



SIR C

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

INCLUSIVE GROWTH



MSME

NEWSLETTER

JUNE 2023

VOLUME - 48

PART - 12

**CPE Programme on Central Government Industrial Subsidies - New Area of Practice
- 08.05.2023**



Resource Person: Shri. G. B. Modi

**CPE Programme on Practical Issues in FEMA Compliances and Auditor's Role
- 10.05.2023**



Resource Person: Adv. K. Ramesh

CPE Programme on Accounting Standards for Non Corporate Entities-1 - 11.05.2023



Resource Person - CA. P. Shankar Raman

CPE Programme on Accounting Standards for Non Corporate Entities-2 - 12.05.2023



Resource Person: CA. S. Sundar Raman

CPE Programme on Meeting the Challenges in GST Audit under Sec. 65 - 15.05.2023



Resource Person: CA. Shaikh Abdul Samad Ahmed

CPE Programme on Investor Awareness Programme on Social Stock Exchange Regulation - 16.05.2023



Resource Person: Shri. V. Nagappan

CPE Programme on Code of Ethics & Ethical Standards - 17.05.2023



Resource Person: CA. J. Venkateswarlu,
Former Central Council Member, ICAI

CPE Programme on IND AS 32 - 19.05.2023



Resource Person: CA. S. Sounder Rajan

CPE Programme on Critical Analysis & Audit of Risk Management Function – 20.05.2023



Resource Person: CA. Vidyadaran Krishnaswamy

CPE Programme on Implications under PMLA for CA, CS and CMA of Ministry of Finance Notification dated 3rd and 9th May 2023 and various other crucial issues – 23.05.2023



Resource Person : Adv. (CA). Ashwani Taneja



Resource Person: Adv. Amit Khemka

**4 Days Capacity Building Programme on Standards on Internal Audit - 24.05.2023 to 27.05.2023
Organised by Board of Internal Audit & Management Accounting (BIAMA), ICAI
and Hosted by SIRC of ICAI**



Group Photograph of delegates and dignitaries. Seated on the dais (L-R) flanked by delegates are Resource Persons CA. Rekha Surana, CA. H. Vekatesan, CA. Rajendra Kumar P, Central Council Member & Chairman-BIAMA, ICAI, CA. Vidyadaran Krishnaswamy, Programme Coordinator.

CONVOCATION AT SOUTHERN REGION – 27.05.2023

CHENNAI



CA. R. Bupathy, Past President, ICAI and Chief Guest awarding the Membership Certificate to a newly enrolled Member along with Central Council Members and Convocation Co-ordinators CA. Rajendra Kumar P and CA. Sripriya Kumar; CA. S. Panna Raj, Chairman, SIRC of ICAI; and SIRC Regional Council Members CA. S. Rajesh, CA. Rekha Uma Shiv, CA. P. Satheesan and CA. R. Sundararajan.

BENGALURU



CA. K Raghu, Past President, ICAI awarding Membership Certificate to a newly enrolled Member of the Institute at the Convocation 2023 held on 27th May 2023 at Dr. Ambedkar Bhawan, Bengaluru, . Dignitaries & Others
(L-R): CA. Geetha A B, Vice Chairman, SIRC of ICAI, CA Cotha S Srinivas, CCM and Convocation Coordinator, ICAI, CA . Prasanna Kumar D, CCM and Convocation Coordinator, ICAI

HYDERABAD



Shri Bandi Sanjay Kumar, Member of Parliament and Chief guest of Hyderabad convocation being felicitated by Hyderabad Convocation Coordinators. CA. Dayaniwas sharma and CA. Sridhar Muppala along with CA. Devaraja Reddy M, Past President ICAI, Members of SIRC and Hyderabad Branch Managing Committee Members Devaraja Reddy M, Past President ICAI, Members of SIRC and Hyderabad Branch Managing Committee Members.

MEET WITH JOINT DIRECTOR, FAMETN – 30.05.2023



Shri S. Sakthivel, Joint Director/General Manager, Facilitating MSMEs of Tamil Nadu (FaMeTN) flanked by CA. S. Panna Raj, Chairman, SIRC of ICAI and CA. Arun Ayyampalayam Venkatesan, Secretary, SIRC of ICAI. Also seen (L-R): CA. Sasikala Ravi Venkatesan, Chennai and CA. Shantharama Nayak, Member, MSME & Start up Committee of SIRC of ICAI.

MEET WITH AGM, UBI – 30.05.2023



Shri S. Jaya Raju, Assistant General Manager, Union Bank of India flanked by CA. S. Panna Raj, Chairman, SIRC of ICAI and CA. A.B. Geetha, Vice-Chairman, SIRC of ICAI. Also seen (L-R): Shri S. Sabarigreesan, Deputy Secretary & Regional Head, ICAI, Chennai and CA. Shantharama Nayak, Member, MSME & Start up Committee of SIRC of ICAI.

CHAIRMAN'S COMMUNIQUE

Dear Professional Colleagues,

Greetings from SIRC.

The Summer Season is getting over. During last month, I am sure, most of our members would have spent their quality time with the family taking advantage of the presence of their wards at home. Members in practice are back in action with renewed energy, members in industry would have their hands full with preparatory work for their Audit Committee Meetings and Annual General Meeting of their organizations. SIRC wishes all members to have wonderful months ahead of intense professional services.



Chartered Accountants Day - 2023:

1st July 2023 is the D-Day for our professional colleagues as ICAI gets ready to celebrate in a grand manner the entering into 75th year of its yeomen service to the society. It is always a pleasure to recall happy and nostalgic moments of any milestone more so when it is a landmark achievement. ICAI has been planning numerous programmes to commemorate the occasion, so also we at SIRC are planning to have the occasion celebrated with grandeur on 1st July 2023.

SIRC is having a day-long celebration with regular Walkathon, hoisting of ICAI Flag at the ICAI Bhawan, Chennai, CSR activities, sports activities for members, their spouse and children and felicitation to senior members of the profession. Likewise all the Branches and Programme Organizing Units (PoUs) would be hoisting the ICAI Flag and celebrate the occasion in a befitting way.

I join with my colleagues in SIRC to request all the members to participate with their family in large numbers at Chennai and at other places to make the occasion a memorable one.

Convocation - May 2023:

ICAI held the Convocation in 12 Centres across the country on 27th May 2023. The inaugural session of the Convocation at New Delhi was live webcasted at 11 Centres. CA. Aniket Sunil Talati, President, ICAI inaugurated the Convocation and administered Oath to around 15000 newly enrolled Members across 12 Centres.

The Convocation at Southern Region was held at Chennai, Bengaluru and Hyderabad. 3506 Members in all attended the Convocation in Southern Region and received their credentials. Chief Guest CA. R. Bupathy, Past President, ICAI inaugurated the Afternoon Batch of the Convocation at Chennai, delivered Convocation Address, administered Oath to the newly enrolled Members and awarded Rank and Membership Certificates. At Bengaluru Centre, CA. K. Raghu, Past President, ICAI addressed the newly enrolled Members. At Hyderabad Centre, Chief Guest Shri Bandi Sanjay Kumar, Member of Parliament, Government of India addressed the newly enrolled members and awarded Rank and Membership Certificates. The Convocation was attended by the Central Council Members and Regional Council Members present in the respective centres.

SIRC wishes the recipients the very best in their professional career.

On trail with CPE Learning:

The month of May 2023 had witnessed series of continuing education programme organized / hosted by SIRC in the form of Series of Three Days Accounting Standards for Non-Corporate Entities between 11th and 13th May and Series of Four Days on Internal Audit Standards between 24th and 27th May 2023 at ICAI Bhawan the latter held under the auspices of Board of Internal Audit and Management Accounting, ICAI of which CA. Rajendra Kumar P is the Chairman.

Besides the above two programmes held with physical presence, SIRC had conducted five CPE Programmes with physical presence and two CPE Programmes through virtual platform on diverse topics of professional interest.

Residential Refresher Courses:

We also had two Three Day Residential Refresher Courses organized under the auspices of Continuing Professional Education Committee of ICAI, one at Mysuru hosted by Kozhikode and Mysuru Branches of SIRC between 25th and 27th May 2023 and the second one at Kumta hosted by Udupi Branch of SIRC between 26th and 28th May 2023.

I had the pleasure of joining virtually and addressed the members who had attended the RRC at Mysuru. CA. Purushottamlal Khandelwal, Chairman, Continuing Professional Education Committee of ICAI, CA. Dayaniwas Sharma, Central Council Member, ICAI and CA. A.B. Geetha, Vice-Chairperson of SIRC attended and addressed the members.

CA. Cotha S. Srinivas, Central Council Member, ICAI and Programme Director of RRC at Kumta and CA. A.B. Geetha, Vice-Chairperson of SIRC attended the RRC at Kumta. The Courses were well-organized under the effective co-ordination of the organizing team under the Chairmanship of CA. M.K. Mujeen Rahman, Chairman, Kozhikode Branch of SIRC, CA. V. Raghunandan, Chairman, Mysuru Branch of SIRC and CA. P. Mahindra Shenoy, Chairman, Udupi Branch of SIRC.

The Corporate Laws & Corporate Governance Committee of ICAI with CA. Sripriya Kumar as Chairperson of the Committee organized a Residential Refresher Course at Alleppey on 26th May 2023 and hosted by Alleppey Branch. I had the pleasant opportunity to participate as Chief Guest in the inaugural session and share my thoughts. These visits at the Branches offer me to have valuable interactions, inputs and expectations of the members for us to channelize our efforts to offer more and more continuing professional education.

Financial Tax Literacy Awareness Initiative:

One of the initiatives as part of “Partners in Nation Building” ICAI had launched the “Financial and Tax Literacy Drive - ‘VITIYA YAN’ in 2021 initially in nine different languages and later in 2022 extended the Vitiya Gyan ICAI ka Abhiyaan in 12 vernacular languages.

SIRC, as part of its CSR activity and also joining in this laudable initiative of ICAI held programmes for the School and College Students, Women Self Help Groups and the General Public at large. Recently we held programmes for the employees of M/s. Muthu Soft Labs, Chetpet, Chennai, M/s. Sparky Entertainment India Pvt. Ltd., Adyar, Chennai, M/s. Spell Bound Visual Effects and Animation Pvt. Ltd., Ekkatuthangal, Chennai at their offices. CA. Petchi Kannan was the resource person and addressed the employees on the subject. The participants were highlighted about the tax literacy, compliance of tax related matters and the expectations of the regulators. The programmes were highly appreciated.

CPE Programmes on Track:

Significance of Constant Learning:

Constant and focussed learning are the forte of our profession. To align our thoughts and performance, the theoretical knowledge coupled with listening to the doyens of the profession would invariably weigh in the end-result. The decision to make mandatory attendance to members is the result of exhorting the members to offer the best results to all the regulators and clients.

National Conference - MSME Conclave 2023:

On 24th and 25th June 2023 SIRC is organizing 2 Days MSME National Conference. The details of the Conference are published elsewhere in this Newsletter.

Other CPE Programmes:

SIRC lined up programmes for June on Multi-Disciplinary Partnership, Accounting and Auditing Standards, Ind AS, Taxation, CARO, Other Commercial Laws, Information Technology, Code of Ethics, Investor Awareness Programmes and other related topics of professional interest, besides a One Day Programme under the auspices of Peer Review Board of ICAI.

Interaction Meeting with President and Vice-President of ICAI:

The leadership of ICAI is expected to be in Chennai during the first week of June and we are planning to have an Interaction Meeting with the Members, the details of which will be mailed once the schedule of date and time is finalized.

ICAI – ORIENTATION PROGRAMME FOR MEMBERS IN PRACTICE:

A One Day Orientation Programme for the Chartered Accountants enrolled with COP between April 1, 2018 and April 30, 2023 within the State of Tamil Nadu and Pondicherry is being held on 7th June 2023 at Hotel Taj Coromandel, Chennai. This is the first time initiative by ICAI. Our beloved President CA. Aniket Sunil Talati and Vice-President CA. Ranjeet Kumar Agarwal will be addressing the members on the occasion. Invitation has been sent separately to the members concerned. Eminent resource persons have been invited to address the members on diverse topics of professional interest and importance.

This programme is held under the auspices of the Committee for Members in Practice, ICAI under the Chairmanship of CA. Prakash Sharma, Chairman and coordination by CA. Rajendra Kumar, P and CA. Sripriya Kumar, Central Council Members of ICAI. SIRC of ICAI has great pleasure to host this unique event.

National Conference of Chartered Accountants at Mangaluru:

A Two Day National Conference with theme “AVINYA” with tag line “Innovate to Excel” is being held on 6th and 7th June 2023 at Mangaluru under the auspices of the Professional Development Committee of ICAI of which CA. D. Prasanna Kumar is the Chairman of the Committee. The Conference is being hosted by Mangaluru Branch of SIRC of ICAI.

P.P. Gururaja Upadhyaya Memorial Lecture:

SIRC of ICAI and SICASA are organizing the P. P. Gururaja Upadhyaya Memorial Lecture on June 17th 2023 at ICAI Bhawan, Chennai. CA. T. Banu Sekar has kindly consented to deliver the Memorial Lecture. This is the 25th Year of Memorial Lecture (as we could not hold last year) having begun the Memorial Lecture in the year 1997 to commemorate and recognize the contribution to the profession and to the students' fraternity by CA. P. P. Gururaja Upadhyaya, Central Council Member who died in harness (1988-9th September 1997).

Meet with Regional Director, Ministry of Corporate Affairs:

It is our endeavour to have regular interaction with Heads of regulators in different departments at regular intervals. One such interaction is planned on 12th June 2023 with Shri S.B. Gautam, Regional Director of Ministry of Corporate Affairs at ICAI Bhawan.

SIRC welcomes the members to attend all the meetings scheduled by SIRC during June 2023 and offer your valuable support to enthuse it to have many more programmes of intuitive, innovative, interesting and informative subjects of professional interest.

International Yoga Day:

21st June is observed as the International Yoga Day and SIRC has been organizing an event to commemorate the occasion. This time too at Chennai we have the demonstration and exercise to mark the occasion. I invite members to join with their spouse and children to be part of the International Yoga Day being celebrated on 21st June 2023 at ICAI Bhawan, Chennai.

Initiative on professional front:

On 12th May 2023 I co-chaired a meeting along with the Director of Co-operative Audit Department of Government of Karnataka at Bengaluru to discuss on the audit report format for Co-operative Societies in the State of Karnataka. There was positive and progressive deliberation by the Review Committee and the revised format was approved at the meeting. I am sure the new format is welcomed by all the stakeholders.

Career Counselling:

It is heartening to note that the toppers in the school education have announced their intent to pursue CA Course as their career option. Ms. S. Nandhini from Dindigul, the topper in the State Board Examination of Government of Tamil Nadu who secured 600/600 and Ms. N. Gayathri, a student of Chennai Corporation School and the topper in Chennai securing 592/600 have expressed that they want to become Chartered Accountants. Similarly, we have learnt that majority of the students who were successful in the Central and State Board Plus 2 Examinations have shown their inclination to be a Chartered Accountant.

ICAI welcomes them to our course and offer its fullest support in their pursuit to excel in the CA Course. It is at this juncture I call upon our members to disseminate the prospects of doing CA Course amongst the students of their nearby schools and in schools where their wards are studying. SIRC will provide the necessary brochure highlighting the syllabus and the education and training that ICAI offers to the younger generation. Members can approach SIRC Office or the nearest branch office to obtain the relevant information and the brochure.

Updation of KYM by Members:

It has been observed that many members have not updated their "Know Your Member" (KYM) through the Self Service Portal. We would like to impress upon the matters that for performance of activities including payment of membership fee, the pre-requisite is the updation of KYM in Self Service Portal (SSP). SIRC like to sensitize this and request members to update at once the required data for hassle-free interaction with ICAI.

Student Related Activities:

National Conference of CA Students at Ernakulam:

The Students' Skill Enrichment Board – Board of Studies (Operations) is organizing a National Conference of CA Students at Ernakulam on 16th and 17th June 2023 hosted by Ernakulam Branch of SIRC and Ernakulam Branch of SICASA. The theme of the Conference is "Adwaitha" with the tagline "Discover your Inner Self".

Obituary Reference – CA. S.T. Venkatesh, Chairman of Madurai Branch (2023-2024):

Before I conclude this communiqué, I with deep regret record the untimely death of our beloved CA. S.T. Venkatesan who at the prime age of 59. He took over as Chairman of Madurai Branch for the current year. I shared the stage with him on 20th March 2023 in a Bank Audit Seminar. The profession had lost one of the vibrant leaders. I join with the other members to pray to the Almighty to rest His soul in eternal Shanthi.

Payment of Membership Fee:

The membership fee / certificate of practice fee for the year 2023-2024 is payable by members. The response from the members to our appeal to pay early has been very encouraging. SIRC requests all others yet to remit the prescribed fee to pay at the earliest with due updation of "Know Your Member" (KYM) in the Self Service Portal for hassle-free transaction of payment.

105 days of Council Year 2023-24:

We are privileged to serve our CA fraternity and grateful to the members of the region for giving us this wonderful opportunity, which we feel as once in a lifetime chance. By the time the copy of this newsletter reaches you, the present team of office bearers could have completed our 105 days in office. We are conscious that there is always scope for improving our performances. We seek your valuable feedback and / or suggestions to SIRC through email to sircfeedback@icai.in so that our remaining period in office could be made furthermore productive and proactive.

