



PRICE ₹5

SIRC Newsletter

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



INTERNATIONAL MSME DAY - 27th June 2021

Theme:

Role of CAs as Swift Responders to MSME Needs

Virtual Celebration for State of Tamil Nadu



Chief Guest Thiru. T. M. Anbarasan, Hon'ble Minister for Rural Industries Government of Tamilnadu seen along with Resource Person CA. Dr. Gopal Krishna Raju, Chennai seen along with CA. Rajendra Kumar P, Central Council Member, ICAI, CA. K Jalapathi, Chairman, SIRC of ICAI, CA. Revathi Raghunathan, Treasurer, SIRC of ICAI, CA. Sundararajan R, Member, CA. C Kathiresan, Chairman, CA. T Sivagurunathan, Secretary, Chengalpattu District Branch of SIRC of ICAI and Mr. Dhinesh Kumar Varadharajan

CA Day Flag Hoisting by CA. G. Sekar, Central Council Member of ICAI, seen along with CA. Vijay Kumar M.P., Central Council Member of ICAI, CA. Revathi Raghunathan, Treasurer, Dr. CA. Abhishek Murali, CA. Sundararajan, R, Regional Council Members, SIRC of ICAI and Staff members of SIRC

Taxability of Digital and e commerce Transactions - 2nd June 2021



- ▶ Chief Guest CA. K. Raghu, Past President, ICAI and Resource person CA. Amit Jhunjhunwala seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI, CA. S. Panna Raj, Secretary, SIRC of ICAI and CA. A.B. Geetha, Regional Council Member

Programme on Accounting Standards under the aegis of Accounting Standards Board of ICAI - 3rd June 2021



- ▶ Resource persons CA. (Dr.) Sanjeev Kumar Singhal, Vice Chairman, Accounting Standards Board of ICAI, CA. Parveen Kumar and CA. Manish Goyal seen along with CA. M. P. Vijay Kumar, Chairman, Accounting Standards Board of ICAI, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI..

Recent Issues related to ITC, Refunds, Fake Invoicing and E-invoicing in GST - 4th June 2021



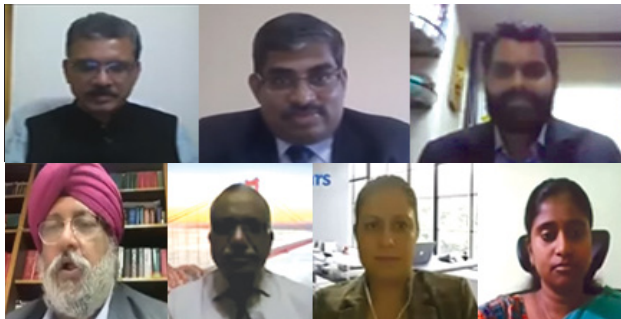
- ▶ Chief Guest CA. P. Rajendra Kumar, Chairman, GST and Indirect Tax Committee of ICAI and Resource person CA. Aanchal Kapoor seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI.

Programme on Auditing Standards under the aegis of Auditing and Assurance Standards Board of ICAI - 7th June 2021



- ▶ Resource persons CA Vijay Totapally and CA. Dhananjay J Gokhale, seen along with CA. G. Sekar, Chairman, Auditing and Assurance Board of ICAI, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI

Conclave on Internal Audit Standards under the aegis of Internal Audit Standards Board of ICAI - 9th June 2021



- ▶ CA. Charanjot Singh Nanda, Chairman, Internal Audit Standards Board addressing in the inaugural session seen along with Resource person CA. Samit Saraf, CA. (Dr.) Paul Jayekar and CA. Deephika S, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI

Conclave on Internal Audit – 10th June 2021 (Day 2)



- ▶ Resource person CA. Sivaram Subramoniam and CA. Jitendra Indoriya seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI



Chairman's Communique...

Beloved and Esteemed Colleagues,

1st July – a day that is pleasantly memorable for ICAI

1st July – it is the day that each and every Chartered Accountant needs to treasure to have the remembrance, a day to delight, value and celebrate. It is on this day in the year 1949 the ICAI was formed in which we are the proud and privileged members. While every 1st July in a year is joyous occasion for us, this year is very special. Yes, while ICAI is celebrating its 73rd year of formation, SIRC is celebrating its Platinum Jubilee Year of its glorious existence rendering yeomen services to the members, students, profession and the society at large.

As an Institution of international repute (and second largest Professional Accounting Body in the world) we look back the last 72 years with pride. Our members numbering around 334000 have been driving national and global economies with their presence throughout the World.

SIRC places its sincere gratitude to the founding fathers of the Institute and their successors as also the Chairman and Members of the SIRC of ICAI and Members of the Managing Committees of Branches of SIRC for their dedication and selfless service which lead to impressive growth of our Institute in the Southern Region and reaching higher echelons in the service of the stakeholders, members and students. All of us at SIRC rededicate our energy and efforts to continue the legacy and values set by them.

Chartered Accountants Foundation Day Celebrations

ICAI celebrated the 73rd Year of ICAI on 29th and 30th June and 1st July 2021 as **Chartered Accountants Foundation Day**. While Industry leaders and Prominent members of our profession shared their expertise through a bouquet of Virtual CPE Programmes on 29th and 30th June 2021, on 1st July 2021 CA. Piyush Goyal Hon'ble Union Minister for Railways, Minister of Commerce and Industry and Minister of Consumer Affairs, Food and Public Distribution was the Chief Guest for the virtual CA day e-function which was also graced by Shri Anurag Singh Thakur Hon'ble Union Minister of State for Finance and Corporate Affairs as the Guest of Honour. All these functions were attended by our President CA. Nihar N Jambusaria and Vice President CA. (Dr.) Debashis Mitra, Central Council Members, Past Presidents and dignitaries and members and students from across the globe.

We at SIRC celebrated the occasion with cheerfulness both at Chennai (physical as well as online) and at all Branches of SIRC in a noteworthy manner. We have conducted cultural competitions for members and their family member and students which have attracted large participation. The prize distribution e-function was held on 30th June 2021 and was graced by our beloved member CA. R Bharatwaj, Music Director of International fame who also gave away the prizes to the winners. I congratulate the winners of various competitions and appreciate the spirit of other participants in these competitions.

On 1st July 2021, our beloved Central Council Member CA. G Sekar has hoisted the Institute's flag at ICAI Bhawan Chennai and addressed the members on the theme 'Role of ICAI in the Economic Development of India'. CA. MP. Vijaykumar, CCM, CA. Revathy Raghunathan, Treasurer, CA. R. Sundararajan and CA. Dr. Abhishek Murali, Members of SIRC have also graced the occasion and addressed the members. I had the opportunity to address the members virtually.

On the evening of 1st July, 2021, in a glittering e-felicitation function, 288 Senior Members of our Institute under the SIRC who have completed 70 years in the eve of Platinum Jubilee

Year of SIRC were felicitated in recognition of their contribution to our profession. Our most respected CA. K. Arjunaraj, Past Chairman of SIRC of ICAI graced the occasion and applauded our senior members who have attended virtually along with their near and dear. All these seniors are live examples for the popular quote of Roy T. Bennett: **Live the Life of Your Dreams. When you start living the life of your dreams, there will always be obstacles, doubters, mistakes and setbacks along the way. But with hard work, perseverance and self-belief there is no limit to what you can achieve.**

Covid-19 Second Wave – Relief Works

As India gasped for breath in the Covid 19 second wave, our CA fraternity moved swiftly and extended support in all possible ways. When India's healthcare systems were completely burdened by the rampaging virus many of our Branches and members as well had involved in the augmentation of hospital beds, oxygen, medicines etc apart from serving as volunteers to help the affected people.

Continuing its rich tradition of responsive institutional system, SIRC has taken an initiative to collect voluntary contributions from our members and students for Chief Ministers Relief Funds state-wise in the Southern States. I place on record my sincere appreciation for the magnanimity of our members for contributing for this noble human cause.

Programmes for Members and Students

During June 2021 number of virtual CPE Programmes were conducted which have been attended and appreciated by number of our members both from Southern Region as well as from other Regions. SIRC could cover wide range of topics such as Income Tax, E-commerce, Accounting Standards, GST, Auditing Standards, Conveyancing, Internal Audit, Risk Management, Professional Opportunities, TRIPS, Information Technology etc. I place on record our sincere gratitude for the resource persons for sparing their valuable time to share their expertise amongst our members.

Region wide coaching classes for Foundation Course was commenced on 9th June 2021 which has attracted students from various parts of the Southern Region and a few students from other regions as well. I place on record the sincere efforts taken by the branches of SIRC which had lead to overwhelming success that the registration for the batch has to be stopped in order to limit the students to maintain the quality of coaching. Overwhelmed by the demand, SIRC is launching another batch of coaching classes for Foundation Course which is scheduled to commence on 15th July 2021.

SICASA was also active in conducting numerous programmes during the month for the benefit our CA students which attracted large turnout of the students.

International MSME Day – 27th June 2021

ICAI has celebrated International MSME Day on 27th July 2021 with a centrally coordinated programme and Branch



Level MSME Programmes under the theme 'Role of CAs as Swift Responders to MSME Needs'. In a programme organised by SIRC jointly with Chengalpattu District Branch of SIRC of ICAI, **Hon'ble Thiru. T. M. Anbarasan**, Minister for Rural Industries, Government of Tamilnadu addressed the members as Chief Guest.

GST Day - July 1

Four years after its inception, GST regime has, fiscal buoyancy apart, created a national common market boosting cooperative macro management and has got rid of abundance of rates across States that posed huge obstacles to businesses. All of us should be proud that our Institute and members, over these four years, have contributed for the transformation of indirect tax regime in our country to the GST system. SIRC has organised a quiz programme for college students to commemorate the GST day in which **Shri. K. Anpazhakan IRS**, Chief Commissioner of GST, addressed the students as the Chief Guest.

Suggestions from Members and Stakeholders

SIRC has taken the initiative of collating comments / views / suggestions on the new Income Tax Portal and I appreciate the spontaneous responses given by our members and others. Similarly, SIRC is in the process of launching three major series of CPE Programmes of 70 CPE hours duration: one for Members in Industry and Business another for Young Members and the third one on Information Technology. Members have given their feedback on the topics to be covered in these programmes so that the programmes could be made more relevant to the target audience.

