



SIRC Newsletter

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April 2021 | Volume 46 • Part 10

Southern India Regional Council ▶ THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ▶ SET UP BY AN ACT OF PARLIAMENT



Bank Audit Seminar at Kochi - 19th March, 2021



CA. Jalapathi K, Chairman, SIRC of ICAI felicitated by CA. Jomon K. George, Regional Council Member along with Shri. Hibi Eden, Hon'ble Member of Parliament, CA. Ranjith Warriar, Chairman and CA. Deepa Varghese, Secretary of Ernakulam Branch of SIRC of ICAI

Felicitation Function for Chairman of SIRC at Coimbatore - 20th March 2021



CA. Jalapathi K, Chairman, SIRC of ICAI seen along with CA. G. Ramaswamy, Past President of ICAI, CA. S. Prabhu, Chairman, CA. B. Nagakumar, Secretary of Coimbatore Branch of SIRC of ICAI, CA. N. Ravisankar and CA. S. Venkatesh

Chairman's Communique...



Beloved and Esteemed Colleagues,

Let me start this communication with my best wishes for a happy and prosperous Financial New Year. April 01, 2021 brings in a lot of emotions, and the heart is filled with pride and a sense of anticipation. It heralds in the Platinum Jubilee of our Regional Council and a year that promises a lot of professional development. The SIRC, with due inputs from members of the fraternity from the Region has been working continuously and consciously to give our members and students a great year ahead.

I take this opportunity to salute all the Chairmen and all the members of the SIRC of these 70 years to see this 70th year with so much of pride and esteem. All of them have truly followed what Swami Vivekananda once said *Don't look back - forward infinite energy, infinite enthusiasm, infinite daring, and infinite patience – then alone can great deeds be accomplished. The involvement and cooperation extended by the members and students of this region is second to none in taking our SIRC to this Platinum Jubilee year.*

As Swami Vivekananda said *'Take up one idea, make that one idea your life. Think of it, dream of it, Live on that idea let the brain, muscles, nerves, every part of your body be full of that idea, and just leave every other idea alone. This is the way to success'; I have, to make this Council Year as one of the most productive and professionally enriching year–*

- Invited suggestions and inputs from our members for the work plan of SIRC of ICAI for the year 2021-22;
- Started compiling CPE resource persons database for the benefit of CPE Programme Organising Units of the Southern Region;
- Taken up the process of collating student publication requirement for the libraries of the Branches
- Invited willingness with specialisation area(s) for submitting comments on Exposure Drafts
- Initiated a project to compile industry wise business reports for the benefit of members
- Taken steps to clear issues in Self Service Portal (in which tickets are outstanding for more than 20 days)
- Reach out to the CA students – future of our profession – throughout the Southern region to provide the most appropriate coaching for their success in our exams.

Mega Career Counselling Programme with Tamilnadu State Council for Higher Education (TANSICHE).

SIRC is proud to announce the conduct of three Mega Career Counselling and Skill Development Programmes for the students of Arts and Science Colleges throughout Tamilnadu. As an important element of Institutional CSR, we are imparting basic skills on GST and opportunities available for the graduates including the complete details of Chartered Accountancy Course. It is my sincere hope that this initiative would be a proof that we are adopting what Mr. Barack Obama, Former President of USA said 'Find somebody to be successful for. Raise their hopes. Think of their needs'.



Region-wide Online Coaching Classes

As you are aware, SIRC have been grooming CAs in its campus by conducting coaching classes for more than five decades. The coaching classes conducted by SIRC are affordable and conducted without any profit motive, and all subjects are handled by eminent faculties.

SIRC of ICAI has hosted online coaching classes for CA Intermediate and Final which commenced from 24th March 2021 for students appearing for November 2021 Examinations. Subject wise registrations are still open. For Registration, please advise the students to visit <http://www.sirc-icai.org/view-batches.php>

A milestone decision was taken in the Regional Council meeting of SIRC to involve the branches of SIRC where coaching class facilities are not available to enrol students for these online coaching classes. These region-wide online coaching classes have been introduced with an aim to -

- Enable the students to get the benefits of coaching classes from their home town itself, instead of moving to far off places, thereby enabling them to attend office effectively during their articleship.
- Help those branches, who couldn't conduct their own coaching classes due to various implementation issues.
- Standardize the coaching to students across SIRC and its branches.

It is my sincere hope that this endeavour would be greatly beneficial to students as well as members to a greater extent.

Signing off this month's interaction through SIRC Newsletter

To conclude this month's communication, I may draw the golden words of Albert Einstein on **Human Values**: *Try not to become a man of success, but a man of value. Look around at how people want to get more out of life than they put in. A man of value will give more than he receives. Be creative, but make sure that what you create is not a curse for mankind.*

In the service of members and students ever

CA. K. JALAPATHI
Chairman, SIRC of ICAI

Chennai
5th April, 2021

GRACIOUS CONTRIBUTORS TO CABF - 2021

Sl. No.	Firm No. / Mem No.	Firm Name / Mem Name	Amount	City
1	002330S	M/s. M R NARAIN & CO	₹ 1,00,000	CHENNAI

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CONGRATULATIONS



CA. T N Manoharan, Past President of ICAI has been nominated as a member of the External Advisory Committee for evaluating applications for Universal Banks and Small Finance Banks constituted by Reserve Bank of India.

On behalf of the members and students of our Southern Region, we congratulate our Past President and wish him all success in all his similar endeavours.



FORTHCOMING VIRTUAL CPE MEETINGS – APRIL 2021

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

Forthcoming VIRTUAL CPE Meetings from SIRC of ICAI

(Limited to 1500 members registering on first come first served basis)

Date	Timings	Topic	Resource Person(s)	Structured CPE	Fees (Rs)
1 st Apr 2021 (Thu)	10.30 am- 12.30 am	70th Year of Regional Councils - Programme by All Regional Councils (NIRC, WIRC, SIRC, CIRC & EIRC) Recent Changes in Income Tax Act for Charitable Trusts including Re-registration	Address by Chief Guest: Shri. P.C Modi Chairman of CBDT Address by President, ICAI CA. Nihar N Jambusaria Address by Vice President, ICAI CA. (Dr.) Debashis Mitra Speaker - CA. (Dr.) Girish Ahuja	2	Nil
2 nd Apr 2021 (Fri)	6 pm - 8 pm	Recent Amendments to Companies Act 2013 Mandatory use of Accounting Software having audit trail: What is meant by Audit Trail How it is critical What the notification say Various accounting software Audit Trail Feature E Invoicing _ Key Issues and Impact	CA. Mitesh Katira, Mumbai CA. T R Srinivasan, Chennai	2	100+GST
5 th & 6 th Apr 2021 (Mon & Tue)	5 pm - 8 pm	Refresher Course on Bank Audit Expectation of Central Statutory Auditor with reference to Statutory Branch Audit with special focus on Recent Amendments in L FAR and Internal Financial Controls Effective Utilisation of Banking Softwares Expectation of Regulators	CA. PM Veeramani, Kochi CA. Sreevats Gopalakrishnan New Delhi Panel of Speakers CA. PM Veeramani, Kochi CA. M. Srinivasan , Chennai CA. GN Ramaswami , Chennai CA. Monyananthasivan, Kozhikode	5	200 +GST
6 th Apr 2021 (Tue)	5 pm - 7 pm	Bank Audit - Practical Issues Question and Answer Session	CA. S. Ramesh, Chennai CA. Sundarajan, Chennai	Nil	Nil
7 th & 8 th Apr 2021 (Wed, Thu)	5 pm - 7 pm	Bank Branch Audit Help desk Live Clarification for Bank Branch Auditors (Students of Bank Branch Audit are also welcome)	CA. S. Ramesh, Chennai CA. Sundarajan, Chennai	Nil	Nil
9 th Apr 2021 (Fri)	6 pm - 8 pm	Treasury & Forex Management	CA. Maulik Rajnikanth Shah, Mumbai	2	100 +GST
10 th Apr 2021 (Sat)	3 pm - 5 pm	Insolvency & Bankruptcy Code	Eminent Speakers	2	100 +GST
13 th Apr 2021 (Tue)	6 pm - 8 pm	Arbitration - Opportunities for Professionals	Adv. Inbavijayan, Chennai	2	100 +GST
15 th Apr 2021 (Thu)	6 pm - 8 pm	Real Estate Sector-RERA- GST & IBC	CA. Ramesh Prabhu, Mumbai	2	100 +GST
16 th Apr 2021 (Fri)	6 pm - 8 pm	Direct Tax - Impact of Finance Act, 2021	Eminent Speaker	2	100 +GST
17 th April 2021 (Sat)	5 pm - 8 pm	Recent Changes in Income Tax Act for Charitable Trusts including Re- Registration	Dr. CA. Phalguna Kumar, Tirupati	3	200 +GST
19 th - 23 rd Apr 2021 (Mon- Fri)	5 pm - 8 pm	Five days Refresher Course on Overview of FEMA Keynote Address Fundamentals of FEMA including Residential Status, Capital & Current Account transactions Facilities and Obligations for NRIs Foreign investment in India (except for NRIs) including indirect foreign investment Overseas investment from India including branch overseas and LRS Practical cases related to Compounding & ED Matters, Appeals and Adjudication Practical issues in FEMA Compliance and Auditor's Role	CA. Rashmin Sanghvi, Mumbai Dr. CA. Mayur Nayak, Mumbai CA. Anil Doshi, Mumai CA. Saumya Sheth, Ahmedabad CA. Rutvik Sanghvi, Mumbai CA. Rajesh P Shah, Mumbai CA. Hardik Mehta, Mumbai	15	1200+GST
23 rd Apr 2021 (Fri)	4.45 pm - 7.45 pm	Borrowings & Lending under FEMA Import & Export of Goods & Services	CA. Shabbir Motorwala, Mumbai CA. Ajit Shah, Mumbai		
27 th & 28 th Apr 2021 (Wed, Thu)	5 pm - 8 pm 6 pm - 8 pm	Refresher Course on GST GST - Departmental Inquiries and approach by taxpayers GST - Impact of Finance Act, 2021 & Recent developments	CA. Jatin Christopher, Bengaluru CA. Sankara Narayanan, Chennai	5	200 +GST
29 th Apr 2021 (Fri)	6 pm - 8 pm	Investors Awareness Programme Equity Investing for Wealth Creation	CA. Rudra Murthy, Bengaluru	Nil	Nil

CPE Credit on attending full programme only

Prior Registraton Compulsory : <http://bit.do/sirclogin>



LEADER'S THOUGHT



Dear Esteemed Colleagues,

We all were with the government throughout the last economic reforms phase. These reforms deeply laid the roots in the dynamic digital ecosystem, and start giving their fruits now. There is no doubt that we occupied pioneers position in implementing those reforms.

To get our share from these fruits, we should also strengthen our roots. The traditional forms of practice are now transfiguring. The rapidity of its change is at an alarming rate. Income Tax is almost faceless now. GST is also going to be faceless. ITAT appeals are also going to be faceless soon. Our face value can't appease any case now, but the strength of our mind can. To tackle this change, get ready to relearn your tax laws, gain good drafting skills and acquire good English articulations skills.

The bank mergers are impacting the size of the opportunities available to the members. Ongoing digitalization is impacting the necessity of the tax audit itself.

The Greek philosopher Heraclitus once said, "The only thing constant in life is change." Howsoever the change, the services of our members are indispensable. The only condition is, we should constantly adapt ourselves to face the change.

In the next few years, the consultancy in finance and taxation will occupy the number one position in the domestic services sector. The limited financial literacy of the taxpayer is insufficient to undertake the accounting and taxation matters at their offices. So, they have to outsource these services to experts to handle them. Their money partly enriches us, and our services enrich them partly. This model works is a win all situation for everyone.

