



S I R C

Southern India Regional Council

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



NEWSLETTER
NOVEMBER 2023

Volume • 49
Part - 5

GLIMPSES OF 55th REGIONAL CONFERENCE OF SIRC OF ICAI AT HOSAPETE – 12th & 13th OCTOBER 2023



Chief Guest Shri. Sharanabasappa Darshanapur, Hon'ble Minister for Small Scale Industries from Commerce Department of Karnataka is being honoured with a Shawl and a Memento jointly by President ICAI CA. Aniket Sunil Talati, Vice President ICAI CA. Ranjeet Kumar Agarwal, Chairman SIRC CA. Panna Raj S, Vice Chairperson SIRC CA. Geetha A.B and Central Council Member ICAI CA. Cotha S. Srinivas

Release of 55th Regional Conference Souvenir



Group Photograph of the Dignitaries



GLIMPSES OF 55th REGIONAL CONFERENCE OF SIRC OF ICAI AT HOSAPETE – 12th & 13th OCTOBER 2023

Resource Persons of 55th Regional Conference of SIRC of ICAI



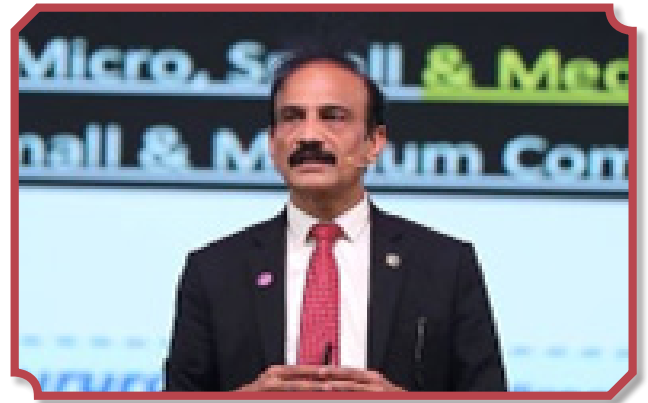
Dr. CA. Girish Ahuja



CA. Jatin Chirstopher



CA. M.P.Vijay Kumar



CA. K. Gururaj Acharya



CA. Ameet Navinchandra Patel



CA. Ullas Kamath



CA. Vinay Mruthyunjaya



CA. Atul Bheda

GLIMPSES OF 55th REGIONAL CONFERENCE OF SIRC OF ICAI AT HOSAPETE – 12th & 13th OCTOBER 2023

Broad View of Delegates and Stage

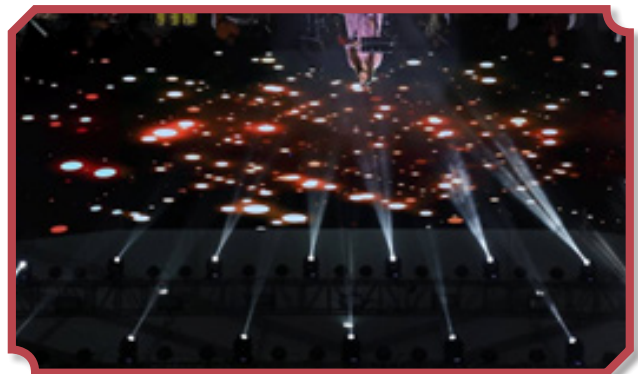
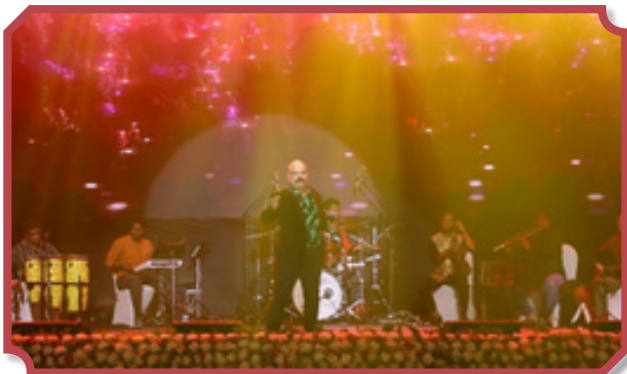


Valedictory Session



Visually challenged Member CA. Pooja with her parents were honoured with a memento during the valedictory session of 55th Regional Conference of SIRC of ICAI on 13th October 2023 at Hosapete.

Grand Gala Entertainment Programme



GLIMPSES OF 55th REGIONAL CONFERENCE OF SIRC OF ICAI AT HOSAPETE – 12th & 13th OCTOBER 2023

Venue Front Entrance View of the Conference Ground



Welcoming the Dignitaries with Traditional Drum Dance



Food Court – Dining Area



CHAIRMAN'S COMMUNIQUÉ

Dear Professional Colleagues,

Greetings from SIRC.

Thanks-giving on the outstanding success of the 55th SIRC Regional Conference held at Hosapete on 12th and 13th October 2023.

I sat to write my regular monthly column with my heart filled with elation, emotion, excitement and happiness having received thunderous response from members for making the 55th Regional Conference a stupendous success.

You have proved yet again that the strength of SIRC is each individual member to achieve best results. We derived from you in abundance.

A BIG THANK TO ALL who have scripted yet another mega event – the 55th Regional Conference of SIRC. I raise my hands joined to thank each one of you.

I am extremely delighted to share that the 55th Regional Conference “**Jnana Sampanna (Enlighten & Evolve)**” held on 12th and 13th October 2023 at Hosapete, Karnataka, with your whole-hearted support, was a tremendous and phenomenal success. The highlight of the Conference was that it was held for the first time in a smaller and non-metro city in the State of Karnataka. It was also for the first time a Regional Conference is held at a place where there is neither a Branch nor a Chapter of SIRC. The Conference was, for the first time in the annals of SIRC, held in the month of October and members who in spite of their busy commitment due to tax audit evinced interest in registering in advance for the Conference which was a boost for us to concentrate on other logistic arrangements.

I deem it my pleasure and duty to express, on behalf of my colleagues in SIRC, the members of the Managing Committee of host Branch – Ballari Branch and on my own behalf to record our sincere thanks to you for their unstinted support and encouragement which was one of the key factors for the success of the Conference. I solicit their continued support and involvement in the programmes of SIRC at all times as we derive strength and inspiration from them.

I am also happy to share that SIRC received the feedback from the delegates expressing their appreciation and happiness which is what we the organizers desired.

Through this column, I deem it my honour and privilege to record our thanks to:

- Shri Sharanabasappa Darshanapur, Hon'ble Minister for Small-Scale Industries and Public Enterprises, Government of Karnataka – Chief Guest at the Inaugural Session. During his interaction he had announced that a Memorandum of Understanding (MoU) for promoting MSMEs is in the pipeline.
- CA. Aniket Sunil Talati, President, ICAI for delivering the Presidential Address.
- CA. Ranjeet Kumar Agarwal, Vice-President for delivering the Special Address at the Inaugural Session.
- Dignitaries – for sending the Message of Good Wishes for the Conference.
- All Resource Persons.
- The Chairman of Technical Sessions.
- Past Presidents of ICAI, Past Chairmen of SIRC, Past and Present Central Council Members of ICAI and Past Members of SIRC – For Participation and Good Wishes.
- Distinguished Invitees from the Government, Corporate and Business Entities.
- All the Members of the Conference Committee.
- Chairman and Members of all Sub-Committees of the Conference
- Chairmen and Members of the Managing Committee of Ballari Branch of SIRC – For hosting the Conference.
- Past Chairmen and Past Members of the Managing Committee of Ballari Branch of SIRC.
- Chairmen and Members of the Managing Committee of other 44 Branches of SIRC.



- Convenors and Deputy Convenors of all CPE Study Circles, CPE Chapters, CPE Study Groups and CPE Study Circle for Members in Industry.
- Members from Chennai
- Members from Hosapete
- Masters of Ceremony
- Officials of Government of Karnataka.
- Members who have facilitated sponsorship.
- Event Sponsor – JSW Steel Limited
- Sponsors of various events, sponsors who have put up stall and displayed banners.
- All Advertisers in the Souvenir.
- Regional Head, SRO and SIRC and his team of dedicated officers and staff.
- Staff Members of Ballari Branch.
- Student Volunteers.
- All Service Providers
- Print and Electronic Media.

and

- Other office-bearers of SIRC and Members of SIRC who have lent their admirable support and guidance to me from the time SIRC decided to hold the Conference at Hosapete.

SIRC feels confident that true to the theme of the Conference “Jnana Sampanna (Enlighten & Evolve)”, the delegates had their knowledge enriched and they also enjoyed the hospitality of the organizers and comfortable stay at the venue and had the occasion to visit the ancient World Heritage Site at Hampi. This is the first time a sightseeing trip on third day i.e.14th October of the Conference was organised with food arrangements.

SIRC places on records its thanks, gratitude and appreciation to all the delegates, many of whom have come from far flung areas of the Southern Region to make the Conference a grand success. At this juncture I had to keep the members informed that we had one member from Ahmedabad CA. Annapurna participated in the Conference.

SIRC thus has achieved an important and significant milestone thus setting new benchmark for the successors in SIRC to emulate, rather, surpass. The entire credit goes to the team work that was exemplified in the conduct of the Regional Conference. The untiring efforts put in by all will always linger in my mind having received the warmth and affection from every quarter. My colleagues in SIRC and I join once again to express our deep sense of thankfulness to all.

SIRC requests members to send their feedback and suggestions for added improvements in future events to sirc@icai.in.

SIRC Programmes held in October 2023 – A Flashback:

Last month SIRC held the mega Regional Conference and all our attention and efforts were single-focused to make an ever-lasting excellent experience for the delegates. We had therefore directed all our resources to stage the Conference with grandeur. We are confident that members echo their stay as pleasant and enlightening.

We held one CPE meetings on “GST in Hospitality Industries on 4th October 2023. SIRC assures that we will continue to offer enriching events in the days ahead.

On 21st October continuing our initiative to hold a SIRC Programme outside Chennai (one seminar we held at Centre of Excellence, Hyderabad on 16th September 2023) we held a Seminar on “MSME Act, Benami Transaction Act, System Audit – Procedures & Opportunities, Emergence of Forensic Account and Way Forward Venue at Salem.

Adoption of Technology:

On 15th & 16th June SIRC organized Two Days Faculty Development Programme with the object of training faculty who can be resource persons at the Workshops on leveraging different technologies for audit and assurance services by SMPs. Around 100 members from 41 Branches were part of the training programme. Their services were utilized to train members and students at the Branch Level.

SIRC had created an exclusive WhatsApp for those attended the programme to exchange their experience, clearing the doubts with the trainers and sharing the newer technology etc. SIRC also conducted online training sessions for those who required further training.

I am happy that the above 100 members have organized workshops and trained thousands of Members and students across Southern Region on leveraging different technologies for audit and assurance services by SMPs.

It is high time for the Chartered Accountants professional to adopt technology in every task they handle to sustain and further improve the professional standards.

CPE Credit Hours Requirement:

As you are aware the CPE Hours requirements has been modified effective from 1st January 2023 whereby the period of compliance has been changed from “block of three years” to “each calendar year”. The announcement in this regard issued by the CPE Directorate is published elsewhere in this Newsletter. Hence for compliance of the CPE requirement members have to complete the mandatory CPE hours latest by 31st December 2023 for the current calendar year.

In order to enable our members to meet the CPE requirements, SIRC of ICAI has lined up series of programmes. The Branches of SIRC have also been geared up to conduct as many programmes as possible during November and December to enable members to complete the prescribed number of CPE Hours in the calendar year 2023. SIRC therefore requests members to utilize the opportunity and participate in these programmes.

Curtain Raiser of the forthcoming programmes at SIRC, Chennai:

MSME and Start-up Conclave – 2023 at Mangaluru:

SIRC is organizing the “Coastal MSME and Start-up Conclave and Business Excellence Award” in association with St. Aloysius College (Autonomous), Mangaluru on 4th November 2023 at Mangaluru. The Conclave is being hosted by Mangaluru Branch of SIRC of ICAI. Large number of MSME and Start-up Sectors are participating in the Conclave. Eminent personalities in the respective fields of MSME and Start-up will be addressing on the various facets of the sectors. The details are published elsewhere in this Newsletter.

International Accountants Day:

The International Accountants Day is celebrated every year on November 10 across the world and the World Accounting Bodies organizes programmes to commemorate the occasion. The commemoration of this Day dates back to the year 1494 when Venetian mathematician Luca Bartolomeo de Pacioli published an epic tome that included an in-depth look at bookkeeping practices. The publication brought out on 10th November 1494 spoke about the double-entry bookkeeping and it is in his honour that International Accountants Day is celebrated. His book, Summa de Arithmetica, Geometria, Proportioni et Proportionalita, described keeping accounts for assets, liabilities, capital, income, and expenses, much like the systems we the accountants use today in balance sheets and income statements.

SIRC, as part of the occasion will organize programmes on 10th November 2023. These programmes are to be organized with a view to popularize the commerce education amongst the students’ community and other stakeholders.

Other Programmes:

During this month we have scheduled five CPE Meetings on contemporary and futuristic topics and a **Special Programme on National Entrepreneurship Day 2023.**

Memorial Lectures:

SIRC is organizing the 16th V. Sankar Aiyar Memorial Lecture on 15th December 2023 and the details of speaker and subject will be published in the next month’s newsletter. SIRC is also organizing the Ashok Kumbhat Memorial Lecture in memory and honour of Mr. Ashok Kumbhat, Past President, ICAI on 29th December 2023. Dr. Parthasarathi Shome, Bengaluru will be delivering the memorial lecture on “Taxation of Artificial Intelligence”.

We are also proposing to hold the 42nd S. Vaidyanath Aiyar Memorial Lecture during December 2023 and the details will be published in the next issue of the newsletter.

The details of all the programmes are published in "FORTHCOMING CPE PROGRAMMES - NOVEMBER 2023 ONWARDS" elsewhere in this Newsletter

I invite members to attend the programmes and make them successful as ever before.

Convocation – November 2023:

ICAI is conducting the Convocation to award Certificate of Membership/CoP to the students enrolled between 1st May 2023 and 20th October 2023 and also present rank certificates to the rank holders on the occasion. This is held in 12 centres on 4th November 2023 and in Mumbai it will be held on 4th and 5th November 2023. SIRC recalls and records that this laudable initiative of ICAI commenced on 30th November 2008 at Chennai.

Payment of Membership Fee:

Members who have not paid their membership fee and / or certificate of practice fee for the year 2023-2024 on or before 31st October 2023 (extended by ICAI from 30th September 2023 to 31st October 2023) are advised to restore their names with the required fee along with the restoration fee of Rs. 1,200/- through the Self-Service Portal.

Students Related Initiatives:

ICAI Commerce Olympiad – 2023:

The Committee on Career Counselling of ICAI is organizing the ICAI Commerce Olympiad on 3rd December 2023 and inviting entry with last date for registration as 27th November 2023. The intent of organizing this event by ICAI is to encourage the students studying from 8th Standard upto graduation. This initiative is aimed at motivating the students to achieve excellence and enhance their skills. ICAI will recognize the talents with presentation of cash awards to top 128 students of each class and for other qualifying participants a certificate. The details of the ICAI Commerce Olympiad are available at the following link: <https://icaicommerceolympiad.in/>.

I request the members to disseminate the information among the known contacts of schools and colleges and exhort them to participate in this unique event and exhibit their skills in the competition.

Dash Board Visualization & Sketching Competition:

The Students' Skill Enrichment Board (SSEB) – Board of Studies (Operations), ICAI is organizing the Dash Board Visualization using Excel/Power BI/Tableau. The students pursuing Final Course and undergoing articles and the Intermediate Students are eligible to participate in the Competition. This is being held at all Branches (between 1st and 10th December 2023) and Regional Councils (between 16th and 24th December 2023). The announcement published in ICAI Students' Newsletter is re-published in this issue elsewhere.

SIRC requests members to bring to the knowledge of their articled assistants about the competition and exhort them to participate to exhibit their talent and enhance their skills.

Best Wishes from SIRC to CA Students – CA Examination – November 2023:

The Chartered Accountants Examinations commence on 1st November 2023. SIRC conveys best wishes to the students appearing in this Examinations all the very best and hope to see them coming out with flying colours.