With warm regards,
CA. S. PANNA RAJ
Chairman, SIRC of ICAI

SIRC of ICAI

PROGRAMMES FOR THE MONTH OF JUNE & JULY 2023

Regn: <https://bit.ly/sirclogin>

Date (Day)	Timings	Mode	Topic	Resource Person(s)	Fees (Rs.) (Including GST)	CPE Credit Hours
02.06.2023 (Fri)	5.00 pm to 8.00 pm	Virtual	Multi Disciplinary Partnership (MDP) Guidelines	CA Gopal Krishna Raju, Chennai	236	3
05.06.2023 (Mon)	4.00 pm to 6.00 pm	Physical	World Environment Day Celebrations by SIRC & SICASA	Environmentalists Mr. Indra Kumar & Mr. Paneer Selvam Chennai	-	-
05.06.2023 (Mon)	5.00 pm to 8.00 pm	Virtual	Standards on Auditing : SA250, SA 550, SA 570	CA. Sunil Bhumralkar, Bangalore	236	3
06.06.2023 (Tue)	2.00 pm to 9.00 pm	Physical	One Day Training Programme for Peer Reviewers at Chennai Organised by Peer Review Board of ICAI and Hosted by SIRC of ICAI	Details at Page No.12	590	6
06.06.2023 (Tue)	5.00 pm to 8.00 pm	Virtual	Code of Ethics	CA. Jai Narayan Gupta, Kolkata	236	3
13.06.2023 (Tue)	5.00 pm to 8.00 pm	Physical	GST Issues & Challenges in Real Estate Sector	CA. Bharath Kumar, Chennai	236	3
14.06.2023 (Wed)	3.00 pm to 5.00 pm	Virtual	Outreach Programme on Settlement Commission in Indirect Taxes	Commissioner - Settlement Commission, Service Tax, Central Excise & Customs, Chennai	118	2
15.06.2023 (Thu)	5.00 pm to 8.00 pm	Virtual	Other Commercial Laws: IBC, PF, Banking Laws	CA. T.R. Chandrasekhar CA. I.P. Venkatakrishnan CA. Asa Sivaraman V	236	3
16.06.2023 (Fri)	5.00 pm to 8.00 pm	Virtual	CARO, 2020	CA. Sumanta Guha	236	3
16.06.2023 (Fri)	9.00 am to 5.30 pm	Physical	Two Days Sub Regional Conference Swaprakaasa - Raise for Self Learning Organised by SIRC of ICAI Hosted by Vijayawada Branch of SIRC of ICAI Venue: Hyatt Place, Gunadala, Vijayawada	Details at Page No.20	Non ARS Members: Rs 2500+GST ARS Members: Option- 1 (Who Paid Rs. 3000): Rs. 1000 +GST Option- 2: Nil Non-Members: Rs.3000/- + GST	12
17.06.2023 (Sat)						
19.06.2023 (Mon)	5.00 pm to 8.00 pm	Virtual	Investor Awareness Programme on # NSE Social Stock Exchange # NSE Emerge: Fund Raising for SMEs through Listing.	Ms.Rachana Bhusari, Vice President, National Stock Exchange Mr. R. Senthilmurugan Senior Manager, National Stock Exchange	236	3
20.06.2023 (Tue)	5.00 pm to 8.00 pm	Virtual	Accounting Standards for Local Bodies (ULB)	CA. Dr. R.S. Murali	236	3
21.06.2023 (Wed)	8.15 am to 9.00 am	Physical	Yoga Day Celebrations	Ms. Aruna Swabhadhini Yoga Instructor	-	-
21.06.2023 (Wed)	5.00 pm to 8.00 pm	Virtual	System Audit (Master Class on Information Technology General Control Review for Internal Financial Controls as per Companies act, 2013 and Audit Trail Requirements)	CA. Deepika, Chennai	236	3
22.06.2023 (Thu)	5.00 pm to 8.00 pm	Virtual	Ind AS 110	CA. Anand Subramanian, Bangalore	236	3
24.06.2023 (Sat)	9.30 am. to 9.00 pm	Physical	MSME Conclave 2023 (2 Days Metro conference on MSME) Venue: D.G. Vaishnav College, Arumbakkam, Chennai-106.	Details at Page No.10	2000	9
25.06.2023 (Sun)	9.30 am to 1.30 pm	Physical				
26.06.2023 (Mon)	5.00 pm to 8.00 pm	Virtual	Audit efficiency through Excel	CA.Rathnagiri, Sivakasi	236	3
27.06.2023 (Tue)	5.00 pm to 8.00 pm	Virtual	Accounting Standards for Non – Corporate Entities AS 22 "Taxes on Income" and AS 29 "Provisions, Contingent Liabilities and Contingent Assets"	CA. T. C. Vijay, Chennai	236	3
30.06.2023 (Fri)	5.00 pm to 8.00 pm	Virtual	Accounting Standards for Non – Corporate Entities AS 11 "The effect of Changes in Foreign Exchange Rates", AS 12 "Accounting for Government Grants" and AS 15 "Employee Benefits"	CA. Vinod Balachandran, Kochi	236	3
01.07.2023 (Sat)	7.00 am to 8.30 pm	Physical	CA Day Celebrations Walkathon and Blood Donation camp "Be a Hero- Donate Blood today" Details will be hosted in www.sirc-icai.org		-	-

CPE Credit on attending full programme only

Prior Registraton Complusory : <https://bit.ly/sirclogin>



SOUTHERN INDIA REGIONAL COUNCIL OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(SET UP BY AN ACT OF PARLIAMENT)

Organises



“SAMVARDHAN”

MEGA

MSME
CONCLAVE 2023

CPE : 9hrs

(Empowering MSMEs as Economy Boosters)

"In commemoration of celebration of International MSME Day"

Date: June 24th and 25th 2023(Saturday and Sunday)

Venue: DG Vaishnav College, Arumbakkam, Chennai

SESSION CONTENT	Day 1 - 24th June, 2023
Empowering MSMEs as Growth Engine of Economy	
Schemes & Incentives for MSMEs from Central & State Govt	
Start up Ecosystem in India	
Funding options for MSMEs and Women Entrepreneurship	
Statutory compliances for MSMEs	
MSME Townhall	
Award Ceremony	
Networking Dinner	
SESSION CONTENT	Day 2 - 25th June, 2023
Professional Opportunities in MSME Sector	
Bridging Supply chain gaps - Logistics and Supply Chain	
Branding, Marketing & Digital Transformation for MSMEs	

Registration Fees	
CA Members	Rs. 2000 per delegate (inclusive of GST)
Micro & Small Enterprises	
Medium Enterprises	
Others	

Kindly Click this Link for Online Registration

https://www.sirc-icai.org/common_events.php

For Details Contact :

SIRC CPE Helpline : 9176826789

LEADERS THOUGHT...

Embracing a Future of Excellence and Empowerment

Dear Esteemed Members,

As we navigate through an ever-evolving landscape of challenges and opportunities, it is crucial for us to invest in the holistic development of our profession and foster a sense of purpose in our endeavours. In this edition, I would like to shed light on a few essential aspects where I was and I am given responsibility as Chairman of few committees at SIRC, career counselling and CSR activities during 2022-23, branch coordination and soft skill and technology training for 2023-24.



As Chairman of Career Counselling Committee of SIRC (2022-23):

First and foremost, career counselling plays a pivotal role in shaping the future of our profession. We must recognize the diverse aspirations and ambitions of youngsters and provide comprehensive guidance to assist them in making informed decisions. By organizing career counselling and mentoring programs we empowered students with the knowledge and insights necessary to choose their career path. Together to unlock the full potential of young talent pool and cultivate a culture of continuous growth. With support of all, for the first time at SIRC, we have addressed more than 30,000 students physically and the Super Mega Career Counselling Program conducted at Branches has entered the Asian Book of Records.

As Chairman of CSR Committee of SIRC (2022-23):

Another crucial facet of our profession lies in our commitment to Corporate Social Responsibility (CSR) activities. As leaders, it is our responsibility to encourage and facilitate initiatives that have a positive impact on society. By leveraging our collective expertise and resources, we can address pressing social and environmental challenges, striving for a more equitable and sustainable future. Together I'm satisfied as we embrace the spirit of giving back and inspire others through our actions, demonstrating the immense value our profession giving back to society.

As Chairman of Branch Coordination Committee of SIRC (2023-24):

Furthermore, effective branch coordination is vital for the growth and progress of our organization. Strong communication channels, collaborative initiatives, and regular knowledge sharing platforms are the pillars upon which successful coordination is built. By fostering a sense of camaraderie among our branches, we can strengthen our collective voice, achieve common goals, and enhance the services we offer to our members. Together, let us promote an environment that encourages synergy and cooperation.

As Chairman of ICITSS and AICITSS Committee of SIRC (2023-24):

Lastly, to thrive in the digital era, it is essential for us to adapt and embrace technological advancements. The rapid pace at which technology evolves necessitates a continuous focus on upgrading our skills. By providing comprehensive soft skill and technology training programs to students through ICITSS and AICITSS, we can equip our students with the tools they need to stay ahead of the curve. Empowering our community with the necessary knowledge and expertise will not only enhance their professional growth but also ensure the resilience and relevance of our profession in an ever-changing world.

In conclusion, let us embark on a journey of excellence and empowerment. By prioritizing career counselling, engaging in impactful CSR activities, fostering branch coordination, and investing in soft skill and technology training, we can shape a brighter future for ourselves and the profession as a whole. Together, we can chart a path towards success, making a positive difference in the lives of our members and the communities we serve.

Wish you all Happy Chartered Accountants Day in Advance.

Warm regards,

CA Rajesh S, FCA
Regional Council Member



ONE DAY TRAINING PROGRAMME FOR PEER REVIEWERS AT CHENNAI

**PHYSICAL
PROGRAMME**

CPE : 6 Hrs

Organized by : Peer Review Board of ICAI

Hosted by : SIRC of ICAI

Date
6th June 2023, Tuesday

Timings
02:00 P.M. to 09:00 P.M.

**Venue : P. Brahmayya Memorial Hall, ICAI Bhawan,
No. 122, Mahtma Gandhi Road, Nungambakkam, Chennai - 600034**

Keynote Address







CA. (Dr.) Anuj Goyal

Chairman, Peer Review Board, ICAI

Special Address

CA. Sripriya Kumar

Vice-Chairperson, Peer Review Board, ICAI

TIMING OF SESSION	SESSION DETAILS	RESOURCE PERSONS
01:30 P.M.-02:00 P.M.	Registration & Tea	
Session I 02:00 P.M.-03:00 P.M.	Importance of Peer Review	CA. (Dr.) Anuj Goyal Chairman, Peer Review Board, ICAI 
Session II 03:00 P.M.-03:45 P.M.	Overview and AQMM Review	CA. Sripriya Kumar Vice-Chairperson, Peer Review Board, ICAI 
Session III 03:45 P.M.-04:30 P.M.	Peer Review Guidelines, 2022	CA. Chandrashekhar Vasant Chitale CCM & Member, Peer Review Board, ICAI 
Session IV 04:30 P.M.-05:30 P.M.	Review Procedures and Reporting by Peer Reviewer	CA. Uday Sathaye 
05:30 P.M.-05:45 P.M.	Tea & Cookies	
Session V 05:45 P.M.-06:45 P.M.	Compliance with Audit Documentation	CA. T.V. Balasubramanian 
Session VI 06:45 P.M.-07:45 P.M.	Compliance with Framework of Quality Control General & Specific Controls	CA. Chinnsamy Ganesan 
Session VII 07:45 P.M.-08:45 P.M.	Compliance with Technical, Professional and Ethical Standards	
08:45 P.M. onwards	Dinner	

Online Payment Link


https://www.sirc-icai.org/forthcoming_programmes.php

Delegate FEE

Rs.590/-

(Incl. GST)

Registration Help Desk

sirccpe@icai.in  **91768 26789**

CA. Panna Raj S.

Chairman, SIRC of ICAI

For Registration, please contact:

sirccpe@icai.in  **91768 26789**

CA. A.V.Arun

Secretary, SIRC of ICAI

ARTICLE

Disclosure requirements related to MSME

Contributed by: CA. Dr. Gopal Krishna Raju, Chennai



Introduction:

MSME stands for Micro, Small, and Medium Enterprises. In accordance with the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006, on 9th May 2007, subsequent to an amendment of the Government of India (Allocation of Business) Rules, 1961, erstwhile Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (M/o MSME). As per Udyam Registration portal, the total number of persons employed in MSMEs which are incorporated during the financial year 2022-2023 is 84,23,452.

MSME Contribution during FY 2022-2023:

As per the information received from Ministry of Statistics and Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) is as follows:

Description	% of contribution
Share of MSME GVA in All India GDP	33
Share of export of MSME related products in All India Export	42.67
Share of manufacturing MSME GVA in All India manufacturing GVA	38.47

Classification of MSME:

As per Notification no: **S.O. 2119(E) dated 26th June, 2020**, an enterprise shall be classified as a micro, small or medium enterprise on the basis of the following criteria, namely:

Type of enterprise	Investment in plant and machinery or equipment	Turnover
Micro	< Rs. 1 crore	< Rs. 5 crores
Small	< Rs. 10 crores	< Rs. 50 crores
Medium	< Rs. 50 crores	< Rs. 250 crores

Protection against Delayed payment:

As per **section 16** of MSMED Act, 2006, where any buyer fails to make payment of the amount to the supplier, as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay **compound interest** with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at **3 times** of the bank rate notified by the Reserve Bank..

1) Disclosure in Schedule III of Companies Act, 2013:

As per MCA, vide notification no. GSR 679(E) dated 04-09-2015, the following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:

“FA. Trade Payables”

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

- (b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
- (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and
- (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

MCA, vide notification dated March 24, 2021 has further prescribed additional disclosures required in the financial statements by amending schedule III to the Companies Act, 2013. The note on Trade Payables due for payment by the company shall consist of an ageing schedule "Trade payables due for payment"

"FB. Trade payables due for payment" – Ageing schedule:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than			More than	
	1 year	1-2 years	2-3 years	3 years	
(i) MSME					
(ii) Others					
(iii) Disputed dues -MSME					
(iv) Disputed dues -Others					

2) Disallowance under Income tax act,1961:

Section 43B of Income Tax Act, 1961

The Finance Act 2023 has a new insertion of clause (h) to section 43B of the Income Tax Act 1961. The said clause has been inserted as a Socio Economic Welfare Measure to ensure timely payments are realized by micro and small enterprises. Section 43B of the Act provides for certain deductions to be allowed only on actual payment. The Finance Act 2023 has newly inserted a clause to this section which is read as under:

Section 43B (h): "any sum payable by the assessee to a MICRO or SMALL enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006,"

The above clause indicated that, in order to be eligible to claim deduction of the sum payable to micro and small enterprises, the payment shall be actually made within the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006.

"Specified time limit" u/s 15 of MSMED Act, 2006:

Where any supplier, supplies any goods or renders any services to any buyer, the buyer shall make payment therefor on or before the date agreed upon between him and the supplier in writing or, where there is no agreement in this behalf, before the appointed day.

Provided that in no case the period agreed upon between the supplier and the buyer in writing shall exceed 45 days from the day of acceptance or the day of deemed acceptance.

"appointed day" means the day following immediately after the expiry of the period of 15 days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier.

"any sum payable" means the amount and interest due to the supplier.

3) Disclosure in Form 3CD – Tax audit report:

“Clause 22. Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006”

This clause requires that, if an assessee fails to make payment to the MSME supplier within the time limit given under section 15 of the MSMED Act, 2006 and require to pay interest to its MSME supplier as per section 16 of the said act then as per section 23 of MSMED Act, 2006 such interest shall not be allowed as a deduction for the purposes of the computation of income under the Income Tax Act, 1961.

4) Half yearly reporting requirements under Companies Act, 2013

MCA vide notification “Specified Companies (Furnishing of Information about payment to micro and small enterprise suppliers) Order, 2019” dated 22nd January 2019, mandates that, all specified companies shall submit a half yearly return (e-form MSME Form I) to the ministry of corporate affairs (MCA) stating the following:

Item No.	Disclosures required under the Micro, Small & Medium Development Act, 2006	As on (____) (Rs.)
1.	Delayed payments due as at the end of each accounting year on account of Principal and Interest due thereon	
2.	Total interest paid on all delayed payments during the year under the provisions of the Act	
3.	Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	
4.	Interest accrued but not due (Represents interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date).	
5.	Total Interest Due but not paid (Represents all interest amounts remaining due together with that from prior year(s) until such date when the interest was actually paid to the small enterprises. Mainly to ascertain the amount of interest disallowable for income tax purposes).	

“**specified companies**” means every companies who buy goods or avail services from micro, small and medium enterprises (vendors) and whose payments to such supplier have exceeded 45 days.

“**half-yearly return**” refers to the return which is to be filed by the specified companies in Form MSME 1 with ROC every half year. The due date to file the return is 31th October and 30th march respectively.

Penalty for contravention:

As per Section 405(4) of Companies Act, 2013 any company in default or furnishes any information which is incorrect or incomplete in any material respect, the company and every officer of the company who is in default shall be liable to a penalty of Rs.20,000 and in case of continuing failure, with a further penalty of Rs.1000 for each day after the first during which such failure continues, subject to a maximum of Rs.300,000.

Conclusion:

The aforesaid disclosures has been insisted as a Socio Economic Welfare Measure to ensure timely payments are realized by micro, small and medium enterprises. The Ministry of MSME has taken an initiative by launching **MSME Samadhaan**, the Delayed Payment Monitoring System expressly to empower micro and small entrepreneurs across the country.

(The author can be reached through email gkr@kgrca.in)



Southern India Regional Council of The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

**Come & Join hands with SIRC
in World Environment Day Celebrations**

AWARENESS PROGRAM ON ENVIRONMENT CONSCIOUSNESS & A LIVE DEMO OF COMPOSTING

**MONDAY,
JUNE 5TH** 4pm — 6pm
ICAI BHAWAN,
NUNGAMBAKKAM
CHENNAI - 34.

Guest of honor:

Environmentalists:
Mr. Indra Kumar &
Mr. Panneer Selvam to
address us on composting
Reduce, Reuse, Recycle

Followed by

- Planting of Tree Saplings
- Swachh Bharat Activities
(Cleaning the premises - In and around ICAI)

CA. Panna Raj S
Chairman, SIRC of ICAI



**LET US LEARN ZERO
WASTE IDEAS
THAT CAN EASILY BE
IMPLEMENTED
IN OUR HOMES AND
OFFICES!**

**COME JOIN
IN BIG
NUMBERS!**

CA. Arun A.V.
Secretary, SIRC of ICAI

ARTICLE

MSMEs – Funding from Banks & Financial Institutions

Contributed by: CA. Shantharama Nayak, Mangaluru,

Co-opted Member, MSME & Start-ups Committee of SIRC of ICAI



MSMEs (Micro, Small, and Medium Enterprises) play a very significant role in very development of the Country. In India, MSMEs contribute nearly 30% of the country's GDP and approximately 48% of the country's exports & created over 111 million jobs. So, they are the growth engines of the Indian economy as well as '**Backbone of the country.**' MSMEs have contributed immensely to the country's socioeconomic development. It not only generates employment opportunities but also works hand-in-hand towards the development of the nation's backward and rural areas also these enterprises primarily engaged in the production, manufacturing, processing, or preservation of goods and commodities and also rendering various types of services.

The MSME definition was redefined by MSMED (Amendment) Bill, 2018, by removing the distinction between Manufacturing & Service - Enterprises. According to the new classification, there would be no need for frequent inspections to check the investment in plant and machineries & equipments. Also, the operations of MSMEs would be transparent, non-discriminatory, and objective in nature. The revision of MSME classification allows for further scaling of business and also increases a healthy competition among businesses.

Our MSME Eco system, Banking Eco system & Start up Eco system have been evolved over the last several years & both central & state Governments have been announcing various schemes & incentives for the growth of this sector Banks & financial institutions are also lending liberally to MSMEs as the lending to MSME sector comes under priority sector.

There are many special schemes for Women Entrepreneurs & SC/ST Entrepreneurs to bring them to the main stream.

VARIOUS FUNDING OPTIONS

1. SIDBI Make in India Loan for Enterprises (SMILE)

The objective of the Scheme is to provide soft loan, in the nature of quasi- equity and term loan on relatively soft terms to MSMEs to meet the required debt-equity ratio for establishment of new MSMEs as also for pursuing opportunities for growth for existing MSMEs. This emphasis will be on covering new enterprises in the manufacturing as well as services sector & also for Existing enterprises undertaking expansion, to take advantage of new emerging opportunities.

Quantum of assistance: Minimum Loan Size - ₹ 25L

Repayment Period: Up to ten years inclusive of moratorium up to three years. Minimum Promoter Contribution of 15% subject to Maximum DER of 3:1.

2. 59 Minutes Loan (Portal: <https://www.psbloansin59minutes.com>)

The 59 minutes PSB loan scheme is a new initiative by the government of India to provide quick and easy access to credit for small businesses and entrepreneurs. Under the scheme, the loan scheme is a new initiative by the Indian government to provide quick and easy access to credit for small businesses and entrepreneurs. Under the scheme, loans of up to Rs.10 lakh can be availed within 59 minutes from the time of application.

This loan scheme offers in-principle loan approval of up to Rs.5 crores from reputed banks.

- ✓ Loan Type: MSME Loan/Working Capital Loan
- ✓ Rate of Interest: 8.50% p.a. onwards
- ✓ Repayment Tenure: 1 year – 15 years
- ✓ Processing Fee: From 0.1% to 6% of the sanctioned loan amount
- ✓ MSME loan options from its 21+ partner Banks
- ✓ In-principal approval in 59 minutes

- ✓ Minimal Documentation: Nominal paperwork required
- ✓ Advanced Technology Backed Loans: Rs.1000 + GST for Digital approval
- ✓ Integration with Govt. Facilities: PSB Loans in 59 minutes is integrated with the latest facilities like Income Tax Returns, GST, and Bank statements so it helps in the decision-making of the loan applicant

3. SIDBI 4E Scheme [Portal: <https://www.sidbi.in/en>]

- ✓ Under the SIDBI 4E scheme, MSME's can get loan for their investments towards implementing energy efficiency measures, new technology up gradation in types of machinery which conserves energy, investment towards roof top solar.
- ✓ A provision of financing options ranging between ten lakhs to 1.5 Crores at a highly subsidised rate of interest is made available to the MSMEs to implement the suggested Energy Conservation Measures (ECM).

