to improve the tax/GDP ratio as still 6 to 7% of entire population pays income tax. The tax-to-GDP ratio reached its highest level of 11.6 per cent in 2017-18. The Niti Aayog has forecast direct tax to GDP ratio at 5.8 per cent, 6 per cent and 6.3% in 2017-18, 2018-19, and 2019-20 respectively. Most countries in EU have minimum tax to GDP ratio exceeding 40% with Norway and Finland exceeding 55%.

CBDT Central Action Plan 2018-19

The CBDT has issued a Central Action Plan 2018-19 in which it is *inter alia* stated that there are 3,21,843 appeals pending before the CIT(A) as on 1-4-2018. The demand involved in these appeals is a whopping ₹ 6.38 lakh crore.

The CBDT has also offered incentives to CIT(A) for passing "quality" orders. Incentives are offered where the CIT(A) enhances the assessment, strengthens the stand of the AO or levies penalty u/s. 271(1)(c) of the Act.

As per the targets set by CBDT in the Central Action Plan, each individual CIT(A) shall be expected to dispose a minimum of 550 appeals or achieve a minimum of 700 units during the financial year. For passing such 'quality orders', the CIT(A) shall be given additional credit of two units for each quality order.

The CIT(A), in order to dispose of the appeals as per the targets set and to earn more credit units, instead of adjudicating appeals in a fair, judicious and unbiased manner, would be more interested in strengthening the tax officer's order and/or dismissing such appeals. The CIT (A) may also indulge in making enquiries from the taxpayers for making enhancement, thus leading to increase in resentment and loss of faith in the judicial structure.

Although the ruling Government promised tax friendly policies and eradication of the tax terrorism image of the revenue authorities, the aforesaid direction in the said Central Action Plan seems contrary to the approach. The Chamber has filed representation to Finance Ministry and Finance Secretary against such Action Plan and shall take up necessary cause with higher authorities and forums.

Our student Members and children of Members must be appearing for CA exams now. They need to keep themselves motivated with positive thoughts and vibrant vigour.

"Aim for success, not perfection. Never give up your right to be wrong, because then you will lose the ability to learn new things and move forward with your life. Remember that fear always lurks behind perfectionism."

CTC NEWS AND EVENTS

GST is the flavour for various conferences, and The Chamber has planned many outstation programmes with local Tax Association on "*GST Annual Return and GST Audit Report*" at Kolhapur, Solapur, Pune, Ulhasnagar etc. in November.

There is a steep increase in number of penalty and prosecution cases as a follow-up measure of demonetisation and to increase the tax base. Several amendments like insertion of

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sections 269ST, 271AAC, 271DA, section 270A, amendment of section 115BBE etc. from AY 2017-18. The Chamber has organised a *Half Day Seminar on Penalty & Prosecution* on 1st December, 2018. The seminar will focus on the intricate legal issues and the practical approach to tackle penalty and prosecution proceedings.

The MCA on June 13, 2018 had notified section 22 of the Companies (Amendment) Act, and also issued Companies (Significant Beneficial Owners) Rules, 2018. MCA proposes 20 further Amendments in Companies Act to review offences through Companies (Amendment) Ordinance, 2018 on 2nd November, 2018. To update members on above amendments, we have planned *Lecture meeting on SBO and recent amendments in Companies Act* on 20th November, 2018.

Our Annual feature of "*Intensive Study Course on FEMA*" with about 15 sessions with Brains' Trust is planned on 14th, 21st and 22nd December, covering entire gamut of FEMA. This course will also help existing professionals in FEMA practice and in industry to equip and update themselves with the relevant provisions, procedures and various issues affecting day-to-day practice to assist them while executing transactions under FEMA.

Accounting and compliance documents have to be retained as per the relevant laws. *The seminar on "RECORDS RETENTION: LEGAL PROVISIONS AND DOCUMENT MANAGEMENT SOLUTIONS"* presents a complete solution covering legal as well as technology aspects.

Registrations are open for *Dastur Essay Competition – 2019* with current and relevant topics. We had huge response last year from entire India with more than 115 students submitting their essays. The topics for the current year are as under:

1. Feminism, a Misunderstood Concept Today
2. Trade Wars or Territorial Wars – The Next Global Battle
3. Right to Privacy, its Sanctity in India

We request students to take part and send their enrolments before 31st January, 2019.

The Chamber has announced both *RRCs at Lucknow* (28th February to 3rd March, 2019) for **Direct Tax** and **Hyderabad** (24th to 27th January, 2019) for GST and members can take benefit of special pricing in early bird offer.

Final announcements for *5th International Study Tour to East Europe* is finalised and will depart on 25th May, 2019 for 10 days with very attractive price offer covering Munich, Salsburg with Zell Am see, Slovenia with Lake Bled, Zagreb, Budapest, Vienna etc.

Special Story for the Month on "Audit/Certifications under GST Act" will serve as useful practical guide to all members. I thank Mr. Mandar Telang and Mr. Kush Vora for preparing the design and structure of the Special Story and above all authors for their contribution.

We generally repeat special story in Journal only after 3 years, unless it is necessary. The Chambers Journal is a prized collection and good reference value for every reader and subscriber. We are finalising attractive offer for e-Journal and other offers for outstation members very shortly.

We welcome Members to send their feedback, suggestions and observations for any matter related to The Chamber by sending e-mail on office@ctconline.org or hineshdoshi67@gmail.com.

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Thank you

Hinesh R. Doshi
President