Festivities:

SIRC conveys its greetings to the members, students and the staff of ICAI on the occasion of Deepavali, the Festival of Lights on 12th November 2023. Let the occasion brings prosperity, health, wealth and enlightenment in each one of our families.

With warm regards

CA. S. PANNA RAJ

Chairman, SIRC of ICAI

SIRC of ICAI

FORTHCOMING CPE PROGRAMMES – NOVEMBER 2023 ONWARDS

Regn: <http://bit.ly>

Date (Day)	Timings	Mode	Topic	Resource Person(s)	Fees (Rs.) (Including GST)	CPE Credit Hours
04.11.2023 (Sat)	09.00 am to 5.30 pm	Physical	COASTAL MSME & START UP CONCLAVE 2023 (Organised by SIRC of ICAI and hosted by Mangaluru Branch of SIRC of ICAI under the aegis of MSME & Start-up Committee of ICAI) Venue: Fr.L.F Rasquinha Hall, St. Aloysius College (Autonomous), Light House Hill, Mangaluru-575003. Complete Details at Page No. 13 to 16	Eminent Speakers	1000	6
09.11.2023 (Thu)	5.00 pm to 8.00 pm	Physical	Special Programme on National Entrepreneurship Day 2023 Opportunities for CAs in restructuring of MSMEs	CA. Vishesh Unni Chennai	236	3
16.11.2023 (Thu)	5.00 pm to 8.00 pm	Physical	CPE Meeting on Critical Controls for Effective Business Operations	CA. K. Vidhyadharan Chennai	236	3
22.11.2023 (Wed)	5.00 pm to 8.00 pm	Physical	CPE Meeting on AQMM	CA. R. S. Balaji Chennai	236	3
24.11.2023 (Fri)	5.00 pm to 8.00 pm	Physical	CPE Meeting on Networking Guidelines & Multi Disciplinary Partnership	CA. G. Sekar Former Central Council Member, ICAI	236	3
15.12.2023 (Fri)	6.00 pm to 8.00 pm	Physical	V. Sankar Aiyar Memorial Lecture	Complete details will be hosted in SIRC website www.sircoficai.org		
22.12.2023 (Fri)	5.00 pm to 8.00 pm	Physical	CPE Meeting on Treasury and Foreign Exchange Management	Eminent Speaker	236	3
29.12.2023 (Fri)	6.00 pm to 8.00 pm	Physical	Ashok Kumbhat Memorial Lecture on Taxation of Artificial Intelligence Complete Details at Page No. 12	Dr. Parthasarathi Shome Bengaluru	-	-

Venue Details: P. Brahmayya Memorial Hall, ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.

CPE Credit on attending full programme only

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

PROGRAMME ON GST IN HOSPITALITY INDUSTRIES AND GST ON RCM – 04.10.2023



Resource Person: **CA. Manavalan V.P**

Virtual 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>

LEADERS THOUGHT

Esteemed Professional colleague,

Greetings,

I am delighted to meet you through this communication as Member of Regional Council Elected by you. I express my sincere gratitude to you for having faith and confidence in my abilities and commanding me to serve ICAI.

As a Nation we have undergone a remarkable path of growth and development , and this ascent serves as a compelling testament to our dedication to progress, unity and sustainability.

As dedicated partners in Nation Building, our profession shoulders a role not merely of significance but also of great responsibility. We stand at the crossroads of history, poised to make choices that will define the path forward for our nation and the world at large. In unity and shared purpose, we can build a world that truly lives up to the virtues if this profound philosophy – “ a world is one family” is not just a sentiment but a living reality for all.

During the current year I was entrusted as Chairman for MSME & Start –ups Committee & Committee on Economic, commercial Laws & Economic Advisory in SIRC. We have organized a Two day MSME conclave in Chennai and given Business Excellence Awards in 33 categories. On 4th November we are also organising “**Coastal MSME & Start up Conclave 2023**” at Mangalore. I request all the members of Coastal Karnataka to attend the above conclave and make it a grand success.

Friends; I firmly believe that our profession, founded on bedrock of ethics, unwavering integrity, a relentless pursuit of excellence, aligns seamlessly with the principles espoused by our elders. We are in essence, stewards of public trust, dedicated to upholding standards that foster transparency and reliability in the financial world. As we continue our journey, let the torchbearers of honesty, virtue and compassion, setting an others to follow. Through our unwavering dedication to excellence, we can contribute meaningfully to the enhancement of society, making it a place that is fairer, more transparent, and more prosperous for all.

As I always my service is available to the profession at all times and I request your continuous encouragement that would motivate me to work more.

With Warm Regards,

CA. MUPPALA SUBBA RAO
Regional Council Member
SIRC of ICAI





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

The Society of Auditors

D. Rangaswamy Academy for Fiscal Research

&

Ashok Kumbhat Memorial Trust

Cordially invite you for the



ASHOK KUMBHAT *Memorial Lecture*

On Friday, 29th December 2023 at 06.30 pm

*at P. Brahmaya Memorial Hall, ICAI Bhawan,
122, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034.*

DR. PARTHASARATHI SHOME

Founder Chariman , International Tax Research & Analysis Foundation. Bengaluru

*has kindly consented to deliver the
Memorial Lecture on the topic*

TAXATION OF ARTIFICIAL INTELLIGENCE

CA. N.RANGACHARY

Former Chairman, CBDT & IRDA

Presides

High Tea 06.00pm

CA. Panna Raj S
Chairman
SIRC of ICAI

CA. G.V.Raman
President
D. Rangaswamy Academy
For Fiscal Research

CA. Anusha Sreenivasan
President
The Society of Auditors

CA. A.V. Arun
Secretary
SIRC of ICAI



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



In association with

ST ALOYSIUS COLLEGE (AUTONOMOUS), MANGALURU

Hosted by :

MANGALURU BRANCH OF SIRC OF ICAI

Organises

“COASTAL MSME & START UP CONCLAVE 2023”

Achieving Excellence by fostering growth”

**MSME AND STARTUP
CONCLAVE 2023
UNDER THE AEGIS OF
MSME & START-UP
COMMITTEES, ICAI**

CPE : 6hrs

Date : Saturday, 4th November, 2023

Time : 09:00 am onwards

**Venue : Fr L F Rasquinha Hall
St Aloysius College (Autonomous)
Light House Hill, Mangaluru, Karnataka 575003**



Role of Chartered Accountants

Chartered Accountants play a key role in guiding the growth of MSMEs and Start ups. They are the real managers of the Economy. They are responsive to the emerging challenges faced by the MSMEs & Startups. To address the issues faced by MSMEs & Startups, the CAs have taken a number of initiatives to strengthen and develop their capacity in order to enhance their competence and improve their visibility amongst the business community.

Over 3.93 lakh Chartered Accountants community has deep reach and connect to the MSMEs sector as the trusted advisors providing a variety of services including project financing, working capital management, asset management, export promotions advice, budgetary forecasts, financial modelling, preparing standard operating procedures, assessing the design and operative effectiveness of internal controls besides regular accounting, auditing and taxation services.

Chartered Accountants are engineers to promote the schemes for MSMEs. They are the bridge between policy makers and entrepreneurs. They play a vital role in financial reporting, tax advisory, auditing and any other financial process. A good CA understands the client and mentors them to empower themselves with best utilisation of resources.

Participants:

- 1. Chartered Accountants**
- 2. Academicians, Management, Engineering & Commerce College Faculty & students with business acumen.**
- 3. MSME Entrepreneurs**
- 4. Start-Ups**
- 5. Bankers**
- 6. Professionals**
- 7. Aspiring Entrepreneurs**
- 8. Retail and Wholesale Traders**
- 9. Educational Institutions**



**"COASTAL MSME
& START UP CONCLAVE 2023"**

Duration, Schedule and Venue

The Programme is Scheduled on the **4th of November, 2023 (Saturday)** at **Fr L F Rasquinha Hall, St Aloysius College (Autonomous), Light House Hill, Mangaluru, Karnataka 575003**

Programme Schedule

<i>SCHEDULE</i>	<i>SESSION CONTENT</i>	<i>SPEAKERS</i>
<i>08:30 AM - 09:30 AM</i>	<i>Registration</i>	
<i>09:30 AM - 10:30 AM</i>	<i>Inauguration</i>	
<i>10:30 AM - 10:45 AM</i>	<i>Brunch Break</i>	
<i>10:45 AM - 11:30 AM</i>	<i>Inculcating Entrepreneurship among Youth and Women</i>	<i>Dr Meera Venkat President and CEO, Raise Global, Bengaluru Chairperson for MSME - ASSOCHAM, Karnataka Chapter</i>
<i>11:30 AM - 12:15 PM</i>	<i>Branding, Marketing and Digital Transformation for MSMEs and Start ups</i>	<i>Mr. Cany Mendonsa Branding & Marketing Consultant</i>
<i>12:15 PM - 01:00 PM</i>	<i>Global Opportunities for Indian Startups</i>	<i>CA K Ullas Kamath Chairman, FICCI Karnataka State Council, Bengaluru Dr. A P Achar CEO, Atal Incubation Center, Nite</i>
<i>01:00 PM - 01:45 PM</i>	<i>Opportunities for MSMEs and Start ups in Food, Agri and Fisheries Sector</i>	<i>Dr. Adarsha Gowda Dean, Entrepreneurship and Consultancy Cell, St Aloysius College (Autonomous) Dr. Shivakumar Magada Former Dean, College of Fisheries, Mangalore</i>
<i>01:45 PM - 02:15 PM</i>	<i>Lunch Break</i>	
<i>02:15 PM - 03:15 PM</i>	<i>Schemes & Incentives for MSMEs from Central & State Govts</i>	<i>Central MSME, State MSME Department and NSIC Representatives, Bengaluru</i>
<i>03:15 PM - 04:00 PM</i>	<i>Funding options for MSMEs and Start ups</i>	<i>CA Sanketh S Nayak Partner: S S Nayak & Associates Bengaluru</i>
<i>04:00 PM - 05:30 PM</i>	<i>MSME Town Hall - Direct interaction with Experts</i>	<i>Representatives of Sponsor Banks, NSIC and MSME Department Moderated by CA S S Nayak</i>



**"COASTAL MSME
& START UP CONCLAVE 2023"**

Organised by

MSME & Start-Up Committee of ICAI

CA. Dheeraj Kumar Khandelwal
Chairman, Committee on MSME & Start-up

CA.(Dr.) Raj Chawla
Vice-Chairman, Committee on MSME & Start-up

SIRC of ICAI

CA Panna Raj S
Chairman
SIRC of ICAI

CA. Arun AV
Secretary
SIRC of ICAI

CA. Subba Rao Muppala
Chairman, MSME & Start-ups Committee
of SIRC of ICAI

St Aloysius College (Autonomous), Mangaluru

Rev. Dr Praveen Martis S J
Principal
St Aloysius College (Autonomous)

Dr. Adarsha Gowda
Dean, Entrepreneurship and Innovation Cell
St Aloysius College (Autonomous)

Hosted by : Mangaluru Branch of SIRC of ICAI

CA. Gautham Nayak M
Chairman

CA. Gautham Pai D
Vice Chairman

CA. Prashanth Pai K
Secretary

CA. Daniel Marsh Pereira
Treasurer

CA. Mamta Rao
SICASA Chairperson

CA. Prasanna Shenoy M
Immediate Past Chairman

Co-ordinators

Chief Co-ordinator

CA S S Nayak
Coopted Member
MSME & Start-ups Committee, SIRC of ICAI

Associate Co-ordinators

CA Yashashwini K Amin

CA Anil Bharadwaj,
Bengaluru

Dr. S M Shivaprakash
Former Dean, College of Fisheries, Mangalore

Registration Fees

Category	Amount (Rs.)
MSME Enterprises	Rs. 1000/- per delegate
Start ups	
CA Members	
Others	Rs. 500/- per delegate
Students	

Our Bank Account Details

Account Name : SIRC of ICAI
Account No. : 764903128
Bank : Indian Bank
Uthamar Gandhi Salai Branch, Chennai,
IFSC Code : IDIB000N061

How to Apply

Kindly click this link for online registration

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



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

ICAI Bhawan, No.122, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

**HYBRID
MODE**

SIRC CA FOUNDATION

RAPID REVISION CLASS

TIMING

6.30 A.M. to 12.30 P.M.

DURATION

5 Hours (All days)

FEES

**Physical : Rs.3000/- only
Virtual : Rs.1500/- only**

For Registration, Please visit
<https://www.sirc-icai.org/view-batches.php>

CA. Panna Raj S.
Chairman, SIRC of ICAI

**LEARN FROM THE BEST
YOUR ALMAMATER**

ARE YOU WRITING YOUR

**DECEMBER 2023
CA FOUNDATION
EXAMINATIONS?**

Course Dates:

**10.11.2023
to
20.11.2023**

Last Date of Registration:

09.11.2023

HELPLINE

Mobile: 96771 26011, 73585 06400, 82205 22669

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

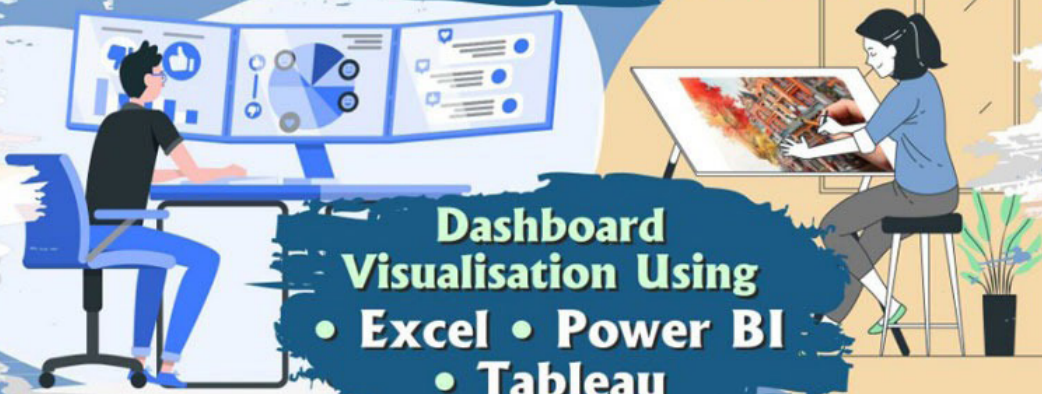
Email: sirc.foundation@icai.in and cc to sircdean@icai.in



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

CA Students

Dashboard Visualization & Sketching Competitions



**Dashboard
Visualisation Using**
• Excel • Power BI
• Tableau

Who can Participate?

Organised by SSEB,
Board of Studies (Operations)

- CA students pursuing Final Course & are undergoing Articleship.
- Students pursuing Intermediate Course.

The Branch
Level Competition
will be held from
1st - 10th
December 2023

The Regional
Level Competition
will be held from
16th - 24th
December 2023

Winners will
participate
in National
Talent Hunt

Win Attractive Prizes & Add Glory to your Personality

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For More Details Connect   

For the programme details and venue:
Kindly contact your nearest Branch/Regional Council

ANNOUNCEMENT

Mock Test Papers Series – I Rescheduled for CA Foundation December 2023 Examinations

The Board of Studies (Academic) has rescheduled its **Mock Test Papers Series – I** from **13th October 2023** to **6th November 2023** for students of CA Foundation course appearing in December 2023 Examinations due to rescheduling of CA Foundation Examinations from 24th December 2023 to 31st December 2023.

The Mock Test Paper Series – I will be conducted in physical/virtual mode(s). Students interested in physical mode may approach the respective branches in their area.

Revised Schedule

Foundation Course		
Date	Time	Subject
6.11.2023	2 pm to 5 pm	Paper-1: Principles and Practice of Accounting
7.11.2023		Paper-2: Business Laws and Business Correspondence and Reporting
8.11.2023	2 pm to 4 pm	Paper-3: Business Mathematics and Logical Reasoning & Statistics
9.11.2023		Paper-4: Business Economics and Business and Commercial Knowledge

Download Question/Answer	Login BOS Knowledge Portal at https://boslive.icai.org/ Login ICAI BOS App (Android/iOS)
Link for Physical registration in Student Activities Portal	https://bosactivities.icai.org/
List of Regional Councils/Branch Offices of ICAI	https://drive.google.com/file/d/1f8EZj-p_kM94jPEd4TjfOqyM7CzvCX8z/view?usp=share_link

The Question Papers for each subject will be uploaded at **BoS Knowledge Portal (<https://boslive.icai.org/>)** and **ICAI BOS Mobile App** as per schedule by 1:30 PM every day during this period. Students are advised to download and attempt these papers within the stipulated time limit. The Answer Key to these papers will be uploaded within 48 hours from the date and time of commencement of the respective paper as per schedule. Students can assess their performance by examining their answers with respect to the Answer Keys provided.