4. MUDRA YOJANA (Collateral free)

Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the Prime Minister on April 8, 2015 for providing collateral free loans up to Rs.10 lakhs to the non-corporate, non-farm small/micro enterprises. These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs.

Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun'.

5. STANDUP INDIA SCHEME [Portal: <https://www.standupmitra.in/>]

Standup India Scheme facilitates bank loans between Rs.10 lakh and Rs.100 lakh to Scheduled Caste/ Scheduled Tribe and woman entrepreneurs & women led enterprises (Minimum 51% share owned by woman). Loans under the scheme are available for only green field projects, i.e. first-time venture of the beneficiary for Trade, Services & Manufacturing activities.

Standup India Scheme, launched on April 5, 2016, with a focus on economic empowerment and job creation, has been extended up to 2025. Under this scheme relaxed margin money of 15% of the project cost is facilitated as against normal margin of 25% in general cases. The Loan can be collateral free if covered under CGTMSE.

6. START UP INDIA SCHEME

Startup India Seed Fund Scheme (SISFS) provides financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. Eligible startups can apply for the scheme on the Startup India portal. The Seed Fund will be disbursed to selected startups through eligible Incubators across India.

A startup, recognized by DPIIT, incorporated not more than 2 years ago at the time of application is invited to apply for the scheme.

How much seed funding can a startup receive under the scheme?

Seed Fund to an eligible startup by the incubator shall be disbursed as follows:

- ✓ Up to Rs.20 Lakhs as grant for validation of Proof of Concept, or prototype development, or product trials. The grant shall be disbursed in milestone-based installments. These milestones can be related to development of prototype, product testing, building a product ready for market launch, etc.(Funding As a Grant)
- ✓ Up to Rs.50 Lakhs of investment for market entry, commercialization, or scaling up through convertible debentures or debt or debt-linked instruments (Funding As Convertible Debentures Or Debt Or Debt-Linked Instruments)

7. LOANS UNDER CGTMSE SCHEME:

- ✓ Collateral free loans to Micro & Small Enterprises up to Rs.5 Crores
- ✓ Guarantee fee reduced to diminish the overall cost of borrowings to MSEs
- ✓ Concessions related to fees and increased coverage to SC/STs
- ✓ Annual Guarantee Fee structure revised and fee reduced to as low as 0.37%
- ✓ Even Hybrid CGTSME scheme is also available under this scheme. Banks can lend to MSEs by covering both under CGTSME as well as balance portion by collateral securities.

- ✓ Coverage of Retail Trade/Wholesale Trade and Educational Institutions under CGTMSE Scheme.
- ✓ Even Hybrid CGTMSE Scheme is also available under this scheme. Banks can lend to MSEs by covering both under CGTMSE as well as balance portion by collateral securities.

8. PMEGP - Prime Ministers Employment Generation Programme (Collateral free if covered under CGTMSE) [Portal: <https://www.kviconline.gov.in>]

The maximum cost of the project admissible in manufacturing sector is ₹ 50.00 lakhs and in the business/service sector, it is ₹ 20.00 lakhs. Under this scheme front ended subsidy from Central Government is available and loans are given with lowest Promoter's Margin of 10% (5% for special category Entrepreneurs)

(i) For setting up of new micro enterprise (units)

Categories of beneficiaries under PMEGP (for setting up of new enterprises)	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
		Urban	Rural
Area (location of project/unit)			
General Category	10%	15%	25%
Special Category (including SC,ST,OBC, Minorities,Women,Ex-Servicemen, Transgenders, Differentlyabled, NER,Aspirational Districts, Hill and Border areas(as notified by the Government) etc.	05%	25%	35%

Only new projects are considered for sanction under PMEGP.

Loan for up gradation of existing PMEGP/REGP/MUDRA Units

(ii) 2nd Loan for upgradation of existing PMEGP/REGP/MUDRA units

Categories of beneficiaries under PMEGP (for upgradation of existing units)	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)
All Categories	10%	15% (20% in NER and Hill States)

9. Credit Guarantee Scheme for Start-ups:

Department for Promotion of Industry and Internal Trade (DPIIT) notifies establishment of Credit Guarantee Scheme for Startups (CGSS) i.e. collateral free loans up to Rs.10 crores to Start ups. The National Credit Guarantee Trustee Company Limited (NCGTCL) will be operating the Scheme.

10. Funding by State Financial Institutions

Each state has its state financial corporation & many women & SC/ST Entrepreneurs are being supported by the states by lending them at as low as 4% interest rate (Applicable rate minus interest subsidy)

11. PMFME SCHEME [Pradhan Mantri Formalisation of Micro Food processing Enterprises] [Portal: <https://pmfme.mofpi.gov.in>]

Eligibility Criteria for PMFME Scheme 2023:

- ✓ Individual Entrepreneurs and Groups;
- ✓ Opportunity to establish new food processing enterprises and up gradation of existing enterprises.
- ✓ Age: 18 years and above. Qualification : No Educational qualification required
- ✓ Only one person from one family is eligible for obtaining financial assistance. The "family" for this purpose would include self, spouse and children.

Support in the form of:

- ✓ Credit linked grant at 35% of the project cost with maximum grant up to Rs.10.00 lakhs
- ✓ Seed capital @ Rs.40,000/- per member to those engaged in food processing as a working capital and purchase of small tools;
- ✓ Support for marketing & branding up to 50% of the expenditure.

On an overall view, MSMEs have numerous choices for funding. The schemes mentioned above are only illustrative. There are many more schemes suited to MSMEs which are very handy. **It is up to an Entrepreneur to take proper guidance and make the best use of the above schemes for empowering the Economy of our Nation.**

(The author can be reached through email ssnayakoffice@gmail.com)



VIJAYAWADA BRANCH OF SIRC OF ICAI



Chairman and Managing Committee Cordially Inviting You



Organised By
SIRC of ICAI

Two Day Sub - Regional Conference

Swaprakaasa

Raise for Self Learning

Hosted By
Vijayawada Branch
of SIRC of ICAI

Date & Timings

16th & 17th June 2023

Time : 9:00 AM to 5:30 PM

Venue : Hyatt Place

Gunadala, Vijayawada.

Chief Guest

Honourable Smt Vidadala Rajini

Minister of Health, Family Welfare and
Medical Education of Andhra Pradesh

Guest of Honour

CA. S Pannaraj
Chairman - SIRC

CA. Khandelwal Dheeraj Kumar
CCM-ICAI

Program Director

CA. D Prasanna Kumar
Chairman - SIRC

Friday, 16th June 2023

9:00 AM to 10:00 AM	Registration and Networking
10:00 AM to 12:00 PM	CA. Girish Ahuja, New Delhi Topic : Undisclosed Income in the light of Demonetisation & Withdrawal
12:00 PM to 1:30 PM	Inaugural Session
1:30 PM to 2:30 PM	Lunch Time
2:30 PM to 4:00 PM	CA. Jatin Christopher, Bengaluru Topic : GST Audit How to Handle the Litigation
4:00 PM to 5:30 PM	CA. Narasimhan Elangovan, Bengaluru Topic : Chat GPT - Optimising AI in our profession

Saturday, 17th June 2023

9:00 AM to 9:30 AM	Breakfast and Networking
9:30 AM to 10:00 AM	Special Session Prevention from Cardiac Problems
10:30 AM to 12:00 PM	CA. Kapil Goel, New Delhi Topic : How to deal with 148 Notices
12:30 PM to 1:30 PM	CA. Nitta Ravi Kishore, Vijayawada Topic : Compliances in Reporting in Tax Audit Report
1:30 PM to 2:30 PM	Lunch Time
2:30 PM to 4:00 PM	CA. Chinasamy Ganesan, Chennai Topic : AS and FS for Non Corp Entities
4:00 PM to 5:30 PM	CA. K L Prashanth, Bengaluru Topic : How to reduce your work load in Tax Audit Season through Technology
5:30 PM to 6:00 PM	Eminent Person Topic : Valedictory

Program Details

CPE : 12 Hours

Delegate Fee :

Rs. 2500/- + GST

ARS Members

Option 1 : Rs. 1000/- + GST

Option 2 : Nil

Non Members: Rs. 3000/- + GST

ICAI Bhawan, Dr.No. 27-12-63, 64-65, Ali Baig Street, Governorpet,
Vijayawada - 520 002, Phone : 9143224499

ARTICLE MSME – As an opportunity for widening the practice

Contributed by: CA. Subashini Ganapathy, Chennai



Our Mother India is at her peak growth pace, there could be many factors including the demographic dividend being the primary one, while we are admiring the beauty of young India and carrying the vision of its peak growth, it is important to envisage the challenge of banging the talents of young India to its fullest potential to steer the economic growth. Creating Employment for the entire population is the solution, but is that possible? The solution for streamlining and tapping the potential without having to invest and research on providing employment opportunities for the entire young minds is to get small.. and Yes MSME is the mantra for steering the economy and that is the reason our government gives so much of importance to MSME.

We as Partners in Nation Building have a major role to play in handholding MSME and taking care of the Financial health of the enterprises, while they need the knowledge and expertise of a Chartered Accountant, they may not be in a position to afford a full time CA for spearheading the financial health of the enterprise.

History of MSME:

Khadi is the proud legacy of the MSME invention in India, providing large employment opportunities with low per capita investment. KVI today represent an exquisite, heritage product, which is 'ethnic' as well as ethical. It has a potentially strong clientele among the middle and upper echelons of the society.

The Micro; Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness.

Revised Definition of MSME:

Revised Classification applicable w.e.f 1st July 2020

Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover

CLASSIFICATION	MICRO	SMALL	MEDIUM
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs. 10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

Role of Chartered Accountant in shaping MSME:

Incubation:

Chartered Accountants role commences from the stage of conceiving the idea of commencing a business enterprise. Choosing the right constitution of business – India, today is moving into a phase where it has zero tolerance towards non-compliance, the compliances despite the measures by the Government to promote ease of doing business are multiplying exponentially. We being in the transitional phase of moving from year end drawn accounts to day to day compliance, it is important that we take immense care in understanding the family background, financial muscle power, knowledge power, whether the business is dependent on a person's skill or name, the risk appetite, the possibilities of scaling up before we advise them on whether to start up as a Proprietary, Partnership or Private Limited Company.

Registered office:

Most of the situations, when the business is commenced at a small level at the home front, it is important the client is appraised of the advantages and disadvantages of holding the registered office at home. Also the challenges of GST and related registrations/inpections to enable them take a conscious decision on the same.

Other Registrations:

Once the enterprise is incorporated, then analysing on all the applicable registrations for the business and educating them on the same. The laws to be complied are many in State and Centre. Commencing from the PAN to GST registration and advisory on the compliance is most vital for every enterprise.

Today non-compliance is very expensive and hence the right advise at the right time would be a treasure a professional can provide.

More important is the MSME registration, with the right data feed, also the MSME Data Bank for all its advantages and to provide the right information to the government.

While the Government is positive and encourages MSME for the primary reason that it shall provide employment opportunities for spearheading the economic growth. The laws pertaining to employment are more stringent and the registrations and compliances needs to be educated and support be rendered to be compliant.

GST, Tax planning and Books and records:

Books and records were once a prescription in law, hardly followed in practice, today it has become the order of the day and maintaining the books and records are no more a mere prescription, but a no compromise item. Starting from the input eligibility to the faceless assessments added with the regulations on the trail on Companies Act 2013.

Maintenance of Books and records are the heart of every organisation, and as Specialists in accounting services may be offered as outsourced accounting and finance offices for the MSME's.

This will aid them understand their finances better and also be an effective tool for us as professionals to advise them on the Financial planning, Margins, Capex and other information aiding to take the right business decisions.

A thorough study on the GST becomes vital for every organisation, hence a detailed study on the GST, applicability, input eligibility, maintenance of input register, time of supply and payment, Cash flow management and educating the enterprise about the MSME rules on the priority eligibility of collectibles also on the input reversals pertaining to the 180 days criteria for them to take informed decisions.

Business Consultancy:

This is stage 3 of our role as professionals, having started the business and set with all the registrations and compliances, the operational consulting begins.

Operational consulting includes the schemes available for the MSME, ICAI also has taken various measures in contributing to the MSME the information is available at <https://msme.icai.org/>

There are various benefits available for MSME enterprises, depending on the type of business, manufacturing/ trading, special sectors like handicrafts, providing new employment, skill based work, skill development etc.. The benefits applicable to the enterprise to be educated, we being the partners in nation building we must ensure the schematic benefits given by the government reaches the right entrepreneur at the right time for the right use.

More about schemes at : <https://msme.gov.in/>

Operational Consulting is a wide term and includes the regulatory operations of the enterprise commence from vetting of agreements with Vendors, Clients, Export related transactions, transfer pricing aspects, inbound, outbound investments, FEMA related compliances.

One major challenge faced by every MSME enterprise is the balance it has to strike between the big corporate orders and receivable management. The MSME act prescribes the MSME is entitled for receivables within 45 days of raising the invoice, the client's needs to be sensitised that they have to mention this in the contracts so that the client is aware about the provisions and if the accounting is in place then the receivables can be regularly monitored to ensure timely collections.

Funding and Financing:

The Government has brought in various measures to fund the right talent, without any collateral etc. As Chartered Accountants, it is important that we educate the client about the fund management, right use of funds, the incentives and schemes available and more importantly ensure that the client repays the loans on time.

SME Listing in SEBI:

The enterprise if ready for scaling up leaps and bounds and is good in compliance, then the listing can be done with SEBI for fund management the conditions for SEBI listing of SME's are available at <https://www.sebi.gov.in/>

To sum up the role of Chartered Accountants in MSME's we can say the role is not that of a external professional the role is so intertwined that every activity from commencement, registration, compliances, book keeping, funding, support in business development, receivables management, project management, Legal and regulatory advisory.

Role of MSME is inevitable in the growth of our Mother India and our role as Chartered Accountants is inevitable in the growth of MSME's.

Let's join hands to carry on the vision of ICAI, thereby partnering the growth of India.

Jai ICAI, Jaihind!!.

(The author can be reached through email: subashiniassociates@gmail.com)

CONGRATUALTIONS CA. M. SAIPRASAD, FCA NIRMAL SCALES EVEREST BASE CAMP



CA. M. Saiprasad, FCA Nirmal displaying "ICAI Flag" at the Everest Base Camp on 6th May 2023.

CA. M. Saiprasad, practicing Fellow Chartered Accountant hailing from Nirmal, Telangana State reached Everest Base Camp on 6th May, 2023 with ICAI Flag. During his school days, inspired from Telugu Poems and Social Classes about Himalayas dreamt of Trekking of Mount Everest Base Camp. CA. Saiprasad aged 38 years is a sport person and bagged many certificates and medals at District level during his school days. He prepared himself with regular physical exercise, running, cycling and cardio training before he started trekking. He started trekking on 29th April 2023 and it took him 8 days to reach the Everest Base Camp on 6th May 2023. He started his return on 7th May 2023 and reached the plain on 10th May 2023. SIRC of ICAI congratulates CA. M. Saiprasad on his scaling Everest Base Camp and making the Chartered Accountants fraternity proud by displaying the ICAI Flag at Everest Base Camp.

Financial Tax literacy - An Awareness Initiative by SIRC of ICAI.

As per H.O. directions, SIRC has been conducting Financial Tax literacy Programmes for the School and College Students, Women Self Help Group, General Public, etc.



Financial Tax literacy Programme for the employees of M/s. Muthu Soft Labs, Chetpet



Financial Tax literacy Programme conducted at M/s. Sparky Entertainment India Pvt Ltd. Adyar, Chennai. Resource Person CA. Petchi Kannan.



Financial Tax literacy Programme conducted at M/s. Spell Bound Visual Effects and Animation Pvt Ltd. Ekkatuthangal, Chennai. Resource Person: CA. Petchi Kannan

IMPORTANT ANNOUNCEMENT

ICITSS Courses by SIRC of ICAI (Physical Mode).

Information Technology Training (ICITSS- IT)

From 05.06.2023 to 21.06.2023

BATCH NO	TIMINGS
ICITSSITT_CHENNAI_22	07.30 A.M. TO 01.30 P.M.
ICITSSITT_CHENNAI_23	01.45 P.M. TO 07.45 P.M.

Orientation Course (ICITSS-OC)

From 07.06.2023 to 23.06.2023

BATCH NO	TIMINGS
ICITSSOC_CHENNAI_24	07.00 A.M. TO 01.30 P.M.
ICITSSOC_CHENNAI_25	01.45 P.M. TO 08.15 P.M.

The enrolment of students shall be done on First come First served basis.

Please register through the link:

https://www.icaionlineregistration.org/Admin_Module/login.aspx

AICITSS Courses by SIRC of ICAI (Physical Mode).

Advanced (ICTISS) MCS Course

From 12.06.2023 to 28.06.2023

BATCH NO	TIMINGS
AdvICITSSMCS_CHENNAI_25	07.00 A.M. TO 01.30 P.M.
AdvICITSSMCS_CHENNAI_26	01.45 P.M. TO 08.15 P.M.

Advanced Information Technology Training (AICITSS- AIT)

From 05.06.2023 to 21.06.2023

AICITSSAdvITT_CHENNAI_18	07.30 A.M. TO 01.30 P.M.
AICITSSAdvITT_CHENNAI_19	01.45 P.M. TO 07.45 P.M.

The enrolment of students shall be done on First come First served basis.

Please register through the link:

https://www.icaionlineregistration.org/Admin_Module/login.aspx

TDS MEET ORGANIZED BY INCOME TAX DEPARTMENT, CHENNAI – 25.04.2023

On 25.04.2023 a meeting was organized by the Income Tax Department for the launch of the TDS manual in Tamil and Tutorials explaining the e-filing of TDS returns in Tamil on Youtube.

CA. Revathi S. Raghunathan, Regional Council Member, SIRC of ICAI attended and addressed the meeting on behalf of Southern India Regional Council (SIRC) of the Institute of Chartered Accountants of India (ICAI). During the meeting, the officials of the Department informed that they had achieved a record of 105% compliance of the targets set. While thanking for the invite, she informed the gathering, that Chartered Accountants also played a major role along with the Income Tax Department in reaching the 105% compliance on TDS collection. Referring to the difficulties faced by the tax payers in rural parts of Tamil Nadu, she assured that SIRC of ICAI would participate in the out-reach programs of the Income Tax Department. She requested the Income Tax Department to partner with SIRC of ICAI to organize programs for Chartered Accountants and tax payers in the areas, where tax collections targets were not reached.

Shri R. Ravichandran, IRS, Principal Chief Commissioner of Income Tax, Tamil Nadu and Puducherry Region in his address, acknowledged the role played by Chartered Accountants in tax collections and partnering with the Income Tax Department. He said that Chartered Accountants have a bigger role to ensure that taxes have been deducted properly. CAs' are required to certify the Tax Audit statements wherever the TDS is due as per the new sections introduced, whether the Taxes has been paid for the current year. He complimented Chartered Accountants for having done a marvelous job in identifying the cases where it has not been deducted.

The TDS Manual and Videos in Tamil on e-filing of TDS statements to assist the tax payers and deductors in the State of Tamil Nadu to equip them with the procedural aspects of e-filing for timely registration and proper compliance, was then launched.