Forthcoming Programmes

July 2021 will witness multi-varied programmes for the members covering contemporary themes and topics such as Dynamics of Insurance Sector in India, International Taxation, Auditing, IT, Accounting Standards, Valuation, Corporate Restructuring, Contract Management etc., the complete details of which have been given elsewhere in this newsletter. I seek the members participation to get further insights in the areas proposed to be covered in these programmes.

July 5, 2021 – CA Examinations

CA Examinations are commencing throughout India and select centres abroad on 5th July 2021. SIRC wishes all our students the best wishes and to come out with flying colours in the examinations.

Continuing E-version of SIRC Newsletter

We are to inform the members that SIRC, in accordance with a direction given by the ICAI Head Office, will be publishing only e-newsletters with effect from August 2021.

Signing off this month's interaction through SIRC Newsletter

To conclude this month's communication, I may draw the golden words from Bhagavad Gita 'Through selfless service, you will always be fruitful and find the fulfilment of your desires'.

In the service of members and students ever,

CA. Jalapathi K
Chairman, SIRC of ICAI



Leader's Thoughts

Our Profession always has been a breeding ground of great leaders. We have been winning challenges all through our professional journey. Every Chartered Accountant is a leader guiding the common person from financials to all aspects of their life to prosper. As a Professional we are embracing the challenges rather than avoiding them.

A small story to explain the development of leadership vision in our profession:

Three Stone Cutters were engaged in a particular work. When enquired with the stone cutters for the reason to engage in this profession the following replies received.

1. First person – Engaged in this work to maintain my family
2. Second Person – Engaged in this work to exhibit that I am the best.
3. Third Person – Engaged to build the most beautiful temple in this world.

Though their jobs were identical their perspectives were different.

**यद्यदाचरत शिरेष्ठस्तत्तदेवेतरो जनः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥ 21॥**

Whatever action is performed by a great man, common men follow in his footsteps. And whatever standards he sets by exemplary acts, all the world pursues.

The above quote from Bhagavad Gita Chapter clearly distinguishes a LEADER from others.

Our Institute drives us to develop this visionary perspective in an ethical way for the work we do. Our professional enrichment offers a way forward for overcoming the negative thoughts in our life. We should not give way to any negatives in our life except for the only "Negative" result which brings out happiness in this pandemic.

We Professionals are not only a visionary but also achieve our vision within the rules and regulations set by the Government and Our Institute.

As Sri Krishna describes in Bhagavad Gita, Our Professional work culture should have fearlessness, purity, straightforwardness and should not have personal desires and improper performance.

A Successful Professional must

1. Be assertively good – have the right values as well as a strong intellect
2. Work for a higher ideal
3. Have clarity of thinking
4. Be competent – have the requisite job skills and be hard working
5. Have the courage and daring to uphold the principles

Our Institute's Ethics, Standards and Guidelines always covers all the above professional work culture paving the way for us to be a Successful Professional.

Jai Hind

CA Sundararajan R
Member SIRC of ICAI



FORTHCOMING VIRTUAL CPE MEETINGS – JULY 2021

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

(Limited to 2500 members registering on first come first served basis)

Date	Timings	Topic	Resource Person(s)	Structured CPE	Fees (Rs)
1 st Jul 2021 (Thu)		CA DAY CELEBRATIONS Flag Hosting Felicitation of Senior Members	Chief Guest: CA. Sekar G Central Council Member, ICAI CA. A. Arjunaraj Past Chairman, SIRC of ICAI	NIL	NIL
2 nd Jul 2021 (Fri)	5 PM – 7 PM	Various Initiatives and Schemes for the benefit of Members by Committee for Members in Practice of ICAI	CA. Prasanna Kumar D Central Council Member, ICAI	2	NIL
3 rd Jul 2021 (Sat)	5 PM – 7 PM	Important Initiatives by Members and Students Service Directorate of ICAI	CA. Dayaniwas Sharma Central Council Member, ICAI	2	NIL
5 th Jul 2021 (Mon)	5 PM – 8 PM	Evolution of Insurance, Role of CAs and Where are we today? Regulatory aspects of Insurance Industry New professional avenues in Insurance for CAs Risk Management of Investment function of Insurance	Chief Guest: CA. S N Rajeswari Member (Distribution), IRDAI, Hyderabad CA. S N Jayasimhan, Hyderabad CA. P. S. Prabhakar, Chennai CA. Venkatakrishnan, Chennai & CA. Vijayakumar, Chennai	3	NIL
6 th Jul 2021 (Tue)	5 PM – 8 PM	International Taxation under the aegis of Committee on International Taxation of ICAI Deeming provisions in respect of non-residents - Brief Overview of Section 9 of the Income-tax Act, 1961 Form No. 15CA/15CB- Practical issues and Challenges Link for Registration https://www.sirc-icai.org/common_events.php	CA. Karthik Natarajan, Mumbai CA. Nidhi Goyal, Delhi	3	100 +GST
7 th Jul 2021 (Wed)	5 PM – 8 PM	Important Amendments for audit of FY 20-21	CA. Gururaj Acharya, Bengaluru	3	100 +GST
8 th Jul 2021 (Thu)	5 PM – 8 PM	Theme: PROFESSION 2.0 Key Issues for Adopting Cloud Computing for Digital transformation Artificial Intelligence to Auditing Intelligence - Role of Predictive Technology for the Future	CA. Anand P. Jangid, Bengaluru CA. Saurabh Goenka, Bengaluru	3	100 +GST
9 th Jul 2021 (Fri)	6 PM – 9 PM	Theme: RISKS WITH TECHNOLOGY Fraud Risks in Digital World- Tools and Tips Cyber Security- Opportunities and Tools for SMPs	Mr. Sachin Dedhia, Mumbai	3	100 +GST
10 th Jul 2021 (Sat)	6 PM – 9 PM	Theme: DATA Data Analytics in Audit Blockchain Technology and Accountancy	CA. Amish Thakkar, Mumbai Dr. Vinay Saini, Delhi	3	100 +GST
12 th Jul 2021 (Mon)	6 PM – 9 PM	Drafting of succession planning, Instruments wills and Trusts	CA. Pankaj G Shah, Indore	3	100 +GST
13 th Jul 2021 (Tue)	6 PM – 9 PM	Common errors observed in disclosure under Accounting Standards The Companies Act 2013 - Key provisions on Accounts and Audit.	CA. M P Vijay Kumar Central Council Member, ICAI CA. Jomon George, Kochi	3	100 +GST
14 th Jul 2021 (Wed)	6 PM – 9 PM	Digital Branding of Chartered Accountants	CA. Uday Kulkarni, Pune	3	100 +GST
15 th Jul 2021 (Thu)	5 PM – 7 PM	Valuations under different Statutes with practical case studies	CA Vivek Newatia, Kolkata	2	100 +GST



16 th Jul 2021 (Fri)	5 PM – 8 PM	Opportunities and Contributions of CFO in SMEs Auditors, Audit & CFO Managing Finances for Growth	CA. M P Vijay Kumar Central Council Member, ICAI CA. Venkatesh Bhat, Bengaluru CA. Gaurav Agarwal, Bengaluru	3	100 +GST
17 th Jul 2021 (Sat)	5 PM – 8 PM	Panel discussion- Faceless Appeal Before Appellate Tribunal Expectation and Opportunities for Chartered Accountants	CA. Abraham George Former Tribunal member Shri N R S Ganeshan Former Tribunal member CA. G Ramswamy Past President, ICAI CA Ved jain Past President of ICAI CA. Ramakrishnan, Chennai	3	NIL
18 th Jul 2021 (Sun)	10 AM – 1 PM	Paradigm shift –Traditional practice to shared CFO CFO and IT System Fund Raising & M & A – Role of CFO	CA. Venkatesh Bhat, Bengaluru CA. Govind Mundhra, Bengaluru CA. Deepak Gupta, Bengaluru	3	100 +GST
20 th Jul 2021 (Tue)	5 PM – 7 PM	Role of Committee of creditors/ Resolution professional in the resolution of sick Companies, Regulations of IBC	CA. Venkata Siva Kumar Chennai	2	NIL
21 st Jul 2021 (Wed)	5 PM – 8 PM	Competition Act - Opportunity in Merger and Acquisition	Ms. Vanita Pattnaik, Kolkata	3	100 +GST
22 nd Jul 2021 (Thu)	5 PM – 8 PM	Disciplinary Mechanism - Common Professional Misconduct Recent Amendments & Latest Developments in GST	CA. Rajendra Kumar P Central Council Member, ICAI CA. Ganesh Prabhu, Chennai	3	100 +GST
23 rd Jul 2021 (Fri)	5 PM – 8 PM	Strategy, Business modelling and Growth MSME sector challenges in recent times & role of CAs	CA. Venkatesh Bhat, Bengaluru & CA. Ivy Chin, Bengaluru CA. Deepak Gupta, Bengaluru	3	100 +GST
24 th Jul 2021 (Sat)	5 PM – 8 PM	Contract Negotiation Corporate Governance & Internal audit Investor Relationship management Panel Discussion: Practising CAs providing shared CFO services - Challenges' and Actions	CA. Balasubramanya R, Bengaluru CA. Sandhya Sriram, Bengaluru CA. Pramod Gupta, Bengaluru CA. Dinesh Daga, Udaipur CA. Venkatesh Bhat, Bengaluru CA. Balasubramanya, Bengaluru CA. Amrish Choudhary, Bengaluru CA. Dinesh Jain, Surat	3	100 +GST
26 th Jul 2021 (Mon)	5 PM – 8 PM	TDS - Practical Issues Overview of TDS & Recent Amendments	CA. D R Venkatesh, Bengaluru CA. Cotha S Srinivas Bengaluru	3	100 +GST
27 th Jul 2021 (Tue)	5 PM – 8 PM	Networking & Merger - Collaborate, Consolidate and Grow	CA. Dayaniwas Sharma Central Council Member	3	100 +GST
28 th Jul 2021 (Wed)	5 PM – 8 PM	Practical Aspects of ITR forms 1-7	CA. Talluri Rajendra Prasad Hyderabad	3	100 +GST
29 th Jul 2021 (Thu)	5 PM – 7 PM	How to Read and Analyse Judgements Under Income Tax and GST with Practical Case Study	Adv. CA. Bharat Agarwal Mumbai	2	100 +GST
30 th Jul 2021 (Fri)	5 PM – 8 PM	Investors Awareness programme Role of Asset Allocation in Investing & Wealth Creation, Management	CA. Shashank Mouli, Mumbai, Associate HDFC Wealth Management CA. Pathanjali Srinivasan, Bengaluru Equity Research analyst	NIL	NIL
31 st Jul 2021 (Sat)	5 PM – 8 PM	Future of CA Profession	Panel Discussion of Past Presidents	3	NIL



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
Southern India Regional Council
122, Uthamar Gandhi Salai, Nungambakkam, Chennai - 600034
Email: sirc@icai.in; website: www.sirc-icai.org

Openings at SIRC of ICAI Dean of CA Coaching Classes

SIRC has been conducting coaching classes for Chartered Accountancy Course viz Foundation, Intermediate, and Final. Due to the prevailing Covid 19 pandemic, SIRC has been conducting Online classes.

