



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



SIR C

Southern India Regional Council

ACCOUNTING STANDARDS



CPE PROGRAMMES DECEMBER 2024 AND JANUARY 2025

**Workshop on the Art of
Representation under the GST Act
GST Appeals: Questioning the
validity of SCN (wit) – 30.12.2024**



Resource Person:
CA. Ganesh Prabhu B

**PANEL DISCUSSION ON SUGGESTIONS TO
NEW INCOME TAX ACT: EXPECTATIONS
FROM CAs – 31.12.2024**



Resource Person:
CA. T G Suresh



Resource Person:
CA. Pradeep Narayanan

**CPE Programme on Drafting appeal
before first appellate Authority for
faceless assessments – 06.01.2025**



Resource Person: CA. Naveen Khariwal

**Investors Awareness' Programme:
Investment Scenario on
2025 – 07.01.2025**



Resource Person: CA. A K Narayan

One Day Workshop on FEMA – 08.01.2025



Resource Person: CS. T.P Sridhar



Resource Person: CA. P.Venkatesan



Resource Person: CA. Kritika Tewani

**One Day Workshop on Financial Reporting of Listed Companies and
Unlisted Companies – 11.01.2025**



Resource Person: CA. Mohan R Lavi



Resource Person: CA. R.Venkatasubramani



Resource Person: CA. Udupi Vikram

CPE Programme on Accounting Standard for Non-Corporate Entities – 17.01.2025



Resource Person:
CA. Pramod Jain, Chairman,
Accounting Standards Board, ICAI

Certificate Course on AI for CA – Level 1



Group Photo of Participants



Resource Person:
CA. Vittal Raj R



Resource Person:
CA. Ramajayam



Resource Person:
CA. Manmeet Singh Mehta

76th Republic Day Celebrations @ SIRC Chennai – 26.01.2025



CA. Geetha A.B, Chairperson, SIRC of ICAI Unfurling the National Flag at the SIRC Premises along with CA. Subba Rao Muppala, Secretary, SIRC of ICAI, CA. Mandava Sunil Kumar, Chairman, SICASA,



Felicitating the Senior Members



Best Regional Council Award , Best Branch of Regional council, Best Students Associations Ward for SIRC of ICAI



Best Branch Regional Councils Award - Large Category - Ernakulam Branch



Best Branches of Regional Councils - Small Category - Tirupur Branch



Best Branch Regional Councils Award – Small Category and Students Association Medium Category – Salem Branch



Best Branch of Regional Councils – Micro Category – Sivakasi Branch



Best Branches Students Associations – Mega Category – Bangalore Branch



Chairperson's Communique

Greetings from SIRC.

Dear Professional Colleagues,

The last 11 months of my interaction with my elite and erudite professional colleagues in Southern Region through this column has been one of happiness, insightfulness, thought-provoking and highly inspiring. The 'take away' through this interaction and response to my write up is exceptional and enlightening that I will carry with me when I demit my office in the latter half of this month to another worthy successor to helm the affairs of the Regional Council for the year 2025-2026. I solicit the support and co-operation to the new team that will be in office in the latter part of February 2025 as ever before.



This being my last interaction through this column in the capacity of Chairperson of SIRC, the position I held with a sense of responsibility and commitment, I express my sincere thanks and gratitude to my colleagues in the Regional Council for electing me to this coveted position and offered their unstinted support for me to perform my duties with elan and ease. The guidance and taking forward of initiatives of SIRC by the Central Council Members of this Region has been one of outstanding support that I warmly acknowledge through this column.

ICAI AWARDS:

I am extremely delighted to share with our elite members that SIRC has been adjudged as the Best Regional Council for the year 2024 jointly with WIRC. This is the **FIFTH** (FIFER in cricket terminology) consecutive year since 2020 that SIRC has been receiving the First Prize for its overall performance. SIRC dedicates this award to the entire professional fraternity of our Southern Region whose unstinted support all through the year has been the corner stone in this recognition by ICAI and in achieving this coveted feat.

I, as the Chairperson of SIRC, thank my colleagues in the Regional Council, my colleagues in the Branches and other Programme Organizing Units for their valuable guidance, co-operation, co-ordination and constant support in taking forward the initiatives of SIRC amongst our members. I also thank the administration for their phenomenal support in carrying out the policies and programmes of SIRC.

I also congratulate the Branches who have received the awards from ICAI and wish all the branches a very purposeful and fruitful year ahead.

The details of the awards presented to SIRC and its Branches are published elsewhere in this newsletter. I solicit the sustained support of members to my successors to continue our pride of place in constantly getting the award from ICAI.

I have the pleasure of receiving the Award at the 75th Annual Function of ICAI held at New Delhi on 2nd February 2025 along with immediate Past Chairman of SIRC CA. S. Panna Raj, my other office-bearers and other colleagues of SIRC. It is a memorable occasion for me that will etch in my thoughts forever.

I once again, on behalf of SIRC and on my own behalf, express our sincere thanks to all the members of the Region for making SIRC as vibrant as ever and for continuing our commendable performance in the days ahead in the service of our members.

Transition at the helm of affairs of SIRC:

My tenure of office as Chairperson of SIRC has been exciting, invigorating, fascinating, enduring and stimulating journey. I have ensured to perform to the best of my ability and at high standards, thanks to my colleagues in the Regional Council. I did with commitment and passion to serve our professional fraternity.

I should also make a special mention about our SIRC Newsletter that acts as a medium of communication between SIRC and the members where we share valuable updates on professional front besides the information about the programmes scheduled for the respective month of publication. I am confident that the newsletter will continue to prove to be more and more useful and informative in the times to come.



When I demit office as Chairperson of SIRC I shall be carrying the warmth, love and affection shown by our beloved members and students which will sustain me to continue my services to the profession in the days ahead.

Quadrennial elections to the Managing Committees of Branches of Regional Councils for the term 2025–2029:

The Quadrennial elections to the Managing Committees of Branches of SIRC for the term 2025–2029 were held at the respective Branches of SIRC at its special general meeting. The newly elected members to the Managing Committee will be holding office for the term 2025–2029. On behalf of the members of the Region I congratulate the newly-elected members and wish them purposeful, productive and praise-worthy performance during their glorious tenure of office. I also solicit the continued support of the members to the 46 Branches of SIRC across the Southern Region.

World Forum of Accountants (WOFA) – 2025 – January 31 to February 2, 2025, New Delhi:

I, my colleagues in SIRC and other members of the Southern Region have attended the World Forum of Accountants (WOFA) – 2025 organized by ICAI from 31st January 2025 to 2nd February 2025 at New Delhi. The presence of accounting professionals showcased to the world the emerging role of Indian Accounting Profession and rise as global leader in Accounting and Auditing. It was a mammoth presence of accounting professionals across the globe and we had the opportunity to interact with leaders of the profession and exchanged our thoughts.

Union Budget – 2025:

Hon'ble Union Finance Minister Smt. Nirmala Sitharaman presented the Union Budget on 1st February setting a record of presenting the Budget for the seventh consecutive year. The budget proposals unveiled a sleuth of new and important measures in the field of direct taxation, GST administration and other indirect taxation areas. The proposals had a special significance in the field of direct taxation in as much as it is considered as an exhaustive measure of overhauling the existing the Income-tax Act, 1961.

The Budget proposals bring out major reforms in the tax regime and simplification of laws. It also aims at inclusive growth, measures to support the masses with long-range of incentives with sustained employment opportunities.

SIRC held a Hybrid Meeting on Union Budget on 1st February 2025 to immediately share the key areas in the Union Budget followed by a "Clause to Clause Analysis" threadbare on the Union Budget on 3rd February 2025 at ICAI Bhawan, Chennai. The meetings generated intense and interesting interactions from the floor.

As members are aware the Institute would be submitting the Post Budget Memorandum to the Ministry of Finance. SIRC as in the past would be sending the views of the members in the Region to ICAI. SIRC therefore requests member to share their thoughts and suggestions on the Union Budget – 2025 through mail at sirc@icai.in.

Other Programmes in February 2025:

Swami Vivekananda says **"The man who says he has nothing more to learn is already at his last grasp"**. Let us keep learning to keep ourselves contemporary in all our professional endeavors.

S. Vaidyanath Aiyar Memorial Lecture on 7th February 2025:

SIRC will be hosting the 43rd S. Vaidyanath Aiyar Memorial Lecture on 7th February 2025 at ICAI Bhawan, Chennai. This memorial lecture is held annually by SIRC in honour and memory of CA. S. Vaidyanath Aiyar, Past President of ICAI.

Programmes:

SIRC is having, besides the budget programmes, the following CPE Programmes.

Faculty Development Programme:

A Two Day Faculty Development Programme on Code of Ethics was held on 3rd February and 4th February 2025 under the auspices of SIRC at Centre of Excellence, Hyderabad.

A One Day Moot Programme on NCLT, GST is organized on 20th February at Hyderabad Branch of SIRC as a joint programme.



These initiative has evoked encouraging response from members.

Two Days Programme:

On 10th and 11th February 2025 – ZOHO Training Session. The programme is also open to non-members.

Full Day Programmes:

- 15th February – One Day Workshop on Labour Laws.
- 22nd February – One Day Workshop on Arbitration.

Three Hour Programmes:

- 12th February – 04.30 p.m. – 07.30 p.m. – Tax Planning on Capital Gains.
- 19th February – 04.30 p.m. – 07.30 p.m. – Preparedness to Peer Review and Documentation required for Peer Review.
- 25th February 2025 – 04.30 – 07.30 p.m. – Practical Session: Trust Renewal-NGO – A Walk Through Session.
- 26th February 2025 – 04.30 – 07.30 p.m. – Seminar on Benami Transactions.

Two Hour Programme:

- 6th February – 05.00 – 07.00 pm. – Virtual Free Programme on Management Principles from Indian Epics & How to use MS Excel in various scenarios whilst dealing with our compliance work.

The names of faculty, venue, CPE Hours and the fee payable are published elsewhere in this newsletter.

Certificate Courses scheduled in February 2025 at SIRC, ICAI Bhawan, Chennai

- Certificate Course Forensic Accounting and Fraud Detection, from 17th to 23rd Feb-2025
- Certificate course on UAE Corporate Tax Batch-2, from 7th Feb to 1st Ma- 2025.

Andaman Island Tour:

SIRC is pleased to inform that a Tour to Andaman Island is being organized between 14th and 18th February 2025 (5 Days – 4 Nights). The participants will have an excellent experience at the sandy beaches of Andaman in search of solitude, natural beauty and adventure and a place best **known as the paradise of Birds**.

I request members to avail of this opportunity to share happy moments with family and SIRC would be delighted to make this occasion to be a wonderful nostalgic outing. For more details please refer the announcement published elsewhere in this newsletter.

SIRC Sports Meet – 2025:

SIRC is pleased to inform that we are organizing a Sports Meet on Saturday the 8th February 2025 at Chennai exclusively for members. Introducing Box Cricket and Badminton are scheduled at 9.00 a.m. at HOTFUT SPR Sports, Perambur, Chennai, the details of which are published elsewhere in this newsletter. We have also hosted the event details and the response for the participation has been encouraging.

SIRC invites members to encourage the players (members) by participating in both the events and enjoy the talents of our members in the respective sports field.

Convocation February – 2025:

I am happy to inform that ICAI is conducting the next Convocation on 6th February 2025 at 13 centres across the country. In Southern Region it is held at Bengaluru, Chennai and Hyderabad. Members who are enrolled during the period from 16th June, 2024 to 31st December, 2024 will be receiving their credentials. (In Southern Region members with Membership No. 278131 to 283187 will be receiving the certificates)

They will be awarded Certificate of Membership/COP in the Convocation. Rank Holders of CA Final Examination held in May, 2024 will also be felicitated with the Rank Certificates.

SIRC congratulates the recipients and wish all of them a bright professional career.



A “Look” at programmes held in January 2025:

Well begun the year 2025 with a host of enlightening and enriching events that has given a fillip to the ever-active SIRC a new and vibrant look and renewed confidence to serve our professional fraternity with enhanced activities. Let me share with our dear members what were the events that instilled new energy to the dynamic SIRC.

World Bank Business Ready & Ease of Living Index: Perception Management Exercise

It was a proud moment for SIRC to host the DPIIT and Ministry of Finance-coordinated project as an awareness session for members on 17th January 2025. As part of the B-Ready project, this initiative evaluates an economy's business environment by assessing the regulatory framework, the provision of public services for firms and markets, and the efficiency of their implementation.

The session provided our members with valuable insights and an opportunity to contribute to shaping a more business-ready ecosystem. We were honored to have Ms. Katyayani Sanjay Bhatia, IRS, Deputy Commissioner, Tax Policy Research Unit, and Mr. Abhishek Tripathy, IRS, Joint Commissioner (OSD), Tax Policy Research Unit, Department of Revenue, Ministry of Finance, Government of India, along with the DPIIT team, share their expertise and perspectives.

Republic Day Celebrations:

It was a great honour bestowed upon me to unfurl our National Flag on the occasion of the Republic Day Celebrations on 26th January 2025 amidst our beloved members, faculty, students and the officers and staff of ICAI. It was a moment that I cherish as I had the ‘feel’ when I hoisted the National Flag on 15th August 2024 on the occasion of Independence Day Celebrations. These two national memorable events will etch in my thoughts forever. SIRC thanks all the attendees for their gracious presence on this occasion to recall and recognize the contribution of the authors who drafted the Constitution of India under the leadership of Babasaheb Dr B.R. Ambedkar. We took pledge to uphold the constitutional values, democratic principles of equality and take the Nation to greater heights of glory in all spheres of life where our generation and future generations can be proud of our great country “INDIA” – “BHARATH”.

On the 76th Republic Day, I had the privilege of felicitating about 20 senior members aged 75 and above, who shared their invaluable practice insights and professional experiences. I was also proud to acknowledge and motivate 59 students of the Southern Region with endowment merit awards and 6 students of the SIRC coaching classes who had passed in their first attempt.

CA. P. P. Gururaja Upadhyaya Memorial Lecture and Session for Students:

SIRC held an event under the auspices of the CA. P. P. Gururaja Upadhyaya Memorial Lecture on 12th January 2025 at ICAI Bhawan, Chennai in memory and honour of CA. P. P. Gururaja Upadhyaya, Former Central Council Member of ICAI. Rich tributes were paid to CA. P. P. Gururaja Upadhyaya for his contribution to the profession and more particularly for being instrumental in the publication of “ICAI Students’ Journal” then called “ICAI Students’ Newsletter” on 1st July 1997 when he was the Chairman of Board of Studies of ICAI. The family members and admirers of CA. P. P. Gururaja Upadhyaya graced the occasion with their august presence.

The inspiring and enriching one-day programme had the theme “ANDHADHI” featuring a memorial lecture by CA. K. Vidhyadharan, Chennai followed by paper presentations by students on select topics on Income Tax and special address by eminent members. The best presented papers acknowledged and the paper presenters were appreciated and honoured.

SIRC thanks all the resource persons, paper presenters and the large number of students present for making the occasion an enlightening and engrossing sessions.

Virtual Certificate Course on Skills Enrichment (1st Batch): 30 Hours CPE Credit:

ICAI, under the auspices of the Professional Skills Enrichment Committee started the Virtual Certificate Course on Skills Enrichment on 4th January 2025 and the last session is on 2nd February 2025. The objective of having his course was to equip our members to enrich their professional skill and competence thereby enhancing their portfolio. The excellent response received from members stand testimony to the significance of the course. The proceedings are of high order and SIRC is confident that the objective hereinabove referred has been well met and members have their ‘take away’ from the interesting and information interaction.

SIRC thanks ICAI for conducting the event online enabling participation by members across the country and thanks the members of Southern Region for being part of this successful programme.



Other CPE Programmes:

During January 2025 SIRC organized 2 full day programmes, 2 three hours programmes and one two hour programme (on investor awareness).

SIRC records its grateful thanks to all the resource persons of the programmes of SIRC for sparing their valuable time and sharing their exceptional knowledge amongst the elite audience of our members.

Acknowledgement:

Through this column SIRC deem it a great honour and privilege to place on record and to express our sincere and heartiest thanks to each and everyone who supported SIRC to during this year 2024-2025.

SIRC thanks –

- Our beloved and esteemed President CA. Ranjeet Kumar Agarwal and beloved and esteemed Vice-President CA. Charanjot Singh Nanda for their exceptional support and guidance.
- Central Council Members of Southern Region and other Regions.
- Office-bearers of SIRC and other members of SIRC.
- Chairmen, other Office-bearers and other members of the Managing Committee of all 46 Branches of SIRC.
- Convenors of CPE Study Circles, CPE Chapters, CPE Study Groups and CPE Study Circle for Members in Industry.
- Chairmen and Members of the Southern India Chartered Accountants Students' Association and its Branches.
- Co-opted Members of various Committees of SIRC of ICAI.
- Past Presidents of ICAI from Southern Region, Past Chairmen of SIRC, Past Members of Central and Regional Council from Southern Region.
- Chairmen and Members of Western, Eastern, Central and Northern Regional Councils.
- All Members of Southern Region.
- All Students of Southern Region.
- Dignitaries from the Government and Senior Officials of various Departments.
- Statutory and Internal Auditors of SIRC.
- Resource Persons of 56th Regional Conference and other Programmes of SIRC.
- Faculty of Coaching Classes and other learning courses like ICITSS-IT, AICITSS-MCS and Orientation Programme.
- Contributors of Articles and Updates for the SIRC Newsletter.
- Sponsors of various Programmes of SIRC.
- Print and Electronic Media.
- All Service Providers.

And additionally, my sincere gratitude goes to –

- Secretary, ICAI.
- Officers and Staff of ICAI, New Delhi.
- All Officers and Staff of SIRC and SRO-Chennai and outsourced employees.
- Staff Members of Bengaluru Branch of SIRC of ICAI.

Restoration of Membership Fee and Certificate of Practice Fee:

SIRC requests members who have not paid their membership fee / certificate of practice fee for the year 2024-2025 before 31st December 2024 to apply for restoration of their name / certificate of practice with retrospective effect together with relevant application through Self-Service Portal immediately



Augmenting financial resources to CABF:

I am extremely happy to share that our members in the Region have been supporting the initiative of ICAI for augmenting the corpus of CABF. The support during the year 2024-2025 is no exception. SIRC thanks all the contributors to the Fund.

I also appeal to the members to come forward to munificently contribute to enable ICAI to assist the family members of the deceased and for the needy members to meet their medical expenses with increased quantum of assistance. The appeal of ICAI in this respect is published elsewhere in this Newsletter.

Extension of last date to 28th February 2025 for complying with the CPE hours requirements for the Calendar year 2024:

SIRC, through its last month issue of newsletter, made known to the members about the extension granted by the CPE Committee upto 28th February 2025. ICAI has also extended the last date of compliance and filing Unstructured Learning Activities (ULA) upto 28th February, 2025. Members may note that non-compliance of CPE hours requirement would attract consequential provisions as may decided by the Council.

For detailed and ready reference on consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards are available at <https://resource.cdn.icai.org/79152cpe63323.pdf>.

ICAI Announcements in its Website:

ICAI has been posting in its Website under the caption "Important Announcements" matters of professional interest and information. During January 2025 ICAI hosted the following.

- Announcement dated 5th January 2025
- Empanelment of Chartered Accountant firms/LLPs for the year 2025-2026.
- Announcement dated 22nd January 2025
- Deferment of Phase III and IV of Peer Review Mandate
- Announcement dated 22nd January 2025
- Exposure Draft of Guidance Note on Audit of Banks (2025 Edition)
- Announcement dated 24^h January 2025
- "Guidance on Non-Compliances Observed by Quality Review Board during Quality Reviews (Volume 3)" – Download the publication

I request you to go through the same on a regular basis for information and for acting upon wherever required.