SIRC of ICAI has hosted the TDS Manual in Tamil and the link to the You tube Videos in Tamil at the following for the benefit of the members, who are requested to share them with their clients.

Link to the TDS Manual in Tamil -<https://bit.ly/TDSManualtamil>

Link to the You tube Videos in Tamil-<https://youtu.be/K2sSCTaS61E>

PROFESSIONAL DEVELOPMENT COMMITTEE
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
30TH MAY, 2023

EMPANELMENT WITH THE O/O C&AG OF INDIA FOR THE YEAR 2023-2024 FROM MAY 30, 2023 TO JUNE 8, 2023

Provisional empanelment status of the firm along with provisional point score for the year 2023-2024 will be available on the website www.care.cag.gov.in from 30th May 2023 to 8th June 2023. Representations, if any, for rectification of clerical mistakes in the data filed by the firm in the online application, may be sent by email at sao2ca5@cag.gov.in by 8th June 2023. The representation will be considered on merit and on case to case basis by them. It may be noted that no request for fresh data entry of any kind will be entertained by them.

The final empanelment status and/or final point score may vary in comparison to status shown in provisional panel on account of information which is pending from different investigating authorities, representations made by the firms, other bonafide reasons etc. No representation will be entertained after the period of 10 days as mentioned above.

**Chairman & Vice Chairman,
Professional Development Committee**

CPE Programmes conducted by SIRC of ICAI
 Please note the link for Resources of past Virtual and other programmes of SIRC of ICAI
<https://www.sirc-icai.org/past-programmes.php>

UPDATES

Corporate Law



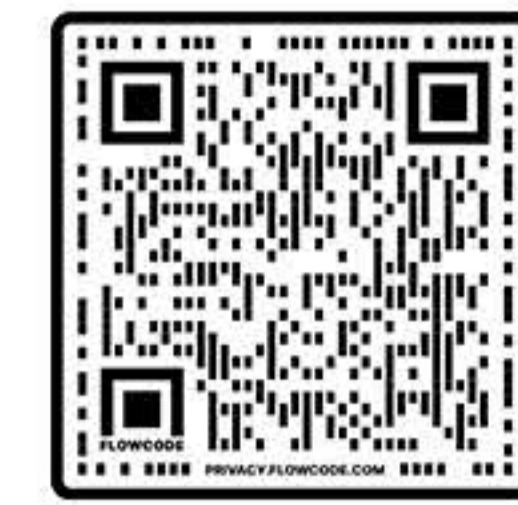
Contributed by:
 CA. M. Asir Raja Selvan,
 Chennai
 asir.cs@gmail.com

FEMA



Contributed by:
 CA. G. Murali Krishna,
 Hyderabad
 gmkg@grandhiandassociates.in

Goods and Services Tax



Contributed by:
 CA. G. Saravana Kumar,
 Madurai
 saravanakumar.g@bsls.pro

Information Technology



Contributed by:
 CA. S. Deephika,
 Chennai
 cadeephika@gmail.com

INCOME TAX



Contributed by:
 CA. V.K. Subramani,
 Erode
 vksintax@gmail.com

Karnataka VAT-GST



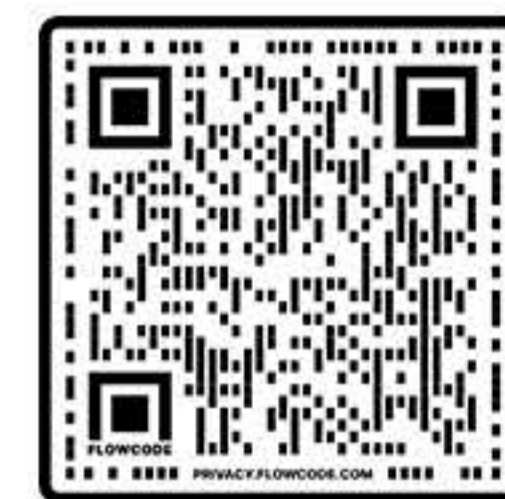
Contributed by:
 CA. Annapurna D. Kabra,
 Bengaluru
 annapurnat@yahoo.com

SEBI



Contributed by:
 CA. V. M. V. Subba Rao,
 Nellore
 vmvsrao@gmail.com

Tamil Nadu VAT



Contributed by:
 CA. V.V. Sampath Kumar,
 Chennai
 vvsampat@yahoo.com

Obituary



CA. S.T. Venkatesh Chairman, Madurai Branch of SIRC of ICAI (2023-17.05.2023)

SIRC deeply regret to record the passing away of CA. S.T. Venkatesh (M. No. 29433) in harness as Chairman of Madurai Branch of SIRC of ICAI on 17th May 2023. CA. S.T. Venkatesh (aged 59) was elected as Chairman of Madurai Branch of SIRC of ICAI for the current year 2023-2024. He held the position of Chairman of Madurai Branch of SICASA during the year 2020-2022, Treasurer of the Madurai Branch during the year 2021-2022 and Vice-Chairman and Secretary of the Madurai Branch during the year 2022-2023.

He became an Associate Member of ICAI on 6th December 1989 and Fellow Member on 7th April 1998.

SIRC prays for His soul to rest in eternal peace.

Sl. No.	MRN	Name	Status	Place	Date of Death
1.	205449	BOLLINENI SRINIVASA RAO	FCA	HYDERABAD	29/Apr/2023

May the Almighty Architect of the Universe rest their soul in peace.

Disclaimer

The SIRC/ICAI does not accept any responsibility for the views expressed in different contributions/ advertisements published in this Newsletter.



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

ICAI Presents GloPAC



24th-26th
Nov, 2023

GLOBAL PROFESSIONAL ACCOUNTANTS CONVENTION

Connecting the Globe, Creating Value

SAVE THE DATE

MAHATMA MANDIR
CONVENTION CENTRE,
GANDHINAGAR,
GUJARAT, INDIA



ANNUAL FEE CIRCULAR 2023-24

M&SS/Fee-Circular/2023-24

26th May, 2023

Members are advised to remit Annual Membership/Certificate of Practice fees for the year 2023-2024, which became due for payment on 1st April, 2023 and needs to be paid on or before 30th September, 2023. All Members are requested to pay the fee immediately as Tax Invoice (in terms of GST Liability) has been already generated. The applicable amount of Annual Membership/Certificate of Practice Fee including GST is given below.

Members may also pay total fees in advance for Membership/COP in exact amount for 10 years (1+9 years) along with GST. In such case, any upward revision in amount of fee in future, their Membership/COP will not be removed/cancelled from the Register of Members/COP on account of fee revision. [It may be noted that an ACA who has paid advance membership fee for a period not exceeding 10 years and at a later stage opts for FCA status then the member is required to pay difference of fee (the difference of fee in conversion from ACA to FCA and Fellow Member Admission Fee) for the remaining period.]

Annual Membership Fees Structure for the year 2023-2024

Srl. No	Categories	Associate	Fellow
1	Members Holding COP (Includes Membership fees and COP fees)	Rs. 5310	Rs. 8260
2	Members not Holding COP		
2(i)	Age below 60 years as on 01.04.2023	Rs. 1770	Rs. 3540
2(ii)	Age above 60 years as on 01.04.2023	Rs. 1298	Rs. 2714
Note: The Fees above are inclusive of GST @ 18%			

ICAI is promoting "I GO GREEN with ICAI" scheme under which Member opting e-journal will be given a discount of Rs.590/- (including Rs. 90 GST) on total amount of Membership Fees.

Air Mail charges payable for CA Journal (in case of members abroad) Rs. 2478/- including GST (not applicable if member opts for e-journal).

We appeal to all our members to contribute generously to Chartered Accountants Benevolent fund (CABF)

Chartered Accountants Benevolent Fund (Optional)	
Life Membership	Rs.10000/- (If not a Life Member)
Yearly Subscription	Rs. 1000/-
Voluntary Contribution	A respectable amount
S Vaidyanath Aiyar Memorial Fund (Optional)	
Life Membership	Rs.1000/- (If not a Life Member)
Yearly Subscription	Rs.50/-
Voluntary Contribution	A respectable amount

Payment of fee shall be made online through Self-Service Portal (SSP) at the link <https://eservices.icai.org/>

Procedure for Payment of Annual Membership/COP Fees of Partner by the Firm

The Partner has to give consent for payment of fees by the Firm through his login on SSP. Click "Pay Now/Give consent" >> Select Yes (see screenshot) >> Select Firm >> select Journal Type >> Check details >> select "I agree" >> Submit.

After that HI (Head Incharge) of the Firm will login to his account on SSP >> will click "Firm Function" >> will click "ICAI Bulk Renewal Form for HI" >> will click on "Bulk Renewal Form" >> will select FRN >> select check box "Make payment for Partners" >> Click "Proceed" >> Details of the Partners who have provided their consent will appear >> Proceed and make payment.

User Manual for annual Membership and COP payment is available at the link <https://resource.cdn.icai.org/61637sspfaq-50147mem-fee.pdf>

Rajesh Kr. Bhalla
Additional Secretary

APPEAL TO MEMBERS TO CONTRIBUTE GENEROUSLY TO CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF) TO SUPPORT THEIR PROFESSIONAL COLLEAGUES AND THEIR DEPENDENTS IN DISTRESS.

OBJECTIVE OF CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF)

The objective for which the fund is established is to provide financial assistance for maintenance, education or any other similar purpose to necessitous persons being:-

- (a) persons who are or have been members of the Institute, whether subscribers to the fund or not; or
- (b) wives and children of persons who are or have been members of the Institute, whether subscribers to the fund or not.
- (c) widows and children of deceased persons who have been members of the Institute whether subscribers to the fund or not.
- (d) relatives or others who were dependent for support on a person who has been a member of the Institute, whether subscriber to the fund or not; and who has died without leaving a widow or child.

PROCEDURE FOR BECOMING A MEMBER OF THE CABF :

There are two categories of members :-

(a) Life Member: A single payment of Rs. 10000/- shall make a person eligible to be admitted as a life member of the fund w.e.f. 1st January, 2020. Thereafter he shall not be liable to pay any amount on account of subscription and shall be styled as a 'Life Member'.

(b) Ordinary members: All other members shall be described as 'Ordinary Members' and shall have to pay an annual subscription of Rs. 1000/-. Apart from this any member can subscribe for 'Voluntary Contribution'.

Procedure for making payment:

Membership subscription to the Chartered Accountants Benevolent Fund can be paid along with annual membership fee online.

Application Form for Life Membership of CABF

Please visit <https://cabf.icaai.org/lifeMember> and apply for Life Membership of CABF.

Application Form for Ordinary Membership of CABF

Please visit <https://cabf.icaai.org/OrdinaryMember> and apply for Ordinary Membership of CABF.

Application Form for Voluntary Contribution to CABF

Please visit <https://cabf.icaai.org/voluntaryMember> and apply for voluntary contribution to CABF.

EXTENT OF ASSISTANCE AVAILABLE :

Monthly Assistance

Maximum monthly assistance available to a member or persons eligible to receive the assistance is from Rs.15000/- per month according to the circumstances of the use renewable after one year. This is for maintenance of family of members/widow/relatives of deceased members.

Financial assistance will be given only to the members/widows/relatives whose monthly family income is not more than Rs. 25000/- pm.

Ex-gratia financial assistance of Rs.150000/- is provided to the legal heir of deceased member in case of accidental death/ unnatural death at the age below 55 years against claim.

Procedure for availing assistance

Application for financial assistance can be made through CABF portal <https://cabf.icaai.org/> along with all relevant supporting documents mentioned therein.

Please visit <https://cabf.icaai.org/financial> for Application for Monthly Financial Assistance from CABF

Please visit <https://cabf.icaai.org/exgratia> for Application Form for Ex-gratia (Lumpsum) Financial Assistance from CABF

Please visit <https://cabf.icaai.org/medical> for Application for Medical Financial Assistance from CABF

The application must be recommended by any Central Council Member or Chairman/Vice Chairman/Secretary of any Regional Council or Branch/Ex-President/Chairman/Vice-Chairman and Member Secretary/Member of Managing Committee of CABF/ Member of Managing Committee of Regional Council.

We appeal to our members to contribute generously to Chartered Accountants Benevolent fund (CABF) to support their professional colleagues and their dependents in distress.



**Southern India Regional Council of
The Institute of Chartered Accountants of India**
(Set up by an Act of Parliament)



Are you writing

your November 2023 CA Foundation Examinations?

Learn from the best - your almatater

SIRC - CA FOUNDATION Classes

Course Dates
From: 14/06/2023 To: End of October 2023

Timing: 6.30 A.M. to 12.30 P.M.
Duration: 6 Hours (All Days)

**Last Date of Registration:
12/06/2023**

**FEES: Physical : Rs.15,000/- only
Virtual : Rs.11,000/- only**

FREE RAPID REVISION CLASSES -15 DAYS

Recorded sessions will be available for Fixed period in ICAI DLH website
till completion of December 2023 Examination

TEST SERIES : 8 TESTS

MOCK TESTS : 1 TEST

Paper	Subject	Hours	Self Assessment MCQ No. of Tests
Paper - 1	Principles & Practice of Accounting	120 Hrs	20
Paper - 2A Paper - 2B	Business Law Business Correspondance & Reporting	120 Hrs	10 10
Paper - 3	Business Mathematics Logical Reasoning Statistics	120 Hrs	10 5 5
Paper - 4	Business Economics Business and Commercial Knowledge	120 Hrs	10 10

Link for Registration: <https://www.sirc-icai.org/view-batches.php>

NO FEE

For Govt. & Govt. Aided School Students of Southern Region States
(Tamil Nadu, Kerala, Karnataka, Andhra, Telangana and Union Territory of Pondicherry)
(10th/11th/12th Mark Sheet - Attach Proof of Govt. Aided School)

CA. Panna Raj S.
Chairman, SIRC of ICAI

HELPLINE

Mobile : 96771 26011, 73585 06400, 82205 22669
Phone : 044-3021 0323 / 300 / 370 / 379 / 359
Email : sirc.foundation@icai.in and cc to sircdean@icai.in



**Southern India Regional Council of
The Institute of Chartered Accountants of India**
(Set up by an Act of Parliament)



Are you writing

your November 2023 CA Foundation Examinations?

Learn from the best - your almmater

SIRC - CA FOUNDATION Classes

Course Dates

From: 06/07/2023 To: End of October 2023

Timing: 2.30 P.M. to 7.30 P.M.

Duration: 5 Hours (All Days)

**Last Date of Registration:
4/07/2023**

**FEES: Physical : Rs.15,000/- only
Virtual : Rs.11,000/- only**

FREE RAPID REVISION CLASSES -15 DAYS

Recorded sessions will be available for Fixed period in ICAI DLH website till completion of December 2023 Examination

TEST SERIES : 8 TESTS

MOCK TESTS : 1 TEST

Paper	Subject	Hours	Self Assessment MCQ No. of Tests
Paper - 1	Principles & Practice of Accounting	120 Hrs	20
Paper - 2A	Business Law	120 Hrs	10
Paper - 2B	Business Correspondance & Reporting		10
Paper - 3	Business Mathematics	120 Hrs	10
	Logical Reasoning		5
	Statistics		5
Paper - 4	Business Economics	120 Hrs	10
	Business and Commercial Knowledge		10

Link for Registration: <https://www.sirc-icai.org/view-batches.php>



For Govt. & Govt. Aided School Students of Southern Region States
(Tamil Nadu, Kerala, Karnataka, Andhra, Telangana and Union Territory of Pondicherry)
(10th/11th/12th Mark Sheet - Attach Proof of Govt. Aided School)

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Chairman, SIRC of ICAI

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Mobile : 96771 26011, 73585 06400, 82205 22669

Phone : 044-3021 0323 / 300 / 370 / 379 / 359

Email : sirc.foundation@icai.in and cc to sircdean@icai.in



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SOUTHERN INDIA REGIONAL COUNCIL

(set up by an Act of Parliament)

'ICAI Bhawan', No. 122, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034

PRACTICE TEST FOR NOVEMBER 2023 EXAMS

Assess your Preparation Level to
Improve and succeed

CA Intermediate and Final
Physical Cum Virtual Test

START DATE : 15.07.2023

END DATE : 03.09.2023



FEE STRUCTURE: INTERMEDIATE & FINAL

MODE:	PHYSICAL	VIRTUAL
GROUP-1	Rs. 2800	Rs. 1400
GROUP -2	Rs. 2800	Rs. 1400
Both Group	Rs. 5100	Rs. 2800
SUBJECT WISE	Rs. 800	Rs. 400

Further Queries:

FEATURES: EACH SUBJECTS

- For 50Marks Test (Block Test) - 2
- 100 Marks Model Test - 1
- Evaluation Period 15 Days (for Physical Students only and not for Virtual Students)
- Feedback and Doubt Clearing Sessions (Virtual- 1 Hour)
- Answer Keys Shared as soft Copies after Evaluation for both Physical and Virtual Students.

For Intermediate: 8220522669
Email ID:sirc.intermediate@icai.in
For Final : 7358506400
Email ID: sirc.final@icai.in

SCAN QR CODE FOR
REGISTER



For Reg:

https://www.sirc-icai.org/view_cevent_batches.php

To know about the Test Schedule go through
the link : <https://bit.ly/3WF4IFz>

CA. Panna Raj S. Chairman, SIRC of ICAI

EXPOSURE DRAFT ON AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (PROPOSED AMENDMENTS TO IFRS 9 AND IFRS 7)

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB) of IFRS Foundation. The IASB, before issuing the new/amendments to IFRS Standards, issues consultative documents [such as Discussion Paper (DP), Exposure Draft (ED) etc] seeking public comments from across the globe. The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself, invites comments on the consultative documents issued by the IASB. It also helps the Indian stakeholders to be aware of the preparations required for implementation of Ind AS in line with adhering to global timelines. Recently, the IASB has issued the following Exposure Draft for public comments:

Exposure Draft on Amendments to the Classification and Measurement of Financial Instruments (Proposed amendments to IFRS 9 and IFRS 7)

The International Accounting Standards Board (IASB) carried out a post implementation review (PIR) of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures. After analysing the evidence gathered in the PIR, the IASB concluded that, in general, the requirements can be applied consistently and that in doing so an entity provides useful information to users of its financial statements. However, in relation to some matters, the requirements should be clarified to improve their understandability. Accordingly, the IASB has issued the Exposure Draft, proposing amendments in context of the following:

1. Derecognition of a financial liability settled through electronic transfer
2. Classification of financial assets—to clarify the application guidance for assessing the contractual cash flow characteristics of financial assets
3. Amendments or additions to the disclosure requirements in IFRS 7

Invitation to comment

The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself, invites comments from public.