SIRC of ICAI has been a Centre of excellence for coaching the students of CA Course for over five decades and instrumental thousands of students to become members of the ICAI. SIRC of ICAI intends to appoint a Dean of Coaching Classes for SIRC of ICAI to take due care of the academic inputs for the various level of coaching classes that are conducted by the SIRC of ICAI at Chennai.

Applications are invited from Chennai based Chartered Accountants who have the inclination to serve the students community.

Please note the following information:

- The period of assignment will be for an initial period of 15 months from 15.7.2021 to 15.10.2022 including all related work covered in that period and renewable for one year thereafter.
- The position will be on retainer basis (without employer - employee relationship)
- Consolidated remuneration of Rs. 1 lakh to Rs. 1.25 lakh will be provided.
- Dean has to report for office on all working days as per the normal working hours.
- Primary responsibility includes coordination with faculty for teaching sequence, minimum and maximum time for handling papers and topics per Board of Studies guidelines, quality control, directing the conduct of periodical tests and counselling the students (relating to academics) whenever needed.

The Key Responsibilities of Dean are

- Finalising the dates for classes with approval of SIRC Chairman, Students Committee Chairman and Section Head.
- Regular interaction with faculty members to solicit the expertise for the betterment of Coaching Classes.
- Coordinating the development implementation of SIRC's Vision and Goals Statement with respect to grooming future CAs.
- Follow up and coordination of the activities relating to the Ranking, Accreditation, Outreach, etc. and establish connect with government agencies at both State and Central level;

Interested Chartered Accountants with a minimum post qualification experience of 3 years and above only need to apply. Please send your resume to jalapathi.ca@gmail.com; tparamasivan@icai.in by 5th July 2021.

SIRC of ICAI

Publishing Soft Copies of SIRC Newsletter

In accordance with the directions of the Head Office of ICAI, SIRC will be discontinuing the physical copies (printing and dispatching) of SIRC's Newsletter with effect from August, 2021.

Only soft copies of the Newsletter will be hosted in the <https://www.sirc-icai.org/> and will be emailed to mail ids of Members available from Self Service Portal (SSP)

Editorial Board

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>

UPDATES Scan QR Code & Read



CORPORATE LAW

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FEMA

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DISCLAIMER

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

The online link for UPDATES:
<https://www.sirc-icai.org/professional-updates.php>



Appeal to Members

For contributing generously to Chartered Accountants' Benevolent Fund

The Institute of Chartered Accountants of India (ICAI) under the banner Chartered Accountants' Benevolent Fund (CABF) has created a dedicated fund to provide financial assistance to the Members and their dependents in the form of Monthly/One-Time Ex-Gratia/Medical Financial Assistances who are in distress.

In addition to above assistance, The Managing Committee of CABF in the month of July, 2020 has decided to provide Medical Financial Assistance for Treatment of CORONA/COVID 19 disease for Members and their dependents. It is informed that Managing Committee has sanctioned/released substantial amount to 194 Members for Treatment of CORONA Disease.

The ICAI makes an appeal to all its Hon'ble Members to contribute generously making voluntary contribution towards CABF and also take Lifetime Membership [<https://cabf.icai.org/lifeMember>] to enable us extend maximum medical grant to the suffering Members and their dependents.

Your valuable contribution can help members and their dependents in time of financial stress. Members may contribute online to CABF at the link : <https://cabf.icai.org/lifeMember>

Contributions can also be made directly as below:

Name	:	The Chartered Accountants' Benevolent Fund
PAN No.	:	AAAAC0065G
Name of the Bank	:	Axis Bank, Swasthya Vihar - New Delhi
A/c No.	:	913010046844303
IFS code	:	UTIB0000055

M&C-MSS Directorate

The Institute of Chartered Accountants of India

Virtual CPE meeting on International Taxation

Organised by	:	Committee on International Taxation
Hosted by	:	Southern India Regional Council of ICAI
Date & Venue	:	6 th July, 2021 - Virtual GotoWebinar platform (3 CPE Hours)

Timing of Sessions	Session Details	Speakers
05.00 PM – 06.30 PM	Technical Session I - Topic Deeming provisions in respect of non-residents - Brief Overview of Section 9 of the Income-tax Act, 1961	CA. Karthik Natarajan
06.30 PM – 08.00 PM	Technical Session II - Topic Form No. 15CA/15CB- Practical issues and Challenges	CA. Nidhi Goyal
CA. Pramod Jain	Programme Chairman	Chairman, Committee on International Taxation of ICAI
CA. N.C.Hegde	Programme Vice Chairman	Vice Chairman, Committee on International Taxation of ICAI
	Programme Coordinator	Chairman, Southern India Regional Council (SIRC) of ICAI

Registration Fees Rs.100 + 18% GST

Link for online Registration: https://www.sirc-icai.org/common_events.php

Please note: The link will be sent to your registered mail id separately before the programme.

For more details, please contact

E-mail ID: sircspe@icai.in., Ph.: What app no.9176826789



SOUTHERN INDIA REGIONAL COUNCIL The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

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

70th ANNUAL GENERAL MEETING OF SIRC OF ICAI

NOTICE

NOTICE is hereby given that the **Seventieth Annual General Meeting** of the Members of the **Southern India Regional Council of the Institute of Chartered Accountants of India** will be held on **Monday, the 23rd August, 2021 at 11.00 A.M. through a virtual conference (VC)/Other Audio Visual Means (OAVM)** (Link: <https://www.sirc-icai.org/login.php>), to transact the following agenda:

1. To receive the Annual Report of the Regional Council for the year ended 31st March 2021;
2. To receive the Audited Financial Statements of the Regional Council for the year ended 31st March 2021 together with the Auditor's Report thereon; and
3. To transact any other business that may be brought before the meeting including any resolution(s) received and / or any resolution that may be received from the member(s) subject to the fulfillment of conditions under Regulations 150 & 151 of CA Regulations, 1988 with the permission of the Chair.

**BY ORDER OF THE
SOUTHERN INDIA REGIONAL COUNCIL OF ICAI**

Sd/-

**CA. Panna Raj S.
Secretary, SIRC of ICAI**

Place : Chennai
Date : 25.06.2021

Note:

1. To join the AGM, visit <https://www.sirc-icai.org/login.php> Once you have logged in, the link to join the AGM will be available one hour before the scheduled start time of the AGM.
2. The Annual Report of SIRC for the period (2020-21), Financial Statements, Schedules forming part of the Financial Statements and Notes to Accounts have been hosted in the website (<https://bit.ly/SIRC70AGM>) and has also been displayed on the Notice Board at the Office of the Southern India Regional Council of the Institute of Chartered Accountants of India.
3. Members desirous to have hard copy of the full version of these statements etc., may kindly email a request to padmashankar.t@icai.in along with their Name, ICAI Membership Number and latest complete postal address to do the needful (subject to the prevailing postal services due to Covid 19 pandemic).
4. Please note that all participating members will be able to view the Elected Members & SIRC Officers. The Participating members audio will be made available, to be heard, by all members present and attending the AGM.
5. Due to reason beyond the control, if any member is unable to participate through the proposed virtual mode, the meeting & any business transacted during the AGM will remain valid.
6. No person other than a member whose name is borne on the regional register and has paid the annual membership fee should attend or will have access to the proceedings of the meeting through the proposed virtual mode.
7. Any member facing difficulty in joining the virtual AGM on 23.08.2021 may get in touch with Mr. Rahman Ali, Sr. Executive Officer, SIRC of ICAI at 9940020956.



Resource Persons for CPE Programme during the month of June 2021



CA. Hari Agarwal



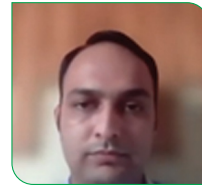
CA. Ravi J Soni



CA. Bharat R. Popat



CA. Sivaram Subramoniam



CA. Jitendra Indoriya



CA. Aditya Kumar Maheshwari



CA. Dipen V. Trivedi



CA. Shardul Shah



CA. Shashank Patki



CA. Shajan T. T



CA. Govind Agarwal



CA. Atul Satya Koushik



CA. Guru Prasad Makam



CA. Srilaxmi P



CS. Vivek Sharma



Dr. CA. Gopalakrishna Raju



Shri Nagappan V



CA. Shailendra Sharma



CA. Deepak Kumar



CA. Prashant Bhojwani



CA Pankaj K Jain

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

Virtual AICITSS (AIT & MCS) COURSES

SIRC of ICAI is organizing the next batch of Online Advanced Information Technology Training (AICITSS-AIT) and Advanced (ICITSS) MCS Course from 14th July 2021 to 2nd August 2021 for CA Final Students.