Highlights of Activities in 2024-2025:

The year 2024-2025 SIRC had the theme "Knowledge Nexus: Connecting Minds, Igniting Ideas" symbolizing the central point where elements intersect and our theme is about the creation of a strong network where knowledge and ideas meet. The 56th Regional Conference held at Bengaluru in August 2024 was the testimony where the presence of large number of members established strong network and sharing of thoughts amongst the members.

SIRC also had many unique initiatives / programmes during the year like –

- SIRC Network is a system of listing the Need of Professional Work Assignments / Offer of Professional Work Assignments by Chartered Accountant Firms or Individual Chartered Accountant Practitioners.
- SIRC Network for Women Members – Listing the Need of Professional Work Assignments / Offer of Professional Work Assignments by CA Firms or Individual CA Practitioners.
- SIRC Tools – Posting Videos and Background materials of CPE Programmes.
- Introduction of "Raktha Dhanam Data Bank".
- Back-to-back Basics on Taxation on diverse topics.
- Residential Refresh Course for women in ECR Chennai with 30 members
- Brand-building of CA Course.
- Sub-Regional Conferences, Seminars of duration of two days, one day, three hour and two hour programmes and many virtual programmes including "wellness programmes", Train & Learn Programmes" and other programmes throughout the year.
- Sports Meet exclusively for members introducing Box Cricket and Badminton



During the tenure of the present term of office in 2024-2025 SIRC conducted numerous activities across the Southern Region. The highlight of the year's programme was the 56th Regional Conference held at Bengaluru on 9th and 10th August 2024 with the theme 'JIGNASA'. SIRC has great pleasure in presenting the highlights of this year's programme which are published elsewhere in this newsletter.

Students' Related:

SIRC Coaching Classes continues to draw excellent response from students of all streams, Foundation, Intermediate and Final.

Intermediate Course:

Enrolment for the next batch for Intermediate students appearing for September 2025 Examination which commences from 24th February 2025 has started. Enrolment for the Rapid Revision Class for Intermediate students appearing for the May 2025 Examination commencing from 10th March 2025 (Hybrid Mode) is also on.

Final Course:

Rapid Revision Classes for the Final Students appearing for the May 2025 Examination starts on 7th February 2025.

Practice Test for Intermediate and Final Students:

SIRC is organizing Practice Test for Intermediate and Final students for them to prepare themselves for the ensuing examination between 1st February 2025 and 23rd March 2025. The exercise will help the students to approach the examination with confidence and conviction.

SIRC requests members to share the information amongst their articled assistants and exhort them to attend to excel in their forthcoming examinations.

Foundation Course:

SIRC had also commenced Foundation Classes from 29th January 2025 for the students appearing for the June 2025 Examination. SIRC had enthusiastic response from the students.

Bid Adieu:

Dear Members – I am very grateful for “once in a life-time” opportunity to serve as the Chairperson of SIRC, a position that gave more visibility amongst you, more interaction on professional matters with all of you and gave me memorable moments of happiness in serving our 70000 plus members during this year 2024-2025. I solicit your continued patronage to SIRC and take the pride of SIRC across the country.

I assure that I shall continue to endeavour myself to offer my fullest contribution to the profession at any time and at all times.

Before I conclude my interaction through this column I thank the Almighty for giving me strength and keeping me active to be of service to our professional fraternity, my family members who have understood my commitments in the last 12 years of my association with the Institute's activities at the branch and regional level, the various stakeholders and other well-wishers. I share the following quote to express my satisfaction of being one amongst you and lead the Southern Region as the second women Chairperson of SIRC.

“We cannot accomplish all that we need to do without working together” – Bill Richardson, American Politician, Author and Diplomat.

I therefore dedicate my successful tenure to each one of you. I wish you all endless prosperity in personal and professional life, excellent health and all wellness for you and for your family.

With warm regards

CA. GEETHA A B

Chairperson, SIRC of ICAI



SIRC of ICAI

FORTHCOMING PROGRAMMES, FEBRUARY - 2025

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

No.	Dated	Day	Timing	Place	Mode	Topic	Resource Persons	Fees Inclusive of GST Rs.	CPE
1	1-Feb-25	Sat	5:00 pm to 8:00 pm		Hybrid	Discussion on Union Budget	Adv. T.N.C. Sridhar Adv. Mr. K. Vaitheeswaran	Free	-
2	3-Feb-25	Mon	4:30 pm to 7:30 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	Seminar on Clause by clause session- Union Budget for Direct and Indirect tax	CA Suresh T.G. CA. Ganesh Prabhu B	531	3 hrs
3	03-02-25 & 04-02-25	Mon and Tue	10:00 am to 6:00 pm	COE Hyderabad	Physical	Code of Etchics -Residential -FDP at COE Hyderabad <ul style="list-style-type: none"> • Overview of Code of Ethics, First Schedule CA Act, Second Schedule CA Act • Practical aspects with case studies • Overview of Volume I of Code of Ethics • Advertisement Guidelines • Threats & Safeguards • Corporate Form of Practice & Networking 	CA. Kamal Garg CA. Chandrashekhar Vaze CA. Ayush Jain	2500	12 Hrs
4	5-Feb-25	Wed	10:00 am to 6:00 pm	Hyderabad Branch	Physical	Moot program on NCLT, GST - in COE Hyderabad	CA Annapurna kabra Eminent Speakers	1180	6 hrs
5	6-Feb-25	Thu	5:00 pm to 7:00 pm		Virtual	Virtual Programme on Management Principles from Indian Epics and MS Excel in various scenarios whilst dealing with our compliance work Management Principles from Indian Epics -- relevant and useful How to use MS Excel in various scenarios Whilst dealing with our compliance work	CA Roopa Venkatesh CA Bharath Gupta	Free	-
6	8-Feb-25	Sat	9:00 am to 9:00 pm	SPR Sports, Perambur, Chennai	Physical	SIRC Sports Meet -2025 Box Circket - 9.00 AM to 9.00 PM Badmitton - 9.00 AM to 4.00 PM	-	₹ 826 ₹ 590	-
7	11-02-25 to 12-02-25	Tue & Wed	10:00 am to 6:00 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	Zoho Training session for Members and Non Members	Mr. Pradeep Radhakrishnan Mr.Gopinath M	2360	12 hrs
8	12-Feb-25	Wed	4:30 pm to 7:30 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	Tax planning on capital Gain	CA S Krishnan	531	3 hrs
9	14-Feb-25	Fri	5:00 pm to 7:00 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	S Vaidyanath Aiyer Memorial lecture	Eminent Speakers	-	2 hrs
10	15-Feb-25	Sat	10:00 am to 6:00 pm	Hotel Savera, Mylapore, Chennai	Physical	One day workshop on Labour Law Venue: Hotel Savera, Mylapore, Chennai- 600 004	CA. Nattanmai Sadasivan Siva Kumar Eminent Speakers	2124	6 hrs
11	19-Feb-25	Wed	4:30 pm to 7:30 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	Tips: Preparedness to peer review and Documentation required for peer review	CA T.V.Balasubramaniam	531	3 hrs
12	22-Feb-25	Sat	10:00 am to 6:00 pm	Vestin Park Egmore Chennai	Physical	One day workshop on Arbitration <ul style="list-style-type: none"> • Overview on Arbitration laws in india • Domestic arb process • Key legal precedents and case studies • International arb process and Venue: Vestin Park, Egmore, Chennai- 8	Adv. Inbavijayan Veeraraghavan Ms. Malini Ganesh Mr. Subhang Nair	2124	6 hrs
13	25-Feb-25	Tue	4:30 pm to 7:30 pm	CPR Convention Centre, Alwarpet, Chennai	Physical	Practical Session: Trust Renewal - (NGO - A Walk Through Session - basics of NGO, Registration Process, Accounts, Audit and Annual Filing, Renewal Process, Cancellation and Consequences Venue: CPR Convention Centre, Alwarpet, Chennai-600018.	CA. SUTHESH	531	3 hrs
14	26-Feb-25	Wed	4:30 pm to 7:30 pm	ICAI Bhawan, Nungambakkam Chennai	Physical	Seminar on Benami Transaction	CA Ashwani Taneja	531	3 hrs

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>

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



ICAI AWARDS – 2024

List of winners of Award(s) to Best Regional Councils, Best Branch of Regional Council, Best Students' Associations, Best Branch of Students' Associations for the year 2024

Category	Prize	Name of Winner
Regional Council	1st Prize	WIRC and SIRC (Jointly)
	2nd Prize	EIRC and NIRC (Jointly)
Students' Association	1st Prize	WICASA
	2nd Prize	NICASA
Branches of Regional Councils (Mega Category)	1st Prize	INDORE
	2nd Prize	AHMEDABAD
Branches of Regional Councils (Large Category)	1st Prize	ERNAKULAM
	2nd Prize	LUDHIANA
Branches of Regional Councils (Medium Category)	1st Prize	BHOPAL and AMRITSAR (Jointly)
	2nd Prize	AURANGABAD (CHHATRAPATI SABHAJINAGAR)
Branches of Regional Councils (Small Category)	1st Prize	TIRUPUR
	2nd Prize	SALEM
Branches of Regional Councils (Micro Category)	1st Prize	RATLAM
	2nd Prize	SIVAKASI and ROURKELA (Jointly)
Branches of Students Associations (Mega Category)	1st Prize	BANGALORE
	2nd Prize	AHMEDABAD
Branches of Students Associations (Large Category)	1st Prize	VADODARA
	2nd Prize	THANE and INDORE (Jointly)
Branches of Students Associations (Medium Category)	1st Prize	RAIPUR and BHOPAL (Jointly)
	2nd Prize	SALEM
Branches of Students Associations (Small Category)	1st Prize	AHMEDNAGAR
	2nd Prize	JALGAON and PIMPRI CHINCHWAD (Jointly)
Branches of Students Associations (Micro Category)	1st Prize	RATLAM
	2nd Prize	SAMBALPUR

ICAI AWARDS – 2024 – SOUTHERN REGION ONLY (Including Joint)

Category	Prize	Name of Winner
Regional Council	1 st Prize	WIRC & SIRC (Jointly)
Branches of Regional Councils		
Branches of Regional Councils (Large Category)	1 st Prize	Ernakulam
Branches of Regional Councils (Small Category)	1 st Prize	Tirupur
	2 nd Prize	Salem
Branches of Regional Councils (Micro Category)	2 nd Prize	Sivakasi and Rourkela (Jointly)
Branches of Students' Associations		
Branches of Students' Associations (Mega Category)	1 st Prize	Bangalore
Branches of Students' Associations (Medium Category)	2 nd Prize	Salem



ARTICLE

Applicability of GST on Liaison Offices in India: A Deeming Fiction!

Contributed by: CA. Akash Srivatsan Raghavan, Bengaluru

Executive summary

Despite the conventional interpretation that reimbursement transactions between a liaison office in India and the head office located abroad do not fall within the ambit of taxable supplies under GST law, recent GST advance rulings have attempted to introduce an innovative interpretation of the GST provisions, contending that these transactions may indeed meet the criteria for being considered as a supply, subject to GST, thereby sparking debate and scrutiny within the realm of GST compliance and regulatory interpretation. While a couple of interpretations do seem intriguing at the outset, when one goes on to introspect at the fulcrum of oscillation point in GST law i.e., if the transaction would qualify as a 'supply', such innovative interpretations fails to stand the test.



The below article tries to discuss the reasons for the recent ambiguity in this matter and the possible GST position which taxpayers may consider, so that, they can efficiently plan and maintain records for a probable departmental scrutiny – which then can be handled effectively!

The below article tries to discuss the reasons for the recent ambiguity in this matter and the possible GST position which taxpayers may consider, so that, they can efficiently plan and maintain records for a probable departmental scrutiny – which then can be handled effectively!

Applicability of GST on Liaison Offices in India: A Deeming Fiction!

Introduction

Liaison Office (LO), also referred to as a Representative Office, is primarily limited to liaison activities, acting as a conduit for communication between the overseas Head Office (HO) and parties within India. These offices are legally prohibited from engaging in any business activities in India and are not permitted to generate any income within the country. The expenses incurred by such offices must be covered entirely through inward remittances of foreign exchange from the Head Office located outside India. The primary role of Liaison Offices is restricted to gathering information about potential market opportunities and disseminating information about the company and its products to prospective Indian clients or vendors. However, according to the Reserve Bank of India (RBI) regulations, Liaison Offices are permitted to undertake certain additional activities such as representation in India for the parent company / group companies, promoting export / import from / to India, promoting technical/financial collaborations between parent/group companies & companies in India and to act as a communication channel between the parent company and the Indian companies. It's important to note that the authorization granted to Liaison Offices is temporary and subject to extension from time to time, as per the regulations set forth by the Reserve Bank of India, under Foreign Exchange Management Act, 1999 (FEMA).



The Goods and Services Tax (GST), being a federal tax in India, incorporates several legal constructs (i.e. disregards facts), known as deeming fiction, to facilitate the levy and collection of indirect taxation, on transactions falling under the definition 'supply' – Section 7 of CGST / SGST Acts. One pivotal concept under this framework is that of the 'distinct person.' This term finds elucidation within Section 25 of the CGST Act and SGST Acts, read with UTGST Act. However, in the context of cross-border and inter-state transactions, it becomes imperative to also refer to the explanation provided under Section 8 of the Integrated Goods and Services Tax (IGST) Act to ascertain the criteria for qualifying as a distinct person. The creation of this legal fiction serves to extend tax collection to transactions that would squarely fall under the principle of Mutuality, thus expanding the scope of taxable events to include dealings within an organization that are typically considered the same – if the conditions under the deeming fiction provisions are satisfied.



When addressing the taxability of liaison offices under GST law, certain interpretations by the Authority for Advance Rulings (AAR) and the Appellate Authority for Advance Rulings (AAAR) have diverged from the typical understanding of the law. Several instances of contrasting viewpoints adopted by these authorities have been noted, indicating a departure from the general consensus on GST application. Below is the summary of some GST advance rulings on this subject matter and the direction in which the rulings have been provided:

Party seeking the ruling	Type	Year	AAR state	In favor of
HABUFA MEUBELEN B.V.	AAR	2018	Rajasthan	Taxpayer
TAKKO HOLDING GMBH	AAR	2018	Tamil Nadu	Taxpayer
WILHELM FRICKE SE	AAR	2020	Haryana	Taxpayer
FRAUNHOFER-GESELLSCHAFT...	AAAR	2021	Karnataka	Taxpayer
DUBAI CHAMBER OF COMMERCE & INDUSTRY	AAAR	2022	Maharashtra	Revenue

Some of the innovative views by the AAR / AAARs are discussed below:

View 1: ‘...Host of activities performed by the Appellant at the behest of their Dubai Head Office will come under the ambit of “Supply”...’

Liaison offices, as registered under the Reserve Bank of India laws, specifically governed by the Foreign Exchange Management Act, 1999 in conjunction with Notification No. FEMA 22/2000-RB dated 3 May 2000 and its subsequent amendments, are strictly limited to carrying out predetermined activities (as already discussed). These activities are explicitly defined and prohibit Liaison offices to independently carry trading, commercial, or industrial operation. Any deviation from these specified activities would result in the disqualification of the foreign office’s unique status, as a liaison office. In such cases, the entity would be required to undergo re-authorization as a branch office (BO) or project office (PO) or maybe even as a company (domestic or foreign), depending on the nature of the transactions it intends to carry out. The restriction on [independent] trading, commercial, or industrial activities underscores the regulatory framework’s intent to confine liaison offices to specific functions authorized under RBI regulations. As a result, a liaison office cannot be considered an independent arm of the foreign entity capable of transacting any business autonomously. To put it in simple business terms, the liaison office cannot function as a profit center i.e. conduct business operations independently of the parent entity.



From a cross-border perspective, the explanation provided in Section 8 of the Integrated Goods and Services Tax Act creates the legal fiction that establishments situated in India and those outside India (of the same ‘legal person’) shall be treated as ‘distinct persons’. Thus, a liaison office of a foreign company may be considered a distinct person, *per se*. However, it’s relevant here to understand that while the GST statutes acknowledge the distinctiveness of these establishments, they do not explicitly state that all transactions between such distinct persons would automatically qualify as supply and subject to taxation under the Acts.

Furthermore, Section 2 of the IGST Act defines the term ‘export of services’, specifying that one of the (five) conditions for transaction to qualify as an export is that the supplier and recipient are not distinct persons. However, it’s crucial to recognize that the requirement to determine if a transaction has occurred between distinct persons arises only if the transaction in hand qualifies as a ‘supply’. In instances where Section 20 of the IGST Act, in conjunction with Section 7 of the Central Goods and Services Tax (CGST) or State Goods and Services Tax (SGST) Act, is not applicable, the question of invoking Section 5 of the IGST Act, which pertains to levy under the IGST Act, 2017, would not arise.

It is also imperative to mention here that reimbursements and incidental expenses shall be taxed along with principal consideration (for the supply) only ‘in respect of the supply of goods or services or both’. Where there is no question of supply under Section 7 of CGST / SGST Acts, the question of including only the reimbursements under Section 15(2) would not arise, as Section 15 is machinery provision to facilitate computation of the ‘Value of taxable supply’, if the levy is attracted under Section 9 of CGST / SGST Act - which can be possible



if transaction squarely gets covered under definition Section 7. Even where the parties are related and transactions falling under Section 7(1)(c), read with Schedule I of CGST / SGST Acts, the requirement of an agreed upon goods and / or services transaction (atleast flowing from one party to another) is a pre-requisite for invoking Section 15(4). In case of reimbursement of expenses or repatriation on cost-to-cost basis, not only it lacks consideration (exchange from second party to first party) but transaction of (providing from any one party to another) goods or services or both as well – which is a pre-requisite under clause (2) of Schedule I. This position has been clarified on another similar aspect by Central Board of Indirect Taxes and Customs (CBIC) in its circular No. 196/08/2023 – GST dated 17 July 2023, when demand of GST was made under RCM (from the subsidiary) for overseas [parent] company holding shares in its subsidiary, by trying to innovatively interpret such transaction as a ‘service’ in GST.

CBIC FAQ dated 15 Dec 2018 and circular dated 20 Sep 2021 discusses about departmental view regarding transaction (between HO and LO) qualifying as a ‘supply’ under GST, but the same not an ‘export of services’ – however if such a transaction materializes it would tantamount to violation of the RBI guidelines (Note:



this aspect has not been discussed in the referred AAR's/ AAAR's before concluding about GST applicability) and then of course may go on the attract GST. But, where LO's have been carrying out authorized transaction, the possibility of attracting a levy under Section 5 of the IGST Act is not possible (for reasons already discussed) and the question of applicability of the FAQ / circular should not arise.

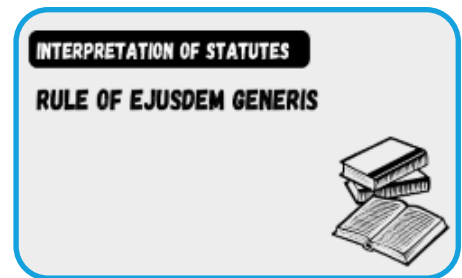
There is a vast difference between having costs reimbursed versus billing another unit of the same entity that carries out business from such an arm (independent establishment). Even with the doctrine of Mutuality now fully overturned in GST law, as seen after introduction of Section 7(1)(aa) of CGST / SGST Acts, etc., the taxability as such shall

arise only if there is underlying goods or service (or both). Thus reimbursement of any and every cost or repayment of any excess reimbursement alone shall not qualify as supply in the first place, even if LO is not a ‘pure agent’ – to attract any GST. While this position was challenged before the Karnataka AAR, which passed a ruling in Revenue's favor, in an appeal of the same before the AAAR forum – it was held that such transactions does not qualify as ‘supply’ for GST levy.