The downloadable version is available at: <https://resource.cdn.icai.org/73978asb59820.pdf>

How to comment

Comments on the abovementioned ED may be submitted through any of the following modes, so as to be received not later than June 10, 2023:

1. Electronically: **Click on <http://www.icai.org/comments/asb/>** to submit comment online
(Preferred method)
2. Email: Comments can be sent to: **commentsasb@icai.in**
3. Postal: Secretary,
The Institute of Chartered Accountants of India, Accounting Standards Board,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002

Further clarifications on this ED may be sought by e-mail to **asb@icai.in**

**Exposure Drafts of Guidance Notes on
Forensic Accounting and Investigation Standards (FAIS)**

The Digital Accounting Assurance Board of The Institute of Chartered Accountants of India (ICAI) invites comments on the following exposure drafts of Guidance Notes on Forensic Accounting and Investigation Standards (FAIS):

Sl. No.	Guidance Note	Comment Submission Link
1	FAIS 000: Over Arching Documents	https://forms.office.com/r/r62twiAwYC
2	FAIS 110 : Nature of Engagement	https://forms.office.com/r/Kz0T7pME2M
3	FAIS 120 : Fraud Risk	https://forms.office.com/r/nUFvfF22p5
4	FAIS 130 : Laws and Regulations	https://forms.office.com/r/dspLP577Pk
5	FAIS 140 : Applying Hypotheses	https://forms.office.com/r/A8cjHZS8sF
6	FAIS 210 : Engagement Objectives	https://forms.office.com/r/K9Sa04stGY
7	FAIS 220 : Engagement Acceptance and Appointment	https://forms.office.com/r/kkZV6qKNJ8
8	FAIS 230 : Using the Work of An Expert	https://forms.office.com/r/p2zK1KZMtw
9	FAIS 240 : Engaging with Agencies	https://forms.office.com/r/hzfEDVF6Nd
10	FAIS 250 : Communication with Stakeholders	https://forms.office.com/r/AnHERVr7Hp
11	FAIS 310 : Planning the Assignment	https://forms.office.com/r/87KcT9nUkR
12	FAIS 320 : Evidence and Documentation	https://forms.office.com/r/fzM4zqkSew
13	FAIS 330 : Conducting Work Procedures	https://forms.office.com/r/B5kZ19F39z
14	FAIS 340 : Conducting Interviews	https://forms.office.com/r/6FCdxYW6FG
15	FAIS 350 : Review and Supervision	https://forms.office.com/r/Z29FqWK7kU
16	FAIS 360 : Testifying Before a Competent Authority	https://forms.office.com/r/FB7LgBXUwQ
17	FAIS 410 : Applying Data Analysis	https://forms.office.com/r/uJPiQbGNbG
18	FAIS 420 : Evidence Discovery in Digital Domain	https://forms.office.com/r/6UZNCv9MBm
19	FAIS 430 : Loans Or Borrowings	https://forms.office.com/r/6bhmQ49bvn
20	FAIS 510 : Reporting Results	https://forms.office.com/r/AEAmfSpCL4
21	FAIS 610 : Quality Control	https://forms.office.com/r/QuLxrLq1QB

For downloading Draft Guidance Notes, please use the following link:
<https://resource.cdn.icai.org/74263daab60157ed.rar>

For reference purpose, updated compendium on Forensic Accounting and Investigation Standards (FAIS) can be downloaded at the link <https://resource.cdn.icai.org/74262daab60157.pdf>

Last Date for Submitting Comments is June 21st, 2023.

For any issues, please contact: 01203045961 / fafp2@icai.in

IMPORTANT ANNOUNCEMENT

Short Term Research Studies - Call for Research Proposal by Research Committee (open around the year)

GUIDELINES FOR SHORT TERM RESEARCH STUDIES

The Research proposals are invited from members of ICAI on the pre-decided sub theme and broad areas. The proposals can be submitted round the year.

ELIGIBILITY GUIDELINES FOR APPLICANTS

- Essential: Applicant must be a Member of ICAI
- Desirable: Weightage would be given to applicant having experience of atleast 5 years in the Research subject domain and a PhD holder.

PROCEDURE FOR SELECTION

Step-1 Applications can be submitted at <https://shorturl.at/ipuLX>

Step-2 Submission of Research Proposal and detailed Work Profile

Suggested Format of Proposal Proposal may include the following brief parameters-

- Title of the Research proposal
- Introduction
- Objective
- Literature Review
- Research questions
- Statement of Problem
- Research Gap
- Research hypothesis
- Research Methodology
- Expected Output and its usage for profession or economy
- References/Bibliography

Documents Required

- Research Proposal
- Detailed Work Experience Profile

Step-3 Scrutiny by the Research Committee Secretariat

Step-4 Shortlisting by the Shortlisting Committee

Step-5 Submission of the Final Report

- **25% of Honorarium i.e., Rs. 25000/- would be released on submission of Final Report. Balance amount i.e., Rs. 75000 would be released subject to the approval of Final report**

Step-6 Approval of Final Report

DURATION

The duration of research project should not exceed 1 (One) month from the date the project proposal is approved by the competent authority unless a longer period is otherwise justified. In case more than one month is expected due to justified reasons, the prior approval from the competent authority should be taken. The longer period in any case should not exceed further one month.

PERMISSIBLE HONORARIUM

The eligible honorarium including other incidental expenditure per study would be Rs. 1,00,000/-. The honorarium would be paid only after the submission and approval of the research report by the competent authority. 25% of Honorarium i.e., Rs. 25000/- would be released on submission of Final Report. Balance amount i.e., Rs. 75000 would be released subject to the approval of Final report

COPYRIGHT / IP RIGHTS etc.

Any copyright or intellectual property right or patent, etc. – commercial, academic and for further research purpose, arising out of the research work would vest with ICAI. The ICAI would, however, duly acknowledge the researcher in the research publication.

MONITORING

The implementation and progress of the research projects approved under this scheme would be monitored regularly. The applicant may, at any point of time during the project, be requested to provide the details of work done/remaining, the draft of the project/publication, etc. to evaluate the implementation and progress of the project. If it is observed that the project is not being carried out as mentioned in the research proposal or the progress made by the researcher is not satisfactory, it may also be withdrawn.

EXPECTED OUTPUT OF THE RESEARCH PROJECT

Research Reports, Survey reports, publications etc. beneficial for the profession or the economy at large.

PROPOSED TOPICS

- Green Finance
- Social Audit
- ESG Performance
- Crypto-currency
- Corporate Social Responsibility
- Integrated Reporting
- Foreign Direct Investment
- Fraud Prevention
- Total Quality Management
- Foreign Trade Policy
- Human Resource Accounting
- Tax Fairness and Tax Knowledge
- Money Laundering
- E-Governance
- Digital Transfer Pricing
- Corporate Governance
- Sustainable Finance
- IFRS Based Accounting Standards
- Tax Evasion
- Social Impact Analysis
- Others

DEFERMENT OF SECOND PHASE OF PEER REVIEW MANDATE

The Council at its 407th Meeting held from 7th – 9th January 2022 decided to mandate the Peer Review process for coverage of more firms under Peer Review process. An Announcement dated 12.02.2022 in this regard was hosted on the website at <https://www.icai.org/post/peer-review-mandate-roll-out>

Further clarifications on the mandate were issued by the Council at its 410th Meeting held on 24th – 25th March 2022. An Announcement dated 11.04.2022 in this regard was hosted on the website at <https://www.icai.org/post/peer-review-mandate-roll-out-revised>

Considering that some Practice Units which require to get themselves Peer Reviewed under the 2nd phase of the Peer Review mandate are not ready for the same, the Council at its 420th Meeting held on 23rd - 24th March, 2023 decided to defer the applicability of the second phase of the mandate by three months to be made effective from July 1, 2023 as one time measure.

Accordingly, the second phase of the mandate is applicable **wef July 1, 2023** for the following Practice Units:

Practice Units which propose to undertake Statutory Audit of unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31st March of immediately preceding financial year: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.

OR

Practice Units rendering attestation services and having 5 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.

Accordingly Practice Units which accept Statutory audits on or before June 30, 2023 should ensure that they have a Peer Review Certificate at the time of signing.

**Chairman,
Peer Review Board**

SEEKING INPUTS FOR MEASURING COST OF REGULATION - AS REQUESTED BY DPIIT

This is with reference to the communication received from Department For Promotion of Industry and Internal Trade (DPIIT) which is the Nodal Department for the **Ease of Doing Business initiative of Government of India. Cost of Regulation (CoR)** is a critical component in the overall cost for the businesses and an important parameter in mapping ease of doing business.

In this regard, a draft framework has been developed by DPIIT considering the ground challenges mentioned during a series of consultations with States/UTs and industry. Stakeholder consultation is now proposed with industry representatives to discuss Cost of Regulations (CoR) Framework and receive their input and suggestions on the same. Detailed presentation giving the framework can be viewed at the following link: https://docs.google.com/presentation/d/1un6hUUiWMAOUfbROgO4_n0KK4MzLLZR/edit#slide=id.p1

Being Chartered Accountant the total business solution provider, DPIIT has approached ICAI for getting insights of cost of Regulation by corporates and hence a questionnaire has been developed for each service in each State. Multiple entries are accepted. You are requested to kindly fill the questionnaire in the google form available at the following latest by 28th May, 2023:

<https://docs.google.com/forms/d/e/1FAIpQLSd68A9z3Q0WnaM5Gxo-nNBmhNMEFcQIrs8ocMU0AIA89knycQ/viewform>

**Chairman & Vice-Chairman
Committee for Development of International Trade, Services & WTO ICAI, New Delhi**

**AUDITING AND ASSURANCE STANDARDS BOARD
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA -
17TH APRIL, 2023**

**EXPERT PANEL FOR ADDRESSING QUERIES RELATED TO STATUTORY AUDIT
PERTAINING TO AUDITING ASPECTS**

The Institute of Chartered Accountants of India (ICAI) being the world's second largest accounting body and regulator of accountancy profession in India has always partnered in Nation Building and provided service to Indian economy in public interest.

With the rapidly evolving business environment, introduction of new age companies, start-ups, increased number of companies going public and amid plethora of regulatory and reporting requirements, the role of auditors has increased manifold. In the current environment with ever increasing expectation from auditors, the Auditing and Assurance Standards Board (AASB) of ICAI has decided to provide necessary support to the members in practice with respect to the Statutory Audit of Entities pertaining to auditing aspects with the objective of enhancing audit quality.

In this regard, we are pleased to inform you that the Board has formed an Expert Panel which will provide technical support to the members with respect to their queries on auditing aspects.

The Panel will address the queries from **17th April, 2023 till 30th September, 2023**.

The queries are to be sent at email address: auditfaq@icai.in

Panel Convenors

CA. (Dr.) Sanjeev Kumar Singhal, Chairman, AASB, ICAI and CA. Vishal Doshi, Vice Chairman, AASB, ICAI.

Members are specifically informed that the views expressed by the experts would be their personal views and not necessarily the views of the AASB or the ICAI. AASB, ICAI or the members of the Panel, do not accept any responsibility for actions taken by the querists based on such advice. Further, these views are not to be used as evidence in any non judicial/ quasi judicial/ judicial proceeding before any authority. Further, depending upon the nature of query, the Board reserves the right not to answer the query without any further intimation/notice/email and without assigning any reason thereof.

To enable us to serve you better, you are also advised to:

- Be brief but provide full information and facts.
- Not to mention the name of the Client or Entity in order to avoid problem of violation of client confidentiality requirements under the ICAI Code of Ethics.
- Avoid rejoinders
- Not to send the same query twice.
- Draft the report on your own.
- Use own judgment.

Vice Chairman
Auditing and Assurance Standards Board

Chairman
Auditing and Assurance Standards Board

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“e-Sahaayataa” – A Grievance Resolution Mechanism of ICAI

‘e – Sahaayataa’ is the e-Channel for the entire base of Members and Students of the Institute and other stakeholders of the profession where in their queries/ grievances pertaining to the day-to-day working shall be resolved in a time-bound and transparent manner.

Objectives:

- To provide timely services to all the stakeholders of the profession throughout the globe
- To resolve the Query/ Complaint/ Grievance within 3 – 7 days from the date of submission of the same
- To eliminate the operational bottlenecks and smoothen the flow of education process of Chartered Accountancy

Features:

- Automatically sends the query/ complaint/ Grievance to the dashboard of the concerned official as soon as the same is submitted.
- Complete history of Query/ Complaint/ Grievance can be checked.
- E Mail is sent to the user once the query/ complaint and grievance is resolved.
- Query/ Complaint/ Grievance can be reopened by the user in case the user is not satisfied.
- No query/ complaint/ grievance can be deleted from ‘e-Sahaayataa’

Scope:

‘e-Sahaayataa’ caters only to the Queries/ Complaints/ Grievances pertaining to the day to day working of the Institute which are general in nature. This is not meant for registering or making allegations, personal observations, and personal comments. Kindly submit relevant Queries/ Complaints/ Grievances to help you better.

How to Access

The Services of “e-Sahaayataa” is available on the Institute Website and tickets can be raised by accessing eservices.icaai.org using SSP Portal credentials and by selecting option “Raise/ View Tickets”.

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CORPORATE LAW

Contributed by: CA. M. Asir Raja Selvan, Chennai.

The following are the important updates in Companies Act, 2013 from 25th April 2023 to 24th May 2023.

I. Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023

G.S.R. 298(E) :- In exercise of the powers conferred by sub-sections (1), (2) and (4) of section 248 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 , namely:-

(1) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023.

(2) They shall come into force with effect from 1st May 2023.

Key Changes are

In Rule 4, Sub Rule (1), following sub-rule shall be substituted, namely :-

“(1) An application for removal of name of a company under sub-section (2) of section 248 shall be made to the Registrar, Centre for Processing Accelerated Corporate Exit in Form No. STK-2 along with fee of ten thousand rupees.”

In Rule 4, after sub-rule (3) the following shall be inserted, namely :-

“(3A) The Registrar, Centre for Processing Accelerated Corporate Exit established under sub-section (1) of section 396, shall be the Registrar of Companies for the purposes of exercising functional jurisdiction of processing and disposal of applications made in Form No. STK-2 and all matters related thereto under section 248 having territorial jurisdiction all over India.”

Note : Form No. STK-2, Form No. STK-6 and Form No. STK-7 has been substituted with new forms.

II. Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023

G.S.R. 354(E) :- In exercise of the powers conferred by sub-sections (1), (2) and (4) of section 248 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, namely:-

(1) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

Key Changes are

In Rule 4, in rule 4, in sub-rule (1), the following provisos shall be inserted, namely:-

“Provided that the company shall not file an application unless it has filed overdue financial statements under section 137 and overdue annual returns under section 92, up to the end of the

financial year in which the company ceased to carry its business operations:

Provided further that in case a company intends to file the application after the action under subsection (1) of section 248 has been initiated by the Registrar, it shall file all pending financial statements under section 137 and all pending annual returns under section 92, before filing the application:

Provided also that once notice under sub-section (5) of section 248 has been issued by the Registrar for publication pursuant to the action initiated under sub-section (1) of section 248, a company shall not be allowed to file the application under this sub-rule.”

III. Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023

G.S.R. 367(E) :- In exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with section 233 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, namely :-

(1) These rules may be called the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2023..

(2) They shall come into force with effect from 15th day of June, 2023.

Key Changes are

In Rule 25, for sub-rules (5) and (6), the following sub-rules shall be substituted, namely:-

“(5) Where no objection or suggestion is received within a period of thirty days of receipt of copy of scheme under sub-section (2) of section 233, from the Registrar of Companies and Official Liquidator by the Central Government and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may, within a period of fifteen days after the expiry of said thirty days, issue a confirmation order of such scheme of merger or amalgamation in Form No. CAA.12:

Provided that if the Central Government does not issue the confirmation order within a period of sixty days of the receipt of the scheme under sub-section (2) of section 233, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

(6) Where objections or suggestions are received within a period of thirty days of receipt of copy of scheme under sub-section (2) of section 233 from the Registrar of Companies or Official Liquidator or both by the Central Government and -

(a) such objections or suggestions of Registrar of Companies or Official Liquidator, are not sustainable and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may within a period of thirty days after expiry of thirty days referred to above, issue a confirmation order of such scheme of merger or amalgamation in Form No. CAA.12.

(b) the Central Government is of the opinion, whether on the basis of such objections or otherwise, that the scheme is not in the public interest or in the interest of creditors, it may within sixty days of the receipt of the scheme file an application before the Tribunal in Form No. CAA.13 stating the objections or opinion and requesting that Tribunal may consider the scheme under section 232 of the Act:

Provided that if the Central Government does not issue a confirmation order under clause (a) or does not file any application under clause (b) within a period of sixty days of the receipt of the scheme under subsection (2) of section 233 of the Act, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.”

FEMA

Contributed by: CA. G. Murali Krishnaa, Hyderabad

I. Notifications/Circulars:

a) Usage of International Credit Card while Outside India

Ministry of Finance vide G.S.R. 369(E) dated May 16, 2023 made amendment and omitted Rule 7 of the Foreign Exchange Management (Current Account Transactions) Rules, 2000.

By virtue of this amendment, the separate limit for International Credit Card (over and above the LRS limit) is removed. Hence, use of Credit Card for international expenses is also covered within the LRS limit of USD 250,000 per financial year.

b) New monetary limits for Adjudicating Authorities for holding an inquiry:

Ministry of Finance, vide its gazette notification no. S.O. 2128(E) dated May 08, 2023, modified the monetary limits for adjudicating authorities for holding an inquiry and imposing penalty u/s 13 of FEMA as below:

S. No	Designation	Limit
1.	Special Director of Enforcement	Cases involving amount exceeding INR 25 Cr
2.	Additional Director of Enforcement	Cases involving amount up to INR 25 Cr but not less than INR 5 Cr
3.	Joint Director of Enforcement	Cases involving amount up to INR 25 Cr but not less than INR 5 Cr
4.	Deputy Director of Enforcement	Cases involving amount up to INR 5 Cr but not less INR 2 Cr
5.	Assistant Director of Enforcement	Cases involving amount up to INR 5 Cr but not less INR 2 Cr

c) Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)

RBI vide A.P. (DIR Series) Circular No. 03 dated April 26, 2023 invited attention of Authorised Dealer Category-I (AD Category-I) banks to A.P. (DIR Series) Circular No. 11 dated February 16, 2021 on "Remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS)" and Master Direction No. 7/2015-16 on Liberalised Remittance Scheme (LRS) as amended from time to time.

On a review and with an objective to align the LRS for IFSCs set up under the International Financial Services Centres Authority Act, 2019 vis-à-vis other foreign jurisdictions, it has been decided to amend the directions under para 2 (ii) of the A.P. (DIR Series) Circular dated February 16, 2021 and allow "Resident Individuals to open a Foreign Currency Account (FCA) in IFSCs for making the investments in IFSCs in securities, other than those issued by entities/companies resident (outside IFSC) in India under LRS."

Thus, the condition of repatriating any funds lying idle in the account for a period up to 15 days from the date of its receipt is withdrawn with immediate effect, which shall now be governed by the provisions of the scheme as contained in the Master Direction on LRS.

II. Case Law:

HELPING HANDS JAIPUR SOCIETY VERSUS UNION OF INDIA & ANR. ORS.

Facts of the case:

1. M/s. Helping Hands Jaipur Society, Petitioner is an NGO operating in Jaipur, Rajasthan. It obtained its Foreign Contribution Regulation Act, 2010 ('FCRA') registration in terms of Section 11 and 12 of the FCRA on 15th May 2011 and the same was renewed by Ministry of Home Affairs ('MHA') on 15th October 2016.

2. The Petitioner faced difficulties in uploading the FCRA Annual Return under Form FC-4 in terms of Rule 17 of the Foreign Contribution (Regulation) Rules, 2011 for the financial year 2019-20 because the bank account details were being sought as of 31st March 2020.

3. It was a technical issue with the portal wherein it was asking to provide details of mandated SBI New Delhi Bank account for earlier year annual returns as well, though the amendment was in September 2020 only. Hon'ble Delhi Court ruled that no penalties shall be levied if the delay in filing annual returns is attributed only to said reason.

4. In the current case, the Petitioner opened the designated FCRA bank account with the State Bank of India, New Delhi only on 4th October 2021, which was much beyond the deadline fixed initially i.e., 31st March 2021, and even after the expiry of the extended period till 30th June 2021.

5. The Petitioner filed a writ petition and prayed to allow filing and upload of Form FC-4 without levy of any penalty and to direct MHA not to resort to any adverse measures against the petitioner.