Director

Mock Test Papers Series – II Rescheduled for CA Foundation December 2023 Examinations

The Board of Studies (Academic) has rescheduled its **Mock Test Papers Series – II** from **6th November 2023** to **4th December 2023** for students of CA Foundation course appearing in December 2023 Examinations due to rescheduling of CA Foundation Examinations from 24th December 2023 to 31st December 2023.

In continuation of Mock Test Papers Series – I, Mock Test Papers Series – II will be conducted in physical/virtual mode(s). Students interested in physical mode may approach the respective branches in their area.

Revised Schedule

Foundation Course		
Date	Time	Subject
04.12.2023	2 pm to 5 pm	Paper-1: Principles and Practice of Accounting
05.12.2023		Paper-2: Business Laws and Business Correspondence and Reporting
06.12.2023	2 pm to 4 pm	Paper-3: Business Mathematics and Logical Reasoning & Statistics
07.12.2023		Paper-4: Business Economics and Business and Commercial Knowledge

Download Question/Answer Papers for Self-assessment	Login BOS Knowledge Portal at https://boslive.icai.org/ Login ICAI BOS Mobile App (download from Google and Apple Play Store)
Link for Physical registration at ICAI Branch/Region in Student Activities Portal	https://bosactivities.icai.org/
List of Regional Councils/Branch Offices of ICAI	https://drive.google.com/file/d/1f8EZj-p_kM94jPEd4TjfOqyM7CzvCX8z/view?usp=share_link

The Question Papers for each subject will be uploaded at **BoS Knowledge Portal (<https://boslive.icai.org/>)** and **ICAI BOS Mobile App** as per schedule by 1:30 PM every day during this period. Students are advised to download and attempt these papers within the stipulated time limit. The Answer Key to these papers will be uploaded within 48 hours from the date and time of commencement of the respective paper as per schedule. Students can assess their performance by examining their answers with respect to the Answer Keys provided.

Director



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



FOUR WEEKS RESIDENTIAL PROGRAMME ON PROFESSIONAL SKILLS DEVELOPMENT

Organised by
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FEES**
LIMITED SEATS

Salient Features

- Waiver of Payment of Fees to top 10 Rank Holders of Intermediate Exam
- Part of Practical Training.
- Exemption from Management and Communication Skills (MCS) forming part of AICITSS

Learning Outcomes

- Articulation Skills
 - Leadership Qualities
 - Art of Negotiation
 - Personality Development
 - Open-Mindedness
 - Effective Communication Skills
 - Interpersonal Managerial Skills
 - Team Building
 - Holistic Approach
- ⊙ **Registration on First come First basis.**
 - ⊙ **Eligibility- CA students who have completed one year of articleship are eligible to join the Program.**
 - ⊙ **The commencement of batches is subject minimum number of requisite registration.**

For further assistance please contact : +91 9958121521 | Email id - deepak.chanda@icai.in

Disclaimer - The scheme of Four weeks Residential Program may be modified or altered at any time. All decisions about the aforesaid scheme shall be at the sole discretion of ICAI and binding on all. ICAI reserves the right to change the dates and other modalities as per the requirement.

For Registration : <https://www.icai.org/post/fwrp-on-soft-skills-development>

Venues

Venue : Centre of Excellence, Hyderabad

Participants : Girls (CA Students)

Fees : ₹ 24,000/- (₹ 48,000/-)

Dates : 04-12-2023 to 30-12-2023 and
01-01-2024 to 27-01-2024



Venue : Centre of Excellence, Jaipur

Participants : Boys (CA Students)

Fees : ₹ 24,000/- (₹ 48,000/-)

Dates : 04-12-2023 to 30-12-2023 and
01-01-2024 to 27-01-2024



Venue : The Assam Royal Global University
(RGU), Guwahati

Participants : Boys (CA Students)

Fees : ₹ 24,000/- (₹ 48,000/-)

Dates : 28-11-2023 to 23-12-2023





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



International Conference of CA Students

“**आरोहण**” **Conquering the New Horizons
with Integrity & Innovation**



29th & 30th
December, 2023



The Forum,
Capitol Convention Centre,
CLUB 07, Off S. P. Ring Road,
Bopal-Shela, Ahmedabad

Organized by
SSEB, Board of Studies (Operations)

Hosted by
Ahmedabad Branch of WIRC of ICAI

Registration link: https://learning.icai.org/committee/international_conference/ahmedabad/

Important Announcement

Exposure Draft on Accounting Standards for Limited Liability Partnerships

In India, there are three sets of Accounting Standards in place, i.e., Companies (Accounting Standards) Rules, 2021, and Companies (Indian Accounting Standards) Rules 2015, prescribed by Central Government for companies and Accounting Standards issued by ICAI for entities other than companies. Presently, Accounting Standards issued by the ICAI and criteria prescribed by the ICAI for applicability of Accounting Standards to non-company entities are applicable to LLPs for the preparation and presentation of their financial statements.

Section 34A of the Limited Liability Partnership Act, 2008 prescribes that the Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013, prescribe the standards of accounting as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.

In this regard, the Accounting Standards Board of Institute of Chartered Accountants of India invites comments on the following Exposure Draft **with the last date for submission of being November 27, 2023**. Comments will be most helpful if they contain a clear rationale and, where applicable, provide suggestion(s).

• Exposure Draft for applicability of Accounting Standards to Limited Liability Partnerships (LLPs)

The downloadable version of the Exposure Draft is available at: <https://resource.cdn.icai.org/76835asb61909.pdf>

Comments on the abovementioned Exposure Draft may be submitted through any of the following modes:

- 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, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002

Further clarifications on the Exposure Draft may be sought by e-mail to asb@icai.in.

Archiving of UDINs

It has been decided to archive UDINs after one year of their generation to ease off the load on the servers. Implementation of archiving UDINs has been scheduled in the phased manner beginning for the year 2019 in the first phase, followed for the years 2020, 2021, 2022 and 2023, thereafter.

In order to search archived UDINs on the Portal, members are required to follow these steps: **Members' login > List UDIN > Document Generation Year > Select UDIN Generation Year from the drop-down menu in the List > Click Button (Filter & Sort)**.

The archiving provision comes into force with immediate effect.

This is for your kind information. For queries, please write to us at udin@icai.in.

UDIN Directorate

UPDATES

Corporate Law



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Important Announcement Convocation November - 2023

The next **ICAI Convocation** will be held at following Cities as per dates mentioned, for Members who are enrolled during the period from 1st May 2023 to 20th October 2023. They will be awarded Certificate of Membership/COP in the Convocation. Rank Holders of CA Final Examination held in May, 2023 will also be felicitated with the Rank Certificates.

Date	Cities (Centres)	Region
4th November, 2023	Ahmedabad	Western
	Pune	
	Bangalore	Southern
	Chennai	
	Hyderabad	
	Kolkata	Eastern
	Ghaziabad	Central
	Indore	
	Jaipur	
4th - 5th November, 2023	Ludhiana	Northern
	New Delhi	Western
	Mumbai	

Eligible Members will be intimated individually giving details of venue, timings, etc. by the respective Regional Offices for confirmation of their participation in the Convocation. Details of Programme would be hosted at ICAI website shortly.

Please make necessary travel arrangements, etc., accordingly and for any enquiry contact concerned Regional Office/Branch of ICAI.

Dinesh Kr. Mishra

Deputy Secretary, Head, M&SS Directorate

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

CPE HOURS REQUIREMENTS FOR EACH CALENDAR YEAR APPLICABLE FROM 1 – 1 – 2023 ONWARDS

- 1. All the members (aged less than 60 years) who are holding Certificate of Practice (except all those members who are residing abroad) are required to:**
 - a. Complete at least 40 CPE credit hours in each Calendar Year.
 - b. Complete minimum 20 CPE credit hours of structured learning during the calendar year.
 - c. Balance 20 CPE credit hours can be completed either through Structured or Unstructured learning (as per Member's choice).
- 2. All the members (aged less than 60 years) who are not holding Certificate of Practice; and all the members who are residing abroad (whether holding Certificate of Practice or not) are required to:**
 - a. Complete at least 20 CPE credit hours of either structured or unstructured learning (as per Member's choice) during the calendar year.
- 3. All the members (aged 60 years & above) who are holding Certificate of Practice, are required to:**
 - a. Complete at least 30 CPE credit hours of either structured or unstructured learning (as per member's choice) during the calendar year.
- 4. The following class of members are exempted from CPE credit hours requirement:**
 - A member is exempted only for the particular Calendar year during which he gets membership for the first time.**
 - B. Other Exemptions to members:**
 - i All the members (aged 60 years and above) who are not holding Certificate of Practice.
 - ii Judges of Supreme Court, High Court, District Courts and Tribunal
 - iii Members of Parliament/MLAs/MLCs
 - iv Governors of States
 - v Centre and State Civil Services
 - vi Entrepreneurs (owners of Business (manufacturing) organizations other than professional services)
 - vii Judicial Officers
 - viii Members in Military Service
 - C. Temporary Exemptions:**
 - i Female members for one Calendar year on the grounds of pregnancy.
 - ii Physically disabled members on case to case basis having permanent disability of not less than 40% and above (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.)).
 - iii Members suffering from prolonged critical diseases/illnesses or other disability as may be specified or approved by the CPED. (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.)).

Note:-

1. The Council has decided to have mandatory 2 Structured CPE Hours each on topics of "Standards on Auditing" and "Code of Ethics" (total 4 Structured CPE Hours) during every Calendar year through **DLH/Physical mode** (applicable from Calendar Year 2020 onwards) for the Categories of members who are required to complete minimum 20 Structured CPE Hours in a Calendar year (COP Holder). This may be completed any time during the year through **DLH/Physical mode**.
2. Out of 20 Structured CPE Hours which is mandatory to be completed by Members below 60 years and holding COP, in each Calendar year starting from 2023 (including mandatory CPE hours on "Code of ethics" and "Standard on auditing"), 4 Structured CPE Hours can be completed in virtual mode through Digital Learning Hub till any further modification. For Calendar Year 2023, the members who have already earned 4 or less Structured CPE hours in online mode (through VCM/DLH) till 31.03.2023 will get credit on actual basis.

**ICITSS Courses by SIRC of ICAI (Physical Mode)
Information Technology Training (ICITSS- IT)
20.11.2023 to 07.12.2023**

BATCH NO	TIMINGS
ICITSSITT_CHENNAI_39	07.30 A.M. TO 01.30 P.M.
ICITSSITT_CHENNAI_40	01.45 P.M. TO 07.45 P.M.
ICITSSITT_CHENNAI_41	07.30 A.M. TO 01.30 P.M.
ICITSSITT_CHENNAI_42	01.45 P.M. TO 07.45 P.M.

**Orientation Course (ICITSS-OC)
From 09.11.2023 to 25.11.2023**

BATCH NO	TIMINGS
ICITSSOC_CHENNAI_39	01.45 P.M. TO 08.15 P.M.

From 21.11.2023 to 08.12.2023

BATCH NO	TIMINGS
ICITSSITT_CHENNAI_38	01.45 P.M. TO 08.15 P.M.
ICITSSITT_CHENNAI_39	07.00 A.M. TO 01.30 P.M.
ICITSSITT_CHENNAI_40	07.00 A.M. TO 01.30 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 01.11.2023 to 17.11.2023**

BATCH NO	TIMINGS
AdvICITSSMCS_CHENNAI_34	07.00 A.M. TO 01.30 P.M.
AdvICITSSMCS_CHENNAI_32	01.45 P.M. TO 08.15 P.M.
AdvICITSSMCS_CHENNAI_35	07.00 A.M. TO 01.30 P.M.
AdvICITSSMCS_CHENNAI_36	01.45 P.M. TO 08.15 P.M.

From 21.11.2023 to 08.12.2023

BATCH NO	TIMINGS
AdvICITSSMCS_CHENNAI_37	07.00 A.M. TO 01.30 P.M.
AdvICITSSMCS_CHENNAI_38	01.45 P.M. TO 08.15 P.M.

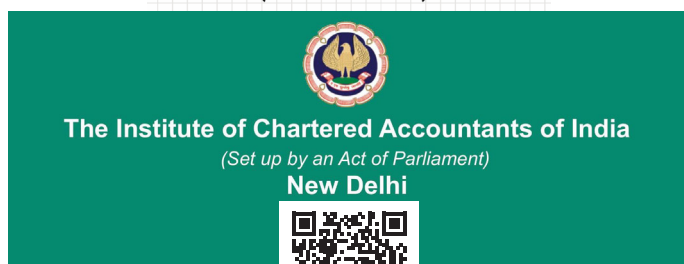
**Advanced Information Technology Training (AICITSS- AIT)
From 20.11.2023 to 07.12.2023**

BATCH NO	TIMINGS
AICITSSAdvITT_CHENNAI_34	07.30 A.M. TO 01.30 P.M.
AICITSSAdvITT_CHENNAI_35	01.45 P.M. To 07.45 P.M.

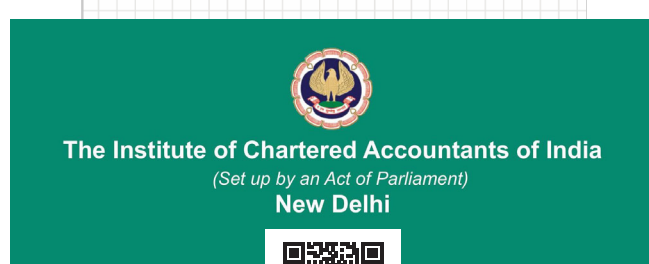
The enrolment of students shall be done on First come First served basis.
Please register through the link:
https://www.icaionlineregistration.org/Admin_Module/login.aspx

New Publications

**Manual on
Concurrent Audit of Banks
(2023 Edition)**



**Technical Guide on
Internal Audit of Pharmaceutical Industry
(2023 Edition)**



Obituary

Sl. No.	MRN	Name	Status	Place	Date of Death
1	009072	DORASWAMY NAIDU GANDAMANENI	FCA	BENGALURU	01/Sep/2023
2	019823	MANTHEESWARAN K	FCA	CHENNAI	02/Sep/2023
3	008907	RAMANI P J	FCA	COIMBATORE	12/Sep/2023
4	011382	SOMURY TUKARAM	FCA	HYDERABAD	15/Sep/2023
5	028045	BADRINATH K	FCA	KARAIKUDI	23/Sep/2023
6	004315	NARAYANAN V	FCA	BENGALURU	26/Sep/2023
7	024618	VALLINATH V	FCA	HYDERABAD	30/Aug/2023
8	031533	SRIDHAR RAGHAVAN	FCA	CHENNAI	31/Aug/2023

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

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 Membershi of CABF:* Please VISit ttps: ca f.lcal.org/ lfeMem er and apply for Life Membership of CABF.
- *Application Form for Ordinary Membership of CABF:* Please visit <https://cabf.icai.org/OrdinaryMember> and apply for Ordinary Membership of CABF.
- *Application FForm for Voluntar Contribution to CABF:* Please VISit ttps: ca f.lcal.org vo untaryMem er 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 assistanc can be made through CABF portal <https://cabf.icai.org/> along with all relevant supporting documents mentioned therein.

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

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

Please visit <https://cabf.icai.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.

75
Azadi Ka
Amrit Mahotsav

G20
भारत 2023 INDIA
वसुधैव कुटुम्बकम्
ONE EARTH - ONE FAMILY - ONE FUTURE



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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GloPAC



24th-26th
Nov, 2023

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Monday to Saturday**

SAHAYATA



**The Institute of Chartered
Accountants of India**

(Set up by an Act of Parliament)



CORPORATE LAW

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

The following are the important update in Companies Act, 2013 & SEBI (LODR) from 25th September 2023 to 25th October 2023.