Advanced Information Technology Training (AICITSS- AIT) Time : 07.30 AM to 01.30 PM Batch No. CHN-AICITSS-AIT-07-21-136 Batch No. CHN-AICITSS-AIT-07-21-137 Time : 01.45 PM to 07.45 PM Batch No. CHN-AICITSS-AIT-07-21-135	Advanced (ICITSS) MCS Course Time : 07.00 AM to 01.30 PM Batch No. ADVANCED-ICITSS-MCS 160 Batch No. ADVANCED-ICITSS-MCS 162 Time : 01.45 PM to 08.15 PM Batch No. ADVANCED-ICITSS-MCS 161
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The enrolment of students shall be done on **FIRST COME - FIRST SERVED** basis.

Virtual AIT & MCS Validity extended upto May 2022 CA Exams.

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

Help Desk: AITT: sroit@icai.in | Mob: 63825 72881
MCS: sircgms@icai.in | Mob: 82483 74656

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)

6 DAYS Refresher Course for DISA Exam
TIME: 11.00 AM to 2.00 PM

Module 1 5th July 2021 Information Systems and Audit Process CA. Dr. Gopalkrishna Raju Chennai	Module 2 6th July 2021 Governance and Management of Enterprise Information Technology, Risk Management, Compliance & BCM Section CA. Vittalraj , Chennai
Module 3 7th July 2021 Systems Development Acquisition, Implementation and maintenance, application systems audit CA. Dr. Paul Jaykar Chennai	Module 4 8th July 2021 Information Systems Operations and Management CA. Deepika , Chennai
Module 5 9th July 2021 Protection of Information Assets CA. Dr. Paul Jaykar Chennai	Module 6 10th July 2021 Emerging Technologies Examination Tips CA. Narasimhan Elangovan Bengaluru

For Registration: <https://bit.ly/sirclogin>

Fees: Rs.500/- plus GST

CA. Jalapathi. K
Chairman, SIRC of ICAI

CA. Panna Raj. S
Secretary, SIRC of ICAI

Helpline: sircpe@icai.in | 91768 26789

Practical Workshop on GST for Articled Students and Audit Staff - 12th June 2021



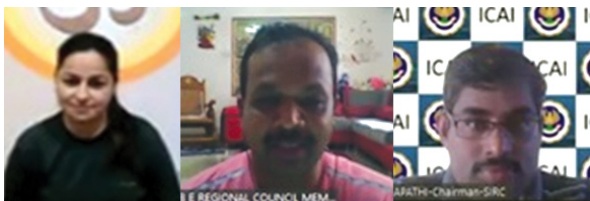
- ▶ CA. M. P. Vijay Kumar Central Council Member addressing the students seen along with the Resource person CA. Venugopal Gella and CA. Rajesh Kumar T. R also seen are CA. K. Jalapathi, Chairman, SIRC of ICAI, CA. S. Panna Raj, Secretary, SIRC of ICAI, CA. Naresh Chandra Gelli, Chairman, SICASA and CA. Pampanna B.E., SIRC Member

Investors Awareness Programme - 19th June 2021



- ▶ Chief Guest CA. K Suresh, President & CEO, India Cements Capital along with speakers Dr. CA. Gopal Krishna Raju, Shri V Nagappan, CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI.

International Yoga Day Celebration - 21st June 2021



- ▶ Ms. Sangeetha Bhat, Yoga Expert seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. Pampanna B.E, Regional Council Member

Withholding Taxes under section 195 of the Income Tax Act 1961 - 23rd June 2021



- ▶ Resource person CA. Shailendra Sharma seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI and CA. S. Panna Raj, Secretary, SIRC of ICAI.

IT Security - Fundamentals of vulnerability assessment - 24th June 2021



- ▶ Resource Person CA. Deephika S, Chennai, seen along with CA. K. Jalapathi, Chairman, SIRC of ICAI, CA. S. Panna Raj, Secretary, SIRC of ICAI and CA. Dungar Chand U. Jain, Immediate Past Chairman, SIRC of ICAI

“We Care” initiative



- ▶ CA. Revathi S.Raghunathan, Treasurer, SIRC of ICAI honoring a Senior Member, CA. Ranga Rao.T as part of “We Care” initiative.

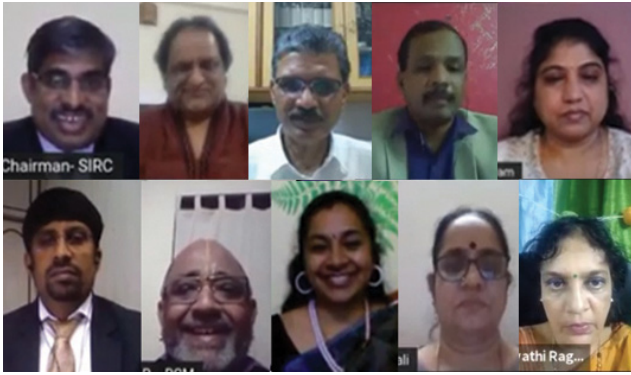
Obituary

Sl. No.	MRN	Name	Status	Place	Demise
1	002231	RAO H.A.K.	FCA	BENGALURU	03-04-2021

May the Almighty, architect of the Universe rest the soul in peace.

GLIMPSES OF CHARTERED ACCOUNTANT'S DAY CELEBRATIONS

30th June 2021 at 6 PM onwards



- ▶ Chief Guest CA. R. Bharatwaj, Music Director seen along with CA. K. Jalapathi, Chairman SIRC of ICAI, CA. China Masthan Talakayala, Vice-Chairman, SIRC of ICAI, CA. S. Panna Raj, Secretary, SIRC of ICAI, CA. Revathi Raghunathan, Treasurer, CA. Sundararajan R, CA. Pampanna B E, CA. Geetha A B, Regional Council Member, SIRC of ICAI, CA. Subashini Ganapathy and CA.Renuka Murali

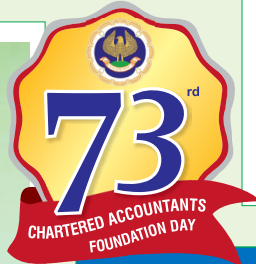
CA Day Senior Member Felicitation Function - 1st July 2021



- ▶ Chief Guest CA. A. Arjunaraj, Past Chairman SIRC of ICAI seen along with CA. K. Jalapathi, Chairman SIRC of ICAI, CA. Revathi Raghunathan, Treasurer, Dr. CA. Abhishek Murali, CA. Chengal Reddy Ramireddygar, CA. Jomon K. Geroge, CA. Sundararajan R, CA. Naresh Chandra Gelli, Regional Council Members of SIRC of ICAI



- ▶ CA. Sundararajan R, Member, SIRC of ICAI felicitating a senior member CA. J. Srinivasan (M.No. 022890) at ICAI Bhawan, Chennai on 1st July 2021



Certificate of Appreciation

Southern India Regional Council of the Institute of Chartered Accountants of India places on record its sincere appreciations to **CA. BALASUBRAMANYAN V (Mem. No.: 018444)** for his excellent service in the pursuit of our Institute and the CA Profession on the occasion of **73rd Chartered Accountants Day E-Celebrations** on 1st July 2021.

CA. Jalapathi K.
Chairman, SIRC of ICAI

CA. Panna Raj S.
Secretary, SIRC of ICAI

▶ SIRC of ICAI honoured 288 Senior Members with a Certificate of Appreciation.



CORPORATE LAW

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

The following are few of the important updates in Companies Act 2013 & SEBI LODR Regulations 2015 during June 2021 (up to 23rd of June 2021)

I. Relaxation for Additional fees for few more forms other than charge forms

The Ministry of Corporate Affairs (MCA) vide its General Circular No.06 dated 3rd May 2021 relaxed levy of additional fees for certain forms under Companies Act, 2013 & LLP Act 2008.

It has been decided to grant additional time up to 31st July 2021 for companies / LLPs to file such forms (other than CHG 1, CHG 4 & CHG 9) without any additional fees which were / would be due for filing during 1st April 2021 to 31st May 2021.

List of additional forms provided with waiver of additional fee as per Circular no. 06/2021 (updated on 03.06.2021)

Sl.No.	Form Id	Form Description
39	BEN – 2	Return to the Registrar in respect of declaration under section 90
40	IEPF-1	Statement of amounts credited to Investor Education and Protection Fund
41	IEPF-7	Statement of amounts credited to IEPF on account of shares transferred to the fund
42	AOC-5	Notice of address at which books of account are maintained
43	SH-7	Notice to Registrar of any alteration of share capital
44	CRA-2	Form of intimation of appointment of cost auditor by the company to Central Government
45	LLP-15	Notice for change of place of registered office
46	LLP – 4	Notice of appointment, cessation, change in name/ address/designation of a designated partner or partner. and consent to become a partner/designated partner
47	LLP – 5	Notice for change of name
48	LLP - 12	Form for intimating other address for service of documents
49	LLP - 22	Notice of intimation of Order of Court/ Tribunal/CLB/ Central Government to the Registrar
50	LLP - 27	Form for registration of particulars by Foreign Limited Liability Partnership (FLLP)
51	LLP - 29	Notice of (A) alteration in the certificate of incorporation or registration; (B) alteration in names and addresses of any of the persons authorised to accept service on behalf of a foreign limited liability partnership (FLLP) (C) alteration in the principal place of business in India of FLLP (D) cessation to have a place of business in India.

II. Companies (Incorporation) Fourth Amendment Rules, 2021

G.S.R. 392(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,

The key change in Companies (Incorporation) Rules, 2021 is :

The registration facility with Shops and Establishment Act is also made available in the AGILE-PRO form which is marked as AGILE-PRO-S and accordingly the INC-35 form is modified.

This amended Rules shall come into force from 7th June 2021.

III. Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2021 :

G.S.R. 396 (E).—In exercise of the powers conferred by sub-sections (1), (2), (3), (4),(8), (9), (10) and (11) of section 125, sub-section (6) of section 124 and sub-sections (9) and (9A) of section 90 read



with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, further to amend the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 :-

The key changes in Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2021 are :

Rule 6A. Manner of transfer of shares under sub-section (9) of section 90 of the Act to the Fund.-

- (1) The shares shall be credited to DEMAT Account of the Authority to be opened by the Authority for the said purpose, within a period of **thirty days** of such shares becoming due to be transferred to the Fund:

Provided that transfer of shares by the companies to the Fund **shall be deemed to be** transmission of shares and the procedure to be followed for transmission of shares shall be followed by the companies while transferring the shares to the fund:

Provided further that such shares shall be transferred to the Authority without any restrictions and no application shall be filed for claiming back such shares from the Authority.