Since the claim for GST here is on the basis that expenses reimbursed shall be treated as the consideration for supply of the services from LO to HO, the question of Section 7(1)(c) does not arise and the transaction (supposedly for a consideration) would if at all be covered can happen under Section 7(1)(a) itself – which also requires ‘goods or services...’ to have flowed to recipient for a consideration. It is imperative here to mention that GST is supply of ‘goods or services or both’ on not a tax on flow of some benefits and, thus pre-requisite for any clause under Section 7 is a transaction in goods or services or both, agreed between the parties and the same is absent in a transaction between head office and its liaison office.

View 2: ‘...Thus there is definitely, a supply of services by the applicant to various businesses in India and Dubai and such supply is done by the applicant as an intermediary...’

The concept of an intermediary under the Integrated Goods and Services Tax (IGST) Act comes into play when three distinct business entities are involved. In the scenario where a liaison office (LO) is providing support to its overseas head office (HO), even by means of authorized liaison activities aimed at procuring customers, etc., it is contended that the LO does not assume the role of a third-party intermediary, such as a broker or agent, to conclude transactions on behalf of the HO. This argument hinges on the premise that the term “*means a broker, an agent or any other person,...*” within the definition of an intermediary under Section 2 of the IGST Act would not encompass distinct entities, as the principle of *ejusdem generis* would apply. *Ejusdem generis* interpretation principles states that when specific words are followed by general ones, the general ones should be interpreted to include only things of the same kind as those specifically listed. The contention further suggests that had the legislative intent been to include distinct persons within the category of intermediaries, such an intention would have been explicitly stated in the law. This contention is supported by references to other sections of the CGST Act and the IGST Act, where such explicit references are made to include even the ‘distinct’ entities. For instance, in Sections 49, 101B, 103 or Schedule I, or even Rule 28, 32, 47, and 87 of the CGST Act or Rules, respectively, as well as in Sections 2 of the IGST Act, ‘distinct person’ term usage is immediately succeeded by reference to the statutory provision which creates such a legal fiction.



Despite initial interpretations by the Authority for Advance Ruling (AAR) suggesting that a liaison office could potentially qualify as an intermediary of the head office, the Maharashtra Authority for Advance Ruling (MH-AAAR) has categorically held that a liaison office cannot be classified as an intermediary of the head office. This interpretation aims to bring sufficient clarity to the intermediary status and tax applicability thereon, for transactions involving liaison offices and head offices under the IGST Act.



Conclusion

The legal provisions governing liaison offices under the Indian Goods and Services Tax regime have remained consistent, with those already established under the erstwhile Service Tax regime i.e., Chapter V of Finance Act, 1994. This continuity implies that there have been no significant alterations in the treatment of transactions involving liaison offices during the transition to the GST law, which is *pari materia* on this aspect. If the transactions between a liaison office and its head office comply with the authorized scope of activities prescribed under FEMA laws of India, they cannot be considered as taxable supplies under Indian GST regulations. Judicial precedents too are in line with above statutory interpretation.

It's noteworthy that while Advance Ruling Authorities (ARAs), including the Authority for Advance Ruling (AAR) and the Appellate Authority for Advance Ruling (AAAR), issue rulings that are statutorily binding only on the applicant and the jurisdictional officers of the applicant, the discussions and findings provided in these rulings can offer insights into the revenue department's thought process. This can be particularly helpful for other taxpayers (in same industry or carrying out similar transactions) in understanding potential litigation risks and the approach of tax authorities, given that the members of these advance ruling authorities hold higher ranks within the GST administration of their respective states.



Despite the settled tax position [commonly called as *black and white area* in law] since the pre-GST regime on this subject, recent AAR/AAAR rulings have sparked concerns among taxpayers. There is apprehension regarding the possibility of LO's receiving demand notices from the Revenue department based on these rulings.

While there is no explicit requirement for precedents from High Courts or the Supreme Court on this matter, due to the prevailing understanding of tax position, the emergence of above stated (innovative) rulings can instill uncertainty and potential scrutiny / dispute. Taxpayers may find themselves navigating complex legal interpretations and defending against perceived liabilities, which could impact their operations and financial resources. A stern position by the law-abiding Liaison office (LO) that GST will not apply on their transactions with the Head offices (overseas HO) should continue until departmental interpretation on this aspect is settled.

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Future Batch Details February 2025

Orientation Course (ICITSS-OC) From 07.02.2025 to 24.02.2025		Advanced ITT Course (AICITSS-AdvITT) From 19.02.2025 to 10.03.2025	
BATCH NO	TIMINGS	BATCH NO	TIMINGS
ICITSSOC_CHENNAI_82	07.00 A.M. TO 01.30 P.M.	AICITSSAdvITT_CHENNAI_80	07.30 A.M. TO 01.30 P.M.
ICITSSOC_CHENNAI_83	01.45 P.M. TO 08.15 P.M.	AICITSSAdvITT_CHENNAI_81	01.45 P.M. TO 07.45 P.M.
Orientation Course (ICITSS-OC) From 19.02.2025 to 10.03.2025		Advanced ITT Course (AICITSS-AdvITT) From 24.02.2025 to 15.03.2025	
BATCH NO	TIMINGS	BATCH NO	TIMINGS
ICITSSITT_CHENNAI_79	07.30 A.M. TO 01.30 P.M.	AICITSSAdvITT_CHENNAI_82	07.30 A.M. TO 01.30 P.M.
ICITSSITT_CHENNAI_80	01.45 P.M. TO 07.45 P.M.	AICITSSAdvITT_CHENNAI_83	01.45 P.M. TO 07.45 P.M.

Registration Link: <https://www.icaionlineregistration.org>

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New Publications

Guidance on Non-Compliances Observed by Quality Review Board During Quality Reviews (Volume 3)

Observations related to Engagement and Quality Control
Standards and Internal Financial Controls



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



OBITUARY

No.	MRN	Name	Status	Place	Date of Death
1	025589	CA. UDAYKUMAR SHIV PATIL	FCA	BENGALURU	05-Oct-2024
2	236225	CA. PUNITH KUMAR K	FCA	BENGALURU	06-Oct-2024
3	032100	CA. SUDHINDRAN P	FCA	CHENNAI	10-Oct-2024
4	024642	CA. CHIDAMBARAM K	FCA	DHARAPURAM	11-Nov-2024
5	020521	CA. SUBRAHMANYA BHAT S	FCA	BENGALURU	24-Nov-2024
6	024110	CA. SRINIVASARAGHAVAN R	FCA	CHENNAI	28-Dec-2024

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





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



SIRC SPORTS MEET 2025

Fill it ! Play On & Enjoy it!!



DATE

SATURDAY 08th FEB 2025

TIME

BOX CRICKET- 9.00 AM TO 9.00 PM
BADMINTON- 9.00 AM TO 4.00 PM

LOCATION

HOTFUT SPR SPORTS

**SPR CITY, B&C MILLS, STEPHENSON ROAD, BUCKINGHAM
CARNATIC MILLS, PERAMBUR, CHENNAI - 600012.**

**Submit Your Google form
on or before 02nd Feb 2025**



<https://bit.ly/3WoCM9G>



PARTICIPATION FEE:

For Members

BOX CRICKET- ₹ 700 + 18% GST



<https://sirc-icai.org/fp.php>

<https://sirc-icai.org>

9176788804 sirccpe@icai.in

Note:

- a) Limited seats are available on a first-come, first-served basis.
- b) If the Number of women participants exceeds 20 separate women's cricket match will be conducted.
- c) Bring your own kits to participate in all the matches.
- d) Breakfast, lunch, refreshments & Dinner will be arranged at the venue.

CA. Geetha A B
Chairperson, SIRC of ICAI

CA. Subba Rao Muppala
Secretary, SIRC of ICAI





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



ANDAMAN ISLAND TOUR

5 DAYS 4 NIGHTS

**PER-PERSON
COST**

32,500

(INCLUSIVE OF 5% GST)

DATE & TIME:

14th FEB 2025 to 18th FEB 2025

PACKAGE TOUR INCLUSION

- A. ACCOMMODATION IN LUXURY/ PREMIUM / DELUXE/ SUPERIOR CATEGORY HOTELS.
- B. DAILY BREAKFAST/ LUNCH/ DINNER (DAY 1 LUNCH TO DAY 5 BREAKFAST).
- C. 1 LTR MINERAL WATER PER DAY PER PERSON.
- D. ALL ENTRY/FERRY/SHIP/PERMIT TICKETS.
- E. HAVELOCK/NEIL ISLAND TRANSFER BY PRIVATE CRUISE/SHIP MAKRUZZ / NAUTIKA /GREEN OCEAN / ITT MAJESTIC (ID CARD IS MANDATORY). PLZ NOTE.
- F. ALL TRANSFERS AND SIGHTSEEING BY PRIVATE INDIVIDUAL AC VEHICLE.
- G. ASSISTANCE AT ALL ARRIVAL & DEPARTURE POINTS.
- H. ALL TAXES.

EXCLUSION

- 1) ENTERTAINMENT BOAT RIDES.
- 2) CAMERA CHARGES.
- 3) GLASS BOTTOM RIDE/SNORKELING/SCUBA DIVING/SEA WALK IN CORAL ISLAND.
- 4) AIR FARE.
- 5) LAUNDRY & PERSONAL TIPS.

ITINERARY DETAILS

DATE	PLACE
14 FEB 25	PORT BLAIR NORTH REEF.
15 FEB 25	HAVELOCK HAVELOCK ISLAND BEACH RESORT.
16 FEB 25	NEIL ISLAND PEARL PARK BEACH RESORT.
17 FEB 25	PORT BLAIR STAR PARADISE.
18 FEB 25	AT SUITABLE TIME TRANSFER TO AIRPORT WITH A MEMORABLE TOUR.

FOR REGISTRATION & MORE DETAILS

PHONE: 9449239111 / 94484 76665



<https://bit.ly/4hbnttj>

CA. GEETHA A B
CHAIRPERSON, SIRC OF ICAI

CA. SUBBA RAO MUPPALA
SECRETARY, SIRC OF ICAI



ANNOUNCEMENT

Deferment of Phase III and IV of Peer Review Mandate

The Council has decided to extend Phase III and Phase IV of Peer Review Mandate by 6 months and 9 months respectively. Accordingly, their revised dates of implementation are as under:-

Phase	Category of Practice Units covered for Mandatory Peer Review	Date from which Peer Review is Mandatory
III	<p>Practice Units which propose to undertake the Statutory Audit of entities which have raised funds from public or banks or financial institutions of over Fifty Crores rupees during the period under review or of any body corporate including trusts which are covered under public interest entities: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.</p> <p>OR</p> <p>Practice Units rendering attestation services and having 4 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.</p>	01.07.2025
IV	<p>Practice Units which propose to undertake audits of branches of Public Sector banks: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.</p> <p>OR</p> <p>Practice Units rendering attestation services and having 3 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.</p>	01.01.2026

Exposure Draft of Guidance Note on Audit of Banks (2025 Edition)

The Auditing and Assurance Standards Board (AASB) of ICAI under the authority of the Council of ICAI brings out the revised edition of "Guidance Note on Audit of Banks" every year to provide detailed guidance to auditors on statutory audit of banks and bank branches. AASB is in the process of bringing out the Guidance Note on Audit of Banks (2025 Edition).

In this regard, AASB has issued the Exposure Draft of the Guidance Note on Audit of Banks (2025 Edition) for public comments. The Exposure Draft is available at the link: <https://resource.cdn.icai.org/84176aasb67871.pdf>

Invitation to comment

AASB invites comments from various stakeholders on the Exposure Draft.

How to submit Comments

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

1. Email: [aasb\[at\]icai\[dot\]in](mailto:aasb@icai.in)
2. Postal: Secretary, Auditing and Assurance Standards Board
The Institute of Chartered Accountants of India
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi- 110002

Last date for submitting comments on the Exposure Draft is 05th February 2025.



Important Announcement

No. 13-CA (EXAM)/MAY/2025: In pursuance of Regulation 22 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to announce that the next Chartered Accountants Foundation, Intermediate and Final Examinations will be held on the dates and places which are given below provided that sufficient number of candidates offer themselves to appear from each of the below mentioned places.

Similarly, Examination in Post Qualification Course under Regulation 204, viz.: International Taxation – Assessment Test (INTT – AT) (which is open to the members of the Institute) will be held on the dates and places (centres in India only) which are given below provided that sufficient number of candidates offer themselves to appear from each of the below mentioned places.

FOUNDATION COURSE EXAMINATION

[As per syllabus contained in the scheme notified by the Council under Regulation 25 F of the Chartered Accountants Regulations, 1988.]

- 15th, 17th, 19th & 21st May 2025

INTERMEDIATE COURSE EXAMINATION

[As per syllabus contained in the scheme notified by the Council under Regulation 28 F of the Chartered Accountants Regulations, 1988.]

Group-I:	3rd, 5th & 7th May 2025
Group-II:	9th, 11th & 14th May 2025

FINAL EXAMINATION

[As per syllabus contained in the scheme notified by the Council under Regulation 31 of the Chartered Accountants Regulations, 1988.]

Group-I:	2nd, 4th & 6th May 2025
Group-II:	8th, 10th & 13th May 2025

MEMBERS' EXAMINATION

INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

- 10th & 13th May 2025

No examination is scheduled on 16th September 2024 (Monday) on account of Milad – un – Nabi, being a compulsory (gazetted) Central Government holiday as per F. No. 12/2/2023-JCA dated 3.7.2023 issued by Ministry of Personnel, Public Grievance and Pensions, Government of India.

It may be emphasized that there would be no change in the examination schedule in the event of any day of the examination schedule being declared a Public Holiday by the Central Government or any State Government / Local Bodies.

Paper(s) 3 & 4 of Foundation Examination are of 2 hours duration. Similarly, Paper – 6 of Final Examination and all papers of International Taxation – Assessment Test are of 4 hours duration. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Foundation	Paper 1 & 2	2 PM to 5 PM	3 Hours
	Paper 3 & 4*	2 PM to 4 PM	2 Hours
Intermediate	All Papers	2 PM to 5 PM	3 Hours
Final	Paper 1 to 5	2 PM to 5 PM	3 Hours
	Paper 6	2 PM to 6 PM	4 Hours
Post Qualification Course Examination i.e., International Taxation (INTT – AT)	ALL	2 PM to 6 PM	4 Hours

*In Paper 3 and 4 of Foundation Examination and all papers of Post Qualification Course Examination there will not be any advance reading time, whereas in all other papers / exams mentioned above, an advance reading time of 15 minutes will be given from 1.45 PM (IST) to 2 PM (IST).

Further, in case of composite papers having both MCQs based & Descriptive Question Papers, seal of MCQs based Question Paper shall be opened at 2 PM (IST), in other words there will be no advance reading time for MCQs based Question Papers.



3. PLACES OF EXAMINATION CENTRES:

The Chartered Accountants Examinations, May/June 2024 will be held in the following Indian cities:

Name of the State	(No. of Cities)	Name of the Examination City
Andaman and Nicobar Islands	1	Port Blair
Andhra Pradesh	14	Anantapur, Eluru, Guntur, Kadapa, Kakinada, Kurnool, Nellore, Ongole, Rajamahendravaram, Srikakulam, Tirupati, Vijayawada, Visakhapatnam and Vizianagaram
Assam	5	Dibrugarh, Guwahati, Jorhat, Silchar and Tinsukia
Bihar	12	Begusarai, Bhagalpur, Darbhanga, Gaya, Madhubani, Motihari, Muzaffarpur, Patna, Purnea, Samastipur, Sitamarhi and Siwan
Chattisgarh	6	Bilaspur, Durg, Korba, Raigarh, Raipur and Rajnandgaon
Chandigarh	1	Chandigarh
Delhi/New Delhi	1	Delhi/New Delhi
Goa	2	Mapusa and Margao
Gujarat	22	Ahmedabad, Anand, Bharuch, Bhavnagar, Bhuj, Gandhidham, Gandhinagar, Himatnagar, Jamnagar, Junagadh, Mehsana, Morbi, Nadiad, Navsari, Palanpur, Patan, Porbandar, Rajkot, Surat, Surendranagar, Vadodara and Vapi
Haryana	18	Ambala, Bahadurgarh, Bhiwani, Faridabad, Fatehabad, Gurgaon (Gurugram), Hisar, Jind, Kaithal, Karnal, Kurukshetra, Narnaul, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamuna Nagar
Himachal Pradesh	1	Shimla
Jammu & Kashmir	2	Jammu and Srinagar
Jharkhand	7	Bokaro Steel City, Deoghar, Dhanbad, Hazaribagh, Jamshedpur, Ramgarh and Ranchi
Karnataka	23	Bagalkot, Belgaum, Bellary, Bengaluru, Chikkaballapur, Chitradurga, Davangere, Gadag, Hassan, Haveri, Hubli, Kalaburgi (Gulbarga), Kolar, Koppal, Mandya, Mangalore, Mysore, Raichur, Shimoga, Sirsi, Tumakuru, Udupi and Vijayapura
Kerala	14	Adoor, Alappuzha, Ernakulam, Idukki, Kalpetta, Kannur, Kasaragod, Kollam (Quilon), Kottayam, Kozhikode, Malappuram, Palakkad, Thiruvananthapuram and Thrissur
Madhya Pradesh	16	Bhopal, Burhanpur, Chhatarpur, Chhindwara Gwalior, Indore, Jabalpur, Katni, Khandwa, Mandsaur, Neemuch, Ratlam, Rewa, Sagar, Satna and Ujjain
Maharashtra	36	Ahmednagar, Akola, Amravati, Aurangabad, Badlapur, Beed, Bhiwandi, Khamgaon (Buldhana), Chandrapur, Dhule, Gondia, Ichalkaranji, Jalgaon, Jalna, Kolhapur, Latur, Mumbai, Nagpur, Nanded, Nandurbar, Nashik, Navi Mumbai, Palghar, Panvel, Parbhani, Pimpri-Chinchwad, Pune, Ratnagiri, Sangli, Satara, Sindhudurg, Solapur, Thane, Vasai, Wardha and Yavatmal
Meghalaya	1	Shillong
Mizoram	1	Mizoram/Aizawal
Odisha	9	Balangir, Balasore, Berhampur (Brahmapur), Bhubaneswar, Cuttack, Jharsuguda, Rayagada, Rourkela and Sambalpur
Puducherry	1	Puducherry



Name of the State (No. of Cities)	Name of the Examination City
Punjab	8 Amritsar, Bathinda, Jalandhar, Ludhiana, MandiGobindgarh, Pathankot, Patiala and Sangrur
Rajasthan	23 Ajmer, Alwar, Balotra, Banswara, Beawar, Bharatpur, Bhilwara, Bikaner, Bundi Chittorgarh, Churu, Jaipur, Jhunjhunu, Jodhpur, Kishangarh, Kota, Nagaur, Pali-Marwar, Rajsamand, Sikar, Sirohi, Sri Ganganagar and Udaipur
Sikkim	1 Gangtok
TamilNadu	27 Chennai, Coimbatore, Cuddalore, Dharmapuri, Dindigul, Erode, Hosur, Kancheepuram, Karaikudi, Karur, Kumbakonam, Madurai, Nagapattinam, Nagercoil, Namakkal, Pudukkottai, Salem, Sivakasi, Theni, Tiruchirapalli, Tirunelveli, Tirupur, Tiruvallur, Tiruvannamalai, Tuticorin, Vellore and Villupuram
Telangana	8 Adilabad,Hyderabad,Karimnagar,Khammam,Mahabubnagar,Nalgonda, Nizamabad and Warangal
Tripura	1 Agartala
UttarPradesh	18 Agra, Aligarh, Allahabad (Prayagraj), Bareilly, Bulandshahr, Firozabad, Ghaziabad, Gorakhpur, Jhansi, Kanpur, Lucknow, Mathura, Meerut, Moradabad, Muzaffarnagar, Noida, Saharanpur and Varanasi
Uttarakhand	4 Dehradun, Haldwani, Haridwar and Kashipur
WestBengal	7 Asansol, Durgapur, Hooghly, Kharagpur, Kolkata ,Raniganj and Siliguri

PLACES OF EXAMINATION CENTRES OVERSEAS:

[FOR FOUNDATION, INTERMEDIATE AND FINAL EXAMINATIONS ONLY]

The May 2025 Examinations will also be held at 9 (Nine) overseas examination cities, namely:

Overseas	AbuDhabi, Bahrain, Thimpu (Bhutan), Doha, Dubai, Kathmandu (Nepal), Kuwait and Muscat
----------	---

The Examination commencement timing at Abu Dhabi, Dubai and Muscat Centres will be 12.30 PM i.e., Abu Dhabi, Dubai and Muscat local time corresponding / equivalent to 2 PM. (IST). The Examination commencement timing at Bahrain, Doha, Kuwait and Riyadh Centres will be 11.30 AM i.e., Bahrain / Doha / Kuwait / Riyadh local time corresponding / equivalent to 2 PM (IST). The Examination commencement Timing at Kathmandu (Nepal) Centre will be 2.15 PM Nepal local time corresponding / equivalent to 2 PM (IST). The Examination commencement timing at Thimpu (Bhutan) Centre will be 2.30 PM Bhutan local time corresponding / equivalent to 2 PM (IST).