I. Companies (Incorporation) Third Amendment Rules, 2023

G.S.R. 790 (E) :- In exercise of the powers conferred by section 3, section 4, sub-sections (5) and (6) of section 5, section 6, sub-sections (1) and (2) of section 7, sub-sections (1) and (2) of section 8, sub-sections (2), (3), (4), (5) and (9) of section 12, sub-sections (3), (4) and (5) of section 13, sub-section (2) of section 14, sub-section (1) of section 17, section 20 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely:-

1. These rules may be called the Companies (Incorporation) Third Amendment Rules, 2023.
2. They shall come into force with effect from **21st October 2023**.

Key Changes in the Companies (Incorporation) Rules, 2014, **are in rule 30, in sub-rule (9),**

- i the words "and may include such order as to costs as it thinks proper" shall be **omitted**;
- ii **after the proviso**, the following proviso shall be **inserted**, namely:-

"Provided further that where the management of the company has been taken over by new management under a resolution plan approved under section 31 of the Insolvency Bankruptcy Code, 2016 (31 of 2016) and no appeal against the resolution plan is pending in any Court or Tribunal and no inquiry, inspection, investigation is pending or initiated after the approval of the said resolution plan, the shifting of the registered office may be allowed."

II. Clarification of holding AGM 2023 & 2024 – reg

The Ministry of Corporate Affairs (MCA) vide its General Circular No.09/23 dated 25th September 2023 extended the facilities provided in the para 3 & 4 of General Circular No.20/20 dated 5th May 2020, General Circular No.02/21 and in continuation to the General Circular No.19 dated 8th December 2021, the General Circular No. 21 dated 14th December 2021, General Circular No. 02/ 2022 dated 05.05.2022 and General Circular No. 70/ 2022 dated 28th December 2022 for the AGM due in **2023 & 2024** till **30th September 2024**.

As per this circular, it has been decided to allow companies whose AGMs are due in the year 2023 & 2024 through Video Conferencing or Other Audio Visual Means till **30th September 2024** in accordance with the requirements laid down in the Para 3 & Para 4 of the General Circular No.20/20 dated 5th May 2020.

Further, in continuation to this Ministry's General Circular No.14,/2020 dated 8th April 2020, General Circular No. 03/ 2022 dated 5th May 2022 and General Circular No.11/ 2022 dated 28th December 2022 and after due examination, it has also been decided to allow companies to conduct their **EGMs** through video Conference (VC) or other Audio Visual Means (OAVM) or transact items through postal ballot in accordance with framework provided in the aforesaid Circulars up to **30th September 2024**. All other requirements provided in the said Circulars shall remain unchanged.

Note : It has been clarified that this **Circular shall not be construed** as conferring any extension of time for holding of AGMs.

For the benefit of readers, the Para 3 & 4 of General Circular No.20/20 is reproduced again here below :

Para 3 of the General Circular No.20/20

It has been decided that the companies be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM) ~~during the calendar year 2020 2023 & 2024~~ (now extended till 30th September 2024), subject to the fulfilment of the following requirements.

A : For companies which are required to provide the facility of e-voting under the Act, or any other company which has opted for such facility :-

1. The framework provided in para 3 – A of EGM Circular – I and the manner and mode of issuing notices provided in sub-para (i) A of EGM Circular – II shall be applicable mutatis mutandis for conducting AGM.
2. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
3. In view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith) such statements shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company and to all other persons so entitled.
4. Before sending notices and copies of the financial statements, etc., a public notice by way of advertisement be published at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and having wide circulation in that district and at least once in English language in an English newspaper having a wide circulation in that district, preferably both newspapers having electronic editions, and specifying in the advertisement the following information.
 - a. Statement that the AGM will be convened through VC or OAVM in compliance with the applicable provisions of the Act read with this Circular
 - b. The date and time of the AGM through VC or OAVM
 - c. Availability of notice of the meeting on the website of the company and the stock exchange, in case of a listed company.
 - d. The manner in which the members who are holding shares in physical form or who have not registered their email addresses with the company can cast their vote through remote e-voting or through the e-voting system during the meeting.
 - e. The manner in which the persons who have not registered their email addresses with the company can get the same registered with the company.
 - f. The manner in which the members can give their mandate or receiving dividends directly in their bank accounts through the Electronic Clearing Service (ECS) or any other means.
 - g. Any other detail considered necessary by the company.
5. In case, the company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.
6. In case, the company has received the permission from the relevant authorities to conduct its AGM at its registered office or at any other place as provided under section 96 of the Act, after following any advisories issued from such authorities, the company may in addition to holding such meeting with physical presence of some members, also provide the facility of VC or OAVM so as to allow other members of the company to participate in such meeting. All members who are physically present in the meeting as well as the members who attend the meeting through the facility of VC or OAVM shall be reckoned for the purpose of quorum under section 103 of the Act. All resolutions shall continue to be passed through the facility of e-voting system.

B. For Companies which are not required to provide the facility of e-voting under the Act:

1. AGM may be conducted through the facility of VC OR OAVM only by a company which has in its records, the email addresses of at least half of its total number of members, who:-
 - a. In case of a Nidhi, hold shares of more than Rs.1,000/- in face value or more than 1% of the total paid up share capital, whichever is less.
 - b. In case of other companies having share capital, who represent not less than 75% of such part of the paid up share capital of the company as gives a right to vote at the meeting.
 - c. In case of companies not having share capital, who have the right to vote exercise not less than 75% of the total voting power exercisable at the meeting.

2. The company shall take all necessary steps to register the email addresses of all persons who have not registered their email addresses with the company.
3. The framework provided in para 3-B of EGM Circular – I and the manner and mode of issuing notices provided in sub para (i) B of EGM Circular – II shall be applicable mutatis mutandis for conducting the AGM.
4. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
5. Owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached herewith) such statements shall be sent only by email to the members, trustees for the debenture-holder or any debentures issued by the company and to all other persons so entitled.
6. The companies shall make adequate provisions for allowing the members to give their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service (ECS) or any other means. For shareholders, whose bank accounts are not available, company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.

Para 4 of the General Circular No.20/20

The companies referred to in paragraphs 3 (A) and (B) above, shall ensure that all other compliances associated with the provisions relating to general meetings viz making of disclosures, inspection of related documents / registers by members, or authorizations for voting by bodies corporate, etc., as provided in the Act and the articles of association of the company are made through electronic mode.

III. Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.

As per circular **SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167** dated 7th October extended the relaxation given by the SEBI Master Circular dated July 11, 2023 till 30th September 2024.

SEBI Master Circular dated 11th July 2023 on compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 by listed entities ("Master Circular") inter-alia relaxed the applicability of regulation 36(1)(b) of the LODR Regulations for Annual General Meetings (AGMs) and regulation 44(4) of the LODR Regulations for general meetings (in electronic mode) held till September 30, 2023 (section VI-J of the Master Circular).

MCA, vide General Circular No. 09/2023 dated September 25, 2023, has extended the relaxation from sending physical copies of financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) to the shareholders, for the AGMs conducted till September 30, 2024. SEBI has also received representations to extend the relaxations mentioned at para 1 above.

In view of the above, it has been decided to extend the relaxations mentioned at para 2 above **till 30th September 2024**.

It is reiterated that the listed entities shall ensure compliance with the conditions stipulated at para 5.1 and 5.2 of section VI-J of chapter VI of the Master Circular while availing the relaxations provided above.

Regulations and the relaxations contained herein are subject to the provisions of the Companies Act, 2013 and rules made thereunder.

FEMA

Contributed by: **CA. G. Murali Krishna, Hyderabad**

I. Notifications/Circulars:

A. Foreign Contribution (Regulation) Amendment Rules, 2003:

The Ministry of Home Affairs vide their notification dated September 25, 2023 inserted clause ba and clause bb in Serial Number 3 of Form FC (Annual Return under FCRA) whereby every person registered under FCRA shall disclose the details of movable and immovable assets acquired out of FCRA funds, including disposal thereof if any, while filing the annual return.

B. Extension of validity of FCRA Registration Certificates:

The Ministry of Home Affairs vide their public notice dated September 25, 2023, extended the validity of FCRA registration certificates (whose renewal application was pending) till March 31, 2024. Such extension was previously provided till September 30, 2023, vide public notice dated March 24, 2023.

C. Foreign Exchange Management (Debt Instruments) (Second Amendment) Regulations, 2023

RBI vide Notification No. FEMA. 396(2)/2023-RB dated October 16, 2023 made following amendments to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 (Notification No. FEMA.396/2019-RB dated October 17, 2019).

- In paragraph 1 of Schedule 1 to the Principal Regulation, after sub-paragraph D, the following new subparagraph shall be inserted:-

“E. Permission to persons resident outside India maintaining rupee account in terms of regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016

Persons resident outside India that maintain a rupee account in terms of regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016 may purchase or sell dated Government Securities/ treasury bills, as per terms and conditions specified by the Reserve Bank.”

- In paragraph 2 of Schedule 1 to the Principal Regulation, after clause (4) the following new clause shall be inserted:

“(4A) The amount of consideration for purchase of dated Government Securities/treasury bills by persons resident outside India in terms of sub-paragraph (E) of paragraph 1 of this Schedule shall be paid out of funds held in their rupee account maintained in terms of regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016.”

- In paragraph 4 of Schedule 1 to the Principal Regulation, after clause (2) the following new clause shall be inserted:

“(2A) The sale/ maturity proceeds (net of taxes, as applicable) of instruments held by persons resident outside India that maintain a rupee account in terms of regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016 shall be credited to the said rupee account.”

These amendments shall come into force with effect from the date of their publication in the Official Gazette.

Case Law:

CENTRE FOR POLICY RESEARCH VERSUS UNION OF INDIA

Facts of the case:

- The petitioner has been granted a certificate of registration under FCRA. However, it was suspended by Ministry of Home Affairs (MHA), the Respondent, based on allegations that the petitioner was using FCRA funds for undesirable purposes leading to violation of FCRA regulations. The case was pending final consideration for cancellation of certificate of registration.
- As per Section 13(2)(b) of the Foreign Contribution (Regulation) Act, 2010 (FCRA) read with Rule 14 (a) of the Foreign Contribution (Regulation) Rules, 2011 (FCRR), every person whose certificate of registration was suspended can utilize up to 25% of unutilized FCRA funds for the declared aims and objects for which such FCRA funds were received, subject to prior approval of Central Govt (MH).

- c. Accordingly, the petitioner made an application to the respondent and the respondent replied, vide its order, permitting 25% of the funds available in the current account of the petitioner.
- d. It is stated by the Petitioner that the Respondent has calculated 25% of the contribution held by the Petitioner only of the current bank accounts and has not considered the unutilized amount which is lying in different deposit accounts/schemes like FDs, Government Bonds etc. which also ought to be taken into consideration.
- e. At this juncture, the Petitioner is only praying that it may be permitted to utilize 25% of the whole unutilized foreign contribution including that which is lying in fixed deposits, government bonds etc.,
- f. *Per contra*, the Respondent, contends that 25% of the amount which is available in the current account alone can be taken into consideration.
- g. So, now the question is whether 25% of the amount which is available in the current account alone or amount available in current account together with fixed deposits/government bonds etc., shall be considered as unutilized foreign contributions with reference to the FCRA provisions referred above?

Held that:

- i Section 13(2) of the FCRA permits utilization of foreign contribution which is in custody of the person whose certificate has been suspended. There is no occasion to restrict the term "his custody" only to the current account.
- ii The amounts which are held in fixed deposits or in government bonds etc. are also unutilized foreign contributions which can be made available to the person whose certificate has been suspended.
- iii The petitioner should submit a statement containing utilization of FCRA funds to the respondent on a periodical basis.

Update on Compounding Orders issued under FEMA Regulations:**IBS Software Private Limited**

Regulation	Regulation 3 of Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000 notified vide Notification no. FEMA 9/2000-RB dated May 03, 2000
Contravention	Failure to realise foreign exchange due by a person resident in India
Date of Order	24-08-2023
Compounding Fee	₹ 57,175

Personiv Contact Centers India Private Limited

Regulation	Regulation 3 of Foreign Exchange Management (Guarantees) Regulations, 2000 notified vide Notification no. FEMA 8/2000-RB dated May 03, 2000
Contravention	Provision of guarantee or surety by a person resident in India without obtaining general or special permission from RBI, as may be applicable, which has the effect of guaranteeing, a debt, obligation, or other liability owed by a person resident in India to, or incurred by, a person resident outside India.
Date of Order	11-08-2023
Compounding Fee	₹ 18,31,820

Bloom Energy India Private Limited

Regulation	Rule 4 read with Rule 6(a) of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Contravention	Failure to comply with the provisions for investment by a person resident outside India in an Indian Company subject to the terms and conditions specified such as investment by an entity or beneficial owner/citizen of a country which shares land border with India and conditions for investment by an entity or citizen of Pakistan etc.,
Date of Order	11-08-2023
Compounding Fee	₹ 16,247

GOODS & SERVICES TAX

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

GST UPDATES – Nov 2023

Amendments recommended through 52nd GST Council Meeting and related notifications issued thereon:

I. Changes relating to goods

1. GST rates on “Food preparation of millet flour in powder form, containing at least 70% millets by weight”, falling under HS 1901, with effect from date of notification, have been prescribed as:
 - a. 0% if sold in other than pre-packaged and labelled form
 - b. 5% if sold in pre-packaged and labelled form
 - c. *(Above changes were effected through Notification No 17/2023-CT R + Notification No 18/2023-CT R dated 19-10-2023)*
2. Clarification on imitation zari thread or yarn made out of metallised polyester film /plastic film, falling under HS 5605, are covered by the entry for imitation zari thread or yarn attracting 5% GST rate. However, no refund will be allowed on polyester film (metallised) /plastic film on account of inversion.
(Notification No 20/2023-CT R dated 19-10-2023 -Inserted vide Serial No 6AA -HSN 5605)
3. GST Council recommended conditional IGST exemption to foreign flag foreign going vessel when it converts to coastal run subject to its reconversion to foreign going vessel in six months. Foreign going vessels are liable to pay 5% IGST on the value of the vessel if it converts to coastal run.
4. GST Council recommended to keep Extra Neutral Alcohol (ENA) used for manufacture of alcoholic liquor for human consumption outside GST. Law Committee will examine suitable amendment in law to exclude ENA for use in manufacture of alcoholic liquors for human consumption from ambit of GST.
5. GST on molasses is reduced to 5% from 28%. This is to increase liquidity with mills and enable faster clearance of cane dues to sugarcane farmers. This will also lead to reduction in cost for manufacture of cattle feed as molasses is also an ingredient in its manufacture.
(Notification No 17/2023-CT R dated 19-10-2023 Inserted vide Serial No 92A - HSN 1703)
6. A separate tariff HS code has been created at 8-digit level in the Customs Tariff Act to cover rectified spirit for industrial use. The GST rate notification will be amended to create an entry for ENA for industrial use attracting 18% GST.

II. Changes in GST rates of services

1. The council has recommended to keep the existing exemption for Pure and composite services provided to Central/State/UT governments and local authorities in relation to any function entrusted to Panchayat/ Municipality under Article 243G and 243W of the Constitution of India.
(Entries at Sl. No. 3 and 3A of notification No. 12/2017-CTR dated 28.06.2017)
2. Further, the GST Council has also recommended to exempt services of water supply, public health, sanitation conservancy, solid waste management and slum improvement and upgradation supplied to Governmental Authorities.
(Notification No 13/2023-CT R dated 19.10.2023 inserting Sl.No 3B to Notification No 12/2017-CT R dated 28.06.2017)

III. Other Changes relating to services

1. To clarify that job work services for processing of barley into malt attracts GST @ 5% as applicable to “job work in relation to food and food products” and not 18%.
2. With effect from 1st January 2022, liability to pay GST on bus transportation services supplied through Electronic Commerce Operators (ECOs) has been placed on the ECO under section 9(5) of CGST Act, 2017. This trade facilitation measure was taken on the representation of industry association that most of the bus operators supplying service through ECO owned one or two buses and were not in a position to take registration and meet GST compliances.
(Notification No 16/2023-CT R dated 19.10.2023 amending Notification No 17/2017-CT R dated 28.06.2017)

3. To clarify that District Mineral Foundations Trusts (DMFT) set up by the State Governments across the country in mineral mining areas are Governmental Authorities and thus eligible for the same exemptions from GST as available to any other Governmental Authority.
4. Supply of all goods and services by Indian Railways shall be taxed under Forward Charge Mechanism to enable them to avail ITC. This will reduce the cost for Indian Railways.