I urge you all to equip yourself with the new knowledge to have the new opportunities. The doors of new possibilities are always open to the people who employ the matter between their two ears wisely. To transform your knowledge into opportunities, be an action taker. Be a frontline warrior to elevate our brand to the next level.

With warm regards
"Standing by you, always!"

CA Chengal Reddy Ramireddygari
Regional Council Member of SIRC of ICAI

UPDATES

Scan QR Code & Read



Corporate Law

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Karnataka VAT-GST



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SEBI

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Tamil Nadu VAT



Contribution by:
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The online link for UPDATES:

<https://www.sirc-icai.org/professional-updates.php>

DISCLAIMER

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

Virtual CPE Programmes Conducted by SIRC of ICAI

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



SIRC OF ICAI
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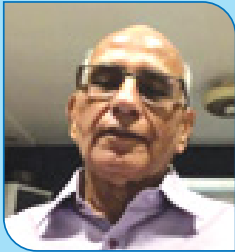


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CA. Maheswaran R	Coimbatore	Coopted Member
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CA. Revathi S. Raghunathan	Chennai	Member
CA. Ayyampalayam Venkatesan Arun	Salem	Coopted Member
CA. Saravanan B	Coimbatore	Coopted Member
CA. K. C. Senthil kumar	Tirupur	Coopted Member
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CA. Sekar G.	Chennai	Member
CA. Dungar Chand U. Jain	Madurai	Member
CA. Geetha A.B.	Bengaluru	Member
CA. Jomon K. George	Kochi	Member
CA. Sundararajan R.	Chennai	Member
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CA. Narasimhadass Pai M R	Mangaluru	Coopted Member
CA. Survajith S Krishnan	Coimbatore	Coopted Member
SICASA		
CA. Naresh Chandra Gelli	Hyderabad	Chairman
CA. Vijay Kumar M. P.	Chennai	Member
CA. Pampanna B.E.	Bengaluru	Member
CSR Committee		
CA. Pampanna B.E.	Bengaluru	Chairman
CA. Jalapathi K.	Coimbatore	Member
CA. Rajendra Kumar P	Chennai	Member
CA. Dungar Chand U. Jain	Madurai	Member
CA. Jomon K. George	Kochi	Member
CA. Revathi S. Raghunathan	Chennai	Member
CA. Sundararajan R.	Chennai	Member
CA. John Moris A	Chennai	Coopted Member
CA. Petchi T	Chennai	Coopted Member
CA. Sivachalam N	Tirupur	Coopted Member



Resource Persons for the month of March 2021



CA. Amarjit Chopra
Past President



CA. Niranjani Joshi



CA. Dhananjay J Gokhale



CA. U. Saran Kumar



CA. Dr. M. Kandasami



CA. Manoj Fadnis,
Past President



CA. S. Venkataramani



CA. K. Gururaj Acharya



CA. Chinnsamy Ganesan

To have a **STRONG FOUNDATION** in CA Course and to Succeed...



JOIN SIRC Online CA FOUNDATION Coaching Classes

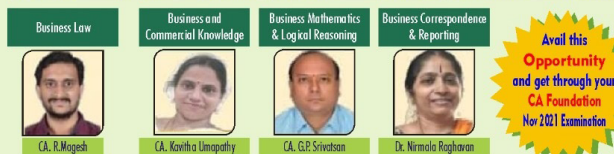
- ◆ SIRC of ICAI is the leader in grooming CAs for the past 50 years.
- ◆ Be trained by the Leader at a very nominal cost.
- ◆ Online interactive Live Classes with doubt clearing sessions.
- ◆ 12 days Free Rapid Revision Classes after the course completion.
- ◆ Experienced Faculty Team Members of SIRC Foundation Coaching Classes.
- ◆ **No Coaching Fee for Govt. & Govt. Aided School Students of Southern Region States.** (Tamil Nadu, Kerala, Karnataka, Andhra, Telangana, Union Territory of Pondicherry)

For students appearing for Nov 2021 Examinations (+2 Students can also attend)

DATE 9th June 2021
(tentatively will end by September 2021)

Days : All Days
Class Timings :
Morning : 6.00 A.M. to 8.00 A.M.
Evening : 6.00 P.M. to 9.00 P.M.

Course Fee : Rs.9,500/-



Avail this Opportunity and get through your CA Foundation Nov 2021 Examination

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

For Further details, please contact our SIRC Coaching Classes Help Desk
Phone: 044 30210380, Mobile: 9677126011, E-mail: sirc.foundation@icai.in; sircclasses@icai.in

ICITSS Courses by SIRC of ICAI (Virtual Mode).

Commencing from 09.04.2021 to 26.04.2021

Information Technology Training (ICITSS- IT)

BATCH NO	TIMINGS
CHN-ICITSS-IT-04-21-131	07.30 A.M TO 01.30 P.M
CHN-ICITSS-IT-04-21-132	01.45 P.M TO 07.45 P.M

Orientation Course (ICITSS-OC)

BATCH NO	TIMINGS
ICITSS-OC-CHE-146	07.00 A.M TO 01.30 P.M
ICITSS-OC-CHE-147	01.45 P.M TO 08.15 P.M

Advanced (ICITSS) MCS Course

BATCH NO	TIMINGS
ADVANCED-ICITSS-MCS 147	07.00 A.M TO 01.30 P.M
ADVANCED-ICITSS-MCS 148	01.45 P.M TO 08.15 P.M

Advanced Information Technology Training (AICITSS- AIT)

BATCH NO	TIMINGS
CHN-AICITSS-AIT-04-21-123	07.30 A.M TO 01.30 P.M
CHN-AICITSS-AIT-04-21-124	01.45 P.M TO 07.45 P.M

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

Please register through the link:

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



CA. Jalapathi K, Chairman, SIRC of ICAI met Dr. K. Minraj, Member Secretary, Tamil Nadu State Council for Higher Education for conducting skill development programmes for students of Tamil Nadu.



CA. Jalapathi K, Chairman, SIRC of ICAI honoring a Senior Member of Southern Region CA Ratnam KR as part of "We care" initiative

"International Women's Day Celebrations" jointly with Chengalpattu Dist., Branch of SIRC of ICAI - Mini Marathon - 7th March 21



CA. Jalapathi, K, Chairman, SIRC of ICAI, seen along with Chief Guest Dr.R.Natarajan, IRS, CA. Revathi Raghunathan, Treasurer, SIRC of ICAI, CA. Geethha A B, Regional Council Member, SIRC, CA. John Morris, CA. J. Murali and CA. Thavamani T, Past Chairman, Madurai Branch of SIRC of ICAI. CA. Petchi Thangavel, CA. Subhashini Ganapathy and other participants of the mini marathon

"International Women's Day Celebrations" jointly with Chengalpattu Dist., Branch of SIRC of ICAI - The New Norm All" Women's Day Celebrations Panel discussion on way forward - March 8, 2021



Group Photo of with the dignitaries on the dais with the participants

Virtual CPE Programme on Refresher Course on Bank Branch Audit - March 12, 2021



Resource Persons CA. V. Jawahar, CA. Ramesh S, seen along with CA. D. Prasanna Kumar, Central Council Member-ICAI, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. Pannaraj S, Secretary, SIRC of ICAI.

Virtual CPE Programme on Refresher Course on Bank Branch Audit - March 13, 2021



Resource Persons CA. Kuntal Pradeep Shah, CA. Mony Anandhasivan seen along with CA. Jomon K. George and Regional Council Members of SIRC of ICAI, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. Pannaraj S, Secretary, SIRC of ICAI.

Union Budget 2021 "State of Indian Economy" - March 21, 2021



Chief Guest CA. Suresh Prabhu, Former Union Minister of India & India's Sherpa to G7 and G20, CA. Ananthaganeswaran, Member of Prime minister's Economic Advisory Council of India, CA. Prasanna Krishnan V, CA. V. Ramanath, CA. Sundar Raman seen along with CA. Rajendra Kumar P, Central Council Member-ICAI, CA. K. Jalapathi, Chairman, SIRC of ICAI, CA. China Masthan Talakayala, Vice-Chairman, SIRC of ICAI, CA. Pannaraj S, Secretary, SIRC of ICAI and CA. Revathi Raghunathan, Treasurer, SIRC of ICAI.

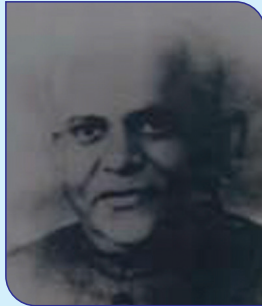
Felicitation of All India First Rank Holder



All India First Rank Holder - Final (Old Scheme) Examination - January 2021 Mr.Bishal Timsina of Chennai was felicitated by SIRC Chairman CA. K. Jalapathi at ICAI Bhawan, Chennai on 25th March, 2021



**PAST PRESIDENTS OF ICAI FROM SOUTHERN REGION -
WHO BROUGHT LAURELS TO THE CA PROFESSION AND ICAI**



CA. Sastri C S
1955-56



CA. Brahmayya P
1962-63



CA. Venkatesan R
1968-69



CA. Krishnan N C
1974-75



Mr. Ashok Kumbhat
1982-83



CA. Balakrishnan R
1986-87



CA. Sundararajan N C
1992-93



CA. Rao B P
1994-95



CA. Sitharaman G
2000-01



CA. Bupathy R
2003-04



CA. Manoharan T N
2006-07



CA. Ramaswamy G
2011-12



CA. Raghu K
2014-15



CA. Devaraja Reddy M
2016-17

LEADERS OF SIRC WHO HAVE LAID STRONG FOUNDATION FOR SIRC - PAST CHAIRMEN



CA. Rajam Iyer R N
April-May 1952



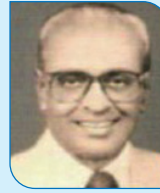
CA. Sastri C S
1952-54



CA. Minakshisundaram T C
1954-55



CA. Sivabhogam R
1955-58



CA. Sampath Kumaran P T
1958-59



CA. Ramachandra Rao K
1959-60 (up to Sep.)



CA. Rangaswamy D
Oct 1960-June 1961



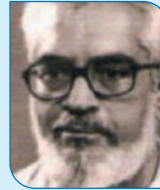
CA. Karra Dakshina Murthy
June 1961-Sep 1961



CA. Vasudevan L N
1961-62



CA. Ramakrishnan R
1962-63



CA. Sankaran S
1963-64



CA. Hariharan C S
1964-65



CA. Narasimhamurthy A R
1965-66



CA. Arjunan K A
1966-67



CA. Ramakrishna Raja S N
1967-68



CA. Gopalakrishna Rao P
1968-69



CA. Srinivasan N
1969-70



CA. Sivaramakrishnan K
1970-71



CA. Ranganath M S
1971-72



CA. Raman G V
1972-73



CA. Gopal P
1973-74



CA. Kumar K R
30.09.1974-26.04.1975



CA. Ananthachari K
27.04.1975-29.09.1975



Mr. Ashok Kumbhat
1975-76



CA. Satyanarayana G
1976-77



CA. Perumal K R
1977-1978 upto 15.10.1977



CA. Anantha Charya G N
01.12.1977-78



CA. Joseph C B
1978-79



CA. Srivatsan C
1979-80



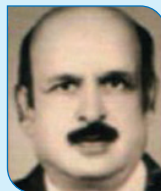
CA. Ramachandran S G
1980-81



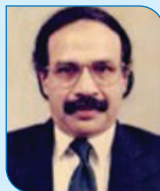
CA. Ramabrahmam A
1981-82



CA. Ramaswamy K
1982-83



CA. Manthiramurthy N
21.09.1983-Sep 1984



CA. Kumar P S
1984-85



CA. Bheema Bhat M
1985-86



CA. Bhawarlal Nahar A
1986-87

(contd...., 12)