6. During the proceedings of the case, to avoid further delay, the petitioner deposited a penalty amount to the tune of Rs. 5,18,062/- on 28th October 2022 and uploaded the annual return after paying the penalty.

HELD THAT:

a. In the facts of the present case, there was a delay in the opening of the said FCRA bank account and the delay has not been convincingly explained by the Petitioner. In other cases, where courts provided relief in similar circumstances, FCRA account with SBI New Delhi was opened within the due date. Accordingly, the said other cases cannot be referred while dealing with the current case.

b. Further, the penalty amount has been deposited with MHA. Therefore, the prayer for a refund is not tenable and is accordingly rejected.

c. FCRA FC-4 Annual Return for the financial year 2019-20 which has been uploaded, shall be taken as valid without any payment of further penalties by the Petitioner.

III. Update on Compounding Orders issued under FEMA Regulations:

a. Gold Star Jewellery Private Limited

Regulation	Regulation 16(1)(iv) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 notified vide Notification no. FEMA 120/2004-RB dated July 07, 2004
Contravention	Failure to comply with regard to outstanding dues by way of dividend, technical know-how fees, royalty, consultancy, commission, or other entitlements, and/or export proceeds from the Joint Venture (JV)/Wholly Owned Subsidiary (WOS) outside India in case of transfer by way of sale of shares
Date of Order	27-03-2023
Compounding Fee	? 4,94,629/-

b. Unichem Laboratories Ltd

Regulation	Regulation 13.1(5) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident of India) Regulations, 2017 notified vide Notification no. FEMA 20(R)/2017-RB dated November 07, 2017
Contravention	Delay in submission of Form Employee's Stock Option (ESOP) within the stipulated period of 30 days from the date of issue of employee's stock option
Date of Order	17-02-2023
Compounding Fee	? 6,21,480/-

c. Baeurer Infotech Pvt Ltd

Regulation	a. Regulation 3 of Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000, notified vide Notification no. FEMA 9/2000-RB dated May 03, 2000 b. Regulation 16(1)(i) and Regulation 16(1)(iv) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2000, notified vide Notification no. FEMA 120/2004-RB dated July 07, 2004
Contravention	a. Failure to realise foreign exchange due or accrued to a person resident in India b. Failure to comply with the conditions stipulated for transfer by way of sale of shares of a JV/WOS outside India [16(1)(i)-Write off of investment and 16(1)(iv)-Outstanding dues from JV/WOS)
Date of Order	28-12-2022
Compounding Fee	₹ 3,80,971/-

GOODS AND SERVICE TAX

Contributed by: CA. G. Saravana Kumar, Madurai.

Guidelines for Special All-India Drive against fake registrations - Instruction No. 01/2023-GST - F. No. CBIC- 20/16/05/2023-GST dated 04th May, 2023

The issue of unscrupulous elements misusing the identity of other persons to obtain fake/ bogus registration under GST, with an intention to defraud the Government exchequer, was deliberated at the National Co-ordination meeting held on 24th April, 2023. It was decided that common guidelines may be issued to ensure uniformity in the action by the field formations and for effective coordination and monitoring of the action taken during this Special Drive. Accordingly, the following guidelines are issued for such concerted action on fake dealers/ fake billers in a mission mode:

i. Period of Special Drive:

A Special All-India Drive may be launched by all Central and State Tax administrations during the period 16th May 2023 to 15th July 2023 to detect suspicious / fake GSTINs and to conduct requisite verification and further remedial action to weed out these fake billers from the GST eco-system and to safeguard Government revenue.

ii. Identification of fraudulent GSTINs:

Based on detailed data analytics and risk parameters, GSTN will identify such fraudulent GSTINs for State and Central Tax authorities. GSTN will share the details of such identified suspicious GSTINs, jurisdiction wise, with the concerned State/ Central Tax administration (through DGARM in case of Central Tax authorities) for initiating verification drive and conducting necessary action subsequently. Besides, field formations may also supplement this list by data analysis at their own end using various available analytical tools like BIFA, ADVAIT, NIC Prime, E-Way analytics, etc.

iii. Information Sharing Mechanism:

Successful implementation of the Special Drive would require close coordination amongst the State Tax administrations, and between State and Central tax administrations. For this purpose, a nodal officer shall be appointed immediately by each of the Zonal CGST Zone and State to ensure seamless flow of data and for coordination with GSTN/ DGARM and other Tax administrations.

The Nodal officer of the State/ CGST Zone will ensure that the data received from GSTN/ DGARM/ other tax administrations is made available to the concerned jurisdictional formation within two days positively. The Nodal officer shall also ensure that any cooperation required by other jurisdictions under his control is promptly provided.

iv. Action to be taken by field formations:

On receipt of data from GSTN/DGARM through the Nodal Officer, a time bound exercise of verification of the suspicious GSTINs shall be undertaken by the concerned jurisdictional tax officer(s). If, after detailed verification, it is found that the taxpayer is non-existent and fictitious, then the tax officer may immediately initiate action for suspension and cancellation of the registration of the said taxpayer in accordance with the provisions of section 29 of CGST Act, read with the rules thereof.

Further, the matter may also be examined for blocking of input tax credit in Electronic Credit Ledger as per the provisions of Rule 86A of CGST Rules without any delay. Additionally, the details of the recipients to whom the input tax credit has been passed by such non-existing taxpayer may be identified through the details furnished in FORM GSTR-1 by the said taxpayer. Where the recipient GSTIN pertains to the jurisdiction of the said tax authority itself, suitable action may be initiated for demand and recovery of the input tax credit wrongly availed by such recipient on the basis of invoice issued by the said non-existing supplier, without underlying supply of goods or services or both. In cases, where the recipient GSTIN pertains to a different tax jurisdiction, the details of the case along with the relevant documents/ evidences, may be sent to the concerned tax authority, as early as possible, in the format enclosed as Annexure-B, through the Nodal Officer referred in para (ii) above.

Action may also be taken to identify the masterminds/ beneficiaries behind such fake GSTIN for further action, where ever required, and also for recovery of Government dues and/ or provisional attachment of property/ bank accounts, etc. as per provisions of section 83 of CGST Act. Further, during the investigation/ verification, if any linked suspicious GSTIN is detected, similar action may be taken/ initiated in respect of the same.

v. Feedback and Reporting Mechanism:

An action taken report will be provided by each of the State as well as CGST Zones to GST Council Secretariat on weekly basis on the first working day after completion of the week in the format enclosed as Annexure-A. If any novel modus operandi is detected during the verification/ investigation, the same may also be indicated in the said action taken report. On conclusion of the drive, GSTIN-wise feedback on the result of verification of the shared suspicious GSTINs, will be provided by the field formations to GSTN/ DGARM, as per the format enclosed in Annexure-C.

vi. National Coordination Committee:

A National Coordination Committee headed by Member [GST], CBIC and including Principal Chief Commissioners/ Chief Commissioners Delhi and Bhopal CGST Zones and Chief Commissioners/ Commissioners of State Tax of Gujarat, West Bengal and Telangana shall monitor the progress of this special drive. National Coordination Committee will meet periodically for this purpose. GST Council Secretariat will act as the secretariat of this National Coordination Committee. The Committee will also be assisted by GSTN and Principal Commissioner, GST Policy Wing, CBIC.

<https://taxinformation.cbic.gov.in/view-pdf/1000474/ENG/Instructions>

Above link may be referred for the formats in Annexure A, B and C shared by CBIC.

2. E-invoice to become mandatory for tax payers whose aggregate turnover exceeds Rs. 5 crore

Vide Notification No 10/2023-CT dated 10.05.2023, it is made mandatory for those tax payers whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 5 crores shall prepare e-invoice from the first day of August, 2023.

INFORMATION TECHNOLOGY

Contributed by: CA. S.Deephika, Chennai.

Technology updates for May 2023

1. Cisco router bugs :

Cisco says it has fixed four high-severity vulnerabilities which could have allowed threat actors to remotely hijack network switches for small businesses.

In a security advisory published by the company's Product Security Incident Response Team (PSIRT), hackers could abuse flaws in the web user interface to run arbitrary code with root privileges. The flaws in question are tracked as CVE-2023-20159, CVE-2023-20160, CVE-2023-20161, and CVE-2023-20189, all with a 9.8 severity rating.

"An attacker could exploit this vulnerability by sending a crafted request through the web-based user interface," Cisco stated. "A successful exploit could allow the attacker to execute arbitrary code with root privileges on an affected device."

The list of vulnerable devices includes the 250 Series smart switches, 350 Series managed switches, and 350X Series and 550X stackable managed switches. To fix the flaws, IT teams are advised to bring their firmware up to version 2.5.9.16. There is no workaround for the flaws, Cisco said, so the only way to truly stay safe is to apply the patch.

Small Business 200 Series smart switches, Small Business 300 Series managed switches, and Small Business 500 Series stackable managed switches are also said to be affected by the flaws, but as these are reaching end-of-life, Cisco won't be releasing a patch. Businesses using these endpoints are advised to migrate to a newer model.

Businesses with service contracts that include software updates will receive the fixes through the usual update channels, Cisco said. Businesses with valid Cisco or third-party licenses will have their gear patched through maintenance upgrades, it was added.

2. ChatGPT vs Siri:

Welcome to the mobile age of the chatbot. Bing AI is already there, and now OpenAI has launched its first mobile version of the wildly popular ChatGPT, on iOS.

Just days after CEO Sam Altman outlined before Congress the dangers of unregulated AI, OpenAI announced and delivered another expansion to its platform of generative AI, Large Language Model services, bringing it to the best iPhones.

As a free and official version of the ChatGPT chatbot, this is built on GPT-3. However, you can access the ChatGPT+ and those GPT-4-powered services (which means more recent training and possibly better accuracy) by logging into your account or upgrading through the app.

This is a limited rollout in that it's US only and there's no Android version. OpenAI does promise in its blog post that, "Android users, you're next! ChatGPT will be coming to your devices soon."

ChatGPT on iOS works similarly to the desktop, web-based version. On installation, it reminds you that "ChatGPT is inaccurate." This is, though, a significantly pared-down interface and certainly leaner than what you'll find on the mobile version of Microsoft's Bing AI.

A new chat screen opens with a white screen with a black (sometimes blue) dot in the center. Below that is the prompt window where you can type in your query. The response was almost instantaneous and quite detailed.

New in this mobile version, though, is the ability to add voice queries. On the right-hand side of the prompt window is a little voice recording icon. As soon as you select that, the area below the text prompt shows that it's recording. You have to tap to stop. However, in multiple attempts, the Whisper-powered, open-source speech recognition system failed to capture the query and instead displayed an API error.

It turned out though that ChatGPT was listening and when selected "Retry Transcription" it did interpret our query and throw it into the prompt window. On the fifth attempt, it finally captured the query and dropped the recognized text into the prompt field. I still had to hit the "up arrow" to enter and deliver the prompt to ChatGPT.

Because your ChatGPT history is synced across devices, you can open History in the app and see prompts that are added on the mobile app and all the others. You can even go back and continue any of those conversations.

There aren't a lot of other controls beyond launching a new chat, signing out, and deleting your account – in case you really are afraid of AI.

Even though ChatGPT is now on your iPhone, it's no Siri. It can't for instance set a timer on your phone. On the other hand, neither Siri nor ChatGPT can directly control the brightness of your iPhone.

Guess they both have some way to go before they're the ultimate mobile, voice AI. The ChatGPT app is available for download right now in the App Store. Look for "OpenAI ChatGPT" if you want the real one.

3. Google AI boost :

Having already teased some of its upcoming generative AI tools, and also demonstrated others at its annual I/O conference earlier this month, Google Workspace has revealed it is busy adding even more AI to some of its most popular free office software apps.

The general sentiment toward remote working is still unclear, but with its latest AI improvements in Meet, Google clearly thinks video conferencing is here to stay.

Google Meet users will soon be able to use generative AI to create notes and summaries of meetings automatically, as well as highlight action points that can integrate straight into Tasks. While generative AI has been stealing the thunder in recent months, less sophisticated but no less useful features continue to roll out across the web.

Google Meet will now be able to use the headlining technology to automatically rearrange video tiles for a more personalized, tailored view. This looks to include cropping around speakers to remove unnecessary background while accounting for solo and group speakers, all in a bid to fit more meaningful content on-screen.

With collaboration in mind, Google has also teased background music and image generation for Slides to help make meetings more engaging, having recently introduced a multi-presenter mode for Slides within Google Meet.

Away from Meet, Google is continuing to explore the possibilities of generative AI with thread summarizing assistants in Gmail as well as an as-yet-announced "Organize your Inbox" tool. There was also a hint of more text-writing aids in Google Docs, cued for release to mobile apps as well as the web experience soon, and the opportunity to generate soundtracks for presentations in Google Sheets.

As the world continues to get to grips with artificial intelligence, the tools that roll out across office software from the likes of Google and Microsoft are expected to make repetitive, mindless work a lot more efficient.

4. YouTube Unskippable ads :

If you regularly watch YouTube on a smart TV or one of the best streaming devices, you may have noticed the adverts getting longer and more persistent – and unfortunately they could soon get even worse.

A new post from YouTube Ads Marketing has revealed that YouTube is planning to boost adverts on CTV (which stands for connected TV) in two ways. Firstly, it says "we're bringing 30 second non-skips [adverts] to YouTube Select on CTV".

YouTube Select is an advertising system that serves ads against the video streamer's most popular channels, so these ads may not hit everything you watch, but they could replace the consecutive 15-second ad slots you already see.

More troubling, though, is the announcement that YouTube is "bringing new Pause experiences to CTV". This means you could soon see adverts appear even when you pause a video, with YouTube promising advertisers that the experience will be "seamless for viewers and allows them to learn more about your brand".

Clearly, in a financially tough year, Google sees YouTube advertising as a reliable cash cow, and it's easy to see why. As the YouTube post claims, according to a recent Nielsen Gauge Report on TV viewership, viewership on the video streaming service increased last month and YouTube is now the most-watched TV streaming service in North America.

It isn't yet clear exactly when YouTube's 30-second unskippable and pause ads will roll out, but you can expect to see them soon on both smart TV and streaming boxes such as the Apple TV 4K and Amazon Fire TV Stick, which are traditionally included under the 'CTV' umbrella.

Cranking up the advertising dial in YouTube is a simple win-win for Google – either viewers are forced to watch more adverts, or they're convinced to switch to YouTube Premium (\$11.99 / £11.99 / ₹139 p/month) to avoid them.

YouTube Premium does bring other benefits beyond an ad-free experience – you also get background play (allowing you to use YouTube while using other apps or when the screen is locked) and access to YouTube Music Premium (a Spotify alternative that has a desktop app and offline listening on mobile).

Of course, YouTube Premium is also a hefty monthly outlay in trying financial times, but Google has also recently started cracking down on YouTube ad-blockers to stop those who are trying to get a free ride. A new popup has given YouTubers the option of disabling the ad-blocker or, yes, buying a subscription to YouTube Premium.

While adverts are understandable on a free service, Google is certainly pushing YouTube viewer patience to the limit, with some experiments seeing users get as many as 10 unskippable adverts in a row on some videos. Unfortunately, it looks like that's going to continue, unless you switch to YouTube Premium.

INCOME TAX

Contributed by: CA. V.K. Subramani, Erode.

1. Clarification regarding provisions relating to charitable and religious trusts: The CBDT vide Circular No.6 of 2023 dated 24th May, 2023 has given clarification relating to charitable and religious trusts, as under:

1. Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 of the Income-tax Act, 1961 ("the Act") or any trust or institution registered under section 12AA or section 12AB of the Act (hereinafter referred to as "the trust") is exempt subject to the fulfilment of the conditions provided under relevant sections of the Act. Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 amended the provisions related to application by a trust for registration or approval by amending the first and second proviso to clause (23C) of section 10, clause (ac) of sub-section (1) of section 12A of the Act, inserting section 12AB of the Act and amending the first and second proviso to sub-section (5) of section 80G of the Act. The amended provisions provide for the following:

(a) All the existing trusts were required to apply for registration/approval on or before 30.06.2021. However, on consideration of difficulties in the electronic filing of Form No.10A, the Central Board of Direct Taxes (the Board) in exercise of the powers conferred upon it under Section 119 of the Act extended the due date for filing Form No.10A in such cases to (i) 31.08.2021 vide Circular No.12 of 2021 dated 25.06.2021, (ii) to 31.03.2022, vide Circular No.16 of 2021 dated 29.08.2021 and (iii) further till 25.11.2022, vide Circular No.22 of 2022 dated 01.11.2022. Such registration/approval shall be valid for a period of 5 years. Thus, existing trusts are required to apply for fresh registration/approval and once the registration/approval is granted it is valid for five years.

(b) New trusts are required to apply for provisional registration/approval at least one month prior to the commencement of the previous year relevant to the assessment year from which the said registration/approval is sought. Such provisional registration/approval is valid for a maximum period of three years.

(c) Provisionally registered/approved trusts will again need to apply for regular registration/approval in Form No.10AB at least six months prior to the expiry of the period of provisional registration/approval or within six months of the commencement of activities, whichever is earlier. This registration/approval is valid for a period of five years. On consideration of difficulties in electronic filing of Form No.10AB, the Board in exercise of its powers under section 119 of Act extended the due date for electronic filing of Form No.10AB to 30.09.2022 vide Circular No 8 of 2022 dated 31.03.2022.

(d) The trusts once approved/registered for five years are required to apply at least six months prior to the expiry of the period of five years.

(e) The deduction under section 80G of the Act in respect of a donation made by a donor to a fund or institution referred to in sub-clause (iv) of clause (a) of sub-section (2) of section 80G, shall be allowed to the donor only if a statement of such donations is furnished by the donee in Form 10BD. The certificate of such donation is required to be provided in Form No.10BE. Further, Form No.10BD and Form No.10BE are required to be furnished on or before the 31st May, immediately following the financial year in which the donation is received.

2. Representations received from stakeholders requesting for clarity on provisions related to trusts are dealt with as under:

Clarification regarding application of section 115TD for failure to apply for registration/approval

3. Finance Act, 2023 has, inter-alia, amended section 115TD of the Act, so as to provide that the accreted income of the trusts not applying for registration/ approval, within the specified time, shall be made liable to tax in accordance with the provisions of section 115TD of the Act. This amendment has come into effect from 01.04.2023 and therefore applies to assessment year 2023-24 and subsequent assessment years.

4. Representations have been received stating that several trusts have not been able to apply for registration/ approval within the required time due to genuine hardship. This has also led to rejection of applications simply on the ground that these were delayed. As mentioned in para 1(a) above, the last date for filing an application by the existing trusts seeking registration/ approval was extended to 25.11.2022 vide Circular No.22 of 2022 dated 01.11.2022. Further, as stated in 1(c) above, the due date for furnishing application for registration/approval by the provisionally registered/approved trusts was extended till 30.09.2022. These trusts shall be subject to tax under section 115TD of the Act in accordance with the provisions of the said section, as amended by the Finance Act, 2023 if the application is not made by 25.11.2022 or 30.09.2022, as the case may be.

5. In order to mitigate genuine hardship in such cases, the Board, in exercise of the power under section 119 of the Act, extends the due date of making an application in,-

(i) Form No.10A, in case of an application under clause (i) of the first proviso to clause (23C) of section 10 or under sub-clause (i) of clause (ac) of sub-section (1) of section 12A or under clause (i) of the first proviso to sub-section (5) of section 80G of the Act, till 30.09.2023 where the due date for making such application has expired prior to such date;

(ii) Form No.10AB, in case of an application under clause (iii) of the first proviso to clause (23C) of section 10 or under sub-clause (iii) of clause (ac) of sub-section (1) of section 12A of the Act, till 30.09.2023 where the due date for making such application has expired prior to such date.