- (2) For the purposes of effecting transfer of such shares, the Board shall authorise the Company Secretary or any other person to sign the necessary documents.
- (3) The company shall follow the following procedure while transferring the shares, namely:-
- (A) for the purposes of effecting the transfer, where the shares are dealt with in a depository-
- (i) the company shall inform the depository by way of corporate action, where the shareholders have their accounts for transfer in favour of the Authority,
 - (ii) on receipt of such intimation, the depository shall effect the transfer of shares in favour of DEMAT account of the Authority;
- (B) for the purposes of effecting the transfer of shares held in physical form-
- (i) the Company Secretary or the person authorised by the Board shall make an application, on behalf of the concerned shareholder, to the company, for issue of a new share certificate;
 - (ii) on receipt of the application under clause (a), a new share certificate for each such shareholder shall be issued and it shall be stated on the face of the certificate that "Issued in lieu of share certificate No..... for the purpose of transfer to IEPF under subsection (9) of section 90 of the Act" and the same be recorded in the register maintained for the purpose;
 - (iii) particulars of every share certificate shall be in Form No. SH-1 as specified in the Companies (Share Capital and Debentures) Rules, 2014;
 - (iv) after issue of a new share certificate, the company shall inform the depository by way of corporate action to convert the share certificates into DEMAT form and transfer in favour of the Authority.
- (4) The company shall make such transfers through corporate action and shall preserve copies for its records.
- (5) While effecting such transfer, the company shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action taken under sub-rule (4) of rule 6A containing details of such transfer and the company shall also attach a copy of order of the Tribunal under sub-section (8) of section 90 of the Act along with a declaration that no application under sub-section (9) of section 90 of the Act has been made or is pending before the Tribunal.
- (6) The voting rights on shares transferred to the Fund shall remain frozen:
- Provided that for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.
- (7) The company shall maintain all such statements filed under sub – rule (3) in the same format along with all supporting documents and the Authority shall have the powers to inspect such records.



- (8) All benefits accruing on such shares like bonus shares, split, consolidation, fraction shares and the like except right issue shall also be credited to such DEMAT account by the **company** which **shall send a statement to the Authority in Form No. IEPF-4** within **thirty days** of the corporate action containing details of such transfer.
- (9) If the company is getting delisted, the Authority shall surrender shares on behalf of the shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the proceeds realised shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.
- (10) In case the company whose shares or securities are held by the Authority is being wound up, the Authority may surrender the securities to receive the amount entitled on behalf of the security holder and credit the amount to the Fund and a separate ledger account shall be maintained for such proceeds.
- (11) Any further dividend received on such shares shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.
- (12) Any amount required to be credited by the companies to the Fund as provided under sub-rules (9), (10) and sub-rule (11) shall be remitted into the specified account of the IEPF Authority maintained in the **Punjab National Bank** and the details thereof shall be furnished to the Authority in Form **No. IEPF-7 within thirty days** from the date of remittance.
Provided further that all such amounts shall be transferred to the Authority without any restrictions and no application shall be filed for claiming back such amounts from the Authority.
- (13) Authority shall furnish its report to the Central Government as and when noncompliance of the rules by companies came to its knowledge.”

This amended Rules shall come into force from 9th June 2021.

IV. Companies (Meetings of Board and its Powers) Amendment Rules, 2021

G.S.R. 409(E).—In exercise of the powers conferred by sections 173, 177, 178 and section 186, 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 (Meetings of Board and its Powers) Rules

The most important change by this amendment is – **omission of Rule 4.**

So, the following matters **CAN ALSO be dealt in a Meeting Through Video Conferencing or Other Audio Visual Means**

- (i) the approval of the annual financial statements;
- (ii) the approval of the Board's report;
- (iii) the approval of the prospectus;
- (iv) the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under sub-section (1) of section 134 of the Act; and
- (v) the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

This amended Rules shall come into force from 15th June 2021.

V. Companies (Creation and Maintenance of databank of Independent Directors) Amendment Rules, 2021

G.S.R. 418(E).—In exercise of the powers conferred by section 150 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, to amend the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019

The key change is Rule 3 (8) is inserted which is :

In case of delay on the part of an individual in applying to the institute under sub-rule (7) for inclusion of his name in the data bank or **in case of delay** in filing an application **for renewal** thereof, the institute shall allow such inclusion or renewal, as the case may be, under rule 6 of the Companies (Appointment



and Qualification of Directors) Rules, 2014 after charging a **further fees of one thousand rupees on account of such delay**".

This amended Rules shall come into force from 18th June 2021.

VI. Clarification – passing or ordinary / special resolution on account of Covid-19 - Extension of time

Ministry of Corporate Affairs vide its General Circular No.10/2021 dated 23rd June 2021, has decided to **allow companies to conduct their EGMs through Video Conferencing (VC) or through Other Audio Visual Means (OAVM)** or to transact items through postal ballot in accordance with the framework provided in the aforesaid circulars **up to 31st December 2021.**

in continuation to the MCAs General Circular No.14/2020 dated 8th April 2020, No.17/2020 dated 13th April 2020, No.22/2020 dated 15th June 2020, No.33/2020 dated 28th September 2020 and No.39/2020 dated 31.12.2020

VII. Companies (Accounting Standards) Rules, 2021

G.S.R (E).— In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and in supersession of the Companies (Accounting Standards) Rules, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 739 (E), dated the 07th December, 2006 and amended from time to time vide numbers G.S.R. No. 212(E), dated the 27th March, 2008, G.S.R. 225(E), dated the 31st March, 2009, G.S.R. 378(E), dated the 11th May, 2011, G.S.R. 913(E), dated the 29th December, 2011, G.S.R. 914(E), dated the 29th December, 2011, G.S.R. 364(E), dated the 30th March, 2016 and G.S.R. 569(E) dated the 18th June, 2018, except as respects things done or omitted to be done before such supersession, the Central Government, after consultation with the National Financial Reporting Authority constituted under section 132 of the said Act, hereby makes the following rules:—

The Key Changes in the Companies (Accounting Standards) Rules, 2021.:-

2 (e) - Small and Medium Sized Company" (SMC) means, a company

- (i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;
- (ii) which is not a bank, financial institution or an insurance company;
- (iii) whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year;
- (iv) which does not have borrowings (including public deposits) in excess of fifty crore rupees at any time during the immediately preceding accounting year; and
- (v) which is not a holding or subsidiary company of a company which is not a small and medium-sized company.

Explanation:- For the purposes of this clause, a company shall qualify as a Small and Medium Sized Company, if the conditions mentioned therein **are satisfied** as at the end of the relevant accounting period.

3. Accounting Standards:

- (1) The Central Government hereby specifies Accounting Standards 1 to 5, 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India.
- (2) The Accounting Standards **shall come into effect** in respect of **accounting periods commencing on or after the 1st day of April, 2021.**

4. Obligation to comply with Accounting Standards:

- (1) **Every company, other than companies** on which Indian Accounting Standards as notified under Companies (Indian Accounting Standards) Rules, 2015 are applicable, and **its auditor(s) shall comply with the Accounting Standards** in the manner specified in the Annexure.
- (2) The Accounting Standards **shall be applied in the preparation of Financial Statements.**

5. Qualification for exemption or relaxation in respect of SMC :

An existing company, which was previously not Small and Medium Sized Company (SMC) and



subsequently becomes a SMC, shall not be qualified for exemption or relaxation in respect of Accounting Standards available to a SMC until the company remains a SMC for two consecutive accounting periods.

VIII. Relaxation from the requirement of minimum vesting period in case of death of employee(s) under SEBI (Share Based Employee Benefit) Regulations, 2014

SEBI, vide Circular No. SEBI/HO/CFD/DCR2/CIR/P/2021/576 dated 15th June 2021, in view of the COVID-19 pandemic situation, to provide relief to the families of the deceased employees of listed companies, it has been decided as under:

- a. the provisions under the SBEB Regulations relating to minimum vesting period of **one year shall not apply** in case of death (for any reason) of an employee and in such instances all the options, SAR or any other benefit granted to such employee(s) shall vest with his/her legal heir or nominee on the date of death of the employee; and
- b. this **relaxation** shall be **available** to all **such employees who have deceased on or after April 01, 2020**.

This relaxation will have an impact in the Regulation 9(4), 18(1) and 24(1) provisions.

FEMA

Contributed by: CA. G. Murali Krishna, Hyderabad

I. Investment by Foreign Portfolio Investors (FPI) in Government Securities: Medium Term Framework (MTF)

RBI vide A.P. (DIR Series) Circular No. 05 dated May 31, 2021 issued directions to AD Category-I (AD Cat-I) banks fixing the investment limits for FY 2021-21 as follows

- a. The limits for FPI investment in Government securities (G-secs) and State Development Loans (SDLs) shall remain unchanged at 6% and 2% respectively, of outstanding stocks of securities for FY 2021-22.
- b. As hitherto, all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR) in terms of [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#).
- c. The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – 'General' and 'Long-term' – shall be retained at 50:50 for FY 2021-22.
- d. The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDLs.

Accordingly, the revised limits (in absolute terms) for the different categories, including the limits for corporate bonds are notified.

II. Payment of margins for transactions in Government Securities by Foreign Portfolio Investors

RBI vide A.P. (DIR Series) Circular No. 06 dated June 4, 2021 issued directions to AD Category-I (AD Cat-I) banks wherein it is stated that

All transactions in government securities concluded outside the recognized stock exchanges are settled on a guaranteed basis by the Clearing Corporation of India Ltd. (CCIL) which acts as the central counter party. Based on requests received, it has been decided to allow banks in India having an Authorised Dealer Category-1 licence under FEMA, 1999 to lend to FPIs in accordance with their credit risk management frameworks for the purpose of placing margins with CCIL in respect of settlement of transactions involving Government Securities (including Treasury Bills and State Development Loans) by the FPIs.