LEADERS OF SIRC WHO HAVE LAID STRONG FOUNDATION FOR SIRC - PAST CHAIRMEN



CA. Jose Pottokaran
1987-88



CA. Vijayaraghavan S
1988-89



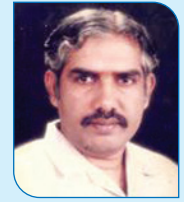
CA. Ramasubramanian K N
1989-90



CA. Koteswara Rao S S R
1990 upto 22.01.1992



CA. Nityananda N
1992-93



CA. Arjunaraj A
1993-94



CA. Nagarajan R
1994-95



CA. Murali Krishna C
1995-96



CA. Joseph M C
1996-97



CA. Ravi K
1997-98



Dr. CA. Vishnu Bharath A S
1998-99



CA. G. Ramaswamy
1999-2000



CA. Eswara Prasada Reddy Y
2000-01



CA. Ravi Sankar L
2001-02



CA. Murali V
2002-03



CA. Raghu K
2003-04



CA. Venkateswarlu J
2004-05



CA. James V C
2005-06



CA. Kandasami M
2006-07



CA. Madhava Murthy K S
2007-08



CA. Rajendra Kumar P
2008-09



CA. Devaraja Reddy M
2009-10



CA. Babu Abraham Kallivayalil
2010-11



CA. Shanmukha Sundaram K
2011-12



CA. Viswanath K
2012-13



CA. Prasanna Kumar D
2013-14



CA. Rajarajeswaran P V
2014-15



CA. Aruloli P R
2015-16



Dr. CA. Phalguna Kumar E
2016-17



CA. Cotha S Srinivas
2017-18



CA. Adusumilli Venkateswara Rao
2018-19



CA. Jomon K George
2019-20



CA. Dungar Chand U Jain
2020-21



SCHOLARSHIP FOR CA STUDENTS

ICAI invites applications for the award of Scholarships to the selected candidates under following categories:

1 NEED BASED FOR ECONOMICALLY WEAKER INTERMEDIATE STUDENTS

Scholarship Amount	Rs. 1500/- per month
Eligibility	a. Students who are registered for Intermediate Course either through Foundation Route or through Direct Entry Route. b. Income of Parents should not be more than Rs. 3,00,000/- per annum.
Period of Scholarship	a. 9 months commencing from the following month of registration for Intermediate Course. b. Additional 3 months if the Student has completed Orientation Course and IT within first 9 months of registration for Intermediate Course. c. Additional 3 months if the Student has passed any one Group in Intermediate Examination within 12 months of registration for Intermediate Course.

(Note: Students who passes both Groups of Intermediate can apply for Scholarship as Final registered students)

2 NEED BASED FOR ECONOMICALLY WEAKER FINAL STUDENTS

Scholarship Amount	Rs. 1500/- per month
Eligibility	a. Students who are registered for Final Course. b. Income of Parents should not be more than Rs. 3,00,000/- per annum.
Period of Scholarship	30 Months or remaining period of Articledship, whichever is less.

3 MERIT-CUM-NEED BASED SCHOLARSHIP

Scholarship Amount	Rs. 2000/- per month
Eligibility	a. Rank holders of Intermediate Examinations other than those covered under Merit Scholarship. b. Student must register for Final Course before making application. c. Income of Parents should not be more than Rs. 3,00,000/- per annum.
Period of Scholarship	30 Months or remaining period of Articledship, whichever is less.

4 MERIT SCHOLARSHIP

Scholarship Amount	Rs. 2500/- per month
Eligibility	a. Rank holders of Intermediate Examinations, whose names appear at Sl. No. 1 to 10 and in case the rank at Sl. No. 10 continues to further ranks i.e. to Sl. No. 11 or to Sl. No. 12 or so on, then all such Rank holders. b. Student must register for Final Course before making application.
Period of Scholarship	30 Months or remaining period of Articledship, whichever is less.

Students can apply online anytime for the Scholarship by login at Self Service Portal (SSP) at <https://eservices.icai.org>. In case of any clarification, please contact at Ph: 0120-3045914; email: chatur.negi@icai.in, Please visit our website at www.icai.org



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

(Setup by an Act of Parliament)



Tamilnadu State Council for Higher Education (TANSCH)

Jointly Invites for a

Mega Career Counseling and Skill Development Program

Virtual Mode

For Arts and Science College Students of Trichy, Thanjavur & Tirunelveli Region

10th April 2021, Saturday - 11.00 A.M.

Be Ready to take Next Step in Future...

Programme Schedule

Time	Topic	Resource Person
11.00 AM - 11.45 AM	Inauguration	
11.45 AM - 12.15 PM	About Chartered Accountancy Course	CA. B. Saravana Prasath
12.15 PM - 12.35 PM	Essential Skill Sets and Opportunities For Graduates	CA. M. Sathykumar
12.35 PM - 01.15 PM	Question and Answer Session	
01.15 PM - 02.00 PM	Lunch	
02.00 PM - 04.00 PM	Overview of GST and Filing of GST Returns	CA. Sumit Kedia

YouTube : <https://bit.ly/SIRCTNgovt10>

For Registration : <https://bit.ly/10thAprilCCP>

Helpline: sircounselling@icai.in 96771-26011, 82205-22669

Participation Certificate will be Provided

CA. Jalapathi. K
Chairman, SIRC of ICAI

CA. Panna Raj. S
Secretary, SIRC of ICAI



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

(Setup by an Act of Parliament)



Tamilnadu State Council for Higher Education (TANSCH)

Jointly Invites for a

Mega Career Counseling and Skill Development Program

Virtual Mode

For Arts and Science College Students of Chennai & Vellore Region

9th April 2021, Friday - 11.00 A.M.

Be Ready to take Next Step in Future...

Programme Schedule

Time	Topic	Resource Person
11.00 AM - 11.45 AM	Inauguration	
11.45 AM - 12.15 PM	About Chartered Accountancy Course	CA. Subashini Ganapathy
12.15 PM - 12.35 PM	Essential Skill Sets and Opportunities For Graduates	CA. Survajith S. Krishnan
12.35 PM - 01.15 PM	Question and Answer Session	
01.15 PM - 02.00 PM	Lunch	
02.00 PM - 04.00 PM	Overview of GST and Filing of GST Returns	CA. B. Ganesh Prabhu

YouTube : <https://bit.ly/SIRCTNgovt9>

For Registration : <https://bit.ly/9thAprilCCP>

Helpline: sircounselling@icai.in 96771-26011, 82205-22669

Participation Certificate will be Provided

CA. Jalapathi. K
Chairman, SIRC of ICAI

CA. Panna Raj. S
Secretary, SIRC of ICAI



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

(Setup by an Act of Parliament)



Tamilnadu State Council for Higher Education (TANSCH)

Jointly Invites for a

Mega Career Counseling and Skill Development Program

Virtual Mode

For Arts and Science College Students of Coimbatore, Madurai & Dharmapuri Region

12th April 2021, Monday - 11.00 A.M.

Be Ready to take Next Step in Future...

Programme Schedule

Time	Topic	Resource Person
11.00 AM - 11.45 AM	Inauguration	
11.45 AM - 12.15 PM	About Chartered Accountancy Course	CA. Vignesh Kumar. E
12.15 PM - 12.35 PM	Essential Skill Sets and Opportunities For Graduates	CA. Dr. Gopal Krishna Raju
12.35 PM - 01.15 PM	Question and Answer Session	
01.15 PM - 02.00 PM	Lunch	
02.00 PM - 04.00 PM	Overview of GST and Filing of GST Returns	CA. K. Praveen Kumar

YouTube : <https://bit.ly/SIRCTNgovt12>

For Registration : <https://bit.ly/12thAprilCCP>

Helpline: sircounselling@icai.in 96771-26011, 82205-22669

Participation Certificate will be Provided

CA. Jalapathi. K
Chairman, SIRC of ICAI

CA. Panna Raj. S
Secretary, SIRC of ICAI



IMPORTANT ANNOUNCEMENTS

Expression of Interest in Projects of the Internal Audit Standards Board, ICAI (17-03-2021)

The Internal Audit Standards Board (IASB or the Board) is one of the Non-Standing Committee of the Institute of Chartered Accountant of India (ICAI) and was constituted on February 5, 2004 as Committee on Internal Audit. The main objective of the Board is to issue Standards on Internal Audit, strengthen technical resources in the field of Internal Audit, such as Certificate Programs and Courses; disseminate best practices in the field through Seminars and events; and generally, promote the role of internal auditors in governance, risk and compliance to various stakeholders.

As part of its agenda to continue to improve the knowledge base of its members, the Board of ICAI issues Standards on Internal Audit and Implementation Guides thereof Industry Specific Technical Guides and Generic Guides:

- Implementation Guide: Best practices, methodologies or approach on how best to apply internal audit procedures in order to achieve the objectives of the SIA.
- Industry specific Internal Audit Guide: technical or operational uniqueness of the industry and how best to apply SIAs in that industry, internal control, risk and risk control matrix, internal audit checklist.
- Generic Internal Audit Guide: provide guidance to the members on internal audit and related areas.

The Implementation, Industry Specific Internal Audit Guides and Generic Guides are recommendatory in nature.

Till date, the Board has issued publications which are available at the following link:

https://icai.org/new_post.html?post_id=6623&c_id=357.

Study Group of Experts

In this regard, the IASB is constantly seeking out experts in the Industry, especially Senior Management (CFO/CRO/ Chief of Internal Audit), with the objective of establishing a Study Group of Experts who can conduct research and draft the required guidance material to be used by the Internal Auditors who can conduct high quality audits in that industry. Key Components of Industry Specific Internal Audit Guide to be developed Certain key component of an Industry Specific Internal Audit Guide is as follows:

- General overview of the chosen industry (such as size, key players, market dynamics etc.) and their business impact;
- Certain Technical and Operational aspects of the industry (such as the business models, value chain, etc.), and its relevance for Internal Auditors;
- Unique aspects of the Industry (e.g., technology, security, seasonality, etc.) and their impact on Risk Management, especially from an Internal Audit perspective;
- Risk mitigation and Internal Control initiatives to improve governance and compliance.
- Finer nuances of internal audit strategy, audit approach, procedures, etc.

The Members may send us their detailed proposal to us along with their detailed profile by filling form at https://docs.google.com/forms/d/e/1FAIpQLSdNIWZFFW71B_bwXQJuciJDd3QL7BOISCLGNsTleNixpRyBnw/viewform?usp=pp_url in case they are interested to:

- Prepare draft Industry Specific Technical Guides on Internal Audit
- Review and revise existing Industry Specific Internal Audit Guide and Generic Guide

The proposal as send by members would be placed for the consideration of the Board.

For any further query or clarification, please contact the Internal Audit Standards Board at cia@icai.in.

Chairman,
Internal Audit Standards Board of ICAI



Launch of 'Certificate Course on Ind AS' (Online Batch) 19th March 2021

The Ind AS Implementation Committee is pleased to announce the launch of new online batches of the 'Certificate Course on Ind AS'; the first of which is commencing from 9th April 2021 i.e. Friday. To register - Please log into <http://learning.icai.org>, Scroll down to find the 'Popular Paid Courses'. Click on the "View All" option next to it and then click on the available batch of 'Certificate Course on Ind AS' to register. The system will ask you to login with your SSP login credentials to register. Alternatively, you can also use the link given below to go to the 'Popular Paid Courses' section: -

<https://learning.icai.org/iDH/icai/Products/open#1@IID@Home%2FCatalogue=redirectTo~@~field=view@~@schedule@~@txtItemPurchaseType@~@txtorderby&subAction=createCatalogue&variable=catalogue@~@none@~@paid@~@PopularDown&pageNo=1>

Total sessions – 20

Session Duration & Timing – 3.5 hrs per session. Sessions will be conducted on Fridays (5pm to 8:30pm), Saturdays (11am to 2:30pm) & Sundays (11am to 2:30pm). Attendance requirement – Members are required to attend a minimum of 80% sessions (i.e.16 sessions) to be eligible to appear in the Final Examination of this certificate course. CPE – 15 Unstructured & 10 Structured for attending the sessions. Plus, additional 5 Structured CPE hours for passing the Examination.

