

**NOIDA BRANCH OF CIRC OF ICAI****For in house Circulation Only****No. – 26 (2018-2019)****July & August - 2018****FROM THE DESK OF THE CHAIRMAN ....**

Respected Professional Colleagues,

A warm greeting to everyone,

It gives immense pleasure to get connected again with you all through this exceptional mediator newsletter which is providing me an opportunity to announce that our held programs on **“Women Empowerment” “CA Day”** and **“National Conference”** became a huge success and left a remark to accomplish in future. I am pleased that you have accepted the request and adoring it by your prominent presence. I always admire wisdom of meeting with our colleges, because every time we meet and generate novel creations in favor of our profession. And I am sure that, this tradition will follow in future as well.

Performed Seminar over **“Women Empowerment”**, engrossed many Women CA with its justifiable motive.

Desirability of this program was names as **“Setu”** – A Bridge between CA firms and part time employment for women members. We encouraged women to justify their attained profession. The seminar had a designed target of placing all CA women professional who can start their career by little push.

We received great victory on Celebration of our gratified day **“CA Day”** and relished a month of festival for our community as it completed 70<sup>th</sup> glorified years. We are delighted with your outstanding presence and participation of yours and your families. We received numerous motivational appreciations by you all, which would be always there to inspire us for do better.

The occasion of Two Days National conference, named “**Professional Skill Enrichment**” had a theme “**Insight – Together We Progress**”. We essentially intended over vital matters such as GST Audit and Advance ruling, BENAMI Law and its interplay, IBC, Digital era of Future accounting and Reassessment u/s 147/148 of Income tax 1961. The aim of this conference was to bring together experienced and beginners-chartered Accountant having shared their valuable knowledge and skill to enrich the existing procedure. We invited renowned speaker to address key challenges being tackled by Chartered Accountants.

To begin with this new inspiring month, we are organizing “**Peer review Training program**” getting conducted on 1<sup>st</sup> September 2018, at our Noida Branch. This program will enhance the skills of our professional by productive and creative resources.

We will have “**HR Meet**” in coming month which will provide professionals to get employed in better way.

You all have always supported me and motivated me to do best and here in, I always look forward for your continuous provision in persistence to professional development and harmony in our community.

“A dream doesn’t become reality through Magic, it takes sweats, determination and hard work”.

**With Regards,**

CA. PRAVEEN KUMAR SINGHAL  
CHAIRMAN NOIDA BRANCH  
M. COM., LL. B., FCA, ACWA, DISA (ICAI),  
MBA (FIN), CS (INTER), IRP (IIPICAI)  
MOB :- +91-9313088386  
pksinghalca@gmail.com

*Thank  
you* 



**FROM THE DESK OF THE Secretary.....**

Respected Professional Colleagues,

It is my utmost Pleasure to interact you through June month Newsletter.

I am thankful that through Newsletter of NOIDA Branch, I am regularly in touch of my NOIDA members, as a responsibility of Secretary and I am fortunate to serve NOIDA branch.

I convey my thanks to all the members who presented their professional write-up and valuable subjects for sharing their professional knowledge among the CA fraternity

Every time it is a delight feeling to communicate with all of you, writing for you is like writing a letter for my own very loved ones.

Your suggestions shall always be a source of inspiration for me and my other committee's colleagues.

**With Regards,**

With Best Wishes & Regards,  
CA TANUJ KUMAR GARG  
SECRETARY  
MOB :- +91-9899508755  
Email: tanujgargca@gmail.com

*Thank  
you* 

## **AN OVERVIEW ON THE BENAMI TRANSACTIONS (PROHIBITION)**

### **AMENDMENT ACT, 2016 ('PBPT ACT')**

<b>Benami Transactions Prohibition Act 1988</b>	<b>BENAMITRANSACTIONS (PROHIBITION) AMENDMENT ACT, 2016</b>
9 Sections	71 Sections
Acquisition of Property	Confiscation of Property
Benami Transactions Rules absent	Benami Transaction Rules notified
No Administrators	Administration defined
Imprisonment for 3 years or fine or both	Rigorous imprisonment for a period not less than 1 year AND Fine