The ICAI reserves the right to withdraw any city / centre at any stage without assigning any reason.

ONLINE FILLING UP OF EXAMINATION FORMS:

As a part of automation and **platform** consolidation, ICAI is pleased to announce that all candidates in respect of Foundation, Intermediate & Final Examinations will be required to apply online at <https://eservices.icaai.org> (Self Service Portal - SSP) for May / June 2024 Exam and also pay the requisite examination fee online. These forms are based on your eligibility of your course based on announcements and regulations. These forms will be available on SSP, and you are requested to login with your credentials (Username <SRN@icaai.org> and password). These Exam forms will be available in SSP effective designated dates as announced on www.icaai.org.

Kindly Note: If you have never registered as a user in SSP, kindly open the following URL: <https://eservices.icaai.org/EForms/configuredHtml/1666/57499/Registration.html?action=existing> Please use forgot password option in case you have forgotten or lost your password. Students are also requested to Create Username, Register Course, Convert Course, Revalidate, Update Photo, Signature and Address on SSP only.

Members desirous to apply for Post Qualification Course Examination i.e., International Taxation – Assessment Test (INTT – AT) Examination (which is open to the members of the Institute) are required to apply on-line at pqc.icaiaexam.icaai.org and also pay the applicable examination fee online only.

Examination fee can be remitted on-line by using VISA or MASTER or MAESTRO Credit / Debit Card / Rupay Card / Net Banking / Bhim UPI.



OPENING AND CLOSING OF ONLINE WINDOW FOR SUBMISSION OF EXAMINATION APPLICATION FORMS.

The following dates(s) may be noted:

Details	Details
Commencement of submission of online examination application forms	1st March 2025 [Saturday]
Last date for submission of online examination application forms (without late fees)	14th March 2025 [Friday]
Last date for submission of online examination application forms (with late fees of ` 600/- or US\$ 10)	17th March 2025 [Monday]

Further, for students seeking change of examination city / medium for the Chartered Accountants Examination – May 2025, the correction window for the examination forms already filled will be available during 18th March 2025 [Tuesday] to 20th March 2025 [Thursday].

EXAMINATION FEE

The examination fee(s) for various courses are as under:

Intermediate Course Examination	
For Indian Centre(s)	
Single Group/Unit (All except 2)	₹ 1,500/-
Both Groups/Unit 2	₹ 2,700/-
For Overseas Centre(s) – Excluding Kathmandu & Bhutan Centre	
Single Group/Unit (All except 2)	US\$ 325/-
Both Groups/Unit 2	US\$ 500/-
For Bhutan & Kathmandu Centre(s)	
Single Group/Unit (All except 2)	INR ₹ 2,200/-
Both Groups/Unit 2	INR ₹ 3,400.-
Foundation Course Examination	
For Indian Centre(s)	₹ 1,500/-
For Overseas Centre(s) – Excluding Bhutan & Kathmandu Centre(s)	US\$ 325/-
For Bhutan & Kathmandu Centre(s)	INR ₹ 2,200/-

The late fee for submission of examination application form after the scheduled last date would be `600/- (for Indian / Bhutan / Kathmandu Centres) and US \$ 10 (for Abroad Centres) as decided by the Council.

OPTION TO ANSWER PAPERS IN HINDI:

Candidates of Foundation, Intermediate and Final Examinations will be allowed to opt for English / Hindi medium for answering papers. Detailed information will be found in guidance notes hosted at <https://eservices.icai.org>. However, the medium of Examinations will be only English in respect of Post Qualification Course viz.: International Taxation – Assessment Test (INTT – AT) Examination.

The Candidates are advised to note the above and stay in touch with the website of the Institute, www.icai.org.

CA. ANAND KUMAR CHATURVEDI

JOINT SECRETARY (EXAMINATIONS)



ANNOUNCEMENT

Campus for Newly Qualified Chartered Accountants (NQCA) February – March 2025

Maintaining strong and spontaneous relationship with the industry and other business houses remains the main focus of the Committee for members in Industry & Business (CMI&B) of the Institute of Chartered Accountants of India (ICAI). An initiative to that effect remains the Campus Placement Programme (held twice a year) that provides a platform to both the NQCA and the organizations looking for to hire the best available talents to full their human resource requirement. ICAI simply acts as a facilitator to bring the recruiter and NQCA together.

Invitation to Organisations- Any corporation, irrespective of its size, standing in the market and boundary of its business, can take part in this placement programme being held at 29 centers across the country during February–March, 2025.

Interview Schedule

No.	Centre	Physical Interview Dates
1	Mumbai	4 th , 5 th , 6 th , 7 th , 8 th , 10 th & 11 th February 2025
2	Delhi	5 th , 6 th , 7 th , 8 th , 10 th , 11 th & 12 th February 2025
3	Bengaluru	6 th , 7 th , 8 th , 10 th , 11 th , 12 th & 13 th February 2025
4	Chennai	7 th , 8 th , 10 th , 11 th & 12 th , 13 th , & 14 th February 2025
5	Kolkata	8 th , 10 th , 11 th , 12 th , 13 th , 14 th , & 15 th February 2025
6	Jaipur & Pune	4 th , 5 th , 6 th , 7 th , 8 th , 10 th & 11 th February 2025
7	Ahmedabad, Hyderabad	5 th , 6 th , 7 th , 8 th , 10 th , 11 th & 12 th February 2025
8	Durgapur, Nagpur, Rajkot, Lucknow, Raipur, Bhopal, Ernakulam, Visakhapatnam, Patna, Vadodara, Ranchi, Ratlam & Guwahati	11 th & 12 th March, 2025
9	Noida & Thane	17 th , 18 th & 19 th March, 2025
10	Bhubaneswar, Chandigarh, Coimbatore, Kanpur & Indore	18 th , 19 th & 20 th March, 2025

Invitation to Candidates: The above Campus is meant for the candidates, who have passed the **CA Final examination held in November, 2024** and also for others who have qualified earlier and are fulfilling the criteria mentioned in the announcement available on <https://cmibplacements.icai.org/>.

Organizations intending to recruit NQCA through campus scheme are requested to get in touch with the **CMI&B Secretariat, ICAI Bhawan, Indraprastha Marg, New Delhi -110002, and Email: campus@icai.in, Tel No. (011) 30110450, Mob : 81300 95643 and to register log on to <https://cmibplacements.icai.org/>. Candidates may email at cajob@icai.in, Tel No. (011)30110491/550 and to register log on to <https://cmibplacements.icai.org/>.**

Chairman & Vice Chairman

Committee for Members in Industry & Business, The Institute of Chartered Accountants of India

Draft Bank Branch Auditors' Panel (MEF) for the year 2024-25

We are pleased to inform that the Draft Bank Branch Auditors' Panel (MEF) of Chartered Accountants/firms for the year 2024-25 prepared as per the RBI Norms dated 6th March, 2023 has been hosted at www.meficai.org

The following details can be viewed by the applicants by giving MEF No./FRN or MRN (in case of individual):

MEF No.
Name of the Applicant
Category
Reason for ineligibility, if any

FRN No.
Unique Code Number
District

The applicants would also be able to view the reasoning for change in their category, wherever applicable, in the Draft Panel itself. However, in case of any observations/ complaints the applicants may raise the query with details at <https://app.meficai.org/complaints> call on the following numbers:

Ms. Priya Duggal/Ms. Garima Khurana - 92055 59866
Mr. Manish Bhardwaj - 92055 59865

The Draft Panel will be available up to **Wednesday, 5th February, 2025**. After suitable addressal of the queries, the final panel will be sent to RBI for their consideration.

With kind regards,
Professional Development Committee





CA FINAL

PRACTICE TEST SERIES FOR May 2025 Exams

TO SUCCEED NEVER GIVE UP...

START DATE
01.02.2025

END DATE
23.03.2025



MODE	PHYSICAL	VIRTUAL
Group - 1	2800 /-	1400 /-
Group - 2	2800 /-	1400 /-
Both Group	5100 /-	2800 /-
Subject Wise	1000 /-	600 /-

FEATURES

- Each Subject For 50 Marks Test (Block Test) - 3 and 100 Marks Model Test - 1
- Evaluation Period 15 Days (For Physical Students only and not for Virtual Students)
- Feedback & Doubts Clearing Session

For Intermediate : +91 8220522669 For Final : +91 7358506400
E-mail : sirc.intermediate@icai.in E-mail : sirc.final@icai.in

For Registration Link : https://sirc-icai.org/vlew_cevent_batches.php
To know about the Test Schedule go through the Link : <https://shorturl.at/bHkOJ>

SCAN QR CODE
FOR REGISTER



SCAN QR CODE
FOR SCHEDULE



CA FINAL ONLINE

RAPID REVISION COURSE COMMENCES ON

21st FEBRUARY 2025

For May **2025** Exams

FEE STRUCTURE

Group 1 - Rs .4500 / -
Group 2 - Rs .4500 / -
Both Groups - Rs .7500 / -
Subject Wise - Rs .1750 / -



+91-7358506400 , 8220522669 , 9677126011
044-3021 0370



Approx
160
Hours

PAPER

Paper - 1
Paper - 2
Paper - 3
Paper - 4
Paper - 5
Paper - 6

SUBJECT

FINANCIAL REPORTING
ADVANCED FINANCIAL MANAGEMENT
ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS
DIRECT TAX LAWS & INTERNATIONAL TAXATION
INDIRECT TAX LAWS
INTERGRAATED BUSINESS SOLUTIONS

For Registration : <https://www.sirc-icai.org/vlew-batches.php>



SCAN QR CODE FOR
REGISTER



RECORDED SESSION AVAILABLE





Are you writing your CA FOUNDATION

Hybrid Mode

JUNE 2025 Examinations ?

SCAN QR CODE
FOR REGISTER



SCAN QR CODE
FOR FACULTY LIST



Timing : 6.30 AM to 12.30 PM

REGULAR BATCH Classes - 3 Months +

TEST SERIES : 8 TESTS		MOCK TESTS
PAPER	SUBJECT	HOURS
Paper - 1	Accounting	120 Hrs
Paper - 2	Business laws	120 Hrs
Paper - 3	Quantitative Aptitude	120 Hrs
Paper - 4	Business Economics	120 Hrs

COURSE DATE
06.02.2025

FEEs
PHYSICAL : ₹ 15,000 /-
VIRTUAL : ₹ 11,000 /-

+91-9677126011 , 7358506400 , 8220522669 , 044-30210323 / 300 / 379 / 359

NO FEE : For Govt. & Govt Aided School Students of Southerns Region States.
(Tamil Nadu, Kerala, Karnataka, Andhra, Telangana and Union Territory of Pondicherry)
(10th/11th/12th Mark Sheet - Attach of Govt. Aided school)

Recorded sessions will be available for fixed period in ICAI DLH website till completion of January 2025 examinations



CA INTERMEDIATE *Classes*

Regular Batch for Sep 2025 Examination

SCAN THE QR CODE



HYBRID MODE
PHYSICAL CUM VIRTUAL

FEES	PHYSICAL	VIRTUAL
GROUP-1	Rs.13,000/-	Rs.12,000/-
GROUP-2	Rs.13,000/-	Rs.12,000/-
BOTH GROUPS	Rs.24,000/-	Rs.21,000/-
SUBJECT WISE	Rs.4,500/-	Rs.4,000/-



PAPER	SUBJECT
PAPER -1	ADVANCED ACCOUNTING
PAPER -2	CORPORATE AND OTHER LAWS
PAPER -3	TAXATION
PAPER -4	COST AND MANAGEMENT ACCOUNTING
PAPER -5	AUDITING AND ETHICS
PAPER -6	FINANCIAL MANAGEMENT AND STRATEGIC MANAGEMENT

Registration link - <https://sirc-icai.org/view-batches.php>

Approx
850
Hours

COURSE DATE
24-02-2025

TIMINGS :
Group-1 : 06.30 AM to 09.30 AM
Group-2 : 05.30 PM to 08.30 PM

RECORDED
CLASSES
AVAILABLE

8220522669 , 7358506400 , 9677126011 , 044- 30210379

VENUE : ICAI Bhawan, Nungambakkam, Chennai.
E-mail : sirc.intermediate@icai.in





ARE YOU WRITING YOUR CA INTERMEDIATE MAY 2025 EXAMINATIONS ?

QR Code
for Registration



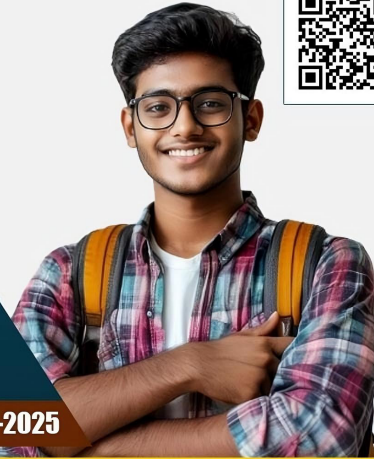
CA INTERMEDIATE RAPID REVISION CLASSES

HYBRID MODE

TIMING

10.00 AM to 01.00PM
02.00 PM to 05.00PM

RECORDED
SESSIONS
AVAILABLE



FEES

	PHYSICAL	VIRTUAL
GROUP 1	- 4,000 /-	3500 /-
GROUP 2	- 4,000 /-	3500 /-
Both Groups	- 6,500 /-	6000 /-
Subject wise	- 1,750 /-	1500 /-

COURSE DATE 10-03-2025

+91-8220522669,7358506400,9677126011
044-30210379

E-mail : sirc.intermediate@icai.in

VENUE : ICAI Bhavan ,Nungambakkam,
Chennai - 600034

PAPER	SUBJECT	HOURS
Paper - 1	Advanced Accounting	36
Paper - 2	Corporate and other laws	24
Paper - 3	Taxation	24
Paper - 4	Cost and management accounting	24
Paper - 5	Auditing and Ethics	24
Paper - 6	Financial Management and Strategic Management	24

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



CA INTERMEDIATE PRACTICE TEST SERIES FOR May 2025 Exams

To Succeed Never Give up...

START DATE
01.02.2025

END DATE
23.03.2025

MODE	PHYSICAL	VIRTUAL
Group - 1	2800 /-	1400 /-
Group - 2	2800 /-	1400 /-
Both Group	5100 /-	2800 /-
Subject Wise	1000 /-	600 /-



FEATURES

- Each Subject For 50 Marks Test (Block Test)-3 and 100 Marks Model Test - 1
- Evaluation Period 15 Days (For Physical Students only and not for Virtual Students)
- Feedback & Doubts Clearing Session
- Answer Key shared as copy for both Physical cum Virtual Students

For Intermediate : +91 8220522669 For Final : +91 7358506400
E-mail : sirc.intermediate@icai.in E-mail : sirc.final@icai.in

For Registration Link : https://sirc-icai.org/view_cevent_batches.php
To know about the Test Schedule go through the Link : <https://shorturl.at/bHKOJ>

SCAN QR CODE
FOR REGISTER



SCAN QR CODE
FOR SCHEDULE



Extension of last date of CPE hours compliance for the Calendar year 2024 - From 31st December, 2024 to 28th February, 2025

Dear Member,

As you are already aware that "**Statement on Continuing Professional Education, 2023**" (available at link <https://www.icaai.org/post/issuance-of-cpe-statement-2023>) has been made effective from Calendar year 2024 onwards, which introduced consequential provisions for non-compliance with CPE hours' requirements applicable to various categories of members on yearly basis. These consequential provisions are applicable w.e.f. 1st January, 2025 for non-compliance arising from the Calendar Year 2024 with regard to CPE hours requirements.

As consequential provisions arising due to non-compliance with CPE requirements are coming into effect for the first time from Calendar year 2024, it has been decided to extend **the last date for complying with the CPE hours requirements for the Calendar year 2024 from 31st December, 2024 to 28th February, 2025**, for the benefit of Members at large and to avoid any hardship due to non-compliance.

On similar grounds, the last date of compliance and filing **Unstructured Learning Activities (ULA)** is also extended **till 28th February, 2025**, for the Calendar year 2024.

Further, it may please be noted that the duration of consequential provisions at **Level I (from January 1st to June 30th)** would be changed to **March 1st to June 30th** for Calendar year 2024 and the subsequent levels (II, III and IV) under the consequential provisions for non-compliance with CPE hours will remain unchanged.

For ready reference, consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards are available at <https://resource.cdn.icaai.org/79152cpe63323.pdf> It may be noted that due to the extension of last date for compliance of CPE hours' requirements for the Calendar year 2024 till 28th February, 2025, the CPE hours earned up to 28th February, 2025 will be counted for the calendar year 2024 - for only those Members who have shortfall of CPE credits for the Calendar year 2024. Further it is to be clarified that CPE Hours completed in extended period (01.01.2025 till 28.02.2025) will be credited/counted for Calendar year 2025 for those Members who have already complied with CPE Hours requirements as required for Calendar year 2024 till 31st December, 2024.

The above may be noted by the Members for timely compliance of CPE Hours requirements for Calendar year 2024 and **latest by 28th February, 2025**.

Continuing Professional Education Committee

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

'ICAI BHAWAN', A-29, Sector 62, Noida 201309

Website: <http://www.icaai.org>

E-mail : cpeadmin@icaai.in

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





The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Ethical Standards Board



GLOBAL ETHICS DAY 2024

16 October 2024
(Wednesday)

#ETHICS EMPOWERED



CA CONNECT

One portal for CA services. By ICAI.