Registration will be on 'first-come, first-serve basis". In case refund/admission cancellation request has been received from the member for any reason, before commencement of the online Certificate Course, 10% of Gross fee paid (inclusive of GST) will be deducted as per norms of ICAI. No refund request will be entertained after commencement of the batch.

In case, batch has been cancelled by the Committee due to unavoidable circumstances, full fees will be refunded to the member by the Committee. In case of any query, kindly email kulashekhar@icai.in

With Warm Regards,

Chairman,
Ind AS Implementation Committee

Survey for seeking preference for learning Foreign Language through virtual mode from ICAI Members & Students - (23-03-2021)

LAST DATE: 15TH APRIL, 2021

Committee for Development of International Trade, Services & WTO (CDITSWTO) of ICAI is taking forward the Action Plan for Champion Sector in which promoting foreign language amongst members and students is one of the mandates by Government of India.

With an aim to overcome language barrier and thereby to have enhanced professional opportunities overseas, ICAI, under the aegis of the Committee had initiated online batches of German, French, Spanish, Japanese and Business English Languages for its members and students through German, French, Spanish, Japanese and British Embassy and is working to initiate batches for Chinese, Arabic and Dutch languages in next few months based on the demand for said foreign languages.

Interested members/students are requested to kindly express their interest for the preferred foreign language which would facilitate ICAI to open up future batches of foreign languages. The expression of interest can be provided by clicking here latest by 15th April 2021.

Chairman

Committee for Development of International Trade, Services & WTO

Email: cditswto@icai.in



Corporate Law

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

The following are few of the important updates in Companies Act 2013 during March 2021

I. Companies (Incorporation) Second Amendment Rules, 2021

G.S.R. 159(E) dated 5th March 2021 —In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Management and Administration) Rules, 2014.

The key changes in Companies (Management and Administration) Rules 2021 are :

- Every Small company & One Person Company (OPC) will file their Annual Return referred as Abridged Annual Return in e-form MGT 7A from the Financial Year 2020 - 21.

After the proviso to sub rule 2 of Rule 20, definition of Nidhi companies and various other terms related to electronic voting has been provided.

This amended Rules shall come into force from 5th March 2021.

II. Commencement Notification with regard to the amendment in Sec 92

S.O. 1066(E).—In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2017 (1 of 2018), the Central Government hereby appoints the day of 05th March, 2021 as the date on which the provisions of clause (i) of section 23 of the said Act shall come into force. i.e Section 92 of Companies Act, 2013 has been amended to include the provision for abridged form of annual return in addition to some omission in few sub sections.

i.e., the concerned sections as amended by the said amendment Act is notified on 5.3.2021.

III. Companies (Incorporation) Third Amendment Rules, 2021

G.S.R. 158(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely:—

In incorporation spice+ forms, INC 35 (AGILE PRO) enabled the option to authenticate through Aadhar for GSTIN Registration.

This amended Rule shall come into force from 5th March 2021.

IV. Amendment in Schedule V – Remuneration

S.O. 1256(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to Schedule V of the said Act.

The key changes in Schedule V with regard to remuneration to directors / KMP is

Where in any financial year during the currency of tenure of a managerial person or other director, a company **has no profits or its profits are inadequate**, it may, pay remuneration to the managerial person or other director **not exceeding**, the limits under (A) below:-



(1)		(2)	(3)
Sl. No.	Where the effective capital (in rupees) is	Limit of yearly remuneration payable shall not exceed (in Rupees) in case of a managerial person	Limit of yearly remuneration payable shall not exceed (in rupees) in case of other director
(i)	Negative or less than 5 crores.	60 lakhs	12 lakhs
(ii)	5 crores and above but less than 100 crores.	84 lakhs	17 lakhs
(iii)	100 crores and above but less than 250 crores.	120 lakhs	24 lakhs
(iv)	250 crores and above.	120 lakhs plus 0.01% of the effective capital in excess of Rs.250 crores:	24 Lakhs plus 0.01% of the effective capital in excess of Rs.250 crores:”

In Section I, Section II & Section III, after the words —managerial personnell, wherever occurred, the words —or other directors shall be inserted except in Clause (i) of the proviso in Section III.

For this purpose **other director** shall mean Non-executive Director or an Independent Director.

This amendment shall come into force from 18th March 2021.

V. Commencement Notification with regard to the proviso to Sec 149 (9)

S.O. 1255(E).—In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2020 (29 of 2020), the Central Government hereby appoints the 18th March, 2021 as the date on which the provisions of section 32 and section 40 of the said Act shall come into force. i.e.

Proviso to Sec 149 (9) has been amended as :

Provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197, in accordance with the provisions of Schedule V

In short, the **non-executive / Independent Director may also receive remuneration** within the limit as provided in column (3) of the table given above in addition to sitting fees.

Section 197 (3) has been amended as

Notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or wholetime director or manager **or any other non-executive director, including an independent director**, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) hereunder except in accordance with the provisions of Schedule V

This amendment shall come into force from 18th March 2021.

VI. Amendment to Schedule III – Format of Balance Sheet, P & L

G.S.R. (E).—In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendments in Schedule III to the said Act with effect from 1st day of April, 2021, namely:-

The Key Changes in the schedule excluding few terminology changes is given below for companies required to comply with the Companies (Accounting Standards) Rules, 2006 :-



Notes to Account to contain

a. Change in Promoters shareholding to be given in the notes.

Shares held by promoters at the end of the year				% Change during the year***
S.No	Promoter name	No. of Shares**	%of total shares**	
Total				

b. Trade Payable ageing to be given like

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

c. Trade Receivables ageing schedule to be like

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good						
(ii) Undisputed Trade Receivables - considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

d. Title deeds of Immovable Property not held in name of the Company to be given as in the below format

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative or promoter or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company**
PPE	Land Building					**also indicate if in dispute
Investment property -	Land Building					
PPE retired from active use and held for disposal	Land Building					
Others						



e. Capital Work in Progress ageing schedule to be given as per the below format.

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

f. For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following **CWIP completion schedule** shall be given**:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 Project 2				

**Details of projects where activity has been suspended shall be given separately.

g. Intangible assets under development aging schedule shall be given in the format

Intangible assets under development	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

h. Intangible assets under development completion schedule shall be given

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 Project 2				

Details of projects where activity has been suspended shall be given separately.

i. The following disclosures to be also given

- Details of Benami Property held
- Wilful Defaulter details if any
- Relationship with Struck off Companies if any,

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		



	Shares held by stuck off company		
	Other outstanding balances (to be specified)		

- Registration of charges or satisfaction with Registrar of Companies
- Compliance with number of layers of companies
- Following ratios to be given
- Current Ratio
 - Debt Equity Ratio
 - Debt Service Coverage Ratio
 - Return on Equity Ratio
 - Inventory Turnover Ratio
 - Trade Receivable Turnover Ratio
 - Trade Payable Turnover Ratio
 - Net Capital Turnover Ratio
 - Net Profit Ratio
 - Return on Capital Employed
 - Return on Investment

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

- Utilisation of Borrowed funds and share premium:
- Details of Crypto Currency or Virtual Currency
- Details of undisclosed income disclosed to the department during assessment

For companies preparing financials as per INDAS as well as NBFC companies in addition to the above, there are changes in the “Statement of Changes in Equity.”

This amendment shall come into force from 1st April 2021.

VII. Companies (Accounts) Amendment Rules, 2021

G.S.R. (E).—In exercise of the powers conferred by section 134 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:—

Rule 3 (1) The books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India so as to be usable for subsequent reference.

Proviso is added to this rule as – Provided for the financial year **commencing from 1st April 2021-2022*** every company which uses accounting software for maintaining its books of account, **shall use only such accounting software** which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made ensuring that the audit trail cannot be disabled.

*Effective date has been moved from 1st April 2021 to 1st April 2022 vide Notification dated 1st April 2021





Rule 8 - The board report to contain the following also

xi) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code 2016, during the year and status as at the end of the financial year.

xii) the details of difference in valuation at the time of one time settlement and the valuation done at the time of taking the loan from banks / financial institutions with the reason thereof.

This amendment shall come into force from the *financial year commencing from 1st April 2021.*

VIII. Companies (Audit & Auditors) Amendment Rules, 2021

G.S.R. (E).—In exercise of the powers conferred by section 139, 143, 147 and 148 read with sub sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Audit and Auditors) Rules, 2014, namely:—

The key changes is

- Omitted the comment with regard to the Specified Bank Note.
- New provisions as to comment on the management representation with reference to the loan extended / received by the company and investments.
- Confirm as to the compliance of dividend declared during the year.
- Confirm as to the usage of accounting software with audit trial.

This amendment shall come into force from 1st April 2021.

IX. Commencement Notification with regard to the Sec 124 (7) & 247 (3)

S.O. ---(E).—In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2020 (29 of 2020), the Central Government hereby appoints the 24th March, 2021 as the date on which the provisions of section 23 and section 45 of the said Act shall come into force. i.e.

Sec 124 – Unpaid Dividend Account – The penalty has been revised as per this new provision 7 of section 124

If a company fails to comply with any of the requirements of this section, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of ten lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees.

Sec 247– Valuation by Registered Valuers - The penalty has been revised as per this new provision 3 of section 247

If a valuer contravenes the provisions of this section or the rules made thereunder, the valuer shall be liable to a penalty of fifty thousand rupees.

This amended provisions shall come into force from 24th March 2021.

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FEMA

Contributed by: CA. G. Murali Krishna, Hyderabad

I. Investment by Foreign Portfolio Investors (FPI) in Defaulted Bonds - Relaxations:

RBI vide A.P. (DIR Series) Circular No. 12 dated February 26, 2021, issued directions to AD Category-I (AD Cat-I). Wherein it has been stated that,

Currently, FPI investments in corporate bonds are subject to a minimum residual maturity requirement, short-term investment limit (paragraph 4 (b)(ii)) and the investor limit (paragraph 4(f)(i)) in terms of the Directions. However, FPI investments in security receipts and debt instruments issued by Asset Reconstruction Companies and debt instruments issued by an entity under the Corporate Insolvency Resolution Process as per the resolution plan approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 are exempt from these requirements.

It has now been decided to exempt investments by FPI in NCDs/bonds which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond from the aforesaid requirements.

Henceforth the definition of “Exempted Securities” in the Master Direction- Investment by Foreign Portfolio Investors (FPI) in Debt, is amended to include “Non-Convertible Debentures / corporate bonds which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond”.

II. Case Laws

M/S. TIPS INDUSTRIES LTD., SHRI KUMAR S. TAURANI VERSUS THE SPECIAL DIRECTOR DIRECTORATE OF ENFORCEMENT, MUMBAI
2020 (1) TMI 544 – Appellate Tribunal FEMA

Appellant – TIPS Industries Ltd

Respondent – Special Director (Appeals), Enforcement Directorate, Mumbai

Offence under FEMA – Investment in three stepdown subsidiaries outside India through wholly owned subsidiary (WOS) without prior permission of RBI – Penalty Imposed on company and its then managing director.

Facts of the case: Appellant incorporated a WOS in Mauritius without prior approval of RBI. Thereafter made an application to RBI for its post facto approval. Even before RBI provided its approval, the appellant, through its WOS, made investments by incorporating two entities in US and one in South Africa (stepdown subsidiaries). However, the said investment in stepdown subsidiaries were intimated to RBI two years after investments.

Appellant contended that the RBI ratified the investments through its post fact approval, and so there is no contravention thereafter, and that the managing director was involved in day-to-day affairs. Appellant also contended that the penalty imposed is disproportionate to the amount involved in contravention. Respondent proved that the communication received from RBI was not in the form of approval but rather a warning not to involve in such acts in future, and that the appellant could not prove that managing director was not involved in day-to-day affairs.