6. In view of the above, trusts may now apply for registration/approval under clause (i) or clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A of the Act by 30.09.2023 and where such application is made by the said date and registration/approval is granted, the provisions of clause (iii) of sub-section (3) of section 115TD of the Act shall not apply on account of delay in making application in accordance with the provisions of clause (i) or (iii) of the first proviso to clause (23C) of section 10 or sub-clause (i) or (iii) of clause (ac) of sub-section(1) of section 12A of the Act.

7. It may be also noted that the extension of due date as mentioned in paragraph 5(ii) shall also apply in case of all pending applications under clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A of the Act, as the case may be. Hence, in cases where the trust has already made an application in Form No.10AB under the said provisions but such application has been furnished after 30.09.2022 and where the Principal Commissioner or Commissioner has not passed an order before the issuance of this Circular, the pending application in Form No.10AB may be treated as a valid application. Further, in cases where the trust had already made an application in Form No.10AB, and where the Principal Commissioner or Commissioner has passed an order rejecting such application, on or before the issuance of this Circular, solely on account of the fact that the application was furnished after the due date, the trust may furnish a fresh application in Form No.10AB within the extended time provided in paragraph 5(ii) i.e. 30.09.2023.

8. It is also clarified that where trusts have missed the deadline of 25.11.2022, as mentioned in para 1(a) above, for making an application for registration/ approval in Form No.10A, and have subsequently furnished Form No.10A seeking provisional registration/approval, the relevant functionality on the e-filing portal may be used for surrendering the Form No.10A seeking provisional registration/approval and such trusts can make a new application in Form No.10A for registration/ approval within the extended period up to 30.09.2023, as mentioned in paragraph 5(i).

Extension of due date for furnishing of Form No.10BD.

9. In view of extension provided to funds or institutions seeking approval under sub-section (5) of section 80G of the Act, as discussed in paragraph 5(i), in the exercise of the power under section 119 of the Act, the Board also extends the due date for furnishing of statement of donation in Form No.10BD and the certificate of donation in Form No.10BE in respect of the donations received during the financial year 2022-23 to 30.06.2023.

Clarification regarding applicability of provisional registration

10. Eighth proviso to clause (23C) of section 10 of the Act, inter-alia, provides that in the case of a trust referred to under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 of the Act seeking provisional approval, such approval shall be from the assessment year immediately following the financial year in which the application is made. However, the first proviso to clause (23C) of section 10 provides that the application for provisional approval is required to be made at least one month prior to the commencement of the previous year relevant to the assessment year from which approval is sought.

11. Similarly, clause (ac) of sub-section (1) of section 12A of the Act provides that the trusts seeking provisional registration are required to make an application at least one month prior to the commencement of the previous year relevant to the assessment year from which registration is sought. However, sub-section (2) of section 12A, inter-alia, provides that the provisional registration shall be applicable from the assessment year immediately following the financial year in which the application for such registration is made. On the same lines, the first proviso to sub-section (5) of section 80G of the Act provides that application for provisional approval by a fund or institution is required to be made at least one month prior to the commencement of the previous year relevant to the assessment year from which approval is sought. However, the fourth proviso to sub-section (5) of section 80G, inter-alia, provides that the provisional approval granted under the second proviso shall be applicable from the assessment year immediately following the financial year in which the application for such registration is made.

12. With a view to bring consistency, it is hereby clarified that in case of trusts, funds or institutions seeking provisional approval or provisional registration as referred to in para 10 and 11, the said provisional approval or provisional registration shall be effective from the assessment year relevant to the previous year in which the application is made and shall be valid for a period of three assessment years subject to the provisions of clause (iii) of the first proviso to clause (23C) of section 10 or in sub-clause (iii) clause (ac) of sub-section (1) of section 12A or clause (iii) of the first proviso to sub-section (5) of section 80G of the Act, as the case may be.

Clarification regarding denial of exemption in case where the statement of accumulation is not filed by the due date.

13. Finance Act, 2023 has amended sub-section (2) of section 11 of the Act to provide that statement of accumulation as referred to in clause (a) of said sub-section [Form No.10] is required to be furnished at least two months prior to the due date of furnishing return of income under sub-section (1) of section 139. Similarly, the provisions of Explanation 3 to the third proviso to clause (23C) of section 10 of the Act have also been amended. Further, the due date for furnishing the option for deemed application of income in Form No. 9A under clause (2) of the Explanation 1 to sub section (1) of section 11 of the Act has also been amended to be at least two months prior to the due date of furnishing return of income under sub-section (1) of section 139.

14. Representations have been received that the trusts may not be able to furnish Form No. 10 and Form No. 9A before the finalization of their computation of income. Since the computation of income is finalized at the time of furnishing of return of income, therefore, the trusts should be allowed to furnish Form No. 10 and Form No. 9A by the due date of furnishing their income tax return.

15. It is clarified that the statement of accumulation in Form No.10 and Form No. 9A is required to be furnished at least two months prior to the due date of furnishing return of income so that it may be taken into account while auditing the books of account. However, the accumulation/deemed application shall not be denied to a trust as long as the statement of accumulation/deemed application is furnished on or before the due date of furnishing the return as provided in sub-section (1) of section 139 of the Act.
Clarification regarding audit report to be furnished in Form No.10B.

16. One of the conditions required to be fulfilled by the trusts to be eligible to claim exemption, under the relevant provisions of the Act, is that where the total income of any trust, as computed under the Act, without giving effect to the provisions of section 11 and section 12 of the Act or the provisions of the sub-clauses (iv), (v), (vi) and (via) of clause (23C) of section 10 of the Act, as the case may be, exceeds the maximum amount which is not chargeable to income-tax in any previous year, it is required to get its accounts audited.

17. In order to rationalize the provisions related to audit report of trusts and in view of the significant amendments made to the taxation of trusts over the past few years, revised audit report in Form No.10B and Form No.10BB have been notified vide Notification No. 7 of 2023 dated 21.02.2023 so as to provide that the report of audit of the accounts of a trust, shall be furnished in - Form No.10B where, (i) the total income of trust, exceeds Rs five crores during the previous year; or (ii) such trust has received any foreign contribution during the previous year; or (iii) such trust has applied any part of its income outside India during the previous year; (b) Form No. 10BB in other cases.

18. With regard to the above it may be noted that Form No.10B and Form No. 10BB requires the auditor to bifurcate certain payments or application in electronic modes and non-electronic modes. The Notes to the said Forms provide that electronic modes shall be the following modes referred in rule 6ABBA of the Income-tax Rules, 1962: (a)Credit Card; (b)Debit Card; (c) Net Banking; (d) IMPS (Immediate Payment Service); (e) UPI (Unified Payment Interface); (f) RTGS (Real Time Gross Settlement); (g) NEFT (National Electronic Funds Transfer); and (h) BHIM (Bharat Interface for Money) Aadhaar Pay.

19. It has been represented that the above description of electronic modes does not include account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account.

20. It is hereby clarified that for the purposes of Form No.10B and Form No.10BB electronic modes referred to in para 18 are in addition to the account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account.

2. Guidelines for removal of difficulties under section 194BA of the Income-tax Act, 1961.

The CBDT in Circular No.5 of 2023 dated 22nd May 2023 has issued guidelines for removal of difficulties in respect of winnings from online games. The Finance Act 2023 inserted a new section 194BA in the Income-tax Act, 1961 with effect from 1st April 2023.

The new section mandates a person, who is responsible for paying to any person any income by way of winnings from any online game during the financial year to deduct income-tax on the net winnings in the person's user account. Tax is required to be deducted at the time of withdrawal as well as at the end of the financial year. Net winning is required to be computed in the manner as may be prescribed. The manner of computation of net winning has now been prescribed in Rule 133 of the Income-tax Rules 1962, vide notification no. 28/2023 dated 22nd May 2023.

Sub-section (3) of section 194BA authorises CBDT to issue guidelines, for the purposes of removal of difficulties with the previous approval of the Central Government. These guidelines are required to be laid before each House of Parliament and are binding on the income-tax authorities and the person liable to deduct income-tax. Accordingly, in exercise of the power conferred by sub-section (3) of section 194BA of the Act, CBDT hereby issues the following guidelines.

Guidelines

Question 1: There are multiple wallets under one user. How "net winnings" is to be computed with respect to multiple wallets of one user?

Answer: It has been clarified in the Rule 133 that user account shall include every account of user, by whatever name called, which is registered with online gaming intermediary and where any taxable deposit, non-taxable deposit or the winning of the user is credited and withdrawal by the user is debited. Thus, each wallet which qualifies as user account shall be considered as user account for the purposes of computing net Winnings.

It has further been clarified in the Rule 133 that whenever there are multiple user accounts of the same user, each user account shall be considered for the purposes of calculating net winnings. The deposit, withdrawal or balance in the user account shall mean aggregate of deposits, withdrawals or balances in all user accounts.

For illustration, a user has multiple user accounts under one deductor (one TAN). For the purposes of calculating tax required to be deducted under section 194BA of the Act, each of these user accounts is to be considered. Deposit in any of these user accounts would be considered as deposit (non-taxable or taxable as per the definition in Rule 133) and withdrawal from any user accounts would be considered as withdrawal.

Let us suppose that there is first withdrawal from any of these user accounts. Net winnings for the purposes of calculating tax required to be deducted under section 194BA shall be calculated as under

Net winnings = $A - (B + C)$, where

A = Amount withdrawn from the user account;

B = Aggregate amount of non-taxable deposit made in the user account by the owner of such account during the financial year, till the time of such withdrawal; and

C = Opening balance of the user account at the beginning of the financial year.

Here for the purposes of calculating amount B, the non-taxable deposits in all of the user accounts under that deductor (one TAN) is to be aggregated. Same would apply for calculating all other amount for calculation under Rule 133.

However, if the one deductor (one TAN) is having multiple platforms and it is not technologically feasible for him to integrate multiple user accounts across platforms then he may, at his option, calculate tax required to be deducted for the purposes of section 194BA of the Act for each platform separately. But even in that case all the user accounts under one user in one platform need to be considered for the purposes of calculating net winnings in the formulas provided in Rule 133.

It may also be noted that Rule 133 has also clarified that transfer from one user account to another user account, maintained with the same online gaming intermediary, of the same user shall not be considered as withdrawal or deposit, as the case may be. However, if the deductor is deducting tax under section 194BA of the Act for each platform separately, as discussed in the immediately preceding paragraph, transfer from one user account to another user account under same online gaming intermediary across platforms shall be considered as withdrawal or deposit for the purposes of calculation of net winnings under Rule 133.

Question 2: If a user borrows some money and deposits in his user account, will it be considered taxable deposit or non-taxable deposit?

Answer: For non-taxable deposit, it is necessary that the amount deposited by the user is not taxable i.e. it is from already taxed income or it is not chargeable to tax. In a case where user borrows the money and deposits in his user account, it shall be considered as non-taxable deposit.

Question 3: How will bonus, referral bonus, incentives etc. be treated?

Answer: Bonus, referral bonus, incentives etc are given by the online game intermediary to the user. They are to be considered as taxable deposit under Rule 133. The taxable deposit will increase the balance in user account and is not allowed to be deducted in calculation of net winnings as only non-taxable deposits are allowed to be deducted. Thus, any deposit in the form of bonus, referral bonus, incentives etc would form part of net winnings and tax under section 194BA of the Act is liable to be deducted at the time of withdrawal as well as at the end of the financial year.

Some deposit could be money equivalent too like coins, coupons, vouchers, counters etc. In such a situation the equivalence in money of such deposit shall be considered as taxable deposit and would accordingly form part of balance in user account.

However, it is seen that there is some incentives/bonus which is credited in user account only for the purposes of playing and they cannot be withdrawn or used for any other purposes. Rule 133 has provided that such deposit shall be ignored for calculation of net winnings. Thus, they shall not be included in non-taxable deposit and they shall also not be included in opening balance or closing balance of user account. Thus, to the extent they will not be part of net winnings. However, person liable to deduct tax under section 194BA of the Act must keep separate accounts of such deposits.

Further, if and when these incentive / bonus are re-characterised and they are allowed to be withdrawn, they would be treated as taxable deposit at the time when they are re-characterised. Thus, they will become part of net winnings in the year of re-characterisation.

Question 4: At what point we consider that amount has been withdrawn?

Answer: As stated earlier, it has also been clarified in the Rule 133 that transfer from one user account to another user account, maintained with the same online gaming intermediary, of the same user shall not be considered as withdrawal or deposit, as the case may be. However, when the amount is withdrawn from the user account to any other account, it shall be considered as withdrawal. With respect to deductor, any account of user which is not registered with the online game intermediary (for which he is a deductor) is an account which is not a user account and any transfer from user account to such account is a withdrawal.

When in consideration of amount in user account, some coupons etc are issued for purchase of goods or services, or some item in kind is issued, that will also be considered as withdrawal. It is the duty of the person who is required to deduct tax at source under section 194BA of the Act to ensure that the tax, as required to be deducted, is deducted at source under section 194BA. before issuing such coupons or items in kind.

The clarification provided in answer to Question no 1 is also needed to be kept in mind. It has been clarified that if the deductor is deducting tax under section 194BA of the Act for each platform separately, transfer from one user account to another user account under same online gaming intermediary across platform shall be considered as withdrawal or deposit for the purposes of calculation of net winnings under Rule 133.

Question No.5: There are a large number of gamers who play with very insignificant amount and withdraw also very small amount. Deducting tax at source under section 194BA of the Act for each insignificant withdrawal would increase compliance for tax deductor. Can there be relaxation to ease compliance?

Answer: In order to remove difficulty in deducting tax at source under section 194BA of the Act for insignificant withdrawal, it is clarified that tax may not be deducted on withdrawal on satisfaction of all of the following conditions, namely:-

(i) net winnings comprised in the amount withdrawn does not exceed Rs. 100 in a month;

(ii) tax not deducted on account of this concession is deducted at a time when the net winnings comprised in withdrawal exceeds Rs.100 in the same month or subsequent month or if there is no such withdrawal, at the end of the financial year; and

(iii) the deductor undertakes responsibility of paying the difference if the balance in the user account at the time of tax deduction under section 194BA of the Act is not sufficient to discharge the tax deduction liability calculated in accordance with Rule 133.

Question 6: When the net winnings is in kind how will tax deduction under section 194BA operate?

Answer: At the outset, it may be clarified that where money in user account is used to buy an item in kind and given to user then it is net winnings in cash only and the deductor is required to deduct tax at source under section 194BA of the Act accordingly.

However, there could be a situation where the winning of the game is a prize in kind. In that situation provision of sub-section (2) of section 194BA of the Act will operate. According to this where the net winnings are wholly in kind or partly in cash, and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the net winnings. In these situations, the person responsible for paying, shall, before releasing the Winnings, ensure that tax has been paid in respect of the net winnings. In the above situation, the deductor will release the net winnings in kind after the deductee provides proof of payment of such tax (e.g. Challan details etc.). This year Form 26Q also has included provisions for reporting such transactions under section 194BA of the Act (vide Notification no. 28/2023 dated 22nd May 2023).

In the alternative, as an option to remove difficulty if any, the deductor may deduct the tax under section 194BA of the Act and pay to the Government. In the Form 26Q the deductor will need to show this as tax deducted by him on net winning under section 194BA of the Act.

Question 7: How will the valuation of winnings in kind required to be carried out?

Answer: The valuation would be based on fair market value of the winnings in kind except in following cases:-

(i) The online game intermediary has purchased the winnings before providing it to the user. In that case the purchase price shall be the value for winnings.

(ii) The online game intermediary manufactures such items given as winnings. In that case, the price that it charges to its customers for such items shall be the value for such winnings.

It is further clarified that GST will not be included for the purposes of valuation of winnings for TDS under section 194BA of the Act.

Question 8: These guidelines have been issued after 1.4.2023 while the law has come into effect from 1.4.2023. Will there be any relaxation on penal consequences in the intervening period i.e. between 1.4.2023 and the date on which the Rules / guidelines are issued?

Answer: Taxpayers were expected to deduct tax at source under section 194BA even before issuance of the Rule 133 or this guidance. It is expected that they have carried out that responsibility. However, if there is a shortfall in deduction of tax due to time lag in issuance of Rule 133 or this Circular, for the month of April, 2023 that shortfall may be deposited with the tax deduction for the month of May 2023 by 7th June, 2023. In that case there will not be any penal consequences.

3. Decision of Supreme Court has binding force even if review petition is pending: In *Milestone Systems A/S v. Dy.CIT (2023) 453 ITR 250 (Del)* the assessee a foreign company incorporated under the laws of Denmark and having TRC in Denmark entered into a distributor partner-agreement with various entities in India for sale of its software. As per the agreement,

the distributor-partner obtained a licence to the copyrighted software. The assessee applied for nil tax withholding certificate based on the Supreme Court decision in the case of Engineering Analysis Centre of Excellence (P) Ltd v. CIT (2021) 432 ITR 471 (SC). The Assessing Officer based on the review petition filed by the Department against the above said decision did not issue `nil' tax withholding certificate but issued a certificate for tax withholding at the rate of 9.99%. On writ, it was held that the Assessing Officer had made observation which did not meet the parameters laid down in rule 28AA of the Income-tax Rules to estimate the income of the assessee. The order of the Assessing Officer was accordingly set aside with a direction to consider the application in terms of the distributor agreement and in the light of the ratio laid down in the apex court decision.

4. Write off of loss on investment made in subsidiary company outside India vis a vis book profit computation under section 115JB: In Pr.CIT v. Vaibhav Global Ltd (2023) 453 ITR 24 (Rajasthan) the assessee wrote off of Rs.4102.27 lakhs representing the amount of investment in the subsidiary company outside India. This amount was sought to be disallowed while computing book profit under section 115JB. It was held that the amount was invested out of commercial expediency and the write off hence was allowed by the tribunal. The tribunal factually found that the assessee wrote back the provision and then wrote off the debt. It was held that if the amount written off is added back for the purpose of section 115JB it would amount to double disallowance. Accordingly, it was held that the amount written off being a commercial decision and following the Full Bench decision of the Gujarat High Court in the case of CIT v. Vodafone Essar Gujarat Ltd (2017) 397 ITR 55 (Guj) (FB) the decision was rendered in favour of the assessee.

5. Whether assignment of debt due from subsidiary company for a lesser amount is a capital loss: In CIT (Intl. Taxation) v. Siemens Nixdorf Information Systemse GmbH (2023) 453 ITR 741 (SC) the assessee gave a loan to its subsidiary company and in order to overcome its finance trouble it assigned the debt for a lesser amount and claimed the same as short-term capital loss. The tribunal referred to section 2(14) and held that the word 'capital asset' is very widely defined to mean property of any kind. However, it specifically excludes certain properties from the definition of `capital asset'. The Revenue was not able to point out any of the exclusion clauses being applicable to an advancement of loan. Accordingly, both tribunal and High Court allowed the claim of short-term capital loss. The apex court held on a petition for special leave that the tribunal had given strong reasons for holding that the transaction would come within the meaning of section 2(14) and such finding was found correct in law by the High Court. The interpretation however was with regard to a particular transaction. The apex court declined to interfere with the order under the extraordinary jurisdiction of Article 136 of the Constitution of India.