(caconnect.icai.org)



- An innovative platform which will help professionals to foster growth, showcasing capabilities to prospective clients and enhance their digital presence. It is an initiative for providing visibility to CA Firms.
- Platform will also help Service seekers to search Chartered Accountants for desired Assignments.
- The portal provides the essential bridge between Service seekers and Chartered Accountants and help them to connect.

New Features of CA Connect Portal



- Google Location
- Members/firms sorting
- Mobile OTP

FIRMS & MEMBERS- REGISTER NOW
AT
CA Connect Portal
(<https://caconnect.icai.org/>)



For any queries, please write to caconnect@icai.in





The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Fostering Digital Transformation in Accounting & Assurance



Unlocking the Future - Empowering Digital Transformation

In an era defined by digital transformation, the Institute of Chartered Accountants of India (ICAI) spearheads a series of groundbreaking digital initiatives that are reshaping the landscape of Accounting and Assurance practices. These initiatives reflect ICAI's commitment to equipping Chartered Accountants with the latest tools, knowledge and skills required to navigate the dynamic challenges and capitalize on the vast opportunities presented by the digital revolution

ICAI's PATHBREAKING DIGITAL INITIATIVES:

- ▶ Launched Unique Document Identification Number (UDIN), an 18-digit unique number for authentication of CA certified documents
- ▶ Research on Emerging Technologies - Artificial Intelligence (AI), Cloud Computing and Robotics
- ▶ Executive Development Program on "Blockchain Technology Driver of Digital Era"
- ▶ Mentoring of Technology Driven Startups by Chartered Accountants
- ▶ Digital Competency Maturity Model to upgrade CA Firms on digital landscape
- ▶ Launched World's first detailed Forensic Accounting and Investigation Standards - mandatory from 01.07.2023
- ▶ New Digital Identity for Members and Students @mail.CA.IN mailboxes.
- ▶ ICAI Digital Learning Hub - (<https://learning.icai.org/iDH/icai/>) - Single Source of Knowledge Repository. 1,97,970 Users enrolled
- ▶ Next Gen Curriculum - Infusing Digital Skills
- ▶ Self Service Portal for its members and students for hassle-free services
- ▶ Introduced Artificial Intelligence (AI), Data Science and Block Chain in its new CA curriculum
- ▶ Advanced IT Training Labs
- ▶ Practice Management Software & Digital Audit Tools
- ▶ Digital evaluation of Answer Books
- ▶ Diploma in Informative System Audit
- ▶ Certificate Course on Forensic Accounting & Fraud Detection
- ▶ Partnering Government in MCAV3





**CHARTERED ACCOUNTANTS'
BENEVOLENT FUND [CABF]**
The Institute of Chartered
Accountants of India
(Set up by an Act of Parliament)

JOIN HANDS TO STRENGTHEN CABF : SPECIAL DRIVE

The Chartered Accountants' Benevolent Fund (CABF) was established in December, 1962 with the main objective to provide financial assistance for maintenance, and other similar purposes to needy members of the Institute, their wives, widows, children and dependent parent(s).

A dedicated CABF Portal (cabf.icai.org) is functioning as One Stop solution for making CABF Contribution and grant of Financial Assistance.

During Covid pandemic, hundreds of ICAI members had lost their battle and many others were struggling hard to pass through that difficult time. The impact was deep and had certainly shattered their dreams. The Institute through the CABF had tried to help the members or their dependents in distress.

With an objective to augment funds to provide requisite support to members, it has been decided to launch special drive and to recognise the contributors. Details of the same are given below.

The Financial Assistance disbursed along with number of beneficiaries during the last five financial years has been produced below:-

S No.	Particulars (Years)	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
1.	Number of beneficiaries	111	88	280	877	221
2.	Financial assistance disbursed (in ₹)	1.12 Crore	0.94 Crore	3.97 Crore	11.92 Crore	3.67 Crore

The Contribution is eligible for tax exemption under Section 80G of the Income Tax Act

Link for Contribution as Life Member:
<https://cabf.icai.org/lifeMember>

Link for Voluntary Contribution:
<https://cabf.icai.org/voluntaryMember>

Contribution can also be made by scanning the QR code or directly through NEFT/RTGS

Name of A/C : Chartered Accountants Benevolent Fund

Name of Bank & Branch : Axis Bank Ltd., Swasthya Vihar Branch

A/C No. : 913010046844303
IFS code : UTIB0000055



SPECIAL DRIVE FOR CONTRIBUTION TO THE CHARTERED ACCOUNTANTS BENEVOLENT FUND (CABF)

The contributions/donations are accepted from the following:



Members of ICAI



CA Firms

The donors will be recognized as under: (All contributors exceeding ₹10,000 to receive congratulatory letter from the President, ICAI)

Category of Contribution	Amount Not Less Than	Acknowledgement/Recognition
CABF-Bronze	₹ 1 Lakh	Special Bronze Shield – Along with Congratulatory Letter from the President to be sent by Post/Courier
CABF-Silver	₹ 5 Lakh	Special Silver plated Shield – Along with Congratulatory Letter from the President to be handed over by Regional Chairman in Regional Council Meeting (Acknowledgement to be published in Regional Newsletter and quarterly list to be published in ICAI Journal)
CABF-Gold	₹11 Lakh	Special Gold plated Shield – Along with Congratulatory Letter from the President to be handed over at ICAI Head Office. (Acknowledgement to be published in ICAI Journal)
CABF-Platinum	₹51 Lakh	Special Platinum plated Shield – Along with Congratulatory Letter from the President to be handed over by President & Vice President at ICAI Council Meeting. (Acknowledgement to be published in ICAI Journal with photograph taken during Council Meeting)

LET'S BE A PART OF THIS NOBLE MISSION FOR EXTENDING HELPING HAND TO MORE AND MORE PROFESSIONAL COLLEAGUES DURING UNFORTUNATE CIRCUMSTANCES



ICAI Call Sahayata

☎ 99975 99975

One Stop Support for Students, Members &
Other Stakeholders

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CORPORATE LAW

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

The following is the important update in Companies Act, 2013, SEBI LODR from 25th December 2024 to 24th January 2025.

I. Companies (Accounts) Second Amendment Rules, 2024

G.S.R. 794 (E) :- In exercise of the powers conferred by sub-sections (1) and (3) of section 128, sub-section (3) of section 129, section 133, section 134, sub-section (4) of section 135, sub-section (1) of section 136, section 137 and section 138 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Accounts) Rules, 2014, namely:

1. These rules may be called the Companies (Accounts) Second Amendment Rules, 2024.
2. They shall come into force on the date of their publication in the Official Gazette. (i.e. from 31.12.2024)

The change is

In the Companies (Accounts) Rules, 2014,

In rule 12, in sub-rule (1B), in the fourth proviso,

for the words, figures and letters "on or before 31st December,2024", the words, figures and letters "**on or before 31st March 2025**" shall be substituted.

Provided also that for the **financial year 2023-2024, Form CSR-2 shall be filed separately on or before 31st March 2025** after filing Form No. AOC-4 or Form No. AOC-4-NBFC (Ind AS), as specified in these rules or Form No. AOC-4 XBRL as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 as the case may be.]

II. PRIOR APPROVAL FOR CHANGE IN CONTROL

SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2024/164 circular dated 27th December 2024:-

In line with clarification provided for certain intermediaries vide circular no. SEBI/HO/MIRSD/DOR/CIR/P/2021/42, the following is clarified with respect to transfer of shareholding among immediate relatives and transmission of shareholding in respect of investment advisers (IAs), research analysts (RAs) and KYC (Know Your Client) registration agencies (KRAs):-

1. Transfer / transmission of shareholding in case of unlisted body corporate intermediary:

In following scenarios, change in shareholding of the intermediary will not be construed as change in control:

1. Transfer of shareholding among immediate relatives shall not result into change in control. Immediate relative shall be construed as defined under Regulation 2(1)(i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which inter-alia includes any spouse of that person, or any parent, brother, sister or child of the person or of the spouse;
2. Transfer of shareholding by way of transmission to immediate relative or not, shall not result into change in control.

2. Transfer / transmission of shareholding in case of a proprietary firm type of intermediary:

In case of an intermediary being a proprietary concern, the transfer or bequeathing of the business/capital by way of transmission to another person is a change in the legal formation or ownership and hence by the definition of change in control, such transmission or transfer shall be considered as change in control. The legal heir / transferee in such cases is required to obtain prior approval and thereafter fresh registration shall be obtained in the name of legal heir/transferee.

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3. Transfer / transmission of ownership interest in case of partnership firm type intermediary:

Change in partners and their ownership interest of the partnership firm type intermediary shall be dealt in following manner:

- a) **Transfer of ownership interest in case of partnership firm:** In case a SEBI registered entity is registered as a partnership firm with more than two partners, then inter-se transfer amongst the partners shall not be construed to be change in control. Where the partnership firm consists of two partners only, the same would stand as dissolved upon the death of one of the partners. However, if a new partner is inducted in the firm, then the same would be considered as a change in control, requiring fresh registration and prior approval of SEBI.
 - b) **Transmission of ownership interest in case of partnership firm:** Where the partnership deed contains a clause that in case of death of a partner, the legal heir(s) of deceased partner be admitted, then the legal heir(s) may become the partner (s) of the partnership firm. In such scenario the partnership firm is reconstituted. Bequeathing of partnership right to legal heir(s) by way of transmission shall not be considered as change in control.
4. Incoming entities/ shareholders becoming part of controlling interest in the intermediary pursuant to transfer of shares from immediate relative / transmission of shares (immediate relative or not), need to satisfy the fit and proper person criteria stipulated in Schedule II of SEBI (Intermediaries) Regulations, 2008.
 5. The provisions of this circular shall be applicable with immediate effect.
 6. IAASB and RAASB is directed to:
 - a) bring the provisions of this circular to the notice of the IAs and RAs respectively and also disseminate the same on its website;
 - b) make necessary amendments to the relevant Bye-laws, Guidelines, Standard Operating Procedures, Rules and Regulations for the implementation of the above decision.
 7. This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992 read with regulation 15(11) and regulation 29 of SEBI (Investment Advisers) Regulations, 2013, regulation 24(3) and regulation 33 of SEBI (Research Analysts) Regulations, 2014 and regulation 7(5) and regulation 17 of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market.
 8. This circular is available on the SEBI website at www.sebi.gov.in under the category "Legal - Circulars".

III. ALLOWING SUBSCRIPTION TO THE ISSUE OF NON-CONVERTIBLE SECURITIES DURING TRADING WINDOW CLOSURE PERIOD

SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/180 circular dated 30th December 2024:-

1. In terms of Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) the trading window restrictions shall not apply in respect of transactions, such as, acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or such other transactions which are undertaken in accordance with the mechanisms as may be specified by the Board from time to time.
2. In this regard, SEBI vide Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, provided that in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of Offer for Sale and Rights Entitlements Transactions carried out in accordance with the framework specified by the Board from time to time.
3. It has been decided that in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with sub-regulation (1) of Regulation 9 of PIT Regulations and SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/133 dated July 23, 2020, the trading window restrictions shall also not apply to subscription to the issue of non-convertible securities, carried out in accordance with the framework specified by the Board from time to time.
4. Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed companies and also disseminate the same on their websites.



- This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulations 4(3) and 11 of the PIT Regulations and to protect the interests of investors in securities and to promote the development of and to regulate the securities market and shall come into effect with immediate effect.
- This Circular is available on the SEBI website at <https://www.sebi.gov.in/> under the category "Legal->Circulars".

IV. IMPLEMENTATION OF RECOMMENDATIONS OF THE EXPERT COMMITTEE FOR FACILITATING EASE OF DOING BUSINESS FOR LISTED ENTITIES

SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 circular dated 31st December 2024

- The recommendations of the Expert Committee that was set up to inter-alia review the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations" or "LODR") from the point of view of facilitating ease of doing business for listed entities were approved by the SEBI Board and amendments to the LODR Regulations have been published in the Gazette of India on December 13, 2024.
- Consequently, this circular is being issued to give effect to certain recommendations of the Expert Committee and carry out consequential changes to the provisions of SEBI Master Circular dated 11th November 2024, on compliance with the LODR Regulations by listed entities ("Master Circular"), the details of which are given in the subsequent paragraphs.

Integrated Filing:

- In order to facilitate ease of filing and compliance for listed entities, it has been decided to introduce Integrated Filing, in terms of regulation 10(1A) of the LODR Regulations, for the following Governance and Financial related periodic filings required under the LODR, which shall be applicable for the filings to be done for the quarter ending 31st December 2024 and thereafter:

Integrated Filing (Governance)

No.	Regulation/ Circular	Periodic Filing	Revised Timeline	Frequency
1	13 (3)	Statement on redressal of investor grievances	Within 30 days of the end of the quarter	Quarterly
2	27(2)(a)	Compliance Report on Corporate Governance	Within 30 days of the end of the quarter	Quarterly

Integrated Filing (Financial)

No.	Regulation / Circular	Periodic Filing	Revised Timeline	Frequency
1	23(9)	Disclosure of Related Party Transactions (RPTs)	Within 45 days of the end of the quarter & 60 days from end of the last quarter & financial year	Half Yearly
2	Reg.30 r/w section V-B of the Master Circular	Quarterly disclosure of outstanding default on loans / debt securities		Quarterly
3	32(1)	Statement of Deviation and Variation		Quarterly
4	33(3)	Financial results		Quarterly

Members may refer the circular for the format of quarterly Integrated Filing i.e., Integrated Filing (Governance) and Integrated Filing (Financial) and also for all other changes.



4. In this regard, the first quarterly Integrated Filing i.e., Integrated Filing (Governance) and Integrated Filing (Financial) which is applicable for the quarter ending 31st December 2024, may be filed within a period of 45 days from the end of the quarter.
5. The following material events / information shall be disclosed on a quarterly basis in the format specified as part of the Integrated Filing (Governance):
 - Acquisition of shares or voting rights by listed entities in an unlisted company, aggregating to 5% or any subsequent change in holding exceeding 2% in terms of the provisions of Para A(1) of Part A of Schedule III of LODR.
 - Imposition of fine or penalty which are lower than the monetary thresholds specified under Para A(20) of Part A of Schedule III of LODR.
 - Updates on ongoing tax litigations or disputes in terms of the provisions of Para B(8) of Part A of Schedule III of LODR read with the corresponding provisions of Annexure 18 of the Master Circular.
6. In terms of the provisions of Regulation 23(2) of LODR, details of ratification of RPTs are required to be disclosed along with the half-yearly disclosures of RPTs. Accordingly, the value of ratified RPTs shall be disclosed in the format specified for disclosure of RPTs as part of the Integrated Filing (Financial) (refer Table D under the format for quarterly Integrated Filing (Financial) given in Annexure 1).

Secretarial Auditor

7. Clause (a) of regulation 24A(1A) of the LODR Regulations inter-alia states that a person shall be eligible for appointment as a Secretarial Auditor of the listed entity only if such person is a Peer Reviewed Company Secretary and has not incurred any of the disqualifications as specified by the Board. Accordingly, disqualifications for appointment or continuation of a Secretarial Auditor of the listed entity is given in Annexure 2 of this circular.
8. Further, as per regulation 24A(1B) of the LODR, a Secretarial Auditor appointed under the regulations shall provide to the listed entity only such other services as are approved by the board of directors, but which shall not include any services as specified by SEBI in this behalf. Accordingly, the services that a Secretarial Auditor cannot render to the listed entity are specified in Annexure 3 of this circular.
9. The Institute of Company Secretaries of India (ICSI) may bring the contents of this circular to the notice of all its members, including Practising Company Secretaries (PCS).

FEMA

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

A. Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Third Amendment) Regulations, 2025

RBI vide Notification No. FEMA 395(3)/2025-RB dated January 14, 2025, made following amendments to Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 [Notification No. FEMA.395/2019-RB dated October 17, 2019]. Major changes are as below:

- The instructions on mode of payment and remittance of sale proceeds for the investments made under Schedules I, II, VI, VII, VIII and X of FEMA NDI Rules have been amended. Permitting investments from SNRR and credit of sale proceeds to said SNRR accounts is the major amendment.
- A start-up company issuing convertible notes to a person resident outside India is now permitted to receive investment from non-resident investors from their SNRR accounts.

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B. Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Fifth Amendment) Regulations, 2025

RBI vide Notification No. FEMA 10(R)(5)/2025-RB dated January 14, 2025, made amendment to the principal regulation 5 which provides for opening foreign currency accounts outside India. After sub-regulation (C) in regulation 5, the following sub-regulation (CA) has been inserted, namely:-

“CA. A person resident in India, being an exporter, may open, hold and maintain a Foreign Currency Account with a bank outside India, for realisation of full export value and advance remittance received by the exporter towards export of goods or services. Funds in this account may be utilised by the exporter for paying for its imports into India or repatriated into India within a period not exceeding the end of the next month from the date of receipt of the funds after adjusting for forward commitments, provided that the realisation and repatriation requirements as specified in Regulation 9 of Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 are also met.”

C. Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025

RBI vide Notification No. FEMA 5(R)(5)/2025-RB dated January 14, 2025, made following amendments to the Foreign Exchange Management (Deposit) Regulations, 2016 (Notification No. FEMA 5 (R)/2016-RB dated April 01, 2016). Major changes are as below:

- Any person resident outside India having a business interest in India may open, hold and maintain with an authorised dealer in India or its branch outside India, a Special Non-Resident Rupee Account (SNRR account). Previously SNRR account was permitted only with authorised dealer in India. Now they can open with its branch outside India.
- Regulation 9 has been added, which provides transfer of funds between repatriable rupee accounts for all bona fide transactions.
- Para 1 of Schedule 4 has been substituted. With this Special Non-Resident Rupee Account (SNRR Account) can now be used for permissible current and capital account transactions with a person resident in India, and for any transaction with a person resident outside India. Previously the list of transactions under said para was exhaustive.
- The tenure of the SNRR account shall now be concurrent to the tenure of the contract / period of operation / the business of the account holder. Previously there was a restriction of seven years maximum.

D. Clarification regarding refund of TDS pertaining to Foreign Contribution (FC)

Ministry of Home Affairs has issued a Public Notice dated December 31st, 2024, wherein it has been decided with the approval of Competent Authority that in case the consolidated income tax refund is received in non-FCRA bank account, the proportionate income tax refund pertaining to FCRA account needs to be transferred back to FCRA bank account. Such transfer would not be treated as a violation of Section 17 of the Foreign Contribution (Regulation) Act, 2010 and are allowed as per the spirit of the act.

Regarding the accounting treatment and disclosure of TDS and its refund thereof, it is clarified that at the time of deduction, such TDS may be accounted as utilization of FC and upon receipt of refund in FCRA account, it may be considered as “Other Income” and to be reported in clause 2(i)(b)(iii) in Form FC-4.

E. Foreign Contribution (Regulation) Rules, 2024

Ministry of Home Affairs vide GSR. 790(E) dated 31st December 2024 made further amendments to the Foreign Contribution (Regulation) Rules, 2011 (hereinafter referred to as FCRR). Major changes are as below:

- The entity received foreign contribution shall have the option to carry forward the unspent part of allowable administrative expenses in a financial year to the immediately succeeding financial year, for reasons to be mentioned in Form FC-4.
- Amendment to Form FC – 4 to disclose the transfer of income-tax refund from non-FCRA account
- Amendment to Form FC – 4 to have detailed disclosure of utilization and carry forward of unspent administrative expenditure as below

Carry forward of unspent part of allowable administrative expenses in a financial year:



No	Particulars	Amount (in Rs.)
A	Brought forward unspent part of allowable administrative expenses	
B	Total foreign contribution received during the year	
C	Allowable administrative expenses of current financial year [20 per cent. of B]	
D	Total administrative expenses incurred during the current year	
E	Administrative expenses of current year utilised out of A above	
F	Administrative expenses of current year utilised out of C above.	
G	Unspent part of C above available to be carried forward.	
H	Out of G above, amount to be carried forward to next financial year.	
I	Reason for carry forward of unspent part of allowable administrative expenses to next financial year.	