**क्या है बेनामी संपत्ति एक्ट?**

**Surgical Strike on Real Estate assets**



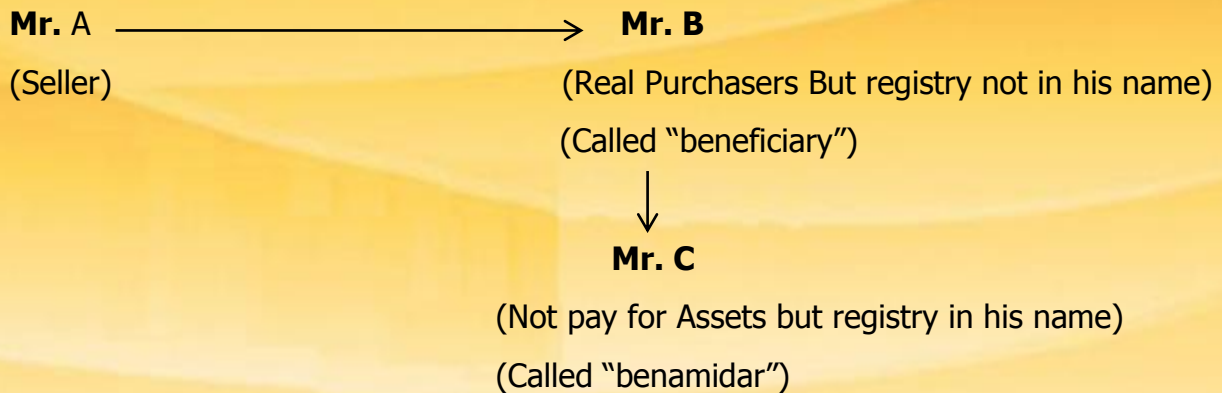
### **WHAT IS BENAMI PROPERTY Section 2 :-**

The definition of property under the PBPT Act include assets of any kind, whether movable or immovable, tangible or intangible, corporeal or incorporeal. It literally means without a name and is commonly used to denote a transaction, which is done by a person without using his own name but in the name of another. The actual beneficiary is the person financing the deal. In most such deals, who usually keeps the property papers and also retains the power of attorney to sell the asset.

As a result, the person in whose name the property is purchased, just a mask of the real beneficiary.

Benami' is a Hindi word meaning "without name" or "nameless". This Act uses the word 'benami' to define a transaction in which the actual beneficiary is not the one in whose name the property is purchased – who is basically an identity cloak – the "benamidar".

The situation of Benami Transaction can be understand as under :-



### **Journey of the Benami Transactions (Prohibition)** **Amendment Act, 2016 ('PBPT Act')**

In order to eliminate the twin menace of corruption and black money, the 'Benami Transactions (Prohibition) Act' was passed in 1988. However, the same was never implemented as the requisite rules and regulations were never put in place. Now, with the passing of the 'Benami Transactions (Prohibitions) Amendment Act, 2016, an effective law has been put in place, to deal with benami properties

The Benami Transactions (Prohibition) Amendment Act, 2016 ('PBPT Act') which came into effect from 01<sup>st</sup> November 2016, after amending the 28-year-old law which was also called the Prohibition of Benami Property Transactions Act, 1988.

The PBPT Act received the assent of the President of India on 10<sup>th</sup> August, 2016 and has been published in the Gazette of India dated 11<sup>th</sup> August, 2016. This has come into force from 1<sup>st</sup> November 2016.

## **Type of Benami Transaction-**

### **1- A transaction or an arrangement—**

(a) Where a property is transferred to, or is held by, a person, and the consideration for such property has been provided, or paid by, another person; and

(b) The property is held for the immediate or future benefit, direct or indirect, of the person who has provided the consideration

**Except** when the property is held by

- (i) A Karta, or a member of a **Hindu undivided family**, as the case may be, and the property is held for his benefit or benefit of other members in the family and the consideration for such property has been provided or paid out of the **known sources** of the Hindu undivided family.



(ii) A person standing in a **fiduciary capacity** (Relating to the responsibility to take care of someone else's money in asuitable way) for the benefit of another person towards whom he stands in such capacity and includes a **trustee, executor, partner, director of a company, a depository or a participant as an agent of a depository** under the Depositories Act, 1996 and any other person as may be notified by the Central Government for this purpose;

(iii) Any person being an **individual** in the **name of his Spouse or in the name of any Child (Not Grand Child)** of such individual and the consideration for such property has been provided or paid out of the **known sources** of the individual.