Necessary amendments to Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 have been carried out, vide Notification No. FEMA 3(R)/2021-RB dated May 24, 2021.

These Directions shall be applicable with immediate effect.



III. Liberalised Remittance Scheme for Resident Individuals – Reporting

RBI vide A.P. (DIR Series) Circular No. 07 dated June 17, 2021, decided that AD Category-I (AD Cat-I) banks are now required to upload, the data in respect of number of applications received and the total amount remitted under the Liberalised Remittance Scheme in XBRL system instead of existing Online Return Filing System ('ORFS'). Such information shall be uploaded by AD Banks on XBRL system on or before the fifth of the succeeding month from July 01, 2021, onwards. In case no data is to be furnished, AD banks shall upload 'nil' figures

IV. Investment in Entities from FATF Non-compliant Jurisdictions

RBI vide Notification No. CO.DPSS.AUTH.No.S190/02.27.005/2021-22, dated June 14, 2021, has made a reference to the circular DOR.CO.LIC.CC No.119/03.10.001/2020-21 dated February 12, 2021 issued by the Department of Regulation, Reserve Bank of India (RBI) on investment in NBFCs from FATF non-compliant jurisdictions. With a view to maintaining consistency, the corresponding regulations for investments in Payment Systems Operators (PSOs) are as follows.

The Financial Action Task Force (FATF) periodically identifies jurisdictions with weak measures to combat money laundering and terrorist financing (AML / CFT) in its following publications: i) High-Risk Jurisdictions subject to a Call for Action, and ii) Jurisdictions under Increased Monitoring. A jurisdiction whose name does not appear in these two lists is referred to as a FATF compliant jurisdiction. Investments in PSOs from FATF non-compliant jurisdictions shall not be treated at par with that from compliant jurisdictions.

Investors in existing PSOs holding their investments prior to the classification of the source or intermediate jurisdiction/s as FATF non-compliant, may continue with the investments or bring in additional investments as per extant regulations so as to support continuity of business in India.

New investors from or through non-compliant FATF jurisdictions, whether in existing PSOs or in entities seeking authorisation as PSOs, are not permitted to acquire, directly or indirectly, 'significant influence' as defined in the applicable accounting standards in the concerned PSO. In other words, fresh investments (directly or indirectly) from such jurisdictions, in aggregate, should account for less than 20 per cent of the voting power (including potential¹ voting power) of the PSO.

The above instructions, as amended from time to time, shall also apply to any entity that has applied for or that intends to apply for authorisation as a PSO under the Payment and Settlement Systems Act, 2007.

V. FEMA Case Law

FFR SOFTWARE PVT. LTD. VERSUS UNION OF INDIA (GUJARAT HIGH COURT)

Compounding of contravention of Regulation 7 of FEM (Export of goods and services) Regulations, 2000 –

Facts of the case: The applicant is into import and export of garments. He received an advance from overseas buyer towards supply of said garments. Due to less market demand, the overseas buyer pushed the delivery of goods multiple times, beyond a period of two years. Meanwhile, the applicant faced financial constraints and had to sell the goods in local market at huge loss. By the time fresh delivery request came from overseas buyer, the supplier could not make supply of agreed goods and conveyed his inability to supply due to financial constraints. As a matter of settlement and to avoid legal complications from buyer, he agreed and supplied different goods than originally agreed.

Meanwhile, Enforcement Directorate started investigation against the applicant in a different matter not associated with above transaction. The applicant approached compounding authority of RBI to condone the delays under export obligations. The compounding authority returned the application referring proviso to sub-rule 2 of Rule 8 of Foreign Exchange (Compounding Proceedings) Rules, 2000. The abstract of Rule 8 of Compounding Proceedings Rules is as below:

"8. Procedure for Compounding:

(1) The Compounding Authority may call for any information, record or any other documents relevant to the compounding proceedings.



(2) The Compounding Authority shall pass an order of compounding after affording an opportunity of being heard to all the concerned as expeditiously as possible and not later than 180 days from the date of application.

Provided that with respect to any proceeding initiated under rule 4, if the Enforcement Directorate is of the view that the said proceeding relates to a serious contravention suspected of money laundering, terror financing or affecting sovereignty and integrity of the nation, the Compounding Authority shall not proceed with the matter and shall remit the case to the appropriate Adjudicating Authority for adjudicating contravention under section 13”

HELD THAT: When the information is brought to the notice of the RBI, before remitting the case to the appropriate adjudicating authority under the amended proviso, exercise of taking decision under sub-rule (2), does not get diluted in any manner. It is open for the compounding authority, after considering the objections received from the ED and affording an opportunity of hearing, to take a decision to remit the case to the appropriate adjudicating authority so that requirement of sub-rule (2) of Rule 8 is complied with fully.

In the instant case, merely coming into existence of the proviso will not render requirement of sub-rule (2) of Rule 8 nugatory. The proviso is in addition to sub-rule (2) and must be read through sub-rule (2) and not otherwise as canvassed by Learned Advocate for the respondents (ED, RBI, and the Compounding Authority of RBI). That is to say what is provided under sub-rule (2), cannot be read through the amended proviso to sub-rule (2) under the subsequent notification dated 20-2-2017 through which the proviso was brought into.

As the Court is not entering into the merits of the impugned decision, no further reference is made to communication between ED and the compounding authority of RBI, leaving it upon RBI, in exercise of powers under sub-rules (1) and (2) to take a decision after affording an opportunity of hearing to the petitioner to contend that the so-called proceedings of the ED are not pertaining to the transaction in question. After hearing the petitioner, it is open for the compounding authority of RBI to take a decision in accordance with law.

The impugned communication is set aside accordingly. The compounding authority of RBI is directed to take a fresh decision in accordance with law, particularly follow requirement of sub-rule (2) of Rule 8 of the Rules. The petition stands allowed to the aforesaid extent. Rule is made absolute.

VI. Update on Compounding Orders issued under FEMA Regulations:

a. Pfizer Healthcare India Private Limited

Regulation	Regulation 4 of FEMA 20/2000-RB Paragraph 9(1) A of Schedule I to FEMA 20/2000-RB Paragraph 9(1) B of Schedule I to FEMA 20/2000-RB Paragraph 25.2 of Annexure B to Schedule I read with Regulation 5(1) of FEMA 20/2000-RB
Contravention	Failure to comply with restriction imposed by RBI to issue security to a person resident outside India or to record a transfer of security from or to such a person in its books, Failure to intimate RBI regarding receipt of foreign inward remittance and failure to submit to RBI a report in Form FC- GPR towards allotment of shares Failure to meet investment caps and entry route while accepting FDI
Date of Order	21-05-2021
Compounding Fee	₹ 2,11,34,700/-

b. C & S Electric Ltd

Regulation	Regulation 6(2)(vi), Regulation 15(ii), Regulation 13, Regulation 15(iii) of Notification No. FEMA 120/2004-RB
Contravention	Failure to submit Form ODI to the designated branch of an authorized dealer, Failure to comply with post investment changes regulations and failure to repatriate dues receivable & file Annual Performance Report (APR) within the prescribed time limit.
Date of Order	28-05-2021
Compounding Fee	₹24,36,957/-



c. Namlatech India Private Limited

Regulation	Regulation 3.1(I) A (2) of FEMA 395/2019-RB
Contravention	Failure to issue equity instrument to the person resident outside India making such investment within sixty days from the date of receipt of the consideration.
Date of Order	19-05-2021
Compounding Fee	₹54,750/-

GST

Contributed by: CA. G. Saravana Kumar, Madurai

Various Measures implemented by the Government due to Covid-19 Pandemic based on 43rd GST Council decision

1. Concession in Interest rates and waiver of Late fee in filing GSTR – 3B returns – applicable to Taxpayers having aggregate turnover of more than Rs. 5 Crores in preceding financial year: (Notification No 18/2021-CT and 19/2021-CT dated 01.06.2021)

For tax payers having more than Rs. 5 crores turnover in preceding financial year is given concession in rate of interest by 9% provided they file their GSTR 3B returns on or before the date mentioned in table below. In case they file the return after the said dates, originally prescribed rate of 18% would be applicable. Details are given in the following table. Also, waiver in late fee is applicable only if the return is filed on or before the date mentioned in table below.

Month	Due date	Concession in Interest rates		Waiver of late fee if return is filed on or before
		Interest @9% p.a. during the period	Interest @18% p.a. from	
Mar-21	20-04-2021	21.04.2021 to 05.05.2021	06.05.2021	05.05.2021
Apr-21	20-05-2021	21.05.2021 to 04.06.2021	05.06.2021	04.06.2021
May-21	20-06-2021	21.06.2021 to 05.07.2021	06.07.2021	05.07.2021

2. Waiver of interest, concession in rate of interest and waiver of late fee in filing GSTR – 3 B returns for tax payers opted for QRMP Scheme (Notification No 18/2021-CT and 19/2021-CT dated 01.06.2021)

Tax payers who have opted for QRMP scheme in the tax period Jan 21 to Mar 21 and Apr 21 to Jun 21 are given following concessions:

- i. Complete waiver in payment of interest if GSTR 3B return is filed and Form PMT-06 is filed on or before the dates mentioned in the table below. In case they are filed after the said date then interest is payable as per the details mentioned in the table below.
 - ii. Waiver in late fee for filing GSTR – 3B return in case GSTR 3B return is filed on or before the date mentioned in the table below. This is not applicable for PMT-06 since there is no late applicable for belated filing of said form.
- i. *Applicable to tax payers in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep*

Month	GSTR 3B / PMT – 06	Due date	Concession in Interest rates			Waiver of late fee if return is filed on or before
			Waiver of interest if 3B/ PMT 06 is filed on or before	Interest @9% p.a. during the period	Interest @18% p.a. from	
Jan 21 to Mar 21	GSTR 3B	22-04-2021	07-05-2021	08.05.2021 to 21.06.2021	22.06.2021	21.06.2021