Amendment to Form FC – 4 providing the details of Chartered Accountant issuing certificate and the details of violations pointed out by such CA

II. Summary Information on Compounding Orders issued under FEMA Regulations:

a. UrbanClap Technologies India Private Limited

Regulation	Regulation 4(4) of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, notified vide Notification No. FEMA 395/2019-RB dated October 17, 2019, as amended from time to time.
Contravention	Failure to file Form-ESOP within 30 days from the date of issue of employees' stock option to persons resident outside India by an Indian Company.
Date of Order	05-11-2024
Compounding Fee	₹ 30/-

b. Ramkumar Varadarajan

Regulation	Regulation 3 of Foreign Exchange Management (Guarantees) Regulations, 2000, notified vide Notification No. FEMA 8/2000-RB dated May 03, 2000, as amended from time to time.
Contravention	Failure to obtain general or special permission of the Reserve Bank by a person resident in India to give a guarantee or surety in respect of, or undertake a transaction, by whatever name called, 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	04-09-2024
Compounding Fee	₹ 7,60,000/-

c. Milliman Advisors LLP

Regulation	Regulation 3 of Foreign Exchange Management (Deposit) Regulations, 2016, notified vide Notification No. FEMA 5(R)/2016-RB dated April 01, 2016, as amended from time to time.
Contravention	Failure to obtain permission of the Reserve Bank by a person resident in India before accepting any deposit from, or making any deposit with, a person resident outside India.
Date of Order	08-05-2024
Compounding Fee	₹ 3,044/-

GOODS & SERVICES TAX

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

Notification Updates

1. Changes in GST Rates for Sale of Old and Used Motor Vehicles – Notification No. 04/2025-CT (Rate) dated 16.01.2025

The GST rates for the sale of old and used motor vehicles, earlier governed by Notification No. 08/2018-CT (Rate) dated 25.01.2018, have been revised. As per the recent amendment, all old and used motor vehicle sales are now subject to an 18% GST rate. Previously, vehicles with specified engine capacities were taxed at 12%.

2. GST Changes Relating to Restaurant Rates – Notification No. 05/2025-CT (Rate) dated 16.01.2025

- i. The concept of “Declared Tariff,” which was previously used as the basis for determining GST rates for restaurants, has been removed following the GST Council’s recommendations. Instead, the value of supply will now be used to determine the applicable GST rates. Accordingly, Clause xxxv of the Explanation in Notification No. 11/2017-CT (Rate) dealing with Declared Tariff has been omitted.
- ii. The definition of “specified premises” has been revised under Clause xxxvi. The updated definition states that specified premises mean:
 - a) A premises where the supplier provided ‘hotel accommodation’ services in the preceding financial year, with the value of supply for any unit of accommodation exceeding ₹7,500 per unit per day or equivalent; or
 - b) A premises for which a registered person supplying ‘hotel accommodation’ services has filed a declaration, between 1st January and 31st March of the preceding financial year, declaring it as a specified premises; or
 - c) A premises for which a person applying for registration has filed a declaration within 15 days of receiving acknowledgment for the registration application, declaring it as a specified premises.
- iii. As per Sl. No. 7, entry no. vi (b), the GST rate for the supply of restaurant services at specified premises is 18% with Input Tax Credit (ITC). Hence, any supplier providing restaurant services at specified premises will fall under this entry.
- iv. Additionally, as per Sl. No. 7, entry no. vi (d), the supply of outdoor catering services at specified premises is also taxed at 18% with ITC.
- v. For other scenarios:
 - (a) Restaurant services at standalone restaurants will be taxed at 5% without ITC.
 - (b) Outdoor catering services provided at locations other than specified premises will also be taxed at 5% without ITC.
- vi. Above amendment would take effect from 01st April, 2025.

3. Changes in RCM taxation of Sponsorship Services and Commercial Renting of immovable property – Notification No 07/2025-CT R dated 16.01.2025

- i. As per the notification, sponsorship services provided by a body corporate will now be taxed under the forward charge mechanism. Previously, these services were taxed under the reverse charge mechanism (RCM).
- ii. Effective from 10.10.2024, commercial renting of immovable property services received by a registered person was taxable under the reverse charge mechanism. However, as per the recent amendment, registered persons who have opted for the composition levy are exempted from paying tax under RCM for this service.

4. Issue of Temporary Identification Number by the officers – Notification No 07/2025-CT R dated 23.01.2025 – Rule 16A inserted:

Under Rule 16A, a temporary identification number may be granted to a person who is not liable to registration under the GST Act but is still required to make a payment under its provisions. This temporary identification number is issued by the proper officer along with an order in Part B of FORM GST REG-12 to facilitate compliance.

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Circular Update

1. Update on Guidelines for Arrest and Bail Under the CGST Act, 2017 – Instruction No. 01/2025–GST

The Ministry of Finance (GST–Investigation Wing) has issued Instruction No. 01/2025–GST dated 13.01.2025, amending previous guidelines for arrest and bail under the CGST Act, 2017 (Instruction No. 02/2022–23 GST dated 17.08.2022).

Key Highlights:

1. Distinction Between ‘Reasons for Arrest’ and ‘Grounds of Arrest’:

- The ‘reasons for arrest’ are general and formal, such as preventing further offenses, ensuring proper investigation, or avoiding evidence tampering.
- The ‘grounds of arrest’ are specific to the individual and must detail the facts and circumstances necessitating the arrest. These grounds provide the arrested person with clarity and an opportunity to defend themselves.

2. High Court and Supreme Court Rulings:

- The Delhi High Court, in the case of *Kshitij Ghildiyal vs. Director General of GST Intelligence, Delhi* (W.P. [CRL] No. 3770/2024), ruled that grounds of arrest must be communicated in writing to the arrested person.
- This decision aligns with the Supreme Court’s observations in *Pankaj Bansal vs. Union of India* (2023) and *Prabir Purkayastha vs. State (NCT of Delhi)* (2024), emphasizing the importance of informing the accused in writing about the specific reasons for their arrest.

3. Revised Guidelines (Para 4.2.1):

- The grounds of arrest must be:
 - Explained to the arrested person verbally.
 - Provided in writing as an annexure to the Arrest Memo.
- Acknowledgment of receipt must be taken from the arrested person at the time of serving the Arrest Memo.

INCOME TAX

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

I. Extension of ‘due date’ for determining the amount payable in respect of DTVSV: The CBDT in exercise of its powers under section 97(2) of the Direct Tax Vivad Se Vishwas Scheme, 2024 vide Circular No.20/2024 dated 30th December, 2024 has extended the ‘due date’ for determining the amount payable as per column (3) of the Table specified in section 90 of the scheme from 31st December, 2024 to 31st January, 2025.

Accordingly, notwithstanding anything contained in the Direct Tax Vivad Se Vishwas Scheme, Rules or Guidance Note of 2024, in such cases where declaration is filed on or before 31st January, 2025, amount payable shall be determined as per column (3) of the Table specified in section 90 of the Scheme, and where declaration is filed on or after 1st February, 2025, amount payable shall be determined as per column (4) of the said Table.

II. Extension of ‘due date’ for furnishing belated / revised return for assessment year 2024–25 for resident individuals: The CBDT in exercise of its powers under section 119 of the Income–tax Act vide Circular No.21 of 2024 dated 31st December, 2024 has extended the last date for furnishing belated return of income under section 139(4) or for furnishing revised return under section 139(5) in respect of resident individuals from 31st December 2024 to 15th January, 2025.



III. Guidance for application of Principal Purpose Test (PPT) under India's DTAA: The CBDT vide Circular No.1 of 2025 dated 21st January, 2025 has given guidance for application of Principal Purpose Test under India's Double Taxation Avoidance Agreement. It reads as under:

The Multilateral Convention to Implement Tax Treaty Related Provisions to Prevent Base Erosion and Profit Shifting ("MLI") entered into force for India on 1st October 2019. The MLI modifies some of India's Double Taxation Avoidance Agreements (DTAAs). A key provision of the MLI is the Principal Purpose Test (PPT), which seeks to curb revenue leakage by preventing treaty abuse. While the PPT is included in most of India's DTAAs through the MLI, it is part of some other DTAAs through bilateral processes.

The PPT reads as follows: Notwithstanding the other provisions of this Convention (or Agreement), a benefit under this Convention (or Agreement) shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention (or Agreement).

The PPT envisages denial of benefits under a DTAA where it is reasonable to conclude, having considered all the relevant facts and circumstances that one of the principal purposes of an arrangement or transaction was to obtain a benefit, directly or indirectly, under a DTAA. Where this is the case, however, the last part of the PPT provision allows the person to whom the benefit would otherwise be denied the possibility of establishing that obtaining the benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the convention. The PPT is intended to ensure that DTAAs apply in accordance with the objects and purpose for which they were entered into, i.e. to provide benefits in respect of bona fide exchange of goods and services, and movement of capital and persons.

The determination of whether one of the principal purposes for entering into transaction(s) or arrangement(s) is to obtain tax advantage(s) should be based on an objective assessment of the relevant facts and circumstances. In order to provide clarity and certainty on the application of the PPT provision under India's DTAAs, the following broad guidance is provided:

A. Period for which the PPT provision is envisaged to be applied:

For ensuring parity and uniformity in the application of the PPT provision under India's DTAAs, it is clarified that the PPT provision is intended to be applied prospectively. Accordingly, the PPT provision under India's DTAAs shall apply as follows:

- a. For DTAAs where the PPT has been incorporated through bilateral processes (such as Chile, Iran, Hong Kong, China, etc.) from the date of entry into force of the DTAA or the amending Protocol incorporating the PPT, as the case may be.
- b. For DTAAs where the PPT has been incorporated through the MLI – from the date of entry into effect of the provisions of the MLI with respect to the DTAA specified in Article 35 of the MLI, as under:
 - i. with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after the first day of the previous year that begins on or after the latest of the dates on which the MLI enters into force for the Contracting Jurisdictions to the DTAA;
 - ii. with respect to all other taxes levied by India for previous years beginning on or after the expiration of a period of six calendar months from the latest of the dates on which the MLI enters into force for the Contracting Jurisdictions to the DTAA.

For India, the date of entry into force of the MLI is 1st October 2019. The date of entry into force for the DTAA partner needs to be ascertained using OECD's MLI database. For the above purposes, previous year shall be as defined in section 3 of the Income-tax Act. 1961.

The aforesaid period for the application of PPT shall however, be subject to the interaction of such provisions with Treaty Specific Bilateral commitments as provided for below.

B. Interaction of the PPT provision with certain Treaty-Specific Bilateral Commitments: India has made certain treaty-specific bilateral commitments in the form of grandfathering provisions under the following DTAAs, as on date:

- i. India-Cyprus DTAA;
- ii. India-Mauritius DTAA and
- iii. India-Singapore DTAA.



These commitments, as reflected in the bilaterally agreed object and purpose of such grandfathering provisions, are not intended to interact with the PPT provisions as such. Therefore, it is clarified that the grandfathering provisions under such DTAA's shall remain outside the purview of the PPT provision, being governed, instead, by the specific provisions in this regard of the respective DTAA itself.

C. Additional / Supplementary Sources of Guidance:

The application of the PPT provision is expected to be a context-specific fact-based exercise to be carried out on a case-by-case basis, keeping in view the objective facts and findings. In this regard, besides the BEPS Action Plan 6 Final Report, subject to India's reservations, wherever applicable, tax authorities may refer to the Commentary to Articles 1 and 29 of the UN Model Tax Convention (updated in 2021) as additional /supplementary sources of guidance while deciding on the invocation and application of the PPT provisions, subject to India's reservations, wherever applicable.

IV. Power to pass order to remove difficulties in DTVS, 2024 exercised: While implementing the DTVS Scheme, 2024 difficulties have arisen in situations where (i) an order in case of a person has been passed on or before the specified date i.e. the 22nd day of July, 2024; (ii) the time for filing an appeal in respect of such order was available as on the said date; (iii) appeal in respect of such order was filed after the said date within the stipulated time as applicable for filing such appeal; and (iv) aforesaid appeal is filed without any application for condonation of delay. Section 98 of the Finance (No.2) Act, 2024 says that if any difficulty arises in giving effect to the provisions of the Scheme, the Central Government may, by Order, not inconsistent with the provisions of the Scheme, remove the difficulty. Now in exercise of the powers conferred by section 98(1) of the Finance (No.2) Act, 2024, the Central Government hereby makes the following order to remove the difficulty, namely: – (i) in the case of such a person, aforesaid appeal shall be considered as pending as on 22nd day of July, 2024 for the purposes of the said Scheme; (ii) such person shall be considered as an appellant for the purposes of the said Scheme; (iii) in such a case, disputed tax shall be calculated on the basis of such appeal; and (iv) the provisions of the said Scheme and the rules framed thereunder shall apply accordingly in such a case.

V. Notification for non-deduction of TDS where purchase of goods is from unit of International Financial Services Centre (IFSC): The Central Government vide Notification SO 21(E) dated 2nd January, 2025 in exercise of its powers conferred by sub-section (1F) of section 197A has specified that no deduction of tax shall be made under the provisions of section 194Q by a person, being a buyer, in respect of purchase of goods from a unit of IFSC, being a seller, subject to the following condition, namely:-

- a) the seller shall –
 - i) furnish a statement-cum-declaration in the format provided in Form No.1 annexed to notification of the Government of India in the Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) No.S.O.1135(E), dated the 7th March, 2024 to the buyer giving details of previous years relevant to the 10 consecutive assessment years for which the seller opts for claiming deduction under sub-sections (1A) and (2) of section 80LA of the said Act; and
 - ii) such statement-cum-declaration so furnished shall be verified in the manner specified in the said form, for each previous year relevant to the 10 consecutive assessment years for which seller opts for claiming deduction under sub-sections 1A and 2 of section 80-LA of the said Act.
- b) the buyer shall –
 - i) not deduct tax on payment made or credited to the seller after the date of receipt of copy of the statement-cum-declaration in a said form from the seller; and
 - ii) furnish the particulars of all the payments made to the seller on which tax has not been deducted in pursuance of this notification in the statement of deduction of tax referred to in sub-section (3) of section 200 of the said Act read with rule 31A of the Income-tax rules, 1962.
2. The relaxation under this notification shall be available to the seller only during the said previous years relevant to the ten consecutive assessment years as declared by the seller in the said Form for which deduction under section 80LA of the said Act is being opted and the buyer shall be liable to deduct tax on payments made or credited for any other year.
3. For the purposes of this notification, –
 - a. the "seller" under all circumstances shall remain an International Financial Services Centre Unit within the meaning of sub-clauses (a) and (d) of the *Explanation* to section 80LA of the said Act; and
 - b. the expressions-
 - "buyer" shall have the same meaning as assigned to it in the *Explanation* to sub-section (1) of section 194Q of the said Act;



- “International Financial Services Centre” shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005); and
 - “Unit” shall have the same meaning as assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).
4. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax Systems), as the case may be, shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

INFORMATION TECHNOLOGY

Contributed by: **CA. Deephika S, Chennai**

Technology update for the month of January 2025

1. Power BI Enhancements: Elevating Data Analysis Experience

Explore This Data: Power BI introduces an “Explore this data” option, allowing users to delve deeper into datasets directly from visuals, enhancing data exploration capabilities.

Treemap Visuals: The Treemap visual now offers three innovative tiling methods, providing more flexibility in data representation.

TMDL Scripting Experience: A preview of the Tabular Model Definition Language (TMDL) scripting experience is now available, enabling users to script, modify, and apply changes using TMDL, offering an alternative to traditional semantic modeling.

2. Microsoft Teams Updates: Enhancing Collaboration and Communication

- *Customizable Notification Placement:* Users can now personalize the location of notifications on their screens, choosing from four positions to reduce interruptions and boost productivity.
- *Combined Chats and Channels:* Microsoft Teams has unified chats and channels into a single view, simplifying navigation and improving user
- *Threaded Conversations:* The introduction of threaded conversations allows for more organized discussions within Teams, enhancing clarity and context in communications.

3. India’s Digital Transformation: Unlocking Potential with 5G and Cloud

India is embracing a digital revolution powered by the rapid deployment of 5G networks and cloud computing solutions. These technologies are not only accelerating connectivity but also driving unprecedented scalability, efficiency, and innovation across industries. From seamless remote work to real-time data processing, businesses are leveraging the power of 5G and cloud to enhance operations, customer experiences, and competitive advantage. This update explores the latest developments, key industry adoption trends, and the future impact on India’s economic landscape.

4. Cybersecurity Alert: Rise in Cloud-Based Attacks and How Businesses Can Stay Protected

A recent cybersecurity report has highlighted a surge in cloud-based attacks, targeting financial data and critical business systems. Attackers are leveraging AI-driven phishing techniques and exploiting misconfigurations in cloud services. Businesses are advised to adopt a zero-trust architecture, enable multi-factor authentication (MFA), and conduct regular security audits to mitigate risks and protect sensitive financial data.

5. Microsoft Copilot Expands AI Capabilities Across Office 365 Ecosystem

Microsoft has announced significant enhancements to its AI-powered assistant, Copilot, across the Office 365 suite. The latest updates include deeper integration with Excel, allowing users to generate advanced formulas and perform predictive analytics effortlessly. In Teams, Copilot now offers automated meeting summaries with action items and sentiment analysis. These updates aim to improve productivity and decision-making for finance professionals and businesses leveraging Microsoft’s ecosystem.

KARNATAKA COMMERCIAL TAXES INCLUDING VAT/ GST

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

Amnesty scheme is introduced with effect from 01.11.2024 by way of notifying section 128A, Rule 164 and issuing Circular 238/32/2024 with clarifications. Recently two advisories are issued dated Nov 8th, 2024 and 29th December 2024 clarifying that all the forms will be uploaded in the GSTN portal. Recently Form SPL-02 is activated for filing with the required steps in https://tutorial.gst.gov.in/downloads/news/help_document_on_filing_of_spl_02.pdf

The scheme is introduced by way of section 128A for the waiver of interest and penalties in the demand notices or orders issued for the financial year 2017-2018, 2018-2019 and 2019-2020. It excludes the appeals pertaining to erroneous refunds. For availing the benefit of scheme, tax should be paid in full on or before 31.3.2025. The Rule 164 is introduced to provide the guidelines and conditions for the waiver scheme.

The taxpayers are required to file an application in Form GST SPL-01 or Form GST SPL-02 on the common portal within three months from the specified date i.e. 31.3.2025. To avail the benefit, the taxpayers can make the payment as demanded in notice or statement or order issued under section 73 on or before 31.3.2025.

In case of demand orders, the tax can be paid through 'payment towards demand' and through DRC 03 in case of notices. If payment through DRC 03 is made against any order then it can be linked with DRC -03A which has already been activated in common portal.

Various notices/orders with different allegations are issued under section 73 of CGST Act 2017. The circular state that amnesty scheme has to be applied order wise and not in parts. The taxpayers are in confusion wherever the appeals are filed as the time of payment for the amnesty scheme is notified till 31.3.2025 and the appeals are pending for hearing. In few of the appeals filed, few issues can be litigated on merits and few issues may be applied for amnesty scheme during appeal hearings but there is no such mechanism to apply amnesty scheme issue wise. Therefore, the tax payers are confused as to opt for the scheme for complete order or to continue with the appellate proceedings.