(Notification No 14/2023 CT – R and 19/2023 CT-R dated -19-10-2023)

IV. Measures for facilitation of trade:

i. Amnesty Scheme for filing of appeals against demand orders in cases where appeal could not be filed within the allowable time period:

As a one-time amnesty, the council proposed extension in filing appeal till 31st January 2024 for all the orders passed till 31st March, 2023 and wherever appeal has been rejected due to the fact that the appeal was not filed within the statutory time limit. This extension is subject to the condition of payment of pre-deposit of 12.5% of disputed tax. Out of the pre-deposit, at least 20% shall be paid through e-cash ledger.

ii. Clarifications regarding taxability of personal guarantee offered by directors to the bank against the credit limits/loans being sanctioned to the company and regarding taxability of corporate guarantee provided for related persons including corporate guarantee provided by holding company to its subsidiary company:

- a. A circular may be issued clarifying the fact that the open market value of guarantee given by a director to the company shall be zero where no separate consideration is given by the company.
- b. Sub-rule (2) in Rule 28 of CGST Rules, 2017, to be inserted to provide for taxable value of supply of corporate guarantee provided between related parties as one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher.

(Rest of the amendments will be covered in next issue)

Income Tax

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

1. **Rule meant for valuation of unquoted equity shares and compulsorily convertible preference shares substituted / notified:** The CBDT vide Notification GSR 685(E) dated 25th September, 2023 has substituted rule 11UA(2) vide Income-tax (Twenty first Amendment), Rules, 2023. It shall come into force from the date of publication of the notification in the Official Gazette,

Rule 11UA(2): Notwithstanding anything contained in sub-clause (b) or sub-clause (c), as the case may be, of clause (c) of sub-rule (1):-

(A) the fair market value of unquoted equity shares for the purposes of sub-clause (i) of clause (a) of the Explanation to section 56 (2)(viib) shall be the value, on the valuation date, of such unquoted equity shares, as shall be determined under sub-clause (a), sub-clause (b), sub-clause (c) or sub-clause (e), at the option of the assessee, where the consideration received by the assessee is from a resident ; and under sub-clauses (a) to (e) at the option of the assessee, where the consideration received by the assessee is from a non-resident, in the following manner:-

- a. the fair market value of unquoted equity shares = $(A-L) \times [PV/PE]$, where, A = book value of the assets in the balance-sheet as reduced by any amount of tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of tax claimed as refund under the Income-tax Act and any amount shown in the balance-sheet as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset; L = book value of liabilities shown in the balance-sheet, but not including the following amounts, namely:-

- (i) the paid-up capital in respect of equity shares;
- (ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;
- (iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
- (iv) any amount representing provision for taxation, other than amount of tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of tax claimed as refund under the Income-tax Act, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;
- (v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;
- (vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares;

PE = total amount of paid up equity share capital as shown in the balance-sheet;

PV = the paid up value of such equity shares; or

- b. the fair market value of the unquoted equity shares determined by a merchant banker as per the Discounted Free Cash Flow method;
- c. where any consideration is received by a venture capital undertaking for issue of unquoted equity shares, from a venture capital fund or a venture capital company or a specified fund, the price of the equity shares corresponding to such consideration may, at the option of such undertaking, be taken as the fair market value of the equity shares to the extent the consideration from such fair market value does not exceed the aggregate consideration that is received from a venture capital fund or a venture capital company or a specified fund :

Provided that the consideration has been received by the undertaking from a venture capital fund or a venture capital company or a specified fund, within a period of ninety days before or after the date of issue of shares which are the subject matter of valuation.

Explanation. – For the purposes of this clause, –

- (i) “specified fund” shall have the same meaning as assigned to it in clause (aa) of Explanation to clause (viib) of sub-section (2) of section 56;
- (ii) “venture capital company”, “venture capital fund” and “venture capital undertaking” shall have the same meaning assigned to them in clause (b) of Explanation to clause (viib) of sub-section (2) of section 56.

Illustration: If a venture capital undertaking receives a consideration of fifty thousand rupees from a venture capital company for issue of one hundred shares at the rate of five hundred rupees per share, then such an undertaking can issue one hundred shares at this rate to any other investor within a period of ninety days before or after the receipt of consideration from venture capital company.

- d. the fair market value of the unquoted equity shares determined by a merchant banker in accordance with any of the following methods:
 - (i) Comparable Company Multiple Method;
 - (ii) Probability Weighted Expected Return Method;
 - (iii) Option Pricing Method;
 - (iv) Milestone Analysis Method;
 - (v) Replacement Cost Methods;
- e. where any consideration is received by a company for issue of unquoted equity shares, from any entity notified under clause (ii) of the first proviso to clause (viib) of sub-section (2) of section 56, the price of the equity shares corresponding to such consideration may, at the option of such company, be taken as the fair market value of the equity shares to the extent the consideration from such fair market value does not exceed the aggregate consideration that is received from the notified entity:

Provided that the consideration has been received by the company from the entity notified under clause (ii) of the first proviso to clause (viib) of sub-section (2) of section 56, within a period of ninety days before or after the date of issue of shares which are the subject matter of valuation.

B the fair market value of compulsorily convertible preference shares for the purposes of sub-clause (i) of clause (a) of the Explanation to clause (viib) of sub-section (2) of section 56 shall be the value, on the valuation date, as determined—

- (i) in accordance with the provisions of sub-clause (b), sub-clause (c), or sub-clause (e) of clause (A), at the option of the assessee, or based on the fair market value of unquoted equity shares determined in accordance with sub-clause (a), sub-clause (b), sub-clause (c), or sub-clause (e) of clause (A), at the option of the assessee, where such consideration is received from a resident; and
- (ii) in accordance with the provisions of sub-clauses (b) to (e) of clause (A), at the option of the assessee, or based on the fair market value of unquoted equity shares determined in accordance with sub-clauses (a) to (e) of clause (A), at the option of the assessee, where such consideration is received from a non-resident.

3) Where the date of valuation report by the merchant banker for the purposes of sub-rule (2) is not more than ninety days prior to the date of issue of shares which are the subject matter of valuation, such date may, at the option of the assessee, be deemed to be the valuation date:

Provided that where such option is exercised under this sub-rule, the provisions of clause (j) of rule 11U shall not apply.

4) For the purposes of clause (A) or clause (B) of sub-rule (2), where the issue price of the shares exceeds the value of shares as determined in accordance with —

- (i) sub-clause (a) or sub-clause (b) of clause (A), for consideration received from a resident, by an amount not exceeding ten per cent. of the valuation price, the issue price shall be deemed to be the fair market value of such shares;
- (ii) sub-clause (a) or sub-clause (b) or sub-clause (d) of clause (A), for consideration received from a non-resident, by an amount not exceeding ten per cent. of the valuation price, the issue price shall be deemed to be the fair market value of such shares.

Explanation.— For the purposes of this sub-rule, 'issue price' means the consideration received by the company for one share.

CBDT notified changes to rule 11UA in respect of Angel Tax vide press release dated 26th September, 2023. The Finance Act, 2023, brought in an amendment to bring the consideration received from non-residents for issue of shares by an unlisted company within the ambit of section 56(2)(viib) of the Income-tax Act, 1961 (the Act), which provides that if such consideration for issue of shares exceeds the Fair Market Value (FMV) of the shares, it shall be chargeable to income-tax under the head 'Income from other sources'.

Keeping in line with the commitment of the Government to involve stakeholders in the drafting of the law, suggestions and feedback were invited from stakeholders and general public on the Draft Rule 11UA for valuation of methods for calculating the Fair Market price vide Press Release, dated 19th May, 2023.

Taking into consideration the suggestions received in this regard and detailed interactions held with stakeholders, Rule 11UA for valuation of shares for the purposes of section 56(2)(viib) of the Act has been modified vide Notification No.81/2023 dated 25th September, 2023.

The key highlights of the changes in Rule 11UA are:

- a) In addition to the two methods for valuation of shares, namely, Discounted Cash Flow (DCF) and Net Asset Value (NAV) method, available to residents under Rule 11UA, five more valuation methods have been made available for non-resident investors, namely, Comparable Company Multiple Method, Probability Weighted Expected Return Method, Option Pricing Method, Milestone Analysis Method, Replacement Cost Method.
- b) Where any consideration is received for issue of shares from any nonresident entity notified by the Central Govt., the price of the equity shares corresponding to such consideration may be taken as the FMV of the equity shares for resident and non-resident investors, subject to the following:
 - (i) To the extent the consideration from such FMV does not exceed the aggregate consideration that is received from the notified entity, and

- (ii) The consideration has been received by the company from the notified entity within a period of ninety days before or after the date of issue of shares which are the subject matter of valuation.
- c) On similar lines, price matching for resident and non-resident investors would be available with reference to investment by Venture Capital Funds or Specified Funds.
- d) Valuation methods for calculating the FMV of Compulsorily Convertible Preference Shares (CCPS) have also been provided.
- e) A safe harbor of 10% variation in value has been provided.

The notified Rule provides for expansion of the valuation methodologies to include globally accepted methodology and provide a broad parity to resident and non-resident investors.

2. **Certificate for deduction at lower rate of TDS, procedure, format and standards notified:** In exercise of the powers conferred under Rule 28(2) and 28AA(6) of the Income-tax Rules, 1962, the Director General of Income-tax (Systems) vide Notification No.2/23 dated 27th September, 2023 has specified the procedure, format and standards for the purpose of electronic filing of Form 13 with Annexure - II and generation of certificate under section 197(1) read with proviso to Rule 28AA(4) of Income-tax Rules, 1962 through TRACES as per procedure. The succeeding paragraphs which will be applicable from 01.10.2023.

As per sub-section (1) of section 197 of the Income-tax Act, 1961, where, in the case of any income of any person or sum payable to any person, income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194, 194A, 194C, 194D, 194G, 194H, 194-I, 194J, 194K, 194LA, [194LBA], 194LBB, 194LBC, 194M, 194-O and 195, if the Assessing Officer is satisfied that the total income of the recipient justifies the deduction of income-tax at any lower rates or no deduction of income-tax, as the case may be, the Assessing Officer shall, on an application made by the assessee in this behalf, give him such certificate as may be appropriate.

Rule 28 of the Income-tax Rules, 1962 provides for filing an application for grant of certificate for deduction of Income-tax at any lower rate or no deduction of Income-tax under sub-section (1) of section 197 of the Act to be made in Form No. 13 electronically in accordance with the procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents to be laid down by the Principal Director General of Income-tax (Systems).

Proviso to sub-rule (4) of Rule 28AA of the Income Tax Rules, 1962, provides for issuance of certificate for deduction of tax at lower rate, to the person making such application authorizing him to receive income or sum after deduction of tax at lower rate, in cases, where the number of persons responsible for deducting the tax is likely to exceed one hundred and the details of such persons are not available at the time of making application with the person making such application. Sub-rule (6) of Rule 28AA of the Income-tax Rules, 1962, empowers the Director General of Income-tax (Systems) to lay down procedures, formats and standards for issuance of certificates under proviso to sub-rule (4) of Rule 28 AA of the Income-tax Rules, 1962,

Procedure for electronic filling of Form 13 with annexure-II shall be as follows:

For making an application in Form 13 with Annexure II the tax payer/Deductee shall login into the TRACES website (www.tdscpc.gov.in), for grant of certificate for deduction of Income-tax at any lower rate or no deduction of Income-tax under sub-section (1) of Section 197 of the Income-tax Act, 1961.

The tax-payer/Deductee who is not registered at TRACES website shall have to first register with his Permanent Account Number ("PAN") at TRACES (www.tdscpc.gov.in) for login and filling application in Form 13 along-with Annexure II. Detailed procedure for registration can be accessed through the link <https://contents.tdscpc.gov.in/en/taxpayer-registration-login-etutorial.html>

The tax-payer/Deductee shall login at TRACES website (www.tdscpc.gov.in) and submit the Form No. 13 along-with Annexure II with supporting documents using any of the following, (i) Digital Signature; (ii) Electronic Verification Code; (iii) Aadhar based Authentication; and (iv) Mobile OTP.

Applicants accessing TRACES website from outside of India shall login at TRACES website (www.nriservices.tdscpc.gov.in) and submit application in Form No. 13 along with supporting documents using Digital Signature only.

The applicant can track the status of the application through option Track Request for Form 13/15C/15D' under the tab "Statements/Forms'.

Procedure for assignment of application to the TDS Assessing Officer (AO):

The application will be assigned to the TDS AO on the basis of details furnished by the applicant in Form 13. Such applications can be accessed by the AO through the path 'AO Login->Lower/No Deduction Certificate->Generate Certificate->Certificate u/s 197(1)/206C (9)->Open Request (s)'.

For application filed in Delhi, Mumbai, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad and Pune, cases where revenue foregone exceeds a sum of Rs. 50 Lakh, the applications shall be assigned to the DCIT/ACIT exercising jurisdiction over TDS matters, and in other cases, the applications shall be assigned to the ITO exercising jurisdiction over TDS matters. If the jurisdiction orders are otherwise, the applications shall be assigned in accordance to such jurisdiction orders.

For application filed in remaining cities/towns/jurisdictions, the application where revenue foregone exceeds a sum of Rs. 10 Lakh, application shall be assigned to the DCIT/ACIT exercising jurisdiction over TDS matters, and in other cases, the applications shall be assigned to the ITO exercising jurisdiction over TDS matters. If the jurisdiction orders are otherwise, the applications shall be assigned in accordance to such jurisdiction orders.

Once the application in form 13 has been successfully submitted, the following data will be obtained by CPC-TDS:

- (i) Processed data of Income Tax Returns of previous 4 financial years (if available).
- (ii) PAN Demand.
- (iii) E-filed Income-Tax Returns of previous 4 financial years.
- (iv) Audit Report (along with form 3CD if accounts are audited) of previous 4 Financial years.
- (v) Assessment Orders of previous 4 financial years (if available).

The applications shall be assigned to the TDS AO exercising jurisdiction over TDS matters in respect of the applicant as explained above. However, if the jurisdiction orders are otherwise, the assigned AO can transfer the applications to the AO concerned on AO Portal.

Processing of the tax-payer/Deductee's request by the AO, Range Heads and Commissioners of Income-tax:

Role of AO:

The AO shall process the application through TRACES-AO Portal after login using his/her credentials.

By navigating through the path 'Lower/No Deduction Certificate>Generate Certificate> Certificate us/197(1)/206C (9) and select 'Open Request (s)', the AO shall be able to access following information:

- (i) Information furnished by the tax-payer/Deductee.
- (ii) Documents submitted by the tax-payer/Deductee.
- (iii) Information essential for processing the request in respect of the tax-payer/Deductee, as received from other modules.
- (iv) Information essential for processing the request in respect of the tax-payer/Deductee, as available at CPC(TDS).
- (v) Information about the history of previous TAN less certificate issued to the applicant where the number of deductors who consumed the said certificate did not reach up to 100 during the last financial year, if available.

If the AO requires any further information or documents or clarification from the applicant for arriving at a decision, the same shall be obtained online using the option "Seek Clarification" available within the functionality through the path 'AO Login-> Lower/No Deduction Certificate^ Generate Certificated Certificate u/s 197(1)/206C(9)->Open Requests->Request Number->Seek Clarification'.

The query raised by the AO shall be forwarded to the applicant through systems for furnishing a suitable response. The query will be available to the applicant at TRACES Portal through the path 'Taxpayer Login->Statements/Forms->Track Request for Form 13/ 15C/ 15D->Request Number->Status->Clarification required by AO'.

The response submitted by the applicant shall be visible to the AO within the functionality for taking a decision on the application through the path 'AO Login-> Lower/No Deduction Certificated Generate Certificate-> Certificate u/s 197(1)/206C(9)->Open Requests-> Request Number->Communication History -> Comments'.