Month	GSTR 3B / PMT – 06	Due date	Concession in Interest rates			Waiver of late fee if return is filed on or before
Apr-21	PMT – 06	25-05-2021	09-06-2021	10.06.2021 to 09.07.2021	10.07.2021	Not Applicable
May-21	PMT – 06	25-06-2021	10-07-2021	11.07.2021 to 25.07.2021	26.07.2021	Not Applicable

- ii. *Applicable to tax payers in Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi*

Month	GSTR 3B / PMT – 06	Due date	Concession in Interest rates			Waiver of late fee if return is filed on or before
			Waiver of interest if 3B/ PMT 06 is filed on or before	Interest @9% p.a. during the period	Interest @18% p.a. from	
Jan 21 to Mar 21	GSTR 3B	24-04-2021	09-05-2021	10.05.2021 to 23.06.2021	24.06.2021	23.06.2021
Apr-21	PMT – 06	25-05-2021	09-06-2021	10.06.2021 to 09.07.2021	10.07.2021	Not Applicable
May-21	PMT – 06	25-06-2021	10-07-2021	11.07.2021 to 25.07.2021	26.07.2021	Not Applicable

3. **Waiver of interest, concession in rate of interest and waiver of late fee in filing GSTR - 3 B returns for tax payers NOT opted for QRMP Scheme and whose aggregate turnover in preceding financial year is up to Rs. 5 Crore - (Notification No 18/2021-CT and 19/2021-CT dated 01.06.2021)**

Tax payers who have not opted for QRMP scheme and whose aggregate turnover is up to Rs. 5 crore during the preceding financial year are given following concessions:

- Complete waiver in payment of interest if GSTR 3B return is filed on or before the dates mentioned in the table below. In case they are filed after the said date then interest is payable as per the details mentioned in the table below.
- Waiver in late fee for filing GSTR – 3B return in case GSTR 3B return is filed on or before the date mentioned in the table below.

Month	Due date	Concession in Interest rates			Waiver of late fee if return is filed on or before
		Waiver of interest if 3B/PMT 06 is filed on or before	Interest @9% p.a. during the period	Interest @18% p.a. from	
Mar 21	20-04-2021	05-05-2021	06.05.2021 to 19.06.2021	20.06.2021	19.06.2021
Apr-21	20-05-2021	04-06-2021	05.06.2021 to 04.07.2021	05.07.2021	04.07.2021
May-21	20-06-2021	05-07-2021	06.07.2021 to 20.07.2021	21.07.2021	20.07.2021

4. **Extension in due dates for various returns and forms**

(Notification No 12/2021 – CT dated 01.05.2021, 17/201-CT

Dated 01.06.2021, 25/2021-CT, 26/2021, 14/2021 dated 01.06.2021)

Due dates for the various returns such as GSTR-1, GSTR – 4, GSTR – 5, GSTR – 6, GSTR – 7 and GSTR – 8 and forms such as IFF, and ITC-04 were extended as per the details given in the following table.

Though due date for CMP-08 for compounding tax payers (Tax period Jan 21 – Mar 21) is not extended waiver of interest is given if the said form is filed on or before 03rd May, 2021. In case the form is filed



after this date, then interest @9% is payable from 04.05.2021 to 17.06.2021 and @18% is payable on and from 18.06.2021.

Form	Tax period	Due date	Extended due date
GSTR - 1	April 2021	11.05.2021	26.05.2021
	May 2021	11.06.2021	26.06.2021
IFF	April 2021	13.05.2021	28.05.2021
	May 2021	13.06.2021	28.06.2021
GSTR 4	FY 2020-21	30.04.2021	31.07.2021
GSTR 5	Mar 2021	20.04.2021	30.06.2021
	April 2021	20.05.2021	30.06.2021
	May 2021	20.06.2021	30.06.2021
GSTR 6	April 2021	13.05.2021	30.06.2021
	May 2021	13.06.2021	30.06.2021
GSTR 7	April 2021	10.05.2021	30.06.2021
	May 2021	10.06.2021	30.06.2021
GSTR 8	April 2021	10.05.2021	30.06.2021
	May 2021	10.06.2021	30.06.2021

(Other amendments notified based on 43rd GST council meeting recommendations will follow in next issue)

INCOME TAX

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

- 1. Guidelines for compulsory selection of ITRs for complete scrutiny during financial Year 2021-22:** In Circular F.No.225/61/2021/ITA-II dated 10th June, 2021 the guidelines for selection of ITRs for compulsory scrutiny during financial year 2021-22 is given as under.

S. No.	The Parameter	Assessment Proceedings to be conducted by
1	Cases pertaining to survey u/s 133A	
	<p>Cases pertaining to Survey under section 133A of the Act subject to exclusion below: Exclusion: Cases where books of accounts, documents, etc. were not impounded and returned income (excluding any disclosure made during the Survey) is not less than returned income of preceding assessment year are not required to be considered for compulsory scrutiny. However, the said exclusion is not applicable where assessee has retracted from disclosure made during the Survey and such cases have to be considered for compulsory scrutiny.</p>	<p>(i) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, cases selected for compulsory scrutiny which have impounded material, shall have to be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2) of the Act. (ii) After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in respect of cases selected for compulsory scrutiny and where there is no impounded material will be conducted by National Faceless Assessment Centre (NaFAC). The Assessing Officer shall upload the Survey Report in the ITBA at the time of issue of notice u/s 143(2) of the Act.</p>
2	Cases pertaining to Search and Seizure	
	<p>Assessments in Search and Seizure cases to be made under section(s) 153A, 153C read with section 143(3) of the Act and also for return filed for assessment year relevant to previous year in which the Search was conducted under section 132 or requisition was made under section 132A of the Act.</p>	<p>The case's falling u/s 153C, if lying outside Central Charges, the Jurisdictional Assessing Officer is required to issue notice u/s 143(2) in cases where return is furnished u/s 153C or 142(1) calling for information in cases where no return is furnished u/s 153C. Such cases shall be transferred to Central Charges u/s 127 of the Act within 15 days of issue of notice u/s 143(2)/142(1) of the Act.</p>



3	Cases in which notices u/s 142(1) of the Act, calling for return, have been issued	
	(i) Cases where no return has been furnished in response to a notice u/s 142(1) of the Act.	These cases will be taken up for compulsory scrutiny by NaFAC.
	(ii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the information contained in NMS Cycle/AIR information/information received from Directorate of I&CI.	These cases will not be taken up for compulsory scrutiny and the selection of such cases for scrutiny will be through CASS cycle.
	(iii) Cases where return has been furnished in response to notice u/s 142(1) of the Act and where notice u/s 142(1) of the Act was issued due to the specific information received from Law Enforcement Agencies, including the Investigation Wing; Intelligence/Regulatory Authority/Agency; Audit Objection; etc.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.
4	Cases in which notices u/s 148 have been issued	
	(i) Cases where no return has been furnished in response to notice u/s 148 of the Act.	In such cases, Jurisdictional Assessing shall issue notice u/s 142(1) of the Act, calling for information regarding the issues on the basis of which notice u/s 148 was issued, subsequent to which, assessment proceedings in such cases will be conducted by NaFAC.
	(ii) Cases where return is furnished in response to notice u/s 148 of the Act	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.
5	Cases related to registration/approval under various sections, such as 12A, 35(1)(ii)/(iia)/(iii), 10(23C), etc.	
	Cases where registration/approval under various sections of the Act, such as section 12A, 35(1)(ii)/(iia)/(iii), 10(23C), etc. have not been granted or have been cancelled/withdrawn by the Competent Authority, yet the assessee has been found to be claiming tax-exemption/deduction in the return. However, where such orders of withdrawal of registration/approval have been reversed/set-aside in appellate proceedings, those cases will not be selected under this clause.	After the issue of notice u/s 143(2) of the Act by the Jurisdictional Assessing Officer for compulsory selection, assessment proceedings in such cases will be conducted by NaFAC.

Without prejudice to the above, the cases which are selected for compulsory scrutiny by the International Taxation and Central Circle charges following the above prescribed guidelines, shall, as earlier, continue to be handled by these charges.

The exercise of selection of cases for compulsory scrutiny on the basis of the above parameters and service of notice u/s 143(2) of the Act will have to be completed by 30-6-2021. As per the amendments brought *vide* Finance Act, 2021, the time limit for service of notice u/s 143(2) of the Act has been reduced to three months from the month of end of the Financial Year in which the return is filed.

- Clarification regarding limitation time for filing appeals before CIT (Appeals):** In Circular No.10 dated 25th May,2021 the CBDT has clarified that the time limitation in Circular No.8 dated 30th April, 2021 providing relaxations till 31st May, 2021 must take note of the Supreme Court 's order dated 27th April, 2021. The Hon'ble Supreme Court *vide* order dated 27th April, 2021 in *Suo motu* Writ Petition (Civil) No. 3 of 2020 restored the order dated 23rd March, 2020 and in continuation of the order dated 8th March, 2021 directed that the period(s) of limitation, as prescribed under any General or Special Laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further orders.

The CBDT clarified that if different relaxations are available to the taxpayers for a particular compliance, the taxpayer is entitled to the relaxation which is more beneficial to him. Thus, for the purpose of counting the period(s) of limitation for filing of appeals before the CIT(Appeals) under the Act, the taxpayer is entitled to a relaxation which is more beneficial to him and hence the said limitation stands extended till further orders as ordered by the Hon'ble Supreme Court in *Suo motu* Writ Petition (Civil) No. 3 of 2020 *vide* order dated 27th April 2021.



3. **Rules for computing Fair Market Value of Capital Assets for the purposes of section 50B inserted in Income-tax Rules, 1962:** In Notification G.S.R. 338(E)[F.NO.370142/16/2021-TPL] dated 24th May, 2021 rule 11UA to Income-tax rules, 1962 has been notified and it reads as under:

Rule 11UA. Computation of Fair Market Value of Capital Assets for the purposes of section 50B of the Income-tax Act.—(1) For the purpose of clause (ii) of sub-section (2) of section 50B, the fair market value of the capital assets shall be the FMV1 determined under sub-rule (2) or FMV2 determined under sub-rule (3), whichever is higher.