(iv) any person in the name of his brother or sister **or lineal ascendant or descendant**, where the names of **brother** or **sister** or lineal ascendant or descendant and the individual appear **as joint-owners in any document**, and the consideration for such property has been provided or paid out of the **known sources** of the individual.

or

**2-**A transaction or an arrangement in respect of a property carried out or made in a

**Fictitious Name.**

or

3-A transaction or an arrangement in respect of a property where the owner of the property **is not aware of, or, denies knowledge of, such ownership.**

or

4-A transaction or an arrangement in respect of a property where the person providing the **consideration is not traceable or is fictitious;**

**Explanation.**-For the removal of doubts, it is hereby declared that benami transaction shall not include any transaction involving the allowing of possession of any property to be taken or retained in part performance of a contract referred to in section 53A of the Transfer of Property Act, 1882, if, under any law for the time being in force,-

- (i) Consideration for such property has been provided by the person to whom possession of property has been allowed but the person who has granted possession thereof continues to hold ownership of such property;
- (ii) Stamp duty on such transaction or arrangement has been paid; and
- (iii) The contract has been registered.
- (iv)

**AUTHORITIES ESTABLISHED UNDER THE 2016 ACT**

The 2016 Act provides for setting 4 major Authorities, namely:

- The Initiating Officer
- The Approving Authority
- The Administrator
- The Adjudicating Authority

For the purpose of the 2016 Act, the above authorities have been vested with the same powers as those of the Civil Courts under Civil Procedure Code, 1908

**Legal Implications of a Benami Transaction**

1. Any property, which is the subject matter of benami transaction, shall be liable to be confiscated by the Central Government. The confiscation process will be as under :-
2. Who enter into any Benami transactions shall be punishable with rigorous imprisonment for a term which shall not be less than 1 year and shall not exceed 7 years.
3. In addition to imprisonment, a fine of 25% of the fair market value of the property shall be payable.
4. Any person who is required to furnish information under the Act, knowingly gives false information to any authority or furnishes any false document in any proceeding under this Act, shall be punishable with rigorous imprisonment for a term which shall not be less than 6 months but which may extend to 5 years and shall also be liable to fine which may extend to 10 % of the fair market value of the property.

**With Regards**  
CA AYUSH BHATIA



## **What is CIBIL (Credit Information Bureau (India) Limited)**

CIBIL stands for Credit Information Bureau (India) Limited. It is the first credit information company in India, established in August 2000.

CIBIL obtains this information with the help of its associate partners which include members of banks and credit institutions. Information is provided to CIBIL on a monthly basis based on which CIBIL prepares a Credit Information Report (CIR) and CIBIL credit score of an individual. This report is then provided to credit institutions, when requested, to help them evaluate and approve loan/credit applications.

CIBIL plays a major role in India's financial system by helping banking institutions better manage their business and be helping customers secure credit on fair terms. CIBIL is also referred to as the Credit Bureau. It is licensed by the RBI and governed by the Credit Information Companies Regulation Act, 2005.

CIBIL plays a major role in loan application and approval processes. Without a satisfactory CIBIL score, you may not be eligible for any loans.

## **II. DIFFERENCES BETWEEN CIBIL CREDIT REPORTS AND CIBIL CREDIT SCORES**

A CIBIL credit report is an exhaustive report detailing all your past credit transactions, both borrowing and repayments from/to banks and other financial institutions. A credit score, on the other hand, is generated on the basis of the credit report and is a statistical figure ranging from 300 to 900. It is derived through advanced statistical analysis of a credit report.

## **III. MAJOR OBJECTIVES OF CIBIL**

To provide comprehensive credit information by gathering credit related information regarding commercial and consumer borrowers.

To maintain a database of this information and selling it in the form of credit reports to a closed user group of members.

## **IV. CIBIL OPERATIONS**

- ☐ Reports could be obtained from CIBIL only by members who contribute all data about the borrowers.
- ☐
- ☐ CIBIL collects commercial and consumer credit-related data and collates such data to create and distribute credit reports to Members.
- ☐ CIBIL does not grant or deny credit.
- ☐ V. MEMBERS OF CIBIL
- ☐ Banks
- ☐ Financial Institutions

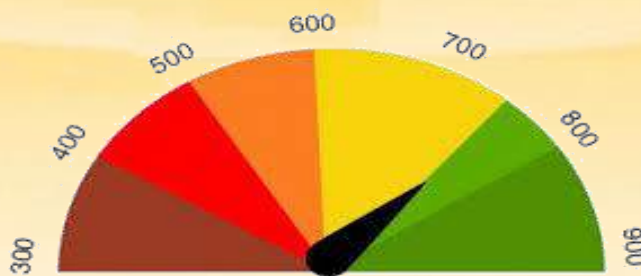
☐ Non-Banking Financial Companies

- ☐ Housing Finance Companies
- ☐ State Financial Companies
- ☐ Credit Card Companies

## **VI. CIBIL SCORE**

The score is an objective numeric summary of that information. The CIBIL TransUnion score takes a "Snapshot" of a consumer's CIR and with the use of advanced analytics moulds the information into a 3-digit number representing the probability that a consumer will default on a credit facility over the next 12 months. ***The possible score ranges between 300 – 900***

***Each member*** (That chooses to use the CIBIL Trans Union score) has its ***own benchmark of the number that constitutes a "good" score***. For Example:- a score of 670 may be an adequate score for some members but be inadequate for others. CIBIL does not recommended what score should be used as a cut-off for loan application eligibility.