Based on the parameters defined in rule 28AA/28AB of the Income-tax Rules, 1962 an estimated rate of tax will be suggested by the system functionality. However, the AO shall be free to arrive at independent rate based on his/her method of calculation or by taking into consideration any other information available with him/her. The AO shall allow the deduction at such rate as evidenced in the "Permitted Tax Rate Table" by making any adjustments in respect of the rate, if required. The AO may state the reason for arriving at a modified rate, if so, is the case,

The AO shall approve/reject the application based on the parameters defined in rule 28AA/28AB of the Income-tax Rules, 1962 as well as any other instructions/guidelines in this regard.

After approval/rejection of the application, as the case may be, it will be forwarded to the supervisory authority, i.e., the Range Head or Range Head & CIT for according administrative approval.

Role of Range head:

The Range head shall process the application through TRACES-AO Portal after login using their credentials for granting administrative approval to the recommendation of the AO or otherwise.

The Range Head can view the application details, received for administrative approval at TRACES-AO Portal through the path 'Range Head Login->Lower/No Deduction Certificate->Generate Certificate->Certificate u/s 197(1)/206C(9)->Open Request(s)'. The following information will be available for viewing to the Range Head:

- (i) Information furnished by the tax-payer/Deductee.
- (ii) Documents submitted by the tax-payer/Deductee.
- (iii) Information essential for processing the request in respect of the tax-payer/Deductee received from other modules.
- (iv) Information essential for processing the request in respect of the tax-payer/Deductee, as available at CPC(TDS).
- (v) Information about the history of previous TAN less certificate issued to the applicant where the number of deductors who consumed the said certificate did not reach up to 100 during the last financial year, if available.
- (vi) Recommendation of the TDS AO.

If any clarification is required by the Range Head, the application may be sent back to the AO through TRACES - AO Portal. After submission of clarification by the AO through the AO Portal, the Range Head shall take a decision on the application.

After a decision on the application has been taken by the Range Head, if the revenue foregone is within the powers conferred upon the Range Head (as per CBDTs Instructions on the subject) to accord administrative approval, the application will be marked back electronically on TRACES-AO Portal to the AO for issuance of the certificate or rejection of the application. However, if the revenue foregone is within the powers conferred upon the CIT (as per CBDTs instructions on the subject) to accord administrative approval, the application shall be forwarded to the CIT for a decision in the matter.

Role of the CIT:

The CIT shall process the application through TRACES-AO Portal after login using their credentials for granting administrative approval to the recommendation of the AO/Range Head or otherwise.

The CIT can view the application details, received for administrative approval at TRACES-AO Portal through the path 'CIT Login->Lower/No Deduction Certificate->Generate Certificated Certificate u/s 197(1)/206C(9)->Open Request(s)'. The following information will be available for viewing to the CIT:

- (i) Information furnished by the tax-payer/Deductee.
- (ii) Documents submitted by the tax-payer/Deductee.
- (iii) Information essential for processing the request in respect of the tax-payer/Deductee received from other modules.
- (iv) Information essential for processing the request in respect of the tax-payer/Deductee, as available at CPC(TDS).
- (v) Information about the history of previous TAN less certificate issued to the applicant where the number of deductors who consumed the said certificate did not reach up to 100 during the last financial year, if available.
- (vi) Recommendation of the TDS AO.
- (vii) Recommendation of the Range Head.

If any clarification is required by the CIT, the application may be sent back to the Range Head through TRACES-AO Portal.

The Range Head may either send back the application to the AO for obtaining the clarification or submit the case to CIT along with the clarifications as required by the CIT through TRACES-AO Portal.

Based on the information available and the report of the Range Head and the AO, the CIT shall take a decision in the case,

After a final decision in the application has been taken by the CIT, the application will be marked back electronically on TRACES-AO Portal to the AO for issuance of the certificate or rejection of the application.

Issuance of Certificate:

On receipt of administrative approval of the competent authority, the AO shall generate a certificate on TRACES-AO Portal through the path 'AO login->Lower/No Deduction Certificate-> Certificate u/s 197(1)/206C (9)->Received from Range Head/CIT-> Request Number-> Generate Certificate/Close Request'.

The issued certificates shall be available to the AO for view through the path 'Lower / No Deduction Certificate -> History-> Certificate issued'.

The status of request/application shall be available to the Range Head through the path 'Range Head login->Lower / No Deduction Certificate-> History-> Certificate Requests'.

The generated certificates shall be available for download to the applicant on the TRACES through the path 'Taxpayer login-> Downloads-> Download 197, 206C(9) or 195(3) Certificate'. The certificate will be system generated and hence will not require a signature.

The onus of sharing the certificate to the respective deductor(s) will be on the applicant.

Consumption/ Tracking of Certificate:

The certificate reported by deductor(s) (who have received certificate from the applicant) in the TDS statements, will be consumed on the basis of processing of TDS statements as per FIFO (First in First Out) principle.

The deductor(s) is/are advised to verify/track consumption status of the certificate before furnishing certificate details in TDS statement(s) through the path 'Deductor login->Statement / Payments-> History-> Validate Lower Deduction Certificate u/s 197/195(3)/195(2)' to avoid any defaults.

The consumption status of the certificate can be viewed by the applicant at his login at TRACES website.

3. **Form of report of audit or inventory valuation under section 142(2A) notified:** The CBDT vide Notification GSR 697(E) dated 27th September, 2023 has substituted rule 14A to Income-tax rules vide Income tax (Twenty Second Amendment) Rules, 2023 which is as under: In the Income-tax Rules, 1962, for rule 14A, the following rule shall be substituted namely:--

"14A. Forms for report of audit or inventory valuation under section 142(2A).-- (1) The report of audit of the accounts of an assessee which is required to be furnished under clause (i) of section 142(2A) shall be in Form No. 6B.

(2) The report of inventory valuation of an assessee which is required to be furnished under clause (ii) of section 142(2A) shall be in Form No. 6D."

In the principal rules, for rule 14B, the following rule shall be substituted namely:--

"14B. Guidelines for the purposes of determining expenses for audit or inventory valuation.-- (1) Every Chief Commissioner shall for the purposes of clause (i) and clause (ii) of sub-section (2A) of section 142 shall maintain a panel of --

- (i) accountants, out of the persons referred to in the Explanation to sub-section (2) of section 288; and
- (ii) cost accountants, out of the persons referred to in the Explanation to section 142.

- (2) Where the Assessing Officer directs --

- (i) for audit under section 142(2A)(i) on or after the 1st day of June, 2007; or
- (ii) for inventory valuation under section 142(2A)(ii) on or after the 1st day of April, 2023,

the expenses of, and incidental to, audit or inventory valuation (including the remuneration of the Accountant or Cost Accountant, qualified Assistants, semi-qualified and other Assistants who may be engaged by such Accountant or Cost Accountant) shall not be less than three thousand seven hundred and fifty rupees and not more than seven thousand and five hundred rupees for every hour of the period as specified by the Assessing Officer under section 142(2C).

The period referred to in sub-rule (2) shall be specified in terms of the number of hours required for completing the report.

The Accountant or Cost Accountant referred to in section 142(2A)(i) or (ii) shall maintain a time-sheet and shall submit it to the Chief Commissioner or Commissioner, along with the bill.

The Chief Commissioner or the Commissioner shall ensure that the number of hours claimed for billing purposes is commensurate with the size and quality of the report submitted by the Accountant or Cost Accountant.”.

4. **Form notified for exercise of option of section 115BAE by Co-operative Society resident in India:** The CBDT vide Notification No.GSR 702(E) dated 29th September, 2023 has inserted rule 21AHA and notified Form No.10-IFA. These rules may be called the Income-tax (Twenty-Third Amendment) Rules, 2023. They shall come into force from the date of their publication in the Official Gazette.

In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), after rule 21AH, the following rule 21AHA shall be inserted, namely: —

21AHA. *Exercise of option under sub-section (5) of section 115BAE:* The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAE by a person, being a co-operative society resident in India, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2024, shall be in Form No. 10-IFA.

The option in Form No. 10-IFA shall be furnished electronically either under digital signature or electronic verification code.

The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall, - (i) specify the procedure for filing of Form No. 10-IFA; (ii) specify the data structure, standards and manner of generation of electronic verification code, referred to in sub-rule (2), for verification of the person furnishing the said Form; and (iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the Form so furnished.

5. **Clarification on reporting of substantial contributors in Form 10B / 10BB:** The CBDT vide its Circular No.17 / 2023 dated 9th October, 2023 has issued a Circular in this regard which reads as under: Audit report in the case of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution, under clause (b) of the tenth proviso to section 10(23C), or section 12A(1)(b)(ii) of the Income-tax Act, 1961, as the case may be, is required to be furnished in Form No. 10B / Form No. 10BB.

Representations have been received regarding difficulties in filling details of persons who have made a 'substantial contribution to the trust or institution', that is to say, any person whose total contribution up to the end of the relevant previous year exceeds fifty thousand rupees (as referred to in section 13(3)(b) of the Act).

The matter has been examined with reference to the issue raised and it is hereby stated that for the purposes of providing details in (i) Form No. 10B in the Annexure, in row 41; and (ii) Form No. 10BB in the Annexure, in row 28, for the assessment year 2023-24:

- the aforesaid details (that is, of persons making substantial contribution) may be given with respect to those persons whose total contribution during the previous year exceeds fifty thousand rupees;
- details of relatives of such person, as referred to in (a) above may be provided, if available.
- details of concerns in which such person, as referred to in (a) above, has substantial interest may be provided, if available.

6. **Relief to start-up companies who have been recognized by DPIIT from the provisions of section 56(2)(viib):** The CBDT vide Circular F.No.173 /149/2019-ITA-1 dated 10th October, 2023 has given clarifications which are intended to provide relief to start-up companies. Department for Promotion of Industry and Internal Trade (DPIIT) vide Notification no. G.S.R. 127(E), dated 19-2-2019 provided for exemption for the purpose of section 56(2)(viib) of the Income-tax Act, 1961 for Startup company. By this notification, it has been provided that provisions of section 56(2)(viib) of the Act shall not apply to Startup Companies which have been recognized by the DPIIT and fulfils the conditions mentioned in Notification No.GSR 127(E).

In pursuance to the above, the Central Board of Direct Taxes (CBDT) had issued Notification no. 13/2019/F. No. 370142/5/2018-TPL(Pt.), dated 5-3-2019 notifying that the provisions of section 56(2)(viib) of the Act shall not apply to consideration received by a company for issue of shares that exceeds the face value of such shares, if the said consideration has been received from a person, being a resident, by a company which fulfils the conditions specified in para 4 of the Notification No. G.S.R. 127(E), dated 19-2-2019 issued by DPIIT. The same was reiterated by CBDT Circular No. 16/2019, dated 7-8-2019. In this context, it is brought to notice that the Finance Act, 2023 has amended in section 56(2)(viib) of the Act and the words "being a resident" have been omitted w.e.f. 1-4-2024.

Instances of cases of Startups having been picked up for scrutiny under CASS have been reported. In the light of the above, the procedure as laid down with regard to the assessment of such Startup companies which have been recognized by the DPIIT and fulfilling the conditions mentioned in para 4(i) and 4(ii) of the DPIIT notification referred above the issue of section 56(2) (viib) of the Act, is being re-iterated and it is clarified that;

- (i) Where the case of such Startup Company is selected under scrutiny on the single issue of applicability of section 56 (2)(viib) of the Act, no verification on such issues shall be done by the Assessing Officers during the proceedings u/s 143(2) or u/s 147/143(2) of the Act and contention of such recognized Startup Companies on the issue will be summarily accepted.
- (ii) Where the case of such Startup Company is selected under scrutiny with multiple issues including the issue u/s 56 (2) (viib) of the Act, the issue of applicability of section 56(2)(viib) of the Act shall not be pursued during the assessment proceedings of such Startup Company. Due procedure be followed about other issues for which the case has been selected.

7. Amendment of rules 114B, 114BA and 114BB with substitution of Form No.60 in the case of non-residents and foreign companies with IFSC banking units: The CBDT vide Notification No.GSR 728(E) dated 10th October, 2023 in exercise of the powers conferred by sections 139A(1), 139A(5) and 139A(6A) has inserted Income-tax (Twenty-fourth Amendment) Rules, 2023 which would come into force from the date of Notification in the official gazette. The changes are as under:

In rule 114B,—

- (a) in the second proviso, for the words "Provided further that any person", the words "Provided further that any person, not being a company or a firm," shall be substituted;
- (b) after second proviso, the following proviso shall be inserted, namely:-
"Provided also that a foreign company who,-
 - (i) does not have any income chargeable to tax in India; and
 - (ii) does not have a permanent account number,
 and enters into any transaction referred to at Sl. No. 2 or 12 of the Table, in an IFSC banking unit, shall make a declaration in Form No. 60;"
- (c) in the Explanation, clause (1) shall be re-numbered as (1A) and before the said clause as so re-numbered, the following clause shall be inserted, namely:-
"(1) "IFSC banking unit" means a financial institution defined under clause (c) of sub-section (1) of section 3 of the International Financial Services Centres Authority Act, 2019 (50 of 2019), that is licensed or permitted by the International Financial Services Centres Authority to undertake permissible activities under the International Financial Services Centres Authority (Banking) Regulations, 2020;"

In rule 114BA, the following shall be inserted at the end, namely:-

"Provided that the provisions of this rule shall not apply in a case,-

- (a) where the person, making the deposit or withdrawal of an amount otherwise than by way of cash as per clause (a) or (b), or opening a current account not being a cash credit account as per clause (c) of this rule, is a non-resident (not being a company) or a foreign company;
- (b) the transaction is entered into with an IFSC banking unit; and
- (c) such non-resident (not being a company) or the foreign company does not have any income chargeable to tax in India.

Explanation.— For the purposes of this rule, “IFSC banking unit” shall have the same meaning as assigned to it in clause (1) of the Explanation to rule 114B.”;

In rule 114BB, after the proviso, the following shall be inserted, namely:-

“**Provided further** that the provisions of this sub-rule shall not apply in a case,-

- (a) where the person, making the deposit or withdrawal of an amount otherwise than by way of cash as per Sl. No. 1 or Sl. No. 2 of column (2), or opening a current account not being an cash credit account as per Sl. No. 3 of column (2) of the Table, is a non-resident (not being a company) or a foreign company;
- (b) the transaction is entered into with an IFSC banking unit; and
- (c) such non-resident (not being a company) or the foreign company does not have any income chargeable to tax in India.

Explanation.— For the purposes of this sub-rule, “IFSC banking unit” shall have the same meaning as assigned to it in clause (1) of the Explanation to rule 114B.”;

8. Clarification regarding processing of ITRs with refund claims beyond the prescribed time limits in non-scrutiny cases: The CBDT vide its order F.No.225/132/2023/ITA-II dated 16th October, 2023 has referred to its earlier order under section 119 of the Income-tax Act, 1961 dated 5th July, 2021 and 30th September, 2021 on the captioned subject relaxed the timeframe prescribed in second proviso to Section 143(1) of the Act. It was directed that all validly filed returns up to Assessment Year 2017-18 with refund claims, which could not be processed under section 143(1) of the Act and which had become time-barred, should be processed by 30-11-2021, subject to the conditions/exceptions specified therein.

The matter has been re-considered by Board in view of pending taxpayer grievances related to issue of refund. To mitigate the genuine hardship being faced by the taxpayers on this issue, Board, by virtue of its power under section 119 of the Act and in partial modification of its earlier order under section 119 of the Act dated 5-7-2021 and 30-9-2021, supra, hereby further extends the time frame mentioned in the para no. 2 of the order, dated 30-9-2021 till 31-1-2024 in respect of returns of income validly filed electronically. All other contents of the said order u/s 119 of the Act dated 5-7-2021 will remain unchanged. This may be brought to the notice of all for necessary compliance.

9. Extension of time for filing of report required to be filed under section 10AA(8) read with clause 10A(5): The CBDT vide Circular No.18 of 2023 dated 20th October, 2023 in exercise of the powers conferred under section 119 has issued the Circular. On consideration of difficulties arising to the taxpayers and other stakeholders in timely filing of report of accountant required to be filed under section 10AA(8) read with section 10A(5) of the Income -tax Act, 1961 on account of notification of relevant Form 56F on 19th October, 2023 and with a view to avoid genuine hardship to such cases, the Central Board of Direct Taxes, in exercise of its powers under section 119(2)(b) of the Income Tax Act, 1961, hereby extends the due date of filing of report of the accountant as required to be filed under section 10AA(8) read with section 10A(5) of the Act, for Assessment Year 2023-24 from the specified date under section 44AB to 31st December, 2023.