HELD THAT: As provided that if any person contravened any provision of this act (FEMA 1999) or contravened any rules, regulation, notification, direction or order issued in exercise of the powers under this Act be liable to penalty up to thrice the sum involved in such contravention where such amount is quantifiable. In the present case the sum involved are quantifiable. During the course of argument the learned counsel for the appellants submitted, on query by the Bench, submitted that more than six crores of INR were invested in the step-down subsidiaries. If it is so the imposition of ₹ 70 lakhs on the appellant company and ₹ 20 lakhs on the Managing Director is not disproportionate. In view the view of appellate tribunal, the Adjudicating Authority has taken a lenient view and has imposed penalty lesser than the proportionate penalty.

There is no illegality in the impugned order passed by the Special Director, (Appeals). There is contravention of the provisions of section 6(3)(a) of the FEMA and Regulations 5, 6 & 13. The Adjudicating Authority has also rightly held that the managing director has violated the aforesaid provisions in terms of Section 42(1) of FEMA.

III. Update on Compounding Orders issued under FEMA Regulations:

a. M/s Obopay Mobile Technology India Private Limited

Regulation	Paragraph 9(1)(A), 9(1)(B) and 8 of Schedule 1 to Notification No. FEMA 20/2000-RB
Contravention	Failure to submit Form ARF to Reserve Bank towards foreign inward remittance within 30 days from the date of receipt of consideration Failure to report allotment of shares in form FC-GPR within 30 days from the date of issue of shares Failure to comply with mode of payment for shares issued to persons resident outside India
Date of Order	04-02-2021
Compounding Fee	INR 43,19,042/-

b. M/s Quess Corp Limited

Regulation	Regulation 5(1) read with Serial No 14 of Annex B to Schedule 1 of FEMA 20/2000-RB
Contravention	Failure to comply with Sectoral cap on Investments while allotting shares under foreign direct investment mode
Date of Order	13-11-2020
Compounding Fee	INR 40,10,000/-

c. M/s UltraTech Nathdwara Cement Ltd

Regulation	Regulation 6(3)(ii)(c) of Notification No. FEMA 120/ 2004- RB
Contravention	Failure to comply with conditions on the sources of funding in case of overseas direct investments
Date of Order	31-12-2020
Compounding Fee	INR 29,11,625/-



GST

Contributed by: CA. G. Saravana Kumar, Madurai

1. Notification Updates

E-invoicing for the taxpayers having aggregate turnover exceeding ₹ 50 Cr from 01st April 2021 – Notification No 05/2021-Central Tax dated 08th March, 2021

E-invoicing is made mandatory for all tax payers having aggregate turnover in any preceding financial year from 2017-18 onwards exceeding fifty crore rupees. The provision is made effective from 01st April, 2021.

2. Circular Updates

1. Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 – GST – Circular No 146/02/2021- GST dated 23rd February, 2021

- Notification No. 14/2020-Central Tax, dated 21st March 2020 had been issued which requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 01.12.2020. Further, vide Notification No. 89/2020-Central Tax, dated 29th November 2020, penalty has been waived for non-compliance of the provisions of Notification No.14/2020 – Central Tax for the period from 01st December, 2020 to 31st March, 2021, subject to the condition that the said person complies with the provisions of the said Notification from 01st April, 2021.

Sl. No.	Issues	Clarification
1.	To which invoice is Notification No 14/2020-Central Tax dated 21 st March, 2020 applicable? Would this requirement be applicable on invoices issued for supplies made for Exports?	<p>This notification is applicable to a tax invoice issued to an un-registered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds 500 Cr rupees in any of the financial years from 2017-18 onwards. However, the said notification is not applicable to an invoice issued in following cases:</p> <p>i. Where the supplier of taxable service is:</p> <ul style="list-style-type: none">a) an insurer or a banking company or a financial institution, including a non-banking financial company;b) a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage;c) supplying passenger transportation service;d) supplying services by way of admission to exhibition of cinematograph in films in multiplex screens <p>ii. OIDAR supplies made by any registered person, who has obtained registration under section 14 of the IGST Act 2017, to an unregistered person.</p> <p>As regards the supplies made for exports, though such supplies are made by a registered person to an unregistered person, however, as e-invoices are required to be issued in respect of supplies for exports, in terms of Notification no. 13/2020-Central Tax, dated 21st March, 2020 treating them as Business to Business (B2B) supplies, Notification no. 14/2020-Central Tax, dated 21st March, 2020 will not be applicable to them.</p>



2.	What parameters/ details are required to be captured in the Quick Response (QR) Code?	<p>Dynamic QR Code, in terms of Notification No. 14/2020-Central Tax, dated 21st March, 2020 is required, inter-alia, to contain the following information: -</p> <ul style="list-style-type: none"> i. Supplier GSTIN number ii. Supplier UPI ID iii. Payee's Bank A/C number and IFSC iv. Invoice number & invoice date, v. Total Invoice Value and vi. GST amount along with breakup i.e., CGST, SGST, IGST, CESS, etc. <p>Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.</p>
3.	If a supplier provides/ displays Dynamic QR Code, but the customer opts to make payment without using Dynamic QR Code, then will the cross reference of such payment, made without use of Dynamic QR Code, on the invoice, be considered as compliance of Dynamic QR Code on the invoice?	<p>If the supplier has issued invoice having Dynamic QR Code for payment, the said invoice shall be deemed to have complied with Dynamic QR Code requirements. In cases where the supplier, has digitally displayed the Dynamic QR Code and the customer pays for the invoice: -</p> <ul style="list-style-type: none"> i. Using any mode like UPI, credit/ debit card or online banking or cash or combination of various modes of payment, with or without using Dynamic QR Code, and the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment like UPI, Credit card, Debit card, online banking etc.) on the invoice; or ii. In cash, without using Dynamic QR Code and the supplier provides a cross reference of the amount paid in cash, along with date of such payment on the invoice; <p>The said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.</p>
4.	If the supplier makes available to customers an electronic mode of payment like UPI Collect, UPI Intent or similar other modes of payment, through mobile applications or computer-based applications, where though Dynamic QR Code is not displayed, but the details of merchant as well as transaction are displayed/ captured otherwise, how can the requirement of Dynamic QR Code as per this notification be complied with?	<p>In such cases, if the cross reference of the payment made using such electronic modes of payment is made on the invoice, the invoice shall be deemed to comply with the requirement of Dynamic QR Code.</p> <p>However, if payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>
5.	Is generation/ printing of Dynamic QR Code on B2C invoices mandatory for pre- paid invoices i.e., where payment has been made before issuance of the invoice?	<p>If cross reference of the payment received either through electronic mode or through cash or combination thereof is made on the invoice, then the invoice would be deemed to have complied with the requirement of Dynamic QR Code.</p> <p>In cases other than pre-paid supply i.e., where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.</p>



6. Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?	The provisions of the notification shall apply to each supplier/ registered person separately, if such person is liable to issue invoices with Dynamic QR Code for B2C supplies as per the said notification. In case, the supplier is making supply through the Ecommerce portal or application, and the said supplier gives cross references of the payment received in respect of the said supply on the invoice, then such invoices would be deemed to have complied with the requirements of Dynamic QR Code. In cases other than pre-paid supply i.e., where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.
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Income Tax

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

- 1. Insertion of rule 29BA and Form No15 E to income-tax Rules,1962:** The CBDT vide Notification No.G.S.R.194(E) [NO. 18/2021 F. NO. 370142/24/2019-TPL] dated 16th March,2021 inserted rule 29B and Form No.10E. They shall come into force with effect from the 1st day of April, 2021. Rule 29BA: Application for grant of certificate for determination of appropriate proportion of sum (other than Salary), payable to non-resident, chargeable in case of the recipients.—(1) An application by a person for determination of appropriate proportion of sum chargeable in the case of non-resident recipient under sub-section (2) or sub-section (7) of section 195 shall be made in Form 15E electronically, either (i) under digital signature; or (ii) through electronic verification code. (2) The Assessing Officer, in order to satisfy himself shall examine whether the sum being paid or credited is chargeable to tax under the provisions of the Act read with the relevant Double Taxation Avoidance Agreement, if any, and if the sum is chargeable to tax he shall proceed to determine the appropriate proportion of such sum chargeable to tax. (3) The Assessing Officer shall examine the application and on being satisfied that the whole of such sum would not be the income chargeable in case of the recipient, may issue a certificate determining appropriate proportion of such sum chargeable under the provision of this Act, for the purposes of tax deduction under sub-section (1) of section 195. (4) While examining the application, the Assessing Officer shall also take into consideration, following information in relation to the recipient (i) tax payable on estimated income of the previous year relevant to the assessment year;(ii) tax payable on the assessed or returned or estimated income, as the case may be, of preceding four previous years;(iii)existing liability under the Income-tax Act,1961 and wealth-tax Act,1957; (iv) advance tax payment, tax deducted at source and tax collected at source for the assessment year relevant to the previous year till the date of making application under sub-rule (1). (5) The certificate shall be valid only for the payment to non-resident named therein and for such period of the previous year as may be specified in the certificate, unless it is cancelled by the Assessing Officer at any time before the expiry of the specified period.(6) An application for a fresh certificate may be made, if the assessee so desires, after the expiry of the period of validity of the earlier certificate or within three months before the expiry thereof.(7) 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 in relation to the furnishing of Form No 15E and issuance of Certificate under sub-rule (3). Taxpayers have to file application for a certificate under section 195(2) and section 195(7) for determination of appropriate proportion of sum (other than salary) payable to a non-resident, chargeable to tax in the hands of recipient.
- 2. Instruction regarding selection of case for issue of notice under section 148:** CBDT vide instruction F.No.225/40/2021/ITA-II dated 15th March, 2021 has clarified its earlier letter dated 4th March, 2021. It made reference to the earlier instruction and clarified as under: (i) The ‘potential cases’ at Point No.



1(iii) mean the cases flagged by the Directorate of Income-tax (Systems) subsequent to 4-3-2021. It is further clarified that the NMS cases flagged earlier will get subsumed in the new list. (ii) With respect to criterion at Point No. 1(v), it is clarified that 'any other Income-tax Authority' includes the Assessing Officer (A.O.) herself/himself. Further, the information received as per Point No. 1(v) shall not include information received from Directorate of Income-tax (Investigation), Central Charges and Directorate of Income-tax (Intelligence and Criminal Investigation) after 1-4-2019. (iii) With respect to the condition at Point No. 1(v), that cases are to be considered as potential cases for issue of notice under section 148 of the Act 'with the approval of CCIT concerned', it is clarified that the CCIT shall call for the list of the potential cases along with details and evidences from the Subordinate Authorities and shall, after careful examination, suggest to the A.O., the potential cases to be taken for consideration for action under section 148 of the Act. It is clarified that subsequent to the issuance of notice under section 148 of the Act, the A.O. shall upload all the underlying documents relied upon and satisfaction recorded, in the ITBA Module for all category of cases in Para No. I of CBDT's Instruction dated 4-3-2021.