In many instances, the appeals are not filed within the notified period with the presumption to apply for the amnesty scheme... but in many instances the recovery proceedings are initiated in case appeals are not filed within notified time.

The date of withdrawal is not notified though section 128A(3) states "...before the date notified". Even the withdrawal forms for withdrawing appeals/ writ petitions/ are not notified or there is no clarity on the aspect that whether withdrawal form under Rule 109-C can be applied. The taxpayers are not having clarity on the type of form to be used for withdrawing the appeal from Appellate Authority or from Courts.

The self-assessment taxes with interest under 75(12) is excluded from the scheme by way of circular without excluding specifically in section 128A. The following is the analysis of issue 4 in circular which has restricted the waiver of interest for delayed filing of returns or delayed reporting of supplies.

Clarification in the circular

Issue 4:

Whether the benefit provided under Section 128A will be applicable in cases, where the tax due has already been paid and the notice or demand orders under Section 73 only pertains to interest and/or penalty involved?

Clarification:

Where the tax due has already been paid and the notice or demand orders under Section 73 only pertains to interest and/or penalty involved, the same shall be considered for availing the benefit of section 128A. However, the benefit of waiver of interest and penalty shall not be applicable in the cases where the interest has been demanded on account of delayed filing of returns, or delayed reporting of any supply in the return, as such interest is related to demand of interest on self-assessed liability and does not pertain to any demand of tax dues and is directly recoverable under sub-section (12) of section 75

Section 75(12) of CGST Act 2017 state that Notwithstanding anything contained in section 73 or section 74 2[or section 74A], where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.

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[Explanation.]—For the purposes of this sub-section, the expression “self-assessed tax” shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.]

Section 128A (1) employs the term ‘where any amount of tax is payable by a person chargeable with tax’ The literal interpretation of section 128A(1) was that, it applies only to cases where any amount of tax has been demanded and notice is issued under section 73. The circular clarifies that benefit of Section 128A will apply to cases where notice has been issued only for interest/ penalty in cases where tax due has already been paid. In other words, the circular has extended the scope of section 128A by extending the benefit in cases where notices are issued only for interest/penalty.

While extending the scope of Section 128A, it has restricted interest payable u/s 75(12). The following is the reference of section 75(12). Section 75(12)..... , ‘or any amount of interest payable on such tax remains unpaid’ The interest payable u/s 75(12) is towards self- assessed tax in accordance with return furnished u/s 39.

The reason for not extending the benefit of section 128A to interest on self- assessment tax is solely on the ground that said interest is recoverable directly u/s 79 and a notice u/s 73 is not issued. Thus, the condition of issue of notice u/s 73 is not satisfied with reference to interest referred to u/s 75(12). The **Honourable Division Bench of the High Court of Karnataka in UOI V. LC Infra Projects Pvt Ltd., 2021 (44) GSTL 60 (Kar)** held in para 16 that ‘before recovery of interest payable u/s 50, a show cause notice is required to be issued to the assessee’. This decision has been accepted by the department.

With reference to demand of interest referred to u/s 75(12), the show cause notice is required to be issued u/s 73. The Notice should be issued only u/s 73 since self- assessed tax has already been filed u/s 39. Hence it is not a case of fraud, suppression or willful mis-statement falling u/s 74. In case notice is not issued then there is failure to follow the principle of natural justice as per the High Court. And amnesty circular excluding such taxpayer falling under section 75(12) for the omission on the part of the department to issue show cause notice is unfair and against the principle of natural Justice.

There was an explanation added in section 75(12) with effect from 28.3.2021 which read as ‘For the purpose of this sub section, the expression ‘Self-assessed tax’ shall include the tax payable in respect of details of outward supplies furnished under section 37 but not included in the return furnished under section 39’...It can be analyzed that SCN is not required after the amendment in section 75(12) of CGST Act 2017. Even to recover interest under section 79, the interest has to be computed and the statutory mechanism to compute interest is not section 50, nor under section 75(12). The one school of thought is that the statutory recourse is to issue notice under section 73 of CGST Act 2017. They cannot bypass section 73 and recover under section 79 of CGST Act 2017. The right to reply under section 73(9) cannot be taken away by initiating recovery without opportunity to reply against the levy of interest.

The taxpayer can also rely on ‘**Rajkamal Builder Infrastructure Pvt Ltd V. UOI, 2021 (50) GSTL 153 (Gujrath)**’, wherein the question before the HC was whether department could have a direct recourse to Section 79 in S.75(12) cases. After extracting both the aforesaid provisions, the HC held that ‘notice must be issued in Form DRC 07’. The other school of thought is that the notice ought to be issued in DRC 01 along with notice u/s 73 since court treating DRC 07 as ‘recovery notice’ is actually not a notice but an order which is treated as notice for recovery u/r 142(6).

The benefit of 128A can be availed by taxpayers who have omitted to file return under section 39 or who has failed to take registration or who has incorrectly filed the returns under section 39 either as short payment of tax or non -payment of tax. The benefit is denied to taxpayer who has filed returns and self-assessed his liability correctly but failed to pay interest. Therefore, the benefit is denied where show cause notice is not issued.

Without Show cause notice, the taxpayers cannot avail the amnesty benefit and the taxpayers who are issued show cause notice can avail the benefit under amnesty scheme... thus equals are treated unequally under GST law as 128A is made applicable in cases where notices are issued.

The interest remains as interest whether it is levied either under section 75(12) or section 73 and it is meant to be compensatory in nature for delayed payment of tax. Representation should be made before the Authority to give benefit even for interest for self- assessed tax under section 75(12). The other school of thoughts is 73 cannot apply for GSTR 1 Vs 3B. It has to be 75(12) since there is non obstante clause in 75(12) and tax and interest gets recovered in 75(12) and accordingly there is no SCN and hence there is no 73(11)

In addition to the above, there are various practical issues for the effective implementation of the amnesty scheme. Therefore, there should be further clarifications on certain aspects to bring uniform and smooth operation of the scheme.

SEBI Board Meeting

The 208th meeting of the SEBI Board was held in Mumbai today. The SEBI Board, *inter-alia*, approved the following:

No.	Particulars	Page No.
Primary Market Related		
1	Ease of doing business with respect to Business Responsibility and Sustainability Report (BRSR)	3
2	Review of SME framework under SEBI (ICDR) Regulations, 2018, and applicability of corporate governance provisions under SEBI (LODR) Regulations, 2015 on SME companies	3
3	Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 Debt and Hybrids related	5
4	Amendments to SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ('SDI Regulations')	7
5	Measures for Reforms to Debenture Trustees Regulations including towards Ease of Doing Business.	8
6	Measures towards Ease of Doing Business for ESG Rating Providers (ERPs)	9
7	Review of provisions regarding corporate governance norms for High Value Debt Listed entities (HVDLEs) - amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)	9
8	Measures towards Ease of Doing Business and Investor Protection for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)	10
9	Measures towards Ease of Doing Business for Small and Medium Real Estate Investment Trusts (SMREITs)	11
Mutual Funds related		
10	Facilitating ease of doing business for employees of Asset Management Companies (AMCs) with respect to the framework related to "Alignment of interest of the designated employees of the Asset Management Company (AMC) with the interest of the unitholders"	11
11	Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for specifying timelines for deployment of funds collected by Asset Management Companies (AMC's) in New Fund Offer (NFO) as per asset allocation of the scheme	12
Alternative Investment & FPI related		
12	Review of SEBI (Custodian) Regulations, 1996	12
Market Intermediaries related		
13	Proposal for recognition of Past Risk and Return Verification Agency (PaRRVA)	13
14	Assigning responsibility for the use of Artificial Intelligence tools by Market Infrastructure Institutions, Registered Intermediaries and other persons regulated by SEBI	14



No.	Particulars	Page No.
15	Aligning the modes for payment of dividend, interest, etc. for demat account holders in line with physical securityholders to promote online/digital transactions	14
Integrated Surveillance related		
16	Amendments to include events in the illustrative list of the definition of Unpublished Price Sensitive Information (UPSI) under SEBI (Prohibition of Insider Trading) Regulations, 2015	15
Secondary Market related		
17	Amendments to Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for provisions related to payment of Annual Fee and Annual Charge by the depositories	15
Legal Affairs related		
18	Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2024	16
Investor Awareness related		
19	Updation with respect to Investor Charter for Securities Market	17

1. Ease of doing business with respect to Business Responsibility and Sustainability Report (BRSR) With a view to facilitate ease of doing business for listed entities and their value chain partners with regard to requirements under BRSR on Environmental, Social and Governance (ESG) disclosures and its assurance, and introduction of voluntary disclosure on green credits, the Board approved the following:

1. Deferring ESG disclosures for value chain, as well as "assessment or assurance" thereof, by one year. Hence, ESG disclosures for value chain shall apply from FY 2025-26 (as against the current requirement of FY 2024-25) and "assessment or assurance" thereof shall be applicable from FY 2026-27 (as against the current requirement of FY 2025-26).
2. Providing ESG disclosures for value chain shall be "voluntary", instead of the present requirement of 'comply-and-explain'.
3. Reducing the scope of value chain to cover the top upstream and downstream partners of a listed entity, individually comprising 2% or more of the listed entity's purchases and sales (by value), respectively, while providing that the listed entity may limit disclosure of value chain to cover 75% of its purchases and sales (by value), respectively.
4. Reporting of previous year numbers will be voluntary in case of first year of reporting of ESG disclosures for value chain.
5. Introduction of a leadership indicator in Principle 6 of BRSR for disclosure of Green Credits generated or procured by the listed entity and its top-10 value chain partners.
6. Substitution of "assurance" with "assessment or assurance" in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding BRSR. "Assessment" will be third-party assessment undertaken as per standards to be developed by the Industry Standards Forum (ISF) in consultation with SEBI. This would be applicable for BRSR Core disclosures for listed entities and value chain from FY 2024-25 and FY 2026-27 onwards, respectively.

2. Review of SME framework under SEBI (ICDR) Regulations, 2018, and applicability of corporate governance provisions under SEBI (LODR) Regulations, 2015 on SME companies

In order to strengthen the framework for public issues by Small and Medium Enterprises (SMEs) and to facilitate that SMEs with a sound track record have an opportunity to raise funds from the public and get listed on stock exchanges, and to protect the interests of investors in the SMEs, the Board approved amendments to the SEBI (ICDR) Regulations, 2018 and SEBI (LODR) Regulations, 2015 which inter-alia include following:

1. An issuer shall make an IPO, only if the issuer has an operating profit (earnings before interest, depreciation and tax) of Rs. 1 crore from operations for any 2 out of 3 previous financial years at the time of filing of its draft red herring prospectus (DRHP).



2. Offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding.
3. Lock-in on promoters' holding held in excess of minimum promoter contribution (MPC) to be released in phased manner i.e. lock-in for 50% promoters' holding in excess of MPC shall be released after 1 year and lock-in for remaining 50% promoters' holding in excess of MPC shall be released after 2 years.
4. Allocation methodology for non-institutional investors ("NII's") in SME IPOs to be aligned with methodology used for NII's in main board IPOs.
5. Amount for General Corporate Purpose (GCP) in SME IPO shall be capped to 15% of amount being raised by the issuer or Rs. 10 crores, whichever is lower.
6. SME issues shall not be permitted, where objects of the issue consist of Repayment of Loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly.
7. DRHP of SME IPO filed with the Stock Exchanges to be made available for 21 days for public to provide comments on DRHP, by making public announcement in newspaper with QR code.
8. Further issue by SME Companies to be permitted without migration to Main Board subject to the issuer undertaking compliance of the provisions of SEBI (LODR) Regulations, 2015 as applicable to the companies listed on the Main Board.
9. Related party transaction (RPT) norms, as applicable to listed entities on Main Board, to be extended to SME listed entities, provided that the threshold for considering RPTs as material shall be 10% of annual consolidated turnover or Rs. 50 crore, whichever is lower.

3. Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

SEBI has undertaken a comprehensive review of the SEBI (Merchant Bankers) Regulations, 1992, which lays down the regulatory framework for the registration of Merchant Bankers (MBs), their eligibility, activities they can undertake and revision in net worth including liquid net worth criteria. The Board approved the amendment to SEBI (Merchant Bankers) Regulations, 1992. The main features of the amendment, inter alia, are as under:

1. Merchant Bankers, other than Banks, Public Financial Institution and their subsidiaries, shall undertake only permitted activities. MBs may carry out other regulated activities as a separate business unit after obtaining registration/ confirmation from the respective regulatory authority.
 - Permitted activities which come under the purview of SEBI have been specified.
 - Activities other than permitted activities by MB shall be hived off to a separate legal entity with a separate brand name, within a period of two years. MBs which have to hive off activities and the hived off entity, shall abide by such code of conduct as may be specified by SEBI from time to time.
 - The separate entity may be allowed to carry out activities other than the permitted activities by sharing the resources with the MB on an arm's length basis without casting any legal liability in respect of the same, on the MB.
2. MBs shall not undertake fresh valuation activities as part of its MB Registration. However, existing valuation assignments taken up by MBs may be completed. If an MB wishes to take up valuation activities, it shall obtain registration from the concerned regulator or authority, within a period of nine months.
3. There will be two categories of MBs based on net worth and activities.
 - Category 1 - Net worth not less than Rs. 50 crores and allowed to undertake all permitted activities.
 - Category 2 - Net worth not less than Rs. 10 crores and allowed to undertake all permitted activities except managing equity issues on the Main Board.
4. MBs shall maintain a liquid net worth of at least 25% of the minimum net worth requirement, at all times.
5. It will be mandated for MBs to earn revenue from permitted activities as given below, failing which, registration as MB shall be liable for cancellation.
 - Category 1: Earn revenue of at least Rs. 25 crores, on a cumulative basis, in three immediately preceding financial years.
 - Category 2: Earn revenue of at least Rs. 5 crores, on a cumulative basis, in three immediately preceding financial years. MBs managing only the issue of listed/ to be listed Debt and Hybrid securities shall be exempted from complying with the aforementioned requirement of minimum revenue. The certificate of registration of an MB may not be liable for cancellation if the minimum revenue criteria could not be met due to certain situation(s) as may be specified.



6. The underwriting limit for MBs has been prescribed as 20 times of liquid net worth.
7. In order to curb conflict of interest and to ensure adequate due diligence, a merchant banker shall not lead manage any public issue, if its directors, other key managerial personnel, compliance officer, employees or relative(s) of the said persons, individually or in aggregate hold more than 0.1% of paid up share capital or shares whose nominal value is Rs. 10,00,000, whichever is lower, in the issuer: Such MB may be appointed, if it is involved only in the marketing of the issue, subject to appropriate disclosures.
8. Minimum educational qualification of Company Secretary or graduate degree in law and post qualification work experience of two years, has been prescribed for the Compliance Officer. Existing Compliance Officers may continue, provided, they have five years' experience and have obtained the prescribed NISM Certifications.

4. Amendments to SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ('SDI Regulations')

With a view to refresh and restate the SDI Regulations, the Board *inter alia* approved the following salient proposals:

1. Mandating listed or to be listed Securitised Debt Instruments (SDI) issuance and its transfer only in demat form;
2. Defining the minimum ticket size for a single investor, whether during initial subscription or subsequent purchase of a listed or to be listed SDI: (i) For originators regulated by the RBI, Rs 1 crore at initial subscription and no specification for subsequent transfers; (ii) 1 crore for originators that are not regulated by RBI for both initial and subsequent transfers (subject to amortized value of such instrument for purposes of trading lot); (iii) For SOIs backed by listed securities, the amount shall be the highest face value among such listed securities for both initial and subsequent transfers;
3. Revision to the definition of debt/receivables to define in a more detailed way what can be securitised;
4. Introduction of conditions governing securitisation resulting in the issuance of listed or to be listed SOIs as follows: (i) No single obligor constituting more than 25% of the asset pool provided that the requirements may be relaxed on a risk based approach as may be specified from time to time; (ii) The assets comprising the securitisation pool must be homogeneous; (iii) SOIs must be fully paid-up upfront; (iv) Originators must have a track record of operations spanning 3 financial years, which resulted in the creation of the type of debt or receivable they are seeking to securitize; (v) Obligors must have a track record of operations spanning 3 financial years, which resulted in the creation of the type of debt or receivable the originator is seeking to securitise. Last two conditions will not be applicable to originators regulated by RBI;
5. Introduction of provisions related to Minimum Retention Requirement (**MRR**), Minimum Holding Period (MHP), clean-up call option, liquidity facility and advertisement;
6. Flexibility in offer period as minimum 2 working days and maximum 10 working days;
7. Revising the eligibility for trustees of a Special Purpose Distinct Entity (SPDE) of a listed or to be listed SDI to SEBI registered Debenture Trustee and amendment to 'Duties of Trustees' and Trustee Code of Conduct to provide clarity, increase accountability and transparency;
8. Introduction of periodic disclosure requirements and other amendments, including: (i) about the Servicer; (ii) outstanding litigations, and material developments disclosure to be made on an annual basis; (iii) allowing any authorized person of the originator, instead of directors, to make declarations in the offer document when the issuance is done through private placement; and (iv) Introduction of e-Voting for investors of SOIs; and
9. Introduction of an optional safe harbour (by harnessing the depository mechanism) for private securitisation transactions that are not intended to be made available to the public at large.

5. Measures for Reforms to Debenture Trustees Regulations including towards Ease of Doing Business

1. With a view to facilitating ease of doing business for Debenture Trustees (DTs), the Board approved the following proposals: (a) Insertion of provisions in OT Regulations specifying Rights of DTs exercisable to aid in performance of their fiduciary duties, obligations, roles & responsibilities and corresponding obligations on the issuer under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable timely fulfilment of duties by DTs, and (b) Standardisation of model Debenture Trust Deeds, by Industry Standards Forum in consultation with SEBI, that can be utilized by issuers (or when deviated, disclosing the deviations for investors to review).



2. Board also approved an activity based regulatory framework for DTs to undertake activities falling under the purview of other financial sector regulators/ authorities and to hive off non-regulated activities to a separate entity within two years from the date of notification. DTs may share resources with the hived-off entity so that their efficiency is not impacted. This should be ensured without incurring any legal liability on the regulated entity. The hived-off entity should not use the brand name of the OT beyond the aforesaid period of two years. DTs which have to hive off activities and the hived-off entity when using the same brand name have to abide by such code of conduct as SEBI may specify from time to time.

6. Measures towards Ease of Doing Business for ESG Rating Providers (ERPs)

1. With a view to facilitating ease of doing business for ERPs following a subscriber-pays business model, the Board approved the following proposals: (a) Sharing of ESG rating report with subscribers and the rated issuer at the same time; and (b) Process of dealing with appeal and representation by the rated issuer.
2. The Board also approved an activity based regulatory framework for ERPs to undertake activities falling under the purview of other financial sector regulators/ authorities and to hive off non-regulated activities to a separate entity. ERPs may share resources with the hived-off entity so that their efficiency is not impacted. This should be ensured without incurring any legal liability by the regulated entity. The hived-off entity should not use the brand name of the ERP. ERPs which have to hive off activities and for hived-off entity, if any, when using the same brand name have to abide by such code of conduct as SEBI may specify from time to time.