10. Condonation of delay in Filing Form No.10-IC as per rule 21AE of the Income-tax rules, 1962: The CBDT in exercise of its powers under section 119(2)(b) vide Circular No.19/2023 dated 23th October, 2023 has referred to its earlier Circular No.6 of 2022 dated 17th March, 2022 condoning the delay in filing of Form No.10-IC. Representations have been received by CBDT stating that Form No. 10-IC could not be filed for A.Y. 2021-22 within the due date or extended due date, as the case may be. It has been requested that the delay in filing of Form No. 10-IC for A.Y. 2021-22 may be condoned. On consideration of the matter, with a view to avoid genuine hardship to the domestic companies in exercising the option u/s 115BAA of the Act, CBDT in exercise of the powers conferred under section 119(2)(b) of the Act, hereby directs that the delay in filing of Form No. 10-IC as per Rule 21AE of the Rules for previous year relevant to A.Y. 2021-22 is condoned in cases where the following conditions are satisfied: i) The return of income for relevant assessment year has been filed on or before the due date specified under section 139(1) of the Act; and (ii) The assessee-company has opted for taxation under section 115BAA of the Act in item (e) of the “Filing Status” in “Part A-GEN” of the Form of Return of Income ITR-6; and (iii) Form No.10-IC is filed electronically on or before 31st January, 2024 or 3 months from the end of the month in which the circular is issued, whichever is later.

Information Technology

Contributed by: CA. Deephika S, Madurai

1. Microsoft Teams – Private Line:

Your most important Microsoft Teams calls and meetings could soon get a lot more secure thanks to a new update.

The video conferencing platform has revealed it is working on a new tool that will allow users to have a second, private line that would only be accessible to hand-picked contacts.

The “Private Line” feature would allow Microsoft Teams users to have direct, private calls with their most important or valued contacts as part of their subscription – but with a few tweaks to make them stand out.

In its entry on the official Microsoft 365 roadmap, the company explains that the feature will give users, “a private second phone number that they can make available to a select set of callers to call them directly, bypassing delegates, admins, or assistants.”

The service will only support incoming calls, meaning it should be particularly useful for executives and bosses who often find themselves chained to a desk in between meetings.

Microsoft Teams says that calls made to a user’s Private Line will be distinguished by a unique notification and ringtone, so they can’t be confused with regular calls from non-select contacts.

The feature is set as being “in development” for the time being, but has an expected rollout date of November 2023, meaning users shouldn’t have too long to wait. When released, it will initially only be available to Microsoft Teams desktop users on Windows, but we would expect a wider release soon.

The release is the latest in a series of more “premium” Microsoft Teams features aiming to help assist those users looking for a slightly elevated level of service.

Microsoft Teams Premium was initially launched in February 2023 as the company looked to offer an upgraded and more personal experience that included a number of AI-boosted plugins and features. This includes GPT 3.5, the AI language model developed by OpenAI, to automate certain mundane tasks surrounding meetings as part of its “intelligent recap” feature.

It also saw the release of features such as live translated transcripts of calls, even if they are carried out in a foreign language, and an “out-of-the-box template” for your Microsoft Teams calls that will allow you or your business to set up default settings to make sure everything goes smoothly.

2. Gmail Anti-Spam Campaign:

Gmail is set to introduce new measures to protect users from receiving excess and unwanted emails in an update that we’re all happy to see.

In a company blog post, Gmail Security & Trust Group Product Manager, Neil Kumaran, said: “Starting in 2024, we’ll require bulk senders to authenticate their emails, allow for easy unsubscription and stay under a reported spam threshold.”

The new measures set to come into play in the coming months specifically target senders targeting more than 5,000 Gmail addresses per day in a move that’s designed to cut down spam messages.

Speaking of existing measures, Kumaran said that Gmail’s requirement for authentication has seen the number of unauthenticated messages received by the platform’s users drop by 75%.

As part of the changes, Google said: “we’re requiring those who send significant volumes to strongly authenticate their emails following well-established best practices,” which includes the adoption of SPF and DKIM.

Google will also be requiring certain senders to make unsubscribing from emails quick and simple. The guidance says that it “should take one click” and that requests should be processed “within two days.”

Kumaran says that this requirement will ultimately benefit all email users, because such changes would be relevant to any recipient including non Gmail users, however it’s unclear quite how Google will police and support this requirement.

The email provider’s final update for 2024 is a self-proclaimed industry first. An undisclosed threshold is set to be imposed, and senders emailing more frequently than this will likely be penalized.

Google isn’t the only company making changes to protect email users. Marcel Becker, Senior Director of Product at Yahoo, said that the company “looks forward to working with Google and the rest of the email community to make these common sense, high-impact changes the new industry standard.”

3. LinkedIn is getting more AI tools:

LinkedIn has announced a string of new AI-powered aids coming to users after drip-feeding a number of tools throughout the past year.

While the platform might not be quite as popular as the likes of Facebook, Instagram, and X, LinkedIn still has more than 950 million users, and more importantly, the backing of Microsoft.

Microsoft has invested billions of dollars into OpenAI, the company behind ChatGPT, and has been rolling out AI tools across its entire ecosystem. Various Copilot-branded tools are set to become generally available over the coming weeks.

Recruiter 2024 is one such tool coming to LinkedIn. It uses generative AI to improve search strings in the hope that recruiters can find more suitable candidates. Employers can use natural language prompts to specify the type of candidate they're looking for.

Another area of the platform to get an AI injection will be LinkedIn Learning. Users will be able to interact with a chatbot on this area of the site to explore and develop new skills, asking questions like 'How can I delegate tasks and responsibility effectively?' to get a helping hand in the workplace.

It's unclear whether the assistant will pull in information from courses already published to LinkedIn Learning or whether this is something that could be being explored for a future rollout.

Marketing and B2B sales are also set for an AI-boost, with the updated tool being able to pull in data from the rest of LinkedIn to help companies target the right audiences.

While many have expressed concern about potential threats relating to AI, it's clear that LinkedIn's plan is to help users save time and be more efficient.

4. Microsoft Teams facial recognition:

Your workplace meetings and calls could soon be able to detect exactly who is in the room thanks to a new (and slightly concerning) update from Microsoft Teams.

The video conferencing service has announced a new "desktop client face enrollment process" which it says can speed up identifying participants as they join a call on its Teams Rooms platform.

However, as the name suggests, users will have to "enroll their face" in order to sign up, where the company's slightly concerningly-named "People Recognition" platform will create a "face profile" for them.

First announced back in June 2023, People Recognition uses "advanced facial recognition algorithms" to allow Microsoft Teams Rooms kit to identify users and provide personalized experiences during video conferences and meetings.

In its entry on the official Microsoft 365 roadmap, the company says the feature will be particularly useful in Teams Rooms meetings using an Intelligent Camera capable of People Recognition is deployed - which for many high-profile customers with well-equipped conference rooms, will now no doubt be the norm.

These cameras are then able to recognize the facial profile of those attendees in the room who have signed up with People Recognition, and can then label their identity for all meeting participants, both in-room and remote.

The feature is reportedly still being fine-tuned, with Microsoft listed an expected rollout start date of December 2023. When released, it will be available to Teams users across the world on both Windows and Mac platforms.

The news is the latest in a series of upgrades and additions to Microsoft Teams in recent months to make the platform more intuitive for users.

This includes the launch of "immersive spaces" which will look to take your Teams video conferencing to a whole new dimension - allowing users to "transform their meetings into a 3D experience," so that instead of your typical blurred background, or even slightly more-exciting virtual backdrop, your Microsoft Teams call can now take place in any kind of 3D location or setting you choose.

It also launched Microsoft Teams virtual avatars in May 2023, offering users the chance to substitute themselves for an animated alter-ego that offer more customization options, but also spices up the look and feel of Microsoft Teams calls.

Karnataka VAT-GST

Contributed by: **CA Annapurna D Kabra, Bengaluru**

Revocation of Registration under GST law

The option of Revocation of Registration was introduced under GST law and was not existing under the erstwhile law. The GST Registration is the mandatory requirement and if it is cancelled by the department Authorities, then it will cause undue hardship to the taxpayers to carry the regular business. The taxpayer can apply for revocation of the registration by complying under the GST law. During such intervening time, the taxpayers cannot collect the taxes nor can avail the input tax credit, nor issue E waybill... and such cancellation will impact their regular operations of the business. To unhamper such operations of the business, the taxpayers have opted for new registration prospectively wherein the time limit of revocation is expired and for the cancelled period the matters are under litigation. In certain instances, even the revocation/restoration of cancellation of registration was not supported by IT system in the common portal. This article provides an insight into the provisions related to revocation of cancellation of registration under GST law.

Before moving to revocation, let us discuss the situations under which registration of a person may be cancelled. Section 29 of the CGST Act, 2017 prescribes for cancellation of registration of a registered person on certain circumstances by the proper officer as follows.

- Where the registered person has contravened such provisions of the Act or the rules made thereunder as may be [prescribed](#) or
- A Person paying tax under composition has not furnished the return for a financial year beyond three months from the due date of furnishing the said return or
- Any registered person has not furnished returns for such continuous tax period as may be prescribed or
- Any person who has taken voluntary registration has not commenced business within six months from the date of registration or
- Registration has been obtained by means of fraud, wilful misstatement, or suppression of facts.

The proper officer shall not cancel the registration without giving the person an opportunity of being heard. The registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the [prescribed](#) manner within ninety days from the date of service of the cancellation order **(Section 30) (Prior to amendment)**.

The mechanism to apply for revocation of cancellation of registration was 30 days and further extended to another 60 days with the approval of Additional Commissioner/ Joint Commissioner or the Commissioner as the case may be. Therefore, the time limit to apply for revocation of registration was 90 days under the GST law. **The above provision of the law is applicable till 30th September 2023.**

There is an amendment in Section 30 of the CGST Act 2017 wherein the time limit, conditions and restrictions as may be prescribed shall be substituted and effective from 01.10.2023.

In the 49th GST Council meeting it was held on February 18, 2023 in New Delhi, wherein it was recommended to increase the time limit by the Commissioner/officer for a further period of not exceeding 180 days. The above-mentioned recommendation has been notified vide the following **Notification No. 38/2023 – (Central Tax) dated August 04, 2022** has issued 'the Central Goods and Services Tax (Second Amendment) Rules, 2023' to further amend the Central Goods and Services Tax, Rules, 2017 ("**the CGST Rules**") in to order to align with recommendations of the 49th GST Council Meeting held on February 18, 2023. Therefore, with effect from the 1st day of October, 2023 the following rule is substituted in Rule 23 as

- a) for the part beginning with the words "**within a period of thirty days**" and ending with the words and figures "section 30", the words "**within a period of ninety days from the date of the service of the order of cancellation of registration**" shall be substituted;

b) in the first proviso, for the words "Provided that", the following shall be **substituted**, namely: –*"Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended by the Commissioner or an officer authorised by him in this behalf, not below the rank of Additional Commissioner or Joint Commissioner, as the case may be, for a further period not exceeding one hundred and eighty days:*

Therefore, the time limit for applying for revocation of cancellation of GST registration has been increased from 30 to 90 days. Further, the above time limit may be extended by the Commissioner/officer for a further period of not exceeding 180 days. Therefore, in effect the time limit for revocation is 270 days from 90 days. When the registration has been cancelled, then the registered person, whose registration has been cancelled, can apply for revocation of cancellation of registration, in **FORM GST REG-21**, to the Proper Officer within a period of ninety days plus one hundred and eighty days from the date of the service of the order of cancellation of registration at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

However, if the registration has been cancelled for failure to furnish returns, application for revocation shall be filed, only after such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns. On examination of the application if the Proper Officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, then he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within a period of ninety days plus one hundred and eight days if applicable from the date of the receipt of the application and communicate the same to the applicant.

However, if on examination of the application for revocation, if the Proper Officer is not satisfied then he will issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the application submitted for revocation should not be rejected and the applicant has to furnish the reply within a period of seven working days from the date of the service of the notice in FORM GST REG-24. Thereafter, the Proper Officer shall dispose of the application within a period of thirty days from the date of the receipt of such information or clarification from the applicant.

In case the reply filed by the taxpayer is not satisfactory, then the applicant will be mandatorily given an opportunity of being heard, after which the Proper Officer after recording the reasons in writing may by an order in FORM GST REG-05, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under Central Goods and Services Tax Act. In case the registration of an entity undergoing CIRP has already been cancelled and it is within the period of revocation of cancellation of registration, it is advised that such cancellation may be revoked by taking appropriate steps in this regard. If the same is not within the period of revocation, then an appeal may be filed against such cancellation order or any other such direction which may be prescribed. This is welcome amendment under the GST law wherein the time limit has been extended from 90 days to 270 days effectively.



SEBI

Contributed by: **V M V Subba Rao, Nellore**

CIRCULAR

SEBI/HO/IMD/IMD-TPD-1/P/CIR/2023/173

October 20, 2023

All Qualified RTAs (QRTAs)

Dear Sir/Madam,

Sub: Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Qualified RTAs (QRTAs)

1. Qualified RTAs (i.e. RTAs having more than 2 Crore folios) are systemically important institutions as they, inter-alia, provide infrastructure necessary for the smooth and uninterrupted functioning of the securities market. As part of the operational risk management, these QRTAs need to have high level of resiliency to provide essential facilities and perform systemically critical functions uninterruptedly in the securities market.
2. In view of the above, based on consultation with Technical Advisory Committee (TAC) of SEBI, it has been decided to issue guidelines for strengthening overall resiliency, the procedures at / governance of QRTAs for handling disruption, augmentation of systems and practices to achieve better Recovery Time Objective ("RTO") and Recovery Point Objective ("RPO"), and to improve overall preparedness by conducting periodic announced / unannounced drills. Hence, QRTAs are required to comply with the following framework for BCP and DR:

3. Organizational Resilience and Documentation

- 3.1. QRTAs shall have in place Business Continuity Plan (BCP) and Disaster Recovery Site (DRS) so as to ensure continuity of operations, maintain data and transaction integrity.
- 3.2. The manpower deployed at DRS/ Near Site (NS) shall have the same expertise as available at PDC in terms of knowledge/ awareness of various technological and procedural systems and processes relating to all operations such that DRS/NS can function at short notice, independently. QRTAs shall have sufficient number of trained staff at their DRS so as to have the capability of running live operations from DRS without involving staff of the PDC.
- 3.3. All QRTAs shall constitute an Incident and Response team (IRT) / Crisis Management Team (CMT), which shall be chaired by the Managing Director (MD) of the QRTA or by the Chief Technology Officer (CTO), in case of non- availability of MD. IRT/ CMT shall be responsible for the actual declaration of disaster, invoking the BCP and shifting of operations from PDC to DRS whenever required. Details of roles, responsibilities and actions to be performed by employees, IRT/ CMT and support/outsourced staff in the event of any Disaster shall be defined and documented by the QRTA as part of BCP-DR Policy Document.
- 3.4. The Technology Committee of the QRTAs shall review the implementation of BCP-DR policy approved by the board of the QRTA on a quarterly basis.

4. Configuration of DRS/NS with PDC

- 4.1. Apart from DRS, all QRTAs shall also have a Near Site (NS) to ensure zero data loss. The DRS should preferably be set up in different seismic zones and in case due to certain reasons such as operational constraints, change of seismic zones, etc., minimum distance of 500 kilometre shall be ensured between PDC and DRS so that both DRS and PDC are not affected by the same disaster.
- 4.2. Hardware, system software, application environment, network and security devices and associated application environments of DRS and PDC shall have one to one correspondence between them.
- 4.3. QRTAs should develop systems that do not require configuration changes at the end of AMCs/ other regulatory entities for switchover from the PDC to DRS.