- Readers may note that the CBDT in F.No.225/40/2021/ITA-II dated 04.03.2021 has given instruction for selection of cases for taking action under section 148 of the Act by 31st March, 2021 for the assessment year 2013-14 to assessment year 2017-18 by the jurisdictional Assessing Officer. They are (i) cases where there are audit objections (Revenue/Internal) which require action under section 148; (ii) cases of information from any other Government agency / law enforcement agency which require action under section 148 of the Act; (iii) potential cases including – (a) reports of Directorate of Income-tax (Investigations), (b) reports of Directorate of Intelligence & Criminal Investigation; (c) cases from non-filer management system and other cases as flagged by the Directorate of Income-tax(Systems) as per risk profiling; (d) cases where information arising out of field survey action requiring action under section 148 and (v) cases of information received from any income-tax authority requiring action under section 148 of the Act with the approval of CCIT concerned. No other category of cases shall be considered for taking action under section 148. It says that the Assessing Officer in the above said cases after forming a reasonable belief that income chargeable to tax has escaped assessment and 'reasons to believe' shall be recorded and required sanction as per section 151 shall be obtained before issuing notice under section 148 of the Act.
- 3. Residential status in the light of COVID-19:** The CBDT vide Circular No.2 dated 3rd March,2021 has explained the relaxation of certain conditions due to COVID-19 which had compelled the persons for extended stay in India. Section 6 of the Income-tax Act, 1961 (the Act) contains provisions relating to determination of residency of a person. The status of an individual, as to whether he is resident in India or a non-resident or not ordinarily resident, is dependent, *inter alia*, on the period for which the person is in India during a previous year or years preceding the previous year.

Relaxation for Previous Year 2019-20

Considering the COVID-19 pandemic and the resultant overstay of an individual who had come to India on a visit before 22nd March 2020, Circular No. 11 of 2020 dated 8th May 2020 was issued by the Central Board of Direct Taxes (the Board) under section 119 of the Act to avoid genuine hardship in such cases. It was clarified that for the purpose of determining the residential status under section 6 of the Act during the previous year 2019-20 in respect of an individual who has come to India on a visit before 22nd March 2020 and:

- (a) has been unable to leave India on or before 31st March 2020, his period of stay in India from 22nd March 2020 to 31st March, 2020 shall not be taken into account; or
- (b) has been quarantined in India on account of Novel Corona Virus (Covid-19) on or after 1st March, 2020 and has departed on an evacuation flight before 31st March 2020 or has been unable to leave India on or before 31st March 2020, his period of stay from the beginning of his quarantine to his date of departure or 31st March, 2020, as the case may be, shall not be taken into account; or
- (c) has departed on an evacuation flight before 31st March 2020, his period of stay in India from 22nd March 2020 to his date of departure shall not be taken into account.



Residential Status for Previous year 2020-21

The Board has received various representations requesting for relaxation in determination of residential status for previous year 2020-21 from individuals who had come on a visit to India during the previous year 2019-20 and intended to leave India but could not do so due to suspension of international flights. The matter has been examined by the Board and following facts have emerged:—

I. Short stay will not result in Indian residency

There may be a situation where a person, who was a non-resident during the previous year 2019-20, gets stranded in India by reason of the COVID-19 pandemic for some time during the previous year 2020-21 ('PY 2020-21'). In such situations, there are less chances that the person would acquire residence status in India during the PY 2020-21 only for this reason as explained below: -

A. A citizen of India or a person of Indian origin may become resident in India only in one of the following situations: -

- (i) if his total income from Indian sources (*i.e.*, other than the income from foreign sources) does not exceed fifteen lakh rupees in PY 2020-21 and he stays in India for 182 days or more during the PY 2020-21; or
- (ii) if his total income from Indian sources (*i.e.*, other than the income from foreign sources) exceed fifteen lakh rupees in PY 2020-21 and
 - (a) he stays during PY 2020-21 for 182 days or more; or
 - (b) he stays during the PY 2020-21 for 120, days or more and also stays for 365 days or more in preceding four previous years.

B. An Individual who is not citizen of India or a person of Indian origin may become resident in India only in one of the following situations: -

- (i) if he stays during PY 2020-21 for 182 days or more; or
- (ii) if he stays during the PY 2020-21 for 60 days or more and also stays for 365 days or more in preceding four previous years.

Thus, generally, a person will become resident in India for the PY 2020-21 only if he stayed in India for 182 days or more unless he is covered by the exceptions discussed above.

II. Possibilities of dual non-residency in case of general relaxation:

Most of the countries have the condition of stay for 182 days or more for determining residency. Thus, a person in most situations will be resident in only one country since there are 365 days in a year. In fact, if general relaxation for the stay period of 182 days is provided, there may be cases of double non-residency. In such situation, a person may not become a tax resident in any country in PY 2020-21 even after staying for more than 182 days or more in India resulting in double non-taxation and end up not paying tax in any country.

III. Tie breaker rule as per Double Taxation Avoidance Agreement (DTAA):

As discussed above, a person may become resident in India in some cases even if he stays for less than 182 days in India. In that situation, there may be a case of dual residency. However, due to applicability of Double Taxation Avoidance Agreement (DTAA), such person will become resident of only one country as per the "tie-breaker rule" in the DTAA. For example, the Indo-USA DTAA contains following tie-breaker rule in Article 4(2):

"Where by reason of the provisions of paragraph 1, an individual is a resident of both Contracting States, then his status shall be determined as follows:

- (a) he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre of vital interests);
- (b) if the State in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;
- (c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;



- (d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.”

Thus, as per the provisions of the Indo-USA DTAA, a person can become resident of two countries only in the following case:

- (a) he has a permanent home available to him in both countries or in none of the two countries; and
- (b) centre of vital interests cannot be determined; and
- (c) he has a habitual abode in both States or in neither of them; and
- (d) he is a national of both States or of neither of them.

Even in such situations when all the above (a) to (d) are applicable (which may be a very rare situation), the Indo-USA DTAA provides a resolution mechanism through Mutual Agreement Procedure.

It is also relevant to note that even in cases where an individual became resident in India due to exceptional circumstances, he would most likely become not ordinarily resident in India and hence his foreign sourced income shall not be taxable in India unless it is derived from business controlled in or profession set up in India.

IV. **Employment income taxable only subject to conditions as per DTAA:**

Further, Article related to employment income in the DTAA with different countries governs the taxation of employment income. For example, Article 16 of the Indo-USA DTAA provides following for taxation of employment income:

“DEPENDENT PERSONAL SERVICES

1. Subject to the provisions of Articles 17 (Directors' Fees), 18 (Income Earned by Entertainers and Athletes), 19 (Remuneration and Pensions in respect of Government Service), 20 (Private Pensions, Annuities, Alimony and Child Support), 21 (Payments received by Students and Apprentices) and 22 (Payments received by Professors, Teachers and Research Scholars), salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other State.
2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State, if:
 - (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the relevant taxable year;
 - (b) the remuneration is paid by, or on behalf of an employer who is not a resident of the other State; and
 - (c) the remuneration is not borne by a permanent establishment or a fixed base or a trade or business which the employer has in the other State.
3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operating in international traffic by an enterprise of a Contracting State may be taxed in that State.”

The DTAA distributes the taxation rights between the employee's jurisdiction of residence and the place where the employment is exercised. Salaries, wages and other similar remuneration are taxable only in the country in which the employee is resident unless the employment is exercised in the other country. Generally, as per the DTAA's, such other country (the source jurisdiction) has taxation rights only if the employee is present in that country for more than 183 days or the employer is a resident of the source jurisdiction, or the employer has a permanent establishment in the source jurisdiction that bears the remuneration. Accordingly, if a USA resident under employment of a USA corporation has got stranded in India and performs employment from India, his salary will not be taxable in India unless he is present in India for 183 days or more during the PY 2020-21 or if the salary is borne by Indian permanent establishment of such USA corporation.

V. **Credit for the taxes paid in other country:**

Further, a resident person in India shall be entitled to claim credit of the taxes paid in any other country in accordance with the rule 128 of the Income-tax Rules, 1962.



VI. International Experience

A. The Organisation for Economic Co-operation and Development (OECD)

The Organisation for Economic Co-operation and Development (OECD) in its OECD Policy Responses to Corona virus (COVID-19), OECD Secretariat analysis of tax treaties and the impact of the COVID-19 crisis, Version 3 April 2020 available at <https://www.oecd.org/coronavirus/policy-responses/oecd-secretariat-analysis-of-tax-treaties-and-the-impact-of-the-covid-19-crisis-947-deb-01/#section-dle328> has provided following guidance on this matter:

“28. Despite the complexity of the rules, and their application to a wide range of potentially affected individuals, it is unlikely that the COVID-19 situation will affect the treaty residence position.

30. Two main situations could be imagined:

1. A person is temporarily away from their home (perhaps on holiday, perhaps to work for a few weeks) and gets stranded in the host country by reason of the COVID-19 crisis and attains domestic law residence there.
2. A. person is working in a country (the “current home country”) and has acquired residence status there, but they temporarily return to their “previous home country” because of the COVID-19 situation. They may either never have lost their status as resident of their previous home country under its domestic legislation, or they may regain residence status on their return.

31. In the first scenario, it is unlikely that the person would acquire residence status in the country -where the person is temporarily because of extraordinary circumstances. There are however rules in domestic legislation deeming a person to be a resident if he or she is present in the country for a certain number of days. But even if the person becomes a resident under such rules, if a tax treaty is applicable, the person would not be a resident of that country for purposes of the tax treaty. Such a temporary dislocation should therefore have no tax implications.

32. In the second scenario, it is again unlikely that the person would regain residence status for being temporarily and exceptionally in the previous home country. But even if the person is or becomes a resident under such rules, if a tax treaty is applicable, the person would not become a resident of that country under the tax treaty due to such temporary dislocation.”

Thus, it has been recognised by the OECD that DTAAs contain the necessary provisions to deal with the cases of dual residency arising due to COVID-19 situations.

B. Relief by other countries:

A study of the measures taken by different countries reveal that there is mix response some of the countries have provided relief for certain number of days subject to the satisfaction of prescribed conditions whereas some of the countries have not provided any relief. For example, USA have provided relief up to a maximum of 60 days subject to the satisfaction of certain conditions and furnishing of information in specified Form. Similarly, UK has provided relief of 60 days in exceptional circumstances depending on facts and circumstances of each case. Similarly, Australia issued guidelines for allowing relief by examining facts and circumstances. Germany has clarified that in the absence of a risk of double taxation, there is basically no factual inequity if the right to tax is transferred from one contracting state to another due to changed facts.

Conclusion

4. Thus, it can be seen that OECD as well as most of the countries have clarified that in view of the provisions of the domestic income tax law read with the DTAAs, there does not appear a possibility of the double taxation of the income for PY 2020-21. As explained above, the possibility of double taxation does not exist as per the provisions of the Income-tax Act, 1961 read with the DTAAs. However, in order to understand the possible situations in which a particular taxpayer is facing double taxation due to the forced stay in India, it would be in the fitness of things to obtain relevant information from such individuals. After understanding the possible situations of double taxation, the Board shall examine that,

- (i) whether any relaxation is required to be provided in this matter; and
- (ii) if required, then whether general relaxation can be provided for a class of individuals or specific relaxation is required to be provided in individual cases.

Therefore, if any individual is facing double taxation even after taking into consideration the relief provided by the respective DTAAs, he may furnish the information in **Form -NR annexed** to this circular by 31st March, 2021. This form shall be submitted electronically to the Principal Chief Commissioner of Income-tax (International Taxation).



4. **Income of FII from securities or capital gain arising from their transfer, clarification on continuation of concessional rate of tax on certain interest income on FPIs:** In the Press Release dated 17th March, 2021 it has been clarified that there is no change in the said proviso even after amendment of section 115AD *vide* Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and the concessional rate of tax of 5% shall continue to be applicable for interest income referred to in section 194-LD of the Act.
5. **Clarification regarding Vivad se Vishwas Act,2020:** In Circular No.3 of 2021 dated 4th March,2021 the CBDT has clarified that the Direct Tax Vivad se Vishwas Act, 2020 (“*Vivad se Vishwas*”) was enacted on 17th March, 2020 with the objective of *inter alia* reducing pending income tax disputes, generating timely revenue for the Government and benefitting taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process to resolve the disputes. Sub-section (1) of section 5 of *Vivad se Vishwas* provides that the designated authority (hereinafter referred to as «DA») shall pass a determination order within fifteen days from the date of receipt of the declaration. The DA is also required to pass another order under sub-section (2) of section 5 of *Vivad se Vishwas* for full and final settlement of the tax arrear. Representations have been received from the field authorities that under the Income-tax Act, 1961 (hereinafter referred to as «the Act») there is no provision available to the Assessing Officer to give effect to the order passed by the DA under sub-section (1) of section 5 and under sub-section (2) of section 5 of the *Vivad se Vishwas* in the case of a declarant. Since orders passed by the DA have a consequential effect under the Act, it has been requested that suitable clarifications may be issued to enable the AO to pass consequential orders under the Act. In view of the foregoing, and in exercise of the powers conferred on the Board under section 10 of *Vivad se Vishwas*, it is hereby clarified that where the DA has passed orders under sub-sections (1) and (2) of section 5 of *Vivad se Vishwas*, the Assessing Officer shall pass consequential order under the Act.