### **The Score Will be "0" In the following Scenarios:**

- ☐ Credit history is less than 6 months.
- ☐ Date opened of account/s is less than 6 months from the current date.

### **The Score Will be "-1" In the following Scenarios:**

- ☐ Account information not available.
- ☐ CIR has only enquiries and account information not available.
- ☐ The last date reported or date closed is older than 24 months for all accounts.
- ☐ Some credit institutions credit policy prevents them for providing loans to an applicant with scores of "0" and "-1".

## **VIII. WHAT ARE THE TYPES OF DISPUTES/ERRORS THAT CAN BE RAISED WITH CIBIL?**

1. Personal Information such as name, Date of Birth, PAN Card, Address etc.
2. Account information such as Account/Loan type, status, date of last payment, current balance, amount overdue etc can be disputed.
3. Ownership Make sure all personal details and accounts belongs to you. If an account does not match, raise a dispute.

4. **Duplicate Account:** If the same account is reflecting more than once, you can get this rectified.

### **IX. Steps to improve credit score:**

1. **Make timely bill payments:** In order to prove that you can manage your debt efficiently, make sure to pay all your debts on time. Avoid delays in paying your bills to maintain a good credit score. Try not to pay partial amounts as it may showcase you as indisciplined credit payer and bring your credit score down.
2. **Review your credit report:** In addition to monitoring your credit score, it is advised to check your credit report from time-to-time as it might have errors. It is better to review your credit report regularly, as you can rectify any errors on time.
3. **Mix of credits:** You should have a good mix of secured and unsecured loans. This suggests that you can handle different types of credits efficiently
4. **Avoid hard credit checks:** When you apply for a loan or a credit card and the application gets rejected, it is advisable not to re-apply instantly. Each of the credit application/requests will attract a hard credit report check by the bank.
5. **Limit your credit usage:** Maintaining a discipline when it comes to credit card usage is of utmost importance. It is advisable to not exhaust your entire credit limit. Until your credit score reaches 750, make sure to not spend over 50% of your credit card limit.
6. **Never remove/delete old accounts:** Don't remove or deactivate old accounts or accounts with negative history from your credit report. Getting old accounts removed may harm your score a lot as they may have a good repayment history. Record of paid your debts should be kept in your report as they help in improving your score.
7. Here are some of the factors that decide your CIBIL score :-
  - a. Amount of debt
  - b. Age of credit history
  - c. Credit inquiries
  - d. Repayment history
  - e. Type of debt

**With Regards,**

CA. PRAVEEN KUMAR SINGHAL  
 CHAIRMAN NOIDA BRANCH  
 M. COM., LL. B., FCA, ACWA, DISA (ICAI),  
 MBA (FIN), CS (INTER), IRP (IIPICAI)  
 MOB :- +91-9313088386  
 pksinghalca@gmail.com

**NOIDA BRANCH CIRC OF ICAI**

*Thank  
you* 

# SNAPS DURING NATIONAL CONFERENCE - 2018







## SNAPS DURING FLAG HOSTING ON INDEPENDENCE DAY- 2018





# MOTTO



Ya esa suptesu jagarti kamam kamam Puruso nirmimanah ।  
Tadeva sukram tad brahma tadevamrtamucyate ।  
Tasminloka sritah sarve tadu natyeti Kascan । etad vai tat ॥

य एष सुप्तेषु जागर्ति कामं कामं पुरुषो निर्मिमाणः ।

तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।

तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ॥

*(That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman, that, indeed, is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam : desire after desire, really objects of desire. Even dream objects like objects of waking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self.*

*No one ever goes beyond it : cf. Eckhart : 'On reaching God all progress ends.'*

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**DESIGNED BY:- MRS. MEERA KISHORE-(BRANCH HEAD)**

**MR. OM PRAKASH YADAV-( IT FACULTY)**

**NOIDA BRANCH OF CENTRAL INDIA REGIONAL COUNCIL OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

P-19, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Sector- 12, Noida-201301 ☐ Ph # : 0120-4280419, 4202175  
☐ E-mail : [infoicainoida@gmail.com](mailto:infoicainoida@gmail.com) ☐ Web : [www.noida-icai.org](http://www.noida-icai.org)