6. No penalty for delay in deposit of TDS: In US Technologies International (P) Ltd v CIT (2023) 453 ITR 644 (SC) the assessee deducted Rs.110.42 lakhs for the financial year 2002-03 and remitted Rs.38.95 lakh up to the date of survey under section 133A i.e. on 10th March, 2003. The balance TDS amount was remitted in May, 2003 immediately after survey. A notice for levy of penalty under section 271C was issued. The assessee replied that it had remitted the TDS amount and interest under section 201(1A). The levy of penalty under section 271C was confirmed by the High Court. The apex court took note of the CBDT Circular No.551 dated 23rd January, 1990 and held that if there is delay in remitting TDS amount it will attract interest under section 201(1A) and because of the gravity of the mischief involved, it may involve prosecution proceedings as well under section 276B of the Act. If there is omission to deduct TDS the penalty under section 271C would be attracted. Thus, on true interpretation of section 271C there shall not be any penalty on mere delay in remittance of TDS after deducting the same. The consequence of belated remittance or non-payment after deduction however would be covered by section 201(1A) and section 276B of the Act.

7. Instruction of CBDT cannot override the provisions of law or decision of Supreme Court: In Keenara Industries (P) Ltd v. ITO (2023) 453 ITR 51 (Guj) the Assessing Officer issued notices on or after 1st April, 2021 under the erstwhile provisions of sections 148 to 151 of the Act based on the Notification No.20 of 2021 dated 31st March, 2021 and Notification No.38 of

2021 dated 27th April, 2021 which extended the applicability of the reassessment provision as they stood before the commencement of the Finance Act, 2021 and thus became applicable beyond 31st March, 2021. The Finance Act, 2021 made sweeping changes to sections 147 to 151 of the Act w.e.f. 01.04.2021. The court held that while enacting the Finance Act, 2021 the Parliament was aware of the existing statutory laws both under the Act as amended by the Finance Act, 2021 and the Taxation and Other Laws (Relaxation and Amendment of Certain provision) Act, 2020. The new scheme for reassessment brought in by Finance Act, 2021 does not contain any saving clause for the previous notices. Therefore, the Notification No.20 of 2021 dated 31st March, 2021 was issued before the amended provision came into force and was applicable to the unamended provisions relating to reassessment. However, the unamended provisions relating to reassessment ceased to exist from 1st April, 2021 and therefore the extension given by the Notifications ceased to exist. It was held that the CBDT Instruction could not override the provisions of law or the decision of Supreme Court.

KARNATAKA VAT & GST

Contributed by: CA Annapurna Kabra, Bengaluru.

Plotted Development- GST

- With effect from GST implementation, there are confusions on applicability of GST on sale of plots by developer to his customer whether before development, or during development or after development. The process of developing a plot of land by providing amenities such as sewage line, water line, electricity line, land levelling, and common facilities viz. road and streetlight etc. are preparatory part of the activity of construction of whatever structure that is proposed to be constructed on that piece of land. The activity of development of land involving offer of plots for sale to its customers with an assurance of development of infrastructure/amenities, lay-out approvals etc. is liable to tax or not are the discussion issues in the following paras. This article provides an insight into the provisions related to development of plot under GST law.

- The term plot is not defined under the GST law and as per Section 2(8) of KTCPA 1961, the “plot” means a continuous portion of land held in one ownership and as per Section 2 (10) of KTCPA 1961 “reconstituted plot” means a plot which is in any way altered by the making of a town planning scheme and the term “altered” includes the alternation of ownership.

- Section(1c) of KTCPA 1961 define the ‘development’ with its grammatical variations, means the carrying out of building, engineering, mining, or other operations in, on, over or under land or the making of any material change in any building or land, or in the use of any building or land and includes sub-division of any land. The plots are sold to the customers with divided/undivided share in the land. The sale of plots is essentially sale of land wherein the conveyancing of the title is done by the landowner to the customer.

- The plot development means the activity of development undertaken on plot from the time permission is taken u/s 15(1) of KTCPA, 1961 from the planning authority granted in the form of commencement certificate till completion certificate is granted by the planning Authority. As per Section 26(2) of KTCPA, 1961 the activities from commencement to completion includes laying out or re-laying out of land, filling up or reclamation of low-lying, swamp or unhealthy areas or levelling up of land, lay-out of new streets or roads, Reservation of land for roads, open spaces, gardens, recreation grounds, schools, markets, green belts and dairies, transport facilities and public purposes of all kinds, drainage inclusive of sewerage, surface or sub-soil drainage and sewage disposal and lighting and water supply.

- With reference to section 2(b) of Bangalore Development Authority (BDA) Act, 1976, the ‘amenity’ includes road, street, lighting, drainage, public works, and such other conveniences as the Government may, by notification, specify to be an amenity for the purposes of this Act. As per section 30 of BDA Act 1976, after street formed has been duly levelled, paved, metalled, flagged, channelled, drained and sewerred, street shall thereupon vest with planning authority/corporation. With reference to section 15 of BDA 1976, the reservation of not less than fifteen percent of the total area of the layout for public parks and playgrounds and an additional area of not less than ten percent of the total area of the layout for civic amenities.

- The reference of the provisions of the allied laws are required to analyse the implication of GST on plotted development. The Schedule III of the Act deals with the activities or transactions which shall be treated neither as a supply of goods nor a supply of services. Vide Entry No. 5 of third schedule define sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building. The sale of land is kept outside the purview of GST. The issue is whether the sale of plots is liable to tax under the GST or can be treated as sale of land under Third Schedule?

- The following services as defined in Entry 5(b) of Second Schedule are treated as supply of services. "The construction of a complex, building, civil structure, or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier is supply of service" Whether plotted development can be treated as construction services under GST law...?

- As per entry 3(i)(ia)(ib)(ic)(id)(if(i)) of Notification 3/2019 includes construction of affordable/ other than affordable residential 'apartments' / commercial 'apartments' in a RREP/ REP which commences on or after 1st April, 2019 intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. As per section 2(e) of RERA Act "apartment" means whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, [in a building] or [on a plot of land], used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified. The issue is whether the definition of apartment includes plot.....?

- The issue of applicability on sale of developed plot was clarified vide circular No 177/09/2022 TRU dated 3rd August 2022 as follows.... The Representation has been received for clarification regarding applicability of GST on sale of land after levelling, laying down of drainage lines etc. As per serial no 5 of Schedule III of the Central Goods and Services Tax Act, 2017, 'sale of land' is neither a supply of goods nor a supply of services, therefore, sale of land does not attract GST. Land may be sold either as it is (virgin land) or after some development such as levelling, laying down of drainage lines, water lines, electricity lines, etc. It is clarified that sale of such developed land is also sale of land and is covered by Sr. No. 5 of Schedule III of the Central Goods and Services Tax Act, 2017 and accordingly does not attract GST (in line with Gujrat HC decision). However, it may be noted that any service provided for development of land, like levelling, laying of drainage lines (as may be received by developers) shall attract GST at applicable rate for such services. Recently the Karnataka Advance Ruling Authority has issued the ruling for plotted development as follows....

a. In case of Rabia Khanum KAR ADRG 31/2022 dated 8.9.2022, Applicant will be developing the land as per regulations of the District Town and Country Planning Act. He enters into an agreement of sale with prospective buyers towards sale of individual sites. The agreement does not bifurcate the cost of land and development charges. The development works become the property of the authorities and are not sold or transferred to any individual. The transfer of the ownership of the said plots will happen under the Transfer of Property Act. Based on circular 177/09/2022 TRU dated 3rd August 2022 it was held that GST is not applicable for the consideration received on sale of plots and GST is not applicable for the advances received towards sale of plots. The AAAR, Karnataka, in the matter of M/s. Ms. Rabia Khanum [KAR/AAAR /02/2023 dated February 14, 2023] has upheld the advance ruling passed by AAR, Karnataka and held that the amounts received by the assessee due to the consideration, advance received on the sale of small plots which have the development work are not taxable under GST. Therefore, the sale of land developed by the assessee falls under the scope of the term "sale of land" as mentioned in Entry 5 of Schedule III of the Central Goods and Services Tax Act, 2017, hence it is not taxable.

b. The AAR in case of M/s Godrej Properties Limited KAR ADRG 19/2023 dated 26.4.2023 held that....

- the Applicant is not liable to GST on sale of plot and basic infra structure development charges, if the booking of plot, receipt of consideration and agreement for sale is entered and sale deed is executed after the release certificate.
- the Applicant is liable to GST on other common amenities and facilities charges if the booking of plot, receipt of consideration and agreement for sale is entered and sale deed is executed after the release certificate.
- the Applicant is not liable to GST on sale of plot and basic infra structure development charges, if the booking of plot, receipt of consideration and agreement for sale is entered prior to release certificate and sale deed is executed after the release certificate.
- the Applicant is liable to GST on other common amenities and facilities charges if the booking of plot, receipt of consideration and agreement for sale is entered prior to release certificate and sale deed is executed after the release certificate.
- If the sale price is a consolidated price, then charges proportionate to common amenities and facilities charges are applicable to GST.

The advance ruling is binding only in respect of the matter referred and it has no precedent value. Therefore, with reference to the circular and advance ruling, it can be analysed that the sale of plots including basic infrastructure charges by developer to his customers before the development or during the development or after development shall be exempt from GST. There should be clarification on various aspects of plotted development in case of Joint development agreement between the landowner and developer under the different models entered by such taxpayers.

CIRCULAR

SEBI/HO/DDHS/DDHS_Div1/P/CIR/2023/64

May 03, 2023

To,

Issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments, security receipts and municipal debt securities; and Registered Depositories

Madam/ Sir,

Sub: Introduction of Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts

1. LEI is a unique global identifier for legal entities participating in financial transactions. LEI is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20-character code to identify legally distinct entities that engage in financial transactions. Presently, RBI directions, *inter alia*, mandate non-individual borrowers having aggregate exposure of above Rs. 25 crores, to obtain LEI code.
2. In view of the above, issuers having outstanding listed non-convertible securities as on August 31, 2023, shall report/ obtain and report the LEI code in the Centralized Database of corporate bonds, on or before September 1, 2023. Similarly, issuers having outstanding listed securitised debt instruments and security receipts as on August 31, 2023, shall report/ obtain and report the LEI code to the Depository(ies), on or before September 1, 2023.
3. Further, issuers proposing to issue and list non-convertible securities, on or after September 01, 2023, shall report their LEI code in the Centralized Database of corporate bonds at the time of allotment of the ISIN. Similarly, issuers proposing to issue and list securitised debt instruments and security receipts, on or after September 01, 2023, shall report their LEI code to the Depositories at the time of allotment of the ISIN. The requirements are tabulated below:

Category of security	Relevant Regulation	Applicability	Timeline
Non-convertible Securities	SEBI (Issue and listing of Non-convertible Securities) Regulations, 2021	Issuer proposing to issue and list non-convertible security	On or after September 1, 2023
		Issuer having outstanding listed non-convertible security as on August 31, 2023	On or before September 1, 2023
Securitised Debt Instruments	SEBI (Issue and Listing of Securitised Debt	Issuer proposing to issue and list Securitised Debt Instruments or Security Receipts	On or after September 1, 2023

Category of security	Relevant Regulation	Applicability	Timeline
and Security Receipts	Instruments and Security Receipts) Regulations, 2008	Issuer having outstanding listed Securitised Debt Instruments and Security Receipts as on August 31, 2023	On or before September 1, 2023

4. The requirement of LEI for issuers proposing to list/ having outstanding municipal debt securities shall be specified later.
5. Entities can obtain the LEI code from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF). In India, the LEI code may be obtained from Legal Entity Identifier India Ltd (LEIIL), a subsidiary of the Clearing Corporation of India Limited (CCIL), which has been recognised by the Reserve Bank of India as issuer of LEI under the Payment and Settlement Systems Act, 2007 and is accredited by the GLEIF as the LOU in India for issuance and management of LEI codes.
6. The Depositories shall:
 - a. map the LEI code to existing ISINs by September 30, 2023; and
 - b. for future issuances, map the LEI code provided by the issuers with the ISIN at the time of activation of the ISIN.
7. This circular shall come into force with immediate effect.
8. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 (1) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Regulation 29 of the SEBI (Issue and Listing of Municipal Debt Securities), Regulations, 2015 and Regulations 48 of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
9. This Circular is available at www.sebi.gov.in under the link “Legal→Circulars”.

Yours faithfully,

Pradeep Ramakrishnan
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Department of Debt and Hybrid Securities
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Madras High Court Judgments in VAT CST GST

Circular of the Commissioner, WP Review: Argument in the review petition is that there is a Circular of the Commissioner, dated 06.08.2007 which is in favour of the petitioner and in light of the said circular, the matter ought not to have relegated to appeal by this Court. The petitioner has been relegated to appeal which means that the matter will be heard by the appellate authority. That apart, and pertinently, as circular dated 06.08.2007, according to learned counsel, favours the petitioner, which the Court concluded that there is no difficulty on this score and the ratio of the judgment in FilterCo (61 STC 318), relied on by the petitioner, is inapplicable to the present case. Stating so, this review petition is dismissed. **M/s Orchid Designs Pvt Ltd., Vs 1.Commr of CT,Chennai-5. 2.AC (CT), Alandur Assessment Circle, 3.CTO, Alandur Assessment Circle, Rev.Aplw No. 48 of 2023 DATED: 11.04.2023**

Limitation for filing of appeal: Limitation for filing of appeal as against the order having expired as on date, there is no merit in this WP and hence, the challenge to caution notice is rejected. However, on the basis of plea of the petitioner, liberty is granted to challenge the orders of assessment if it is so inclined and such appeals if filed within 4 weeks from date of receipt of a copy of this order shall be entertained by the appellate authority without reference to limitation but ensuring compliance of all other statutory conditions, including pre-deposit. **Tvl. Perfect Marine Services Pvt Ltd., Vs AC (ST),Villivakkam Assessment Circle, W.P.No.10994 of 2023 DATED: 11.04.2023**

Challenge the order by way of appeal: Erstwhile counsel was inimical to the petitioner and hence has not passed the orders, to the attention of the petitioner. The present counsel only plead in the aforesaid circumstances that the petitioner be permitted to challenge the order by way of appeal. Since, the Ld Government Advocate, fairly, does not express any objection to the Court in acceding to his request, petitioner is granted liberty to challenge the appellate order dated 03.09.2021 in a manner known to law. Such appeal if filed within a period of 4 weeks from today shall be entertained in accordance with law. **Sha Chunnial Kudanmal, Vs 1.AAC CT, Salem. 2.STO, Sevapet Assessment Circle, Salem W.P.Nos.11013 & 11015 of 2023 DATED: 11.04.2023**

Give effect to the directions of Division Bench Orders: Assessment based on which the impugned attachment has been made was itself the subject-matter of appeal and in W.P.Nos. 35608 & 35609 of 2005, the Division Bench of this Court has set aside the assessment allowing the writ petitions. The assessing authority was directed to re-do the assessments after hearing the petitioner and considering the materials, if any, filed by it. Though 2 years have elapsed, the appellants states that the respondents are yet to frame assessments as directed. The Court stated that R1 is to give effect to the directions of Division Bench and pass orders of assessment de novo within a period of 16 weeks from date of receipt of a copy of this order. **M/s.Kothari Indl Corpn Ltd. Vs 1.AC(CT), Nungambakkam Assessment Circle, 2.Sub-Registrar, Thiruvottiyur, Chennai -19 W.P.No.11067 of 2023 DATED: 11.04.2023**

Claim of Input Tax Credit : Issue that arises in this WP relating to reversal of input tax credit pursuant to cancellation of selling / purchasing registration, is covered in favour of the petitioner vide the decision of Apex Court in State of Maharashtra v Suresh Trading Company (1997) 11 SCC 378 and a decision of Division Bench of this Court in the case of AC (CT) Broadway Assessment Circle, Chennai v Bhairav Trading Company [(2016) 95 VST 315 (Mad)]. In light of the aforesaid, impugned order of assessment is set aside and this WP is allowed. **M/s.Arunnachala Impex Private Limited Vs STO, Harbour Assessment Circle, W.P.No.18927 of 2020 DATED: 10.04.2023**

Section 18 of TNVAT Act : The issue that arise for consideration in these WPs is covered in favour of the assessee by a Division Bench of this Court in W.A.No.703 of 2020 and batch

dated 28.02.2023 with regard to the scope of Section 18 of TNVAT Act. In light of the aforesaid decision, this court directed that these assessments are set aside and the matter remanded to the Assessing Authority to re-do the de novo hearing bearing in mind the observations of this Court noted above. **Philips India Limited Vs 1.DC(CT)-II (FAC), LTU,Chennai-8. 2.JC(CT) (Appeals) Chennai-6. W.P.No.29857 of 2017 etc DATED: 05.04.2023.**

Interest: This WP relating to levy of interest u/s 50 of the CGST Act, 2017 stands covered in favour of the petitioner by a decision of this Court in the case of M/s.Maansarovar Motors Private Limited, v The AC, Poonamallee Division, Chennai Outer Commissionerate, Chennai 40 and others [2021 (44) GSTL 126]. This Court stated that it would be appropriate to determine the interest in terms of the aforesaid order. **M/s.Shakeel Ahmed, SA Traders, Melvisharam-632 509. Vs 1.AC GST & CE, Ranipet Division 2.Branch Manager, Indian Bank, Melvisharam-632 509 W.P.No.8516 of 2020 DATED: 05.04.2023**

Personal hearing: Petitioner submitted that notices were issued on 26.08.2019 calling for various particulars for finalizing the assessments. The authorized representative of the petitioner who was dealing with tax matters was, at that time, diagnosed with hepatitis and had, vide letter dated 10.09.2019, sought an adjournment. A second notice followed on 04.10.2019 granting the petitioner 7 days' time to reply with documentary evidences in support of its contentions. Under the same notice, the respondent also afforded the petitioner an opportunity of personal hearing. The representative of the petitioner, who was still unwell was unable to take effective steps within the time granted to respond. Hence, the impugned orders of assessment have come to be passed, without further reference to the petitioner. This request contained in letter dated 10.09.2019, lead, the Court, to the conclusion that the petitioner should be afforded an effective opportunity of hearing and has been denied the same prior to passing of the orders impugned. In light of the reasoning as above, the impugned memo and orders were set aside with related specific directions. **EPMS Property Services P Ltd, Pudupakkam vs 1.STO, Gr-VI, Intelligent-II,O/o DC (ST), Chennai-6. 2.Appellate DC (ST) (FAC), GST-Appeal, Chennai-II,Chennai-6.W.P.Nos.8968, 8999 & 9003 of 2020 DATED: 05.04.2023.**

Detention of goods : In respect of a goods detention notice, the petitioner had filed a detailed reply on 24.03.2023 stating that the provisions of the IGST Act are inapplicable to the transaction in question. On the same date, the respondent has issued a revised notice, in Form GST MOV-07 proceeding to apply the applicable provisions of the CGST/SGST Act. No opportunity was granted to the petitioner to respond to that notice and the petitioner was further never heard. The impugned proceedings have been concluded contrary to the principles of natural justice. Stating so, impugned orders were set aside with directions. **M/s Shido Pharma, Vs 1.AC (ST), Adjudication, Intelligence-1, Chennai-6. 2.DSTO, Static Roving Squad, O/o the JC (ST), Intelligence-I, Chennai-6 3.STO Adjudication, Intelligence -1,Chennai. W.P.Nos.10371, 10372 & 10373 of 2023 Dated: 03.04.2023**

Order contrary to Circular: Ld Additional Government Pleader who appears for the respondent would fairly accede to the position that impugned assessments framed in terms of the provisions of TNVAT Act, 2006 and relating to the periods 2015-2016 and 2016-2017, have been framed contrary to the express stipulations in Commissioner's Circular No. 5 of 2021 dated 24.02.2021. The impugned assessments are dated 31.10.2019, prior to formulation of the procedure as aforesaid. Impugned orders are set aside and these WPs are allowed with the directions. **M/s.Falken Leathers & Chemicals, Vs STO, Vaniyambadi Assessment Circle, Vellore District.W.P.Nos.15783 & 15785 of 2020 Dated: 03.04.2023.**