- 4.4. In the event of disruption of any one or more of the 'Critical Systems' (an indicative list for QRTAs catering to AMCs is given below), the QRTA shall, within 30 minutes of the incident, declare that incident as 'Disaster' and take measures to restore operations including from DRS within 45 minutes of the declaration of 'Disaster'. Accordingly, the Recovery Time Objective(RTO)- the maximum time taken to restore operations of 'Critical Systems' from DRS after declaration of Disaster- shall be 45 minutes, to be implemented within 90 days from the date of the circular.
- 4.5. The 'Critical Systems' for a QRTA catering to AMCs may include Accepting and Processing of Transactions (end to end, including purchase, redemption, Dividend Payment etc.), Connectivity with AMCs, NAV Calculation related processes. The above list is indicative and not exhaustive in nature.
- 4.6. QRTAs to also ensure that the Recovery Point Objective (RPO) – the maximum tolerable period for which data might be lost due to a major incident- shall be 15 minutes.
- 4.7. Solution architecture of PDC and NS should ensure high availability, fault tolerance, no single point of failure, zero data loss, and data and transaction integrity.
- 4.8. Solution architecture of PDC and DRS should ensure high availability, fault tolerance, no single point of failure and data and transaction integrity.
- 4.9. Any updates made at the PDC should be reflected at DRS/ NS immediately (before end of day) with head room flexibility without compromising any of the performance metrics.
- 4.10. Replication architecture, bandwidth and load consideration between the DRS / NS and PDC should be within stipulated RTO and ensure high availability, right sizing, and no single point of failure.
- 4.11. Replication between PDC and NS should be synchronous to ensure zero data loss whereas, the one between PDC and DRS and between NS and DRS may be asynchronous.
- 4.12. Adequate resources (with appropriate training and experience) should be available at all times to handle operations at PDC, NS or DRS, as the case may be, on a regular basis as well as during disasters.

5. DR drills/Testing

- 5.1. QRTAs shall conduct periodic training programs to enhance the preparedness and awareness level among its employees and outsourced staff, vendors, etc. as per BCP policy.
- 5.2. DR drills should be conducted on a quarterly basis. These drills should be closer to real life scenario (trading days) with minimal notice to DRS staff involved.
- 5.3. Further, QRTAs should also conduct unannounced live operations from its DRS for at least 1 day in every three months on normal working days (i.e. not on weekends / trading holidays). Unannounced live operations from DRS of QRTAs shall be done at a short notice of 45 minutes.
- 5.4. During the drills, the staff based at PDC should not be involved in supporting operations in any manner.
- 5.5. The drill should include running all operations from DRS for at least 1 full trading day.
- 5.6. Before DR drills, the timing diagrams clearly identifying resources at both ends (DRS as well as PDC) should be in place.
- 5.7. The results and observations of these drills should be documented and placed before the Governing Board of QRTAs. Subsequently, the same along with the comments of the Governing Board should be forwarded to SEBI within a month of the DR drill.
- 5.8. The System Auditor while covering the BCP – DR as a part of mandated annual System Audit should check the preparedness of the QRTA to shift its operations from PDC to DRS unannounced and also comment on documented results and observations of DR drills.
- 5.9. 'Live' operation sessions from DR site shall be scheduled for at least two consecutive days in every six months. Such live trading sessions from the DRS shall be organized on normal working days (i.e. not on weekends / trading holidays). The QRTA shall ensure that staff members working at DRS have the abilities and skills to run live operations session independent of the PDC staff.
- 5.10. QRTAs shall include a scenario of intraday shifting from PDC to DRS during the mock operation sessions in order to demonstrate its preparedness to meet RTO/RPO as stipulated above.

- 5.11. QRTA should undertake and document Root Cause Analysis (RCA) of their technical/ system related problems in order to identify the causes and to prevent reoccurrence of similar problems.

6. BCP – DR Policy Document

- 6.1. QRTAs shall put in place a comprehensive BCP-DR policy document outlining the following:
 - 6.1.1. Broad scenarios that would be defined as a Disaster for an QRTA (in addition to definition provided in para 4.4/4.5 of this circular).
 - 6.1.2. Standard Operating Procedure to be followed in the event of Disaster.
 - 6.1.3. Escalation hierarchy within the QRTA to handle the Disaster.
 - 6.1.4. Clear and comprehensive Communication Protocols and procedures for both internal and external communications from the time of incident till resumption of operations of the QRTA.
 - 6.1.5. Documentation policy on record keeping pertaining to DR drills.
 - 6.1.6. Scenarios demonstrating the preparedness of QRTAs to handle issues in Critical Systems that may arise as a result of Disaster.
 - 6.1.7. Framework to constantly monitor health and performance of Critical Systems in normal course of business.
- 6.2. The BCP-DR policy document of QRTA should be approved by Governing Board of the QRTAs after being vetted by Technology Committee and thereafter communicated to SEBI. The BCP-DR policy document should be periodically reviewed at least once in six months and after every occurrence of disaster.
- 6.3. In case a QRTA desires to lease its premise at the DRS to other entities including to its subsidiaries or entities in which it has stake, the QRTA should ensure that such arrangements do not compromise confidentiality, integrity, availability, targeted performance and service levels of the QRTA's systems at the DRS. The right of first use of all the resources at DRS including network resources should be with the QRTA. Further, QRTA should deploy necessary access controls to restrict access (including physical access) of such entities to its critical systems and networks.
- 6.4. In case a QRTA desires to lease a DR premise from other entities (MII / Other Regulated Entities / Service Providers) the QRTA should ensure that such arrangements do not compromise confidentiality, integrity, availability, targeted performance and service levels of the QRTA's systems at the DRS. QRTAs should also ensure that proper segregation and monitoring is undertaken so as to isolate cyber events in the systems
- 6.5. The QRTAs should execute appropriate agreements with the corresponding Service Providers entailing Service Level Agreements, segregation details and obligations of the Service providers during normal operations and during "Disaster".
7. Considering the above, QRTAs are advised to submit their revised BCP-DR policy to SEBI within 3 months from the date of this circular. Further, they should also ensure that clause 5.8 and 6.1.5 mentioned above is also included in the scope of System Audit.
8. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
9. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".
10. This circular shall supersede earlier circular no. SEBI/HO/MIRSD/DoP/CIR/P/2018/ 119 dated August 10, 2018 issued on BCP-DR Policy of QRTAs.

Yours faithfully,

Rohit Saraf

Deputy General Manager
Investment Management Department
Email: rohits@sebi.gov.in

TAMIL NADU VAT

Contributed by: **CA. V.V. Sampath Kumar, Chennai**

Madras High Court Judgments in VAT CST GST

Pre-Deposit: By this common order, both the WPs are disposed of at the time of admission after hearing the Ld counsel for the petitioner and the Ld Additional Government Pleader for the respondents by directing the first respondent to number the appeal filed by the petitioner against the order passed by the second respondent, which have been impugned before the first respondent. The first respondent shall number the appeal by permitting the petitioner to debit the amounts that are lying unutilized in the petitioner's Electronic Credit Ledger towards pre-deposit u/s 107(6) of the TNGST Act, 2017 and dispose the same on merits and in accordance with law in its turn. **M/s.Larsen & Toubro Limited, Vs.1.JC (ST), GST Appeals, Chennai-35. 2.DC (ST), LTU-DC4, Nandanam, Chennai 35. W.P.Nos.24577 and 24579 of 2023 DATED: 21.08.2023**

Amnesty scheme: The petitioner filed WP challenging the Impugned Order dated 21.11.2022 passed in Appeal No.362 of 2022 declining to condone the delay of 132 days in filing appeal against order dated 06.05.2022 cancelling the petitioners' GST Registration. The order has been communicated to the appellants on 03.06.2022 through online. The appellant has filed the appeal before this forum only on 10.11.2022. Hence, the Hon'ble Court dismissed the appeal filed by the appellant, since the appeal has been filed beyond the condonable limit with a delay of 39 days. However, it is noticed that the Government has itself issued a notification giving amnesty to file application vide G.O.Ms.No.36, CT and R (BI) dated 05.04. 2023.Considering the above, the Writ Petition is closed by The Hon'ble Court giving liberty to the petitioner to approach the authorities in terms of the above notification. **M/s. DDA Tyres and Services, Vs 1. DC of GST, CT Building, Pitchards Road, Salem-7. 2. DSTO, Dharmapuri. W.P.Nos.3877 and 3880 of 2023 DATED: 23.08.2023**

Appealable Order: The petitioner is aggrieved by the impugned Order No.56/2023-2024 dated 09.05.2023 passed by the first respondent u/s 129(3) of the SGST Act, 2017. The impugned order is an appealable order u/s 107 of the CGST/SGST Act, 2017. Therefore, this WP is dismissed, giving liberty to the petitioner to file a statutory appeal before the Appellate Authority within 30 days from the date of receipt of a copy of this order. **M/s.Ibus Network and Infrastructure Pvt Ltd., Vs.1.AC (ST), Adjudication, Intelligence-I, Chennai-6., 2. DSTO, RS-II, Intelligence-I, Chennai-6. W.P.No. 23740 of 2023 DATED: 14.08.2023**

Limitation: The petitioner has challenged the impugned assessment order dated 26.10.2021 by the respondent to the assessment year 2010-2011. The impugned order has been passed purportedly u/s 27 of the TNVAT, 2006. As per Section 22 of the Act, the assessment was deemed to have been completed on 30.06.2012. It appears that the Office of the AC (ST), Ambattur had issued a notice dated 27.03.2014 intra-Department. However, the same was not communicated to the petitioner. A notice u/s 27 of the Act ought to have been issued under the limitation described u/s 27 of the Act. Considering the above, The Hon'ble Court was of the view that the impugned order, confirming the demand for the assessment year 2010-2011 is liable to be quashed. Stating so, this WP was allowed. **M/s.Dhacshin Audio Visuals Vs. STO (ST), Padi Assessment Circle, W.P.No.16827 of 2022 DATED: 17.08.2023**

Show Cause Notice: As the petitioner has not participated in the proceeding, this Court is of the view that the petitioner can be given one last opportunity to give a reply subject to the petitioner depositing 20% of the disputed tax as confirmed vide impugned order with the respondent within a period of thirty days from the date of receipt of a copy of this order. **M/s.AERO Construction and Equipments Vs. AC (ST), Manali Assessment Circle, W.P.No.25009 of 2023 DATED: 25.08.2023**

Notice of Intimation: The petitioner is aggrieved by the impugned Notice of Intimation dated 09.05.2023, issued to the petitioner under Rule 86-A(1)(a) and (c) of the TNGST Rules, 2017. By the impugned order, credit for a sum of Rs.37,18,106/- has been locked on account of the information gathered by the Intelligence Department of the respondent that the purchases made by the petitioner from Tvl.Agni Traders was bogus and that the said entity was a non-existent or not conducting any business activities in the address for which registration was obtained and have fraudulently availed and passed on ineligible Input tax credit to numerous taxpayers. The Court held that the provisions of the Act do not permit the registered person to avail input tax credit on invoices or debit notes without actually receiving goods or services or both. Only Credit that is validly availed can be utilised for discharging the tax liability. Stating so, the Hon'ble Court disposed this writ petition at the time of admission by permitting the petitioner to give a representation to the impugned Notice of Intimation dated 09.05.2023, within a period of 15 days from the date of receipt of a copy of this order. **M/s.Madhu Metal Works, Vs AC (ST), Review and Appeal, Zone-III, Chennai-3 W.P.No.22916 of 2023 DATED: 04.08.2023**

Adjournment: Without considering the adjournment request made by the appellant, the Assessing Authority, issued the order dated 27.07.2021. The Ld Single Judge, in the earlier WP, found that the appellant has not appeared before the AO within the requested 15 days and is having an effective alternative remedy of approaching the Appellate Commissioner and disposed off that WP accordingly. Writ Appeal filed. The Court stated that, while submitting his explanation seeking 15 days' time, may not expect the Assessing Authority to pass an order on the expiry of the 15 days' time as mentioned in the communication dated 10.07.2021. The appellant cannot be punished for expecting a notice fixing a date for hearing. Stating so, the Court finds that the assessment order impugned in the writ petition is in violation of the principles of natural justice and finds merits. **M/s.Chandan Paper Stores vs I. Commissioner of CT, Chennai-5., 2. CTO, Tirunelveli Town Assessment Circle, W.A.(MD) No.1362 of 2023 DATED: 24.08.2023**

Pre Deposit in Appeal : WP filed, to call for the records of the first respondent notice dated 20.01.2021 in Na.Ka.No.42/2021/A1 and quash the same to the extent that it requires the petitioner to pay 25% of the disputed tax and consequently direct the first respondent to take the appeal filed by the petitioner on 18.01.2021 against the second respondent order dated 18.12.2020 in TIN/ 33222903520 /2015-2016 on file and decide the same on merits. The Ld Government Advocate for the respondents submitted that since the input credit has been already adjusted towards tax liability of the petitioner for the succeeding years, the question of allowing adjustment of Input tax credit for pre-deposit u/s 51 of the TNVAT Act, 2006 does not arise. Stating so, the Court ordered that the WP has to fail as no amounts remains for being adjusted towards pre-deposit in the Input Tax Credit of the petitioner, however granting time to comply with section 51 and issued further directions to the parties herein. **M/s.Renaatus Projects P Ltd, Vs.1.Appellate DC (ST), Erode. 2.AC (ST), Kodumudi Assessment Circle, W.P.No.2692 of 2021 DATED: 16.08.2023**

Principles of Natural Justice: For a pointed query, the Ld counsel for the respondent submitted that the impugned order of assessment does not disclose consideration of the personal hearing asked by the Petitioner. In view of the same, the impugned order dated 15.03.2021 is set aside. The matter is remitted back to the Assessing Officer to redo the assessment in accordance with law. **M/s. Sri Rajaganapathi Textile India (P) Ltd., v. 1. AC (ST),Kongunagar Assessment Circle, Tirupur 641 601. 2.AC ST) (FAC), Kongunagar Assessment Circle, Tirupur 641 601 W.P.No.13893 of 2021 DATED: 11.08.2023**

Reply: Petitioner was issued with a SCN dated 06.01.2023 and called upon to file a reply and to appear for a personal hearing on 06.02.2023. The petitioner has also participated in the aforesaid proceeding. Thereafter, by another notice dated 15.05.2023, the petitioner was called for personal hearing and he was also called upon to produce certain documents in support of the case. Petitioner has produced all the documents and appeared for personal hearing on 01.06.2023. Impugned order has been passed with the following observations: "....., the taxable person was not appeared for personal hearing on 01.06.2023. No reply or any documents filed by the taxable person. No objections filed by the taxable person so far. Hence the dues assessed and determined the liability under the proviso of section 74 of the TNGST Act, 2017 and levied the ITC reversal, interest due u/s 50 and penalty due u/s 74". The Court stated that a reading of the impugned order makes it clear that the order is non-speaking order in nature and stating so, he impugned order is set aside and the case is remitted back to the respondent to pass a speaking order on merits and in accordance with law. **M/s. Rajendra Steel Industries Vs. STO (ST), Loan square Assessment Circle, W.P.No.23367 of 2023 DATED: 10.08.2023**

Writ jurisdiction: In a given case, the assessee may approach the High Court before the statutory period of appeal expires to challenge the assessment order by way of writ petition on the ground that the same is without jurisdiction or passed in excess of jurisdiction by overstepping or crossing the limits of jurisdiction including in flagrant disregard of law and rules of procedure or in violation of principles of natural justice, where no procedure is specified. The High Court may accede to such a challenge and can also non-suit the petitioner on the ground that alternative efficacious remedy is available and that be invoked by the writ petitioner. However, if the writ petitioner choses to approach the High Court after expiry of the maximum limitation period prescribed under Act, the High Court cannot disregard the statutory period for redressal of the grievance and entertain the writ petition of such a party as a matter of course. Doing so would be in the teeth of the principle underlying the dictum of a three Judge Bench of this Court in ONGC v. Gujarat Energy Transmission Corpn. Ltd., (2017) 5 SCC 42: (2017) 3 SCC (Civ) 47. In other words, the fact that the High Court has wide powers, does not mean that it would issue a writ which may be inconsistent with the legislative intent regarding the dispensation explicitly prescribed under Act. That would render the legislative scheme and intention behind the stated provision otiose. **M/s.MSR Polymer and Paper Cups Vs 1. The Commissioner (CT), CT Department, Puducherry. 2. DCTO, IAC, CT Department, Puducherry. W.P.No.278 of 2020 DATED: 09.08.2023**