7. Review of provisions regarding corporate governance norms for High Value Debt Listed entities (HVDLEs) - amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)

The Board has *inter-alia* approved the proposals regarding corporate governance norms for HVDLEs:

1. Increase in threshold for identification of HVDLE from Rs.500 crores to Rs. 1000 crores for aligning the same with the threshold specified for Large Corporates;
2. Introduction of a separate chapter, and a sunset clause for corporate governance norms in the LODR Regulations which will be applicable to entities which have only debt listed securities, to facilitate ease of reference;
3. Increased flexibility on the constitution of the Nomination and Remuneration Committee (NRC), Risk Management Committee (RMC) and Stakeholder Relationship Committee (SRC) by HVDLEs;
4. HVDLEs shall be included in computation of listed entities while counting the ceiling on the number of directorships, memberships or chairpersonships so as to ensure that a director is able to give adequate attention to each listed entity. The restriction on maximum number of directorships shall not apply for directorships that arise due to *ex-officio* position by virtue of statute or applicable contractual framework in case of PSUs and entities set up under the Public Private Partnership (PPP) mode respectively;
5. For debt listed entities where the shareholding is wholly/ substantially held by one or a few related party shareholders, material related party transactions shall require No-Objection Certificate (NOC) from the Debenture Trustee (who in turn shall obtain debenture holders' approval). The said NOC shall be obtained before seeking shareholder's approval on the same through resolution. If the NOC has been withheld, the matter shall not be taken forward for shareholders' consideration/ action; This shall be applicable for RPTs undertaken by HVDLEs from April 01, 2025 onwards;
6. Introduction of Business Responsibility and Sustainability Report (BRSR) for HVDLEs on a voluntary basis to introduce the practice of good governance at par with equity listed entities; and
7. Relaxation to entities set up under the Public Private Partnership mode (PPP) mode from provisions relating to composition of directors under the LODR Regulations akin to PSUs or statutory entities.

8. Measures towards Ease of Doing Business and Investor Protection for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs)

1. The Board approved ease of doing business proposals for REITs and InvITs which *inter-alia* included: permitting *inter-se* transfer of locked-in units amongst a sponsor group entity; providing the definition of "common infrastructure" in the REIT Regulations; permitting investment in interest rate derivatives for hedging (as a user or client) subject to RBI guidelines as applicable; and providing three months for filling up of vacancy of director.



2. Further, the Board approved investor protection measures wherein REITs / InvITs shall be permitted to invest in unlisted equity shares, but only of a company which provides property management / property maintenance / housekeeping / project management and other incidental services to the REIT/ InvIT assets subject to conditions; shall be permitted to invest in liquid mutual funds schemes only where the credit risk value is at least 12 and falls under the Class A-I in the potential risk class matrix; and expanding the roles and responsibilities of the trustee to strengthen and enhance their role for the benefit of unitholders.

9. Measures towards Ease of Doing Business for Small and Medium Real Estate Investment Trusts (SM REITs)

The Board approved the following proposals to facilitate ease of doing business related to activities of SM REITs: (a) Standardizing the disclosures in scheme offer document including bifurcation of the scheme offer document into Key Information of the Trust (KIT) and Key Information of the Scheme (KIS), manner of filing and processing of KIT and KIS, manner of updation of KIT and preparation of scheme offer document in a manner which facilitates automated processing; (b) Guidelines for public issue of units by a scheme of SM REIT including allocation in public issue, subscription period, price band, allotment procedure in case of oversubscription and minimum subscription amount; and (c) Alignment of certain provisions pertaining to investment conditions and borrowings for SM REITs vis-a-vis REITs.

10. Facilitating ease of doing business for employees of Asset Management Companies (AMCs) with respect to the framework related to "Alignment of interest of the designated employees of the Asset Management Company (AMC) with the interest of the unitholders"

1. The Board approved amendments to SEBI (Mutual Funds) Regulations, 1996 ('Regulations') for relaxing the regulatory framework related to 'Alignment of interest of the designated employees of the AMCs with the interest of the unitholders' to facilitate ease of doing business for Mutual Funds while mandating disclosure of results of stress testing of all mutual fund schemes.
2. The relaxations inter alia pertain to reduction of minimum investment amount, reduction of frequency of disclosure, lower lock-in period for employees who have resigned, empowering Nomination and Remuneration Committee to verify compliances by designated employee, relaxed requirements for employees managing liquid funds and relaxed redemption norms.

11. Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for specifying timelines for deployment of funds collected by Asset Management Companies (AMC's) in New Fund Offer (NFO) as per asset allocation of the scheme

1. The Board approved amendments to SEBI (Mutual Funds) Regulations, 1996 ('Regulations') to specify timelines for deployment of funds collected by Mutual Funds in New Fund Offers (NFO), as per the specified asset allocation of a scheme.
2. The objective of the framework is to provide a timeline within which the fund manager would be required to deploy the funds garnered in an NFO as per the required asset allocation of the scheme. The new framework is aimed at encouraging AMCs to collect only as much funds in NFOs as can be deployed in a reasonable period of time (i.e. ordinarily 30 days), since in the open-ended funds investors always have the option to enter the scheme at a later date at the prevailing NAV. The framework provides an option to investors to exit the scheme without exit load in case the fund manager is unable to deploy the fund within the specified timeline. Further, to address the issue of possible mis-selling in NFOs, for switch transactions, the distributor shall be entitled to the lower of the two commissions offered under the two schemes of the switch transaction.

12. Review of SEBI (Custodian) Regulations, 1996

1. The Board approved the proposal to review SEBI (Custodian) Regulations, 1996. Overall, these measures are expected to simplify compliances while also strengthening the risk management and governance amongst Custodians.
2. Some of the key proposals that have been approved by the Board are-
Risk Management:
 - A dedicated net worth of Rs. 75 Crore shall be maintained by Custodians. Existing Custodians shall achieve the same within three years.
 - Custodians shall adopt a framework on Business Continuity Plan and Disaster Recovery, orderly winding down and enhanced obligations, similar to that of Qualified Stock Brokers.
 - Custodians may undertake activities incidental to regulated activities as may be specified from time to time (eg. fund accounting), provided there are effective controls in place to address potential conflicts of interest. They shall hive-off activities that are not under the purview of any financial sector regulator to a separate legal entity within two years.



- The Code of Conduct applicable for Custodians shall be amended in line with that applicable for other intermediaries.

Ease of Doing Business:

- In the context of norms regarding outsourcing of non-core custodian activities, the Custodians and Depositories Standard Setting Forum (CDSSF) may categorise a list of core/non-core activities, in consultation with SEBI.
- The requirement of vaults shall apply only if the custodian is holding any physical securities. The specifications of such vault may be harmoniously adopted by the industry through the CDSSF, in consultation with SEBI, subject to full disclosure and taking informed consent from the clients.
- Certain reports submitted by custodians to SEBI shall be discontinued to remove duplicate reporting requirements to SEBI and Depositories.

13. Proposal for recognition of Past Risk and Return Verification Agency (PaRRVA)

1. In order to facilitate persons regulated by the Board or their agents to market their services to investors using their risk-return metrics, the Board has approved the proposal to recognise a "Past Risk and Return Verification Agency (PaRRVA)" which shall verify the risk-return metrics in respect of services of such persons or their agents. A Credit Rating Agency (CRA) shall act as PaRRVA with a recognized stock exchange serving as PaRRVA Data Centre (PDC).
2. PaRRVA shall carry out the verification of risk-return metrics for Investment Advisors (IAs), Research Analysts (RAs) and Algorithmic Trading, and those persons permitted by the Board to offer these services. It is clarified that the risk return metrics verification shall be made only on a prospective basis from the effective date of opting for the PaRRVA service.
3. Initially, PaRRVA shall be operational on pilot basis for a period of two months. During the pilot period, the agency shall seek feedback from stakeholders and fine-tune technological systems and processes (if required) for a stable and streamlined experience for the stakeholders. Post such fine tuning, PaRRVA shall be operational on a regular basis for above mention entities. It would not be mandatory to avail the services of the agency in case one does not wish to make a claim regarding their past risk-return metrics.

14. Assigning responsibility for the use of Artificial Intelligence tools by Market Infrastructure Institutions, Registered Intermediaries and other persons regulated by SEBI

1. The Board approved the proposal to amend the provisions of Securities and Exchange Board of India (Intermediaries) Regulations, 2008, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to require persons regulated by SEBI (including MIs, registered intermediaries, AMCs, managers of pooled investment vehicles) who use Artificial Intelligence tools, either designed by them or procured from third-party technology service providers, to take full responsibility for their use of such tools. The Regulations shall be applicable irrespective of the scale and scenario of adoption of such tools for conducting its business and servicing its investors. Such SEBI regulated persons shall be solely responsible for -
 - the privacy, security and integrity of investors' and stakeholders' data including data maintained by it in a fiduciary capacity, throughout the processes involved;
 - the output arising from the usage of such tools and techniques it relies upon or deals with; and
 - the compliance with applicable laws in force.

15. Aligning the modes for payment of dividend, interest, etc. for demat account holders in line with physical securityholders to promote online/digital transactions

The Board approved the proposal for mandating any kind of payment including dividend or interest or redemption or repayment by a listed entity to its security holders in electronic form only. In case of returned dividend/interest/redemption, there will be an obligation on the Company to inform the demat account holders by way of registered post as well as by email/sms to update their correct bank account details. The companies and Depositories shall engage in a sustained campaign to facilitate that investors populate their bank account details so as to receive their payments in electronic mode. The amendment will take effect from a date subsequent to such sustained campaign.



16. Amendments to include events in the illustrative list of the definition of Unpublished Price Sensitive Information (UPSI) under SEBI (Prohibition of Insider Trading) Regulations, 2015.

1. The Board, *inter-alia*, approved the amendments to the definition of UPSI under Regulation 2(1) (n) of SEBI (Prohibition of Insider Trading) Regulations, 2015 by including in the illustrative list, 17 out of the 27 items not already covered from events considered as material events requiring disclosures under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This is being done to enhance regulatory clarity, certainty and uniformity in compliance in the ecosystem.
2. In addition, for identification of events as UPSI, threshold limits as prescribed for events from Para A and Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made applicable. Further, for events emanating from outside the company, flexibility has been provided to make entries in the structured digital database on a deferred basis, within two days, as well as to not have mandatory trading window closure. This has been done to enhance the ease of doing business (EODB) for listed companies.

17. Amendments to Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for provisions related to payment of Annual Fee and Annual Charge by the depositories

In order to align the provisions applicable to depositories regarding timelines for payment of annual fee, requirement for Chartered Accountant (CA) certification to ensure correctness of statement of annual fee paid, and levy of interest in case of delay in payment of fees, with those applicable to stock exchanges, the Board approved amendments to Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for the following:

1. The payment of annual fee to the Board by depositories shall be within fifteen days from the beginning of each financial year.
2. The depository shall intimate the Board, the details of remittance along with the statement of computation of annual charges certified to be correct by a Chartered Accountant, to ensure correctness in computation and independent verification of annual charges paid to the Board by the depository.
3. In case of non-payment, late payment or short payment of annual fee or annual charge, depository shall be liable for payment of interest of 15% per annum on the amount remaining unpaid or belatedly paid or short paid, for every month of delay or part thereof to the Board.

18. Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2024

1. The Board approved the Securities and Exchange Board of India (Procedure for making, amending, and reviewing of Regulations) Regulations, 2024, which *inter alia* codifies SEBI's approach of undertaking public consultation for making and amending regulations. It also lays down the requirement of reviewing regulations. Key features of the said regulations include following:
2. **Public Consultation:** It mandates that the proposal(s) containing the suggested changes to the policy, including the draft regulations, shall be published for public feedback ordinarily for a minimum of 21 calendar days.
3. Rationale for acceptance/non-acceptance will be made public.
4. Board Agendas will carry structured analysis of feedback from public consultation.
5. **Regulations in exigency:** It allows for expedited processes (without public consultation or with public consultation but with reduced time period) when it is expedient in the interest of the investors, the regulation or development of the securities market. The Board shall be apprised of cases where procedure laid down in the regulations has been exempted.
6. **Periodic Review:** It mandates periodic review of regulations *inter alia* based on objectives, outcomes, and best practices.

19. Updation with respect to Investor Charter for Securities Market

The Board considered and approved the proposal to insert a provision in the appropriate SEBI Regulations, requiring the respective SEBI Intermediaries/Regulated entities to adhere to the Investor Charter as specified by SEBI from time to time.

Mumbai

December 18, 2024

GST RULINGS

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

TNVAT, TNGST Judgements

No reply: Petitioner has not chosen to file its reply and hence impugned assessment order came to be passed. Petitioner submit that impugned order came to be passed without affording an opportunity of hearing and therefore the same is in violation of principles of natural justice and therefore prays to set aside the same. This Court has not accepted the submissions. This Writ Petition stands dismissed, with liberty to the Petitioner to file an Appeal, challenging the impugned order before the Appellate authority, within a period of thirty days from the receipt of the copy of this order. **M/s. Sri Balaji Pharma Surgicals Vs STO, Dharmapuri Assessment Circle, W.P.No.29409 of 2024 Dated: 14.10.2024**

Notice u/s 73 AND order 74: It is an admitted fact that though the notice in Form DRC-01 was issued under Section 73 of the GST Act, the impugned order was passed under Section 74 of the GST Act. If at all if there is an intention to pass any assessment order u/s 74 of the GST Act, the respondent is supposed to have issued a notice by fulfilling the conditions narrated u/s 74 of the GST Act. In this case, it is apparent that no such notice was issued u/s 74 of the GST Act. When such being the case, no order can be passed by the respondent u/s 74 of the GST Act and hence, the impugned order passed by the respondent is not only in violation of principles of natural justice but also against the provision of law. **Tvl.Rajaa Offset Vs.STO (FAC), Mannargudi Assessment Circle, W.P.No.30189 of 2024 Dated: 15.10.2024**

Request for Rectification: WP filed by the petitioner to consider the rectification application filed u/s 161 of the GST Act on 03.05.2024 for the Assessment Year 2017-18. Considering the submissions made by the learned counsel appearing for the Petitioner as well as the Respondent, this Court directs the 1st Respondent to pass orders on the rectification petition filed by the Petitioner on 03.05.2024, on merits and in accordance with law, after affording an opportunity of hearing to the Petitioner, within 3 months from the date of receipt of a copy of this order. **M/s.Ganesh Constructions Vs.1. DSTO, Ayanavaram Assessment Circle 2. CGM, BSNL, Chennai Telephones, Chennai-10. W.P.No.29351 of 2024 Dated: 14.10.2024**

Refund of GST: Petitioner has made application claiming refund of the tax u/s 54 of CGST Act, 2017 followed a reminder letter dated 29.03.2019, but the respondent has not processed the same, but after a lapse of more than one year, issued a Deficiency Memo on 12.04.2019 calling upon the petitioner to rectify certain deficiencies mentioned therein. According to the petitioner, they had not received the said Deficiency Memo and they came to know only when they received a letter dated 26.5.2023 from the respondent. Therefore, since the petitioner has made the application claiming refund of the tax within the time, which was not processed by the respondent more than a year, the Hon'ble Court was of the view that it would be appropriate to direct the respondent to process the application without insisting limitation aspect and pass orders therein and issued directions. **M/s.Regal Engineers & Contractors P Ltd Vs AC of CGST & CE, Pallavaram Divn, Chennai-18. W.P.No.29256 of 2024 Dated: 14.10.2024.**

Cancellation of GST registration : GST registration of the petitioner was cancelled. According to the petitioner, since their turn over had never crossed a sum of Rs.20,00,000/-, they are under the impression that they are not required to file their returns. Under these circumstances, the GST Registration of the petitioner was cancelled for non-filing of returns for 6 months. The reason provided for non-compliance with the relevant provisions of the Act within the prescribed time, in the considered opinion of the Hon'ble Court, appears to be genuine. This Court revoked the impugned order cancelling the GST registration of the petitioner, subject to the fulfillment of the conditions. **M/s.AVR Traders Vs. Supdt of GST and CE, Villupuram I Assessment Circle, W.P.No.30731 of 2024 Dated: 24.10.2024**

Delay condonation: Due to the demise of the petitioner's father, petitioners preferred an appeal against the said assessment order with a delay of 44 days. In such case, the reason provided for non-filing of appeal within the prescribed time appears to be genuine. Therefore, being satisfied with the reasons assigned by the petitioner and also considering the submission made by the petitioner, this Court has condoned the delay. **M/s. Nithya Cotton Mills Vs.1.DC (ST)(GST)(Appeal), Erode and Salem, Erode-1. 2. STO, Tiruppur Assessment Circle, W.P.No.30500 of 2024 Dated : 18.10.2024**

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GST Refund : As per the Notification No.13/2022 dated 05.07.2022, the last date for filing the refund claim for 2019-20 is 29.02.2024, but the learned counsel for the Petitioner submitted that the effect of the above mentioned notification is that the period from 01.03.2020 to 28.02.2022 shall be excluded, which means that the 2 years exclusion period shall be added to the original time-limit of 31.03.2022 which stands extended to 31.03.2024. It appears that due to some confusion whether the limitation ends on 29.02.2024 or 31.03.2024, the Petitioner filed the rectification application with a delay of 7 days. Considering the submissions made by the learned counsel for the Petitioner as well as the Respondent and in view of the settled proposition of law that when substantial justice is pitted against technical consideration, credence should be given to the substantial justice, this Court has condoned the delay of 7 in filing the refund application before the Respondent. **M/s.Trisula Engg and Trading P Ltd, Vs. AC, Cuddalore GST & C.E., Cuddalore 607001 W.P.No.28614 of 2024 Dated : 17.10.2024**

GST Tax not paid and claim of ITC: In the absence of material evidences with regard to the remittance of tax amount by the supplier, the respondent had rightly arrived at the conclusion to reverse the ITC availed by the petitioner and passed the impugned order dated 23.04.2024. In such case, the Hon'ble Court also does not find any merits in the present petition. Therefore, this Court dismissed this petition by granting liberty to the petitioner to file an appeal against the impugned order. **Tvl.Green Star Traders Vs. CTO, Room No.224, Farnpet, Chennai-35. W.P.No.29741 of 2024 Dated: 15.10.2024**

No findings If the respondent is intending to reject the reply filed by the petitioner, they have to state as to why they are rejecting the reply and provide a due consideration with regard to the submission made by the petitioner. However, in this case, no reason has been stated with regard to the rejection of reply filed. Therefore, it is clear that the impugned order came to be passed by the respondent in violation of principles of natural justice and the same is set aside with conditions. **Tvl.Coira Media Enterprises Vs. DCTO-2, Pollachi (West), Assessment Circle, W.P.No.30091 of 2024 Dated : 15.10.2024**

GST Registration and its Suspension: It is the fundamental right of the petitioner to trade and carry on the business in the country and the State can impose reasonable restrictions. However, in the present case, the respondent without resorting to take legal action invoking penal provisions, suspended the GST registration of the petitioner and deprived the petitioner from carrying on the business, which amounts to violation of fundamental right of the petitioner and prevented the petitioner, which, cannot be sustained. **M/s. A.V.Traders Vs. CTO, Thiruvallikeni Assessment Circle, Chennai South-I, W.P.No.31285 of 2024 Dated: 29.10.2024.**

Personal Hearing: No opportunity of personal hearing was provided to the Petitioner prior to the passing of impugned order. Hence, this Court is of the view that the impugned orders are passed in violation of principles of natural justice and it is just and necessary to provide an opportunity to the Petitioner to establish their case on merits. **M/s. Sky Moon Sea Foods Vs. AC(ST)(FAC), Chintadripet Assessment Circle W.P.No.32061 of 2024 Dated: 28.10.2024**