Karnataka VAT - GST

Contributed by: CA. Annapurna D Kabra, Bengaluru

Introduction

With the implementation and operation of GST, the Karasamadhana scheme is introduced Fourth time under commercial Taxes in last three years with different features. In simple terms the word ‘Kara’ means tax and ‘Samadhana’ means Relief. Basically, the scheme is introduced for giving relief to dealers registered under different Karnataka Commercial Taxes. The Karasamadhana Scheme is introduced by Government of Karnataka through Government order ORDER NO. FD 49 CSL 2021. BENGALURU, DATED 29.03.2021. This is second time in history of Karasamadhana scheme, wherein it is made applicable even for the assessment orders which are passed after the scheme is notified. This gives extensive relief to dealers to complete their pending assessment or withdraw their appeal already filed by getting relief of enormous interest and penalty as the case may be.

Waiver of Interest and Penalty:

The scheme of waiver of Penalty and Interest as applicable under different commercial taxes i.e. The Karnataka Sales Tax Act 1957, The Karnataka Value Added Tax Act 2003, The Central Sales Tax Act 1956, The Karnataka Tax on Professions, Trades, Calling and Employments Act 1976, The Karnataka Tax on Luxuries Act 1979, The Karnataka Agriculture Income Tax Act 1957, The Karnataka Entertainment Act 1958 and The Karnataka Tax on Entry of Goods Act 1979.

Due date for Assessment orders.

The scheme grants waiver of 100% Interest and Penalty payable by the dealer under the above Acts relating to the Assessments/Re-Assessments/Rectifications already completed or to be completed on or before 31.7.2021.



Payment of tax dues:

The Payment of arrears of tax should be made on or before 31.10.2021 and in case there are no arrears of tax and there is arrear of only penalty and interest then such penalty and interest will be waived.

Penalty for non- filing of Returns and VAT 240

Under the Karnataka VAT Act, it also grants waiver of penalty of Section 72(1)(a) or 72(1)(b) and Section 74(4) and consequential Interest subject to that Returns and Form VAT 240 are filed and the taxes are admitted and paid in full.

No waiver of Penalty

If the penalty is levied under section 10-A of CST Act 1956(**Imposition of penalty in lieu of Prosecution**) then such penalty is not eligible for waiver under this scheme.

Withdrawal of Appeal:

If any appeal is filed to Appellate Authority or Court, then the appeal can be withdrawn before filing the application for waiver of Interest and Penalty in **Annexure-I**. Such appellant should file the declaration as specified in **Annexure-II**. Such application and declaration should be filed separately for each year.

Amount paid at the time of Appeal:

Any amount paid at the time of filing the appeal or other applications shall be eligible for adjustment towards arrears of tax outstanding for the assessment year for which the benefits are claimed. The dealer will not be eligible for refund of amount that may become excess as a result of adjustments under this scheme.

Refund of Interest and Penalty already paid before introduction of Karasamadhana scheme:

In respect of cases where any appeal or other application is not filed, the dealer is not eligible for refund of any penalty or interest already paid either in full or in part under this scheme.

Can dealer file appeal after opting for this Scheme?

The dealer shall not file the appeal or other applications before any Appellate Authority or Court or shall not seek rectification of orders/proceedings after filing application for availing the benefits of the scheme or after availing the benefits of this scheme.

Not Eligible for this Scheme

- Where state has filed an appeal before the Karnataka Appellate Tribunal or the Central Sales Tax Appellate Authority or
- Where State has filed an appeal or revision or any kind of application before the High Court or Supreme Court or
- The Competent Authority has initiated Suo Moto Revision proceedings as on the date of this Government order or
- Any rectification is made to the Assessment order after 31.7.2021

Website to file Application

- The website to file the application is <http://ctax.kar.nic.in> or <http://gst.kar.nic.in>

Format of Annexure under Different Commercial Tax Acts

Sl. No	Particulars	Form No
1	Applications under KST and CST	Annexure-I
2	Applications under KVAT and CST	Annexure-IA
3	Applications under KTEG Act/KTPTE&E/KTL Act/KAIT Act	Annexure-IB
4	Applications under KET	Annexure-IC
5	Specific Penalties under KVAT Act	Annexure-ID

Verification and passing of order by Concerned Authority

- After filing the application for waiver, the concerned authority will scrutinize and compute the actual arrears of tax, interest and penalty and if any discrepancy is found then the concerned Authority shall intimate to the applicant within 15 days from the date of application.



- After receipt of information from the concerned Authority, the applicant can pay the balance taxes within 15 days from the date of receipt of application or on or before 15th November 2021 whichever is earlier.
- The applicant shall become ineligible to avail this scheme if any partial amount is still outstanding as arrears on the specified date.
- The Applicant should file the application for waiver of penalty and interest and declaration for withdrawal of appeal. If the applicant fails to do so then the concerned Authority shall pass the speaking order rejecting the application.
- On satisfaction of the eligibility of scheme of the applicant, the Assessing officer shall pass the order for waiving the balance amount of arrears of penalty and interest payable as per **Annexure III** separately under the Relevant Act for each Assessment year relating to the relevant tax periods.
- The order shall be passed within thirty days from the date of making payment and will be served within ten days of passing the order. The concerned Authority shall assist the applicant for correct quantification of interest and penalty.
- Assessments \ re-assessments done in the case of URDs/ in respect of Pre-registration periods under KVAT Act are eligible to avail the benefits available under the CKSS- 2019 subject to fulfillment of other conditions. In the absence of TIN (Tax Payer's Identification Number) as in the case with URDs. The four digit number 2900 for URDs shall be entered. The above four digit Number (2900) is applicable to all the URD cases and under all the Acts. However the Act under which the application is being filed shall be specifically mentioned so as to consider the case for wavier under the relevant Act.
- If the Assessment or Re-assessments or Rectification Orders or any other proceedings passed pursuant to remanding of the cases by First Appellate Authority or Karnataka Appellate Tribunal or Revisional Authority or High Court or Supreme Court, as the case may be, are eligible for availing the benefits under the Scheme.

Removal of difficulties

- If any difficulty arises in implementation of this order, the Commissioner of Commercial Taxes may issue such instructions as are necessary or expedient for removing such difficulty.

NEW TECHNICAL PUBLICATIONS OF ICAI

Guidance Note on Audit of Banks (2021 Edition)

Guidance Note on Audit of Banks (2021 Edition)

Attention

Members' attention is invited to relevant directions/circulars issued by the Reserve Bank of India up to February 05, 2021 available at ICAI website for ease of use and reference. Members are advised to keep track of legislative/regulatory developments, for example, circulars of the Reserve Bank of India, issued subsequent to the aforementioned date and having a bearing on the statutory audit of banks/bank branches for the year ended March 31, 2021.

Members are also advised to read this Guidance Note in conjunction with other two publications (Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks and Technical Guide on Revised Formats of Long Form Audit Report) of AASB.



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

<https://resource.cdn.icai.org/63830aasb-gnab2021-b.pdf>

Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks

Technical Guide on Audit of Internal Financial Controls in Case of Public Sector Banks



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

<https://resource.cdn.icai.org/63820aasb51350.pdf>

Technical Guide on Revised Formats of Long Form Audit Report

Technical Guide on Revised Formats of Long Form Audit Report



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

<https://resource.cdn.icai.org/63901aasb-tg-ffar.pdf>



SEBI

Contributed by: CA. VMV. Subba Rao, Nellore

PR No.15/2021

SEBI Board Meeting

The SEBI Board met in Mumbai today. The out of station Members joined the meeting through video conferencing. The Board, inter-alia, took the following decisions:

I. Review of framework of Innovators Growth platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

The Board has approved the proposals with respect to framework of Innovators Growth platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, with an objective to make the platform more accessible to companies in view of the evolving start-up ecosystem.

The key proposals approved by the Board are as follows:

- Present eligibility requirement under IGP, for issuer to have 25% of pre-issue capital held by eligible investors for two years period, is reduced to one year.
- The term 'Accredited Investor' for the purpose of IGP is renamed as 'Innovators Growth Platform Investors'. At present, pre-issue shareholding of such investors for meeting eligibility, is considered for only 10%, which is now increased and shall be considered for the entire 25% required for meeting eligibility norms.
- In terms of present IGP provisions, Issuer Company is not permitted to make discretionary allotment. It has been decided to allow Issuer Company to allocate up to 60% of the issue size on a discretionary basis, prior to issue opening, to eligible investors with a lock in of 30 days on such shares.
- In line with the provisions of Main Board IPO, Issuer companies which have issued Superior Voting Rights (SR) equity shares to promoters / founders shall be allowed to do listing under IGP framework.



- For companies listed under IGP framework, stipulation for triggering open offer under Takeover Regulations, 2011, has been relaxed from existing 25% to 49%. However, irrespective of acquisition or holding of shares or voting rights in a target company, any change in control directly or indirectly over target company will trigger open offer.
- Delisting under IGP framework shall be considered successful if the post offer acquirer/promoter shareholding, taken together with the shares tendered and accepted, reaches 75% of the total issued shares of that class; and at least 50% shares of the public shareholders are tendered and accepted. Further, for delisting under IGP framework, the Reverse Book Building mechanism shall not be applicable, and for computation of offer price, the floor price will be determined in terms of Takeover Regulations, 2011, along with delisting premium as justified by the acquirer/promoter.
- Presently for a company not satisfying the conditions of profitability, net assets, net worth, etc., migration from IGP to Main Board requires a company to have 75% of its capital held by QIBs as on date of application for migration. This requirement is now reduced to 50%.

II. Business Responsibility and Sustainability Reporting by listed entities

The Board has decided to introduce new requirements for sustainability reporting by listed entities. This new report shall be called the Business Responsibility and Sustainability Report (BRSR) and shall replace the existing Business Responsibility Report (BRR).

The BRSR shall be applicable to the top 1000 listed entities (by market capitalization), for reporting on a voluntary basis for FY 2021 – 22 and on a mandatory basis from FY 2022 – 23.

The BRSR lays considerable emphasis on quantifiable metrics, which allows for easy measurement and comparability across companies, sectors and time periods. Further, the disclosures on climate and social (employees, consumers and communities) related issues of the entity have been significantly enhanced and made more granular.

The disclosures under the BRSR are segregated into essential (mandatory) and leadership (voluntary) indicators. The BRSR also provides for inter-operability



of reporting i.e. the entities which prepare sustainability reports based on internationally accepted reporting frameworks (such as the GRI, SASB, TCFD, Integrated Reporting) can cross-reference the disclosures sought under the BRSR to the disclosures made under such frameworks.

The new reporting requirements are expected to bring in greater transparency through disclosure of material ESG-related information to enable market participants to identify and assess sustainability-related risks and opportunities. These requirements set the stage for taking a leap for better disclosures in the ESG space in India.

III. Amendment to SEBI (Alternative Investment Funds) Regulations, 2012

The Board approved the proposal to amend SEBI (Alternative Investment Funds) Regulations, 2012 to

- (i) provide a definition of 'startup' as specified by Government of India for the purpose of investment by Angel Funds;
- (ii) remove the list of restricted activities or sectors from the definition of Venture Capital Undertaking to provide flexibility to Venture Capital Funds registered under Category I Alternative Investment Funds (AIFs) in making investments;
- (iii) allow AIFs, including Fund of AIFs, to simultaneously invest in units of other AIFs and directly in securities of investee companies subject to certain conditions;
- (iv) provide clarity on scope of responsibilities of Managers and members of Investment Committees; and
- (v) prescribe a Code of Conduct for AIF, Trustee and directors of the Trustee/Designated Partners/directors of the AIF, Manager, members of Investment Committee and key management personnel of AIF and Manager.

IV. Review of regulatory framework for reclassification of promoter/ promoter group entities

The Board approved the proposal to rationalize the existing framework pertaining to reclassification of promoter/ promoter group entities which includes exemption from:



- Existing requirements, in cases of reclassification pursuant to an order of the regulator under any law in line with existing exemption already available to cases of resolution plan approved under section 31 of the Insolvency code.
- The requirement of seeking approval of shareholders in cases where the promoter seeking reclassification holds shareholding of less than 1%, subject to the promoter not being in control.
- Few procedural requirements related to reclassification such as obtaining request from promoter, approval from the board and shareholders in case of open offer under SEBI Takeover Regulations and scheme of arrangement. This exemption shall be subject to the outgoing promoter's intent of reclassification being disclosed in the letter of offer or scheme of arrangement alongwith fulfilling other requirements such as not being in control, not represented on the Board, etc.

It has also been decided to reduce the time gap between the date of board meeting and shareholders meeting for consideration of reclassification request, to a minimum of one month and a maximum of three months from the existing requirement of minimum period of three months and maximum six months.

V. Review of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Board approved several amendments to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations). Some of the key amendments are as follows:
 - Requirement for formulation of dividend distribution policy by the existing top 500 listed entities has been extended to the top 1000 listed entities on the basis of market capitalisation.
 - In case of board meetings held for more than one day, the financial results shall be disclosed by listed entities within 30 minutes of end of the board meeting for the day on which the financial results are considered.
 - The provisions of the LODR Regulations which become applicable to listed entities based on (i) the market capitalisation criteria, shall continue to apply even if such entities subsequently fall below the specified thresholds (ii) paid-up capital and net-worth, shall continue to apply to such entities unless the



- paid-up capital or net-worth falls and continues to remain below the threshold for a period of three consecutive financial years.
- The requirement to seek stock exchange approval for change of name of a listed entity is dispensed with.
 - The timelines for submission of periodic reports viz. statement of investor complaints, corporate governance report and shareholding pattern will be harmonized to 21 days from the end of each quarter.
 - Frequency of submission of compliance certificates relating to share transfer facility and issuance of share certificates within 30 days of lodgement for transfer, sub-division, etc. is revised from half-year to annual.
 - The requirement to publish newspaper advertisements for the notice to board meetings where financial results are to be discussed and for quarterly statement on deviation or variation in use of funds, is dispensed with.
2. Besides, the amendments are aimed at ensuring gender neutrality and maintaining consistency within the LODR Regulations, harmonizing certain provisions of the LODR Regulations with Companies Act, in addition to strengthening the corporate governance practices and disclosure requirements and easing the compliance burden on listed entities.

VI. Applicability, constitution and role of the Risk Management Committee

The Board considered and approved amendments to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to applicability, constitution and role of the Risk Management Committee (RMC) of listed entities.

The amendments *inter-alia* include the following:

- The requirement to constitute the RMC has been extended to the top 1000 listed entities by market capitalization from the existing top 500 listed entities.
- The RMC shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.
- The quorum for a meeting of the RMC shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.



- The role of the RMC has been specified which, *inter-alia*, includes formulation of a detailed risk management policy and monitoring its implementation; periodic review of such policy; review of the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), etc.

VII. Review of disclosures in respect of analyst/ institutional investor meets by listed entity

Presently, a listed entity is required to disclose the schedule of analyst/institutional investors meet and presentations made in such meetings, to the stock exchanges and on its website. The Board has decided to amend the regulation to introduce the requirement of disclosing:

- Audio/video recordings of such meetings on the website of the listed entity and exchanges promptly, before next trading day or within 24 hours, whichever is earlier.
- Written transcripts of such meetings within five working days.

VIII. Review of SEBI (Delisting of Equity Shares) Regulations, 2009

1. The Board has approved several amendments to the SEBI (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations) primarily with an objective to make the delisting process more transparent and efficient.
2. Some of the key amendments are as under:
 - Promoter/acquirer will be required to disclose their intention to delist the company by making an initial public announcement.
 - The Committee of Independent Directors will be required to provide their reasoned recommendations on the proposal for delisting.
 - Timelines for completion of various activities forming part of delisting process have been introduced / revised to make the process more efficient.
 - Promoter / acquirer will be permitted to specify an indicative price for delisting which shall not be less than the floor price.
 - Promoter will be bound to accept the price discovered through reverse book building if the same is equal to the floor price / indicative price.
 - Role of merchant banker involved in the delisting process has been elaborated.



IX. Amendment to SEBI (Portfolio Managers) Regulations, 2020

The Board approved amendment to the SEBI (Portfolio Managers) Regulations, 2020, mandating Portfolio Managers to obtain prior approval of SEBI for change in control.

X. Online payment of application fee, registration fee, renewal fee and annual fees by Intermediaries

Board approved the proposal for intermediaries to pay fees only through online payment gateway and doing away with physical mode of payment to encourage digital payment.

XI. Budget Estimates for the Financial Year (FY) 2021-22

The SEBI Budget for the financial year 2021-22 was considered and approved by the Board.

Mumbai

March 25, 2021

Tamil Nadu VAT

Contribution by: CA. V.V. Sampath Kumar, Chennai

Assessment: AO issued a show cause notice on 01.09.2020. Granted 15 days for filing of objections. Petitioner has sought an adjournment of 3 months citing COVID-19 pandemic. This was rejected and granted one-month time. The impugned order has been passed on 12.10.2020. The Court held that the proper procedure for framing of assessment has not been scrupulously followed by the AO in this case, and stating so, the impugned order is set aside. **Tvl. Vel Murugan Timber Inds, Vs STO, Gr-IV, Inspn Unit / Intelligence – I, Chennai- 6. W.P. No.4445 of 2021 DATED: 26.02.2021**

Limitation: Petitioner is not seen to have cooperated. Though there is, no justification to interfere with the impugned order in this WP, the SC in orders Re: Cognizance for Extension of Limitation dtd 23.03.2020, 06.05.2020, 10.07.2020 (C.A. # 4085 of 2020 dated 17.12.2020) has extended time for filing of appeal till 31.01.2021. Thus, limitation is saved and the petitioner is afforded 4 weeks from today to file an appeal before the Appellate AC. **M/s.Xtreme Bike Accessories and Stickers Vs STO, Mettur Road Circle W.P.No.3984 of 2021 DT: 24.02.2021**

TDS non-deduction: Applicable provisions relating to tax deducted at source has not been complied with by the petitioners. Even at the time of hearing of this petition, the relevant particulars such as TDS non-Deduction certificate in Form S or other supporting documents are not available. There is no legal infirmity is pointed out in the impugned order warranting interference under Article 226 of the Constitution of India and hence this Writ Petition is dismissed. **M/s. Nagaraj & Co (P) Ltd., Vs AC (ST), Sholinganallur Assessment Circle W.P. No.3484 of 2021 DATED: 19.02.2021**



Alternative remedy: In final notice dated 04.12.2020, the officer, while granting an opportunity of personal hearing on 14.12.2020 accedes to the request made in letter dated 27.10.2020, for production of additional documents. On that date, neither did the petitioner appear nor were any materials filed in support of its stand. AO, then proceeded to complete the assessment on 20.01.2021. Hence, these WPs are dismissed, as there is no case made out for admitting this WP. **M/s.Alchymaras ICM SM Pvt. Ltd., vs STO, T. Nagar Assessment Circle W.P. Nos.3533 etc of 2021 DT: 19.02.2021**

Natural Justice: The impugned order passed in terms of the CST Act, 1956, shows that there has been no personal hearing afforded to the petitioner prior to finalization of assessment. The provisions of natural justice do not appear to have been adhered to in the present case. The impugned order is thus set aside and Court directed that the petitioner will appear before the respondent Officer along with detailed objections and documents, if any, in support of their contentions. **M/s.Elgi Rubber Co Ltd, Vs AC (ST), Singanallur North Circle, WP No.3376 of 2021 DATED: 18.02.2021**

Limitation: Petitioner has challenged orders of assessment for the periods 2010-11 to 2014-15, all dated 28.02.2018. There is no explanation set-forth for the delay of nearly two and half years in the filing of WPs and it was stated by the petitioners that the orders were served in time. In the light of the judgment of the SC in AC (CT) LTU vs. M/s.Glaxo Smith Kline Consumer Health Care Limited [(2020 (36) GSTL 305 (SC)], there is no justification in entertaining these WPs as they have been far beyond the statutory period of limitation prescribed under the TNVAT Act, 2006. These writ petitions are thus dismissed. **Tvl. Hotel Devi Towers Vs AC (ST), Arisipalayam Assessment Circle, W P Nos.3408, 3411, 3416, 3420 & 3425 of 2021 DATED: 18.02.2021**

Rectification: Petitioner filed an application for rectification u/s 84 of the Act on 26.12.2020 on the ground that there was an error apparent on the face of the record and on 27.01.2021, the impugned order has come to be passed wherein the objections of the petitioner have been considered in detail. If at all the petitioner is aggrieved, it is for the petitioner to challenge the said order in appeal. No ground is made out warranting interference in writ jurisdiction and hence this WP is dismissed. **M/s.C.A.Motor, Vs The STO, (ST), Tiruvarur Assessment Circle, WP No.3325 of 2021 DATED: 17.02.2021**

Natural Justice: Pre-assessment notice was issued on 07.06.2017. Petitioner has filed its objections on 20.07.2017. After silence for more than three years, on 20.10.2020, a revised notice was issued by the incumbent officer, calling upon the petitioner to file objections with evidences within 15 days of the notice and also provides for a personal hearing without stipulating any specific date or time. The Court held that for personal hearing to be effective, it must be fixed by date and time, as the Officer cannot be expected to be available on all days at all times to hear the petitioner as and when he chooses to appear. For the revision notice dated 20.10.2020, the petitioner has sought some time. However, without affording any further opportunity or hearing the petitioner personally, the impugned order has come to be passed, and this is held to be in violation of the principles of natural justice and stating so, the impugned order is set aside. **A-Vone Building Materials Vs STO, Cuddalore Town. WP No.3168 of 2021 DATED: 16.02.2021**

Objections not considered: Impugned order proceeds on the basis that the petitioner has not filed objections or supporting document. According to the petitioner, detailed objections were filed by it on 30.09.2019, received by the respondent, but not considered. This being the admitted factual position, the impugned orders are set aside with directions. **Emjay Steel Udyog Pvt Ltd, Vs AC (ST), Gummidipoondi Assessment Circle W.P. Nos.17240, 17245 & 17247 of 2020 DATED: 12.02.2021**

Land Cost assessability: Petitioner raises the argument that the amount proposed to be brought to tax includes land cost, not liable to tax. The discussion in the impugned order is cryptic and court set aside the orders and observed that that the impugned proceedings should be redone after hearing the petitioner and considering its reply dated 27.01.2020 as well as any other evidences that may be submitted by it. **M/s. Indira Projects & Development (T) Pvt. Ltd., Vs. STO, Survey Cell II, Intelligence II, Chennai-6. W.P. Nos.8714, 8715 & 8716 of 2020 DATED: 11.02.2021**