(2) The FMV1 shall be the fair market value of the capital assets transferred by way of slump sale determined in accordance with the formula -

$A+B+C+D - L$, where,

A= book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale as reduced by the following amount which relate to such undertaking or the division, —

- (i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and
- (ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B = the price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C = fair market value of shares and securities as determined in the manner provided in sub-rule (1) of rule 11UA;

D = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;

L= book value of liabilities as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale, but not including the following amounts which relates to such undertaking or division, namely: —

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

(3) FMV2 shall be the fair market value of the consideration received or accruing as a result of transfer by way of slump sale determined in accordance with the formula- $E+F+G+H$, where,

E = value of the monetary consideration received or accruing as a result of the transfer;

F = fair market value of non-monetary consideration received or accruing as a result of the transfer represented by property referred to in sub-rule (1) of rule 11UA determined in the manner provided in sub-rule (1) of rule 11UA for the property covered in that sub-rule;

G = the price which the non-monetary consideration received or accruing as a result of the transfer represented by property, other than immovable property, which is not referred to in sub-rule (1) of rule 11UA would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer, in respect of property;



H = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property.

(4) The fair market value of the capital assets under sub-rule (2) and sub-rule (3) shall be determined on the date of slump sale and for this purpose valuation date referred to in rule 11UA shall also mean the date of slump sale.

Explanation.—For the purposes of this rule, the expression “registered valuer” and “securities” shall have the same meanings as respectively assigned to them in rule 11U.

4. **Circular regarding use of functionality under sections 206AB and 206CCA:** The CBDT in Circular No.11 of 2021 dated 21st June, 2021 has explained the use of functionality under sections 206AB and 206CCA. Finance Act, 2021 inserted two new sections 206AB and 206CCA in the Income-tax Act 1961 which takes effect from 1st day of July, 2021. These sections mandate tax deduction (section 206AB) or tax collection (section 206CCA) at higher rate in case of certain non-filers (specified persons) with respect to tax deductions (other than under sections 192, 192A, 194B, 194BB, 194LBC and 194N) and tax collections. Higher rate is twice the prescribed rate or 5%, whichever is higher.

Specified person means a person who satisfies both the following conditions: - (i) He has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately before the previous year in which tax is required to be deducted /collected. Two previous years to be counted are required to be those whose return filing date under sub-section (1) of section 139 has expired. (ii) Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in each of these two previous years.

It can be seen that the tax deductor or the tax collector is required to do a due diligence of satisfying himself if the deductee or the collectee is a specified person. This can lead to extra compliance burden on such tax deductor or tax collector. To ease this compliance burden the Central Board of Direct Taxes is issuing a new functionality “Compliance Check for Sections 206AB & 206CCA”. This functionality is made available through reporting portal of the Income-tax Department. The tax deductor or the collector can feed the single PAN (PAN search) or multiple PANs (bulk search) of the deductee or collectee and can get a response from the functionality if such deductee or collectee is a specified person. For PAN Search, response will be visible on the screen which can be downloaded in the PDF format. For Bulk Search, response would be in the form of downloadable file which can be kept for record.

The logic of the functionality is as under: • A list of specified persons is prepared as on the start of the financial year 2021-22, taking previous years 2018-19 and 2019-20 as the two relevant previous years. List contains name of taxpayers who did not file return of income for both assessment years 2019-20 and 2020-21 and have aggregate of TDS and TCS of fifty thousand rupees or more in each of these two previous years • During the financial year 2021-22, no new names are added in the list of specified persons. This is a taxpayer friendly measure to reduce the burden on tax deductor or collector of checking PANs of non-specified person more than once during the financial year. • If any specified person files a valid return of income (filed & verified) for assessment year 2019-20 or 2020-21 during the financial year 2021-22, his name would be removed from the list of specified persons. This would be done on the date of filing of the valid return of income during the financial year 2021-22. • If any specified person files a valid return of income (filed & verified) for assessment year 2021-22, his name would be removed from the list of specified persons. This will be done on the due date of filing of return of income for A. Y. 2021-22 or the date of actual filing of valid return (filed & verified) whichever is later. • If the aggregate of TDS and TCS, in the case of a specified person, in the previous year 2020-21, is less than fifty thousand rupees, his name would be removed from the list of specified persons. This would be done on the first due date under sub-section (1) of section 139 of the Act falling in the financial year 2021-22. For the financial year 2021-22 this due date of 31st July 2021 has been extended to 30th Sept 2021. • Belated and revised TCS & TDS returns of the relevant financial years filed during the financial year 2021-22 would also be considered for removing persons from the list of specified persons on a regular basis.

The deductor or the collector may check the PAN in the functionality at the beginning of the financial year and then he is not required to check the PAN of non-specified person during that financial year.



To illustrate, let us assume that a deductor has 10,000 vendors that he deals with. He can use the functionality in the bulk search mode and can get the result of all these 10,000 PANs at one go. Let us assume that the functionality has shown that out of these 10,000 PANs, 5 PANs are specified persons for the purposes of sections 206AB and 206CCA of the Act. Now with respect of the remaining 9,995 PAN, it is clear that they are not in the list of specified persons for that financial year. Since no new name would be added in the list of specified persons during the financial year, the deductor or collector can be assured that these 9,995 PANs would remain outside the list of specified persons during that financial year. Thus, deductor or collector need not check again with respect to these 9,995 PANs during that financial year. There are chances that the 5 PANs which are of specified persons may move out of the list during the financial year and for that there will be need to recheck at the time of making tax deduction or tax collection.

The list would be drawn afresh at the start of each financial year and the above process would have to be repeated. For example, at the beginning of the financial year 2022- 23 a fresh list would be prepared with previous years 2019-20 and 2020-21 as the two relevant previous years. Then, no name would be added to the list of specified persons during the financial year and only name would be removed based on the logic given in the 3rd to 6th bullets of paragraph given above.

It may be noted that as per the provisos of sections 206AB & 206CCA of the Act, the specified persons shall not include a non-resident who does not have a permanent establishment in India. Tax deductors/ collectors are expected to carry out necessary due diligence in respect of a specified person established by the above referred functionality to consider him as non-specified ,if he fall under these provisions.

5. **Cost inflation index for F.Y.2021-22 notified:** The CBDT vide Notification S.O. 2336(E) has notified the Cost Inflation Index for financial year 2021-22 and it is **317**.

INFORMATION TECHNOLOGY

Contributed by: CA. S. Deephika, Chennai

This section of updates will provide you updates on the following.

1. New regulatory compliances on Information Technology and Information Technology audit during the month.
2. Feature updates during the month on commonly used tools for audit such as Microsoft office, outlook, IDEA, Tally, ACL, Power BI, Tableau
3. Crisp summary of status of key technology related issues.

Information Technology Regulatory update

The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021

The new rules, viz. Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“**Intermediary Guidelines**”) *inter alia* aims to serve a dual-purpose of

- (1) increasing the accountability of the social media platforms (such as Facebook, Instagram, Twitter etc.) to prevent their misuse and abuse; and
- (2) empowering the users of social media by establishing a three-tier redressal mechanism for efficient grievance resolution.

The Ministry of Electronics and Information Technology, Government of India had notified these new rules under the Information Technology Act, 2000 (“**IT Act**”) for monitoring social media and digital media platforms on 25th Feb 2021.

According to these rules, a “significant social media intermediary”, i.e., a social media intermediary having more than 5 million registered users in India, **within three months from the date of notification of the threshold thereof**, has to establish a three-tier system for observing *due diligence*, comprising of a Chief Compliance Officer (“who shall be responsible for ensuring compliance with the Act and rules made thereunder



and shall be liable in any proceedings relating to any relevant third-party information, data or communication link made available or hosted by that intermediary where he fails to ensure that such intermediary observes due diligence while discharging its duties under the Act and rules made thereunder”), a Nodal Contact Person (“for 24x7 coordination with law enforcement agencies and officers to ensure compliance to their orders or requisitions made in accordance with the provisions of law or rules made thereunder”) and a Resident Grievance Officer, all residing in India.

The Intermediary Guidelines have been framed in exercise of powers under section 87(2) of the IT Act and supersede the previous Information Technology (Intermediary Guidelines) Rules, 2011.

KARNATAKA VAT-GST

Contributed by: CA. Annapurna D Kabra, Bengaluru

The Accounting Entries is a formal record that documents a transaction. The GST law does not envisage the determination of the taxability from accounting entries. The manner of passing the accounting entries will have no bearing on the application of taxes on taxable activities. Even the nomenclature in the accounts is not material for classifications of the goods or services when the taxable entry specified the legislative intent.

To implement proper accounting system, if chart of accounts or ledger accounts is defined in a systematic manner then it will help in preparation of such GST Returns and statements seamlessly without spending much time and efforts. In simple terms, if the ledgers are in place, then the filing of returns will be simple. The data under various sections must be reflected in the returns. Major accounting entries pertaining to GST along with new ledger accounts is to be added to capture the reporting requirements under GST.

The ledgers of GST in books of Account should reconcile with the GST portal ledgers. Business entities are passing the closing accounting entries either at the end of the tax period or at the end of the financial year. In many instances, the errors and mistake in accounting entries have been detected at the time of finalization of accounts or preparation of Income Tax Returns which can lead to payment of interest and penalties at later point of time. If the appropriate accounting entries are not passed for input tax credit, then it may lead to non availment of credit beyond the stipulated period. Therefore, it is appropriate to pass the GST impact accounting entries in the books of accounts simultaneously with the filing of data in the GSTN portal.

In case if the taxes are paid shortly due to wrong accounting entries or the taxes are paid shortly due to faulty software or system error like system is calculating taxes in invoice at old rate though there was an amendment in the rate of taxes, then even that cannot be cause for non-payment of taxes under GST law. It is held in case of Commissioner of Central Excise and Service Tax LTU Chennai Vs Sify technologies Ltd 2018 (17) G.S.T.L. 24 (Mad.) that system error of faulty software cannot be reasonable cause when there was no ambiguity in statue about liability to service tax. In the above case the respondent has manipulated the accounts and paid lesser taxes even though entire taxes were collected from the client. They cannot take shelter under a faulty software when they themselves handled the system. The service tax could not have been calculated on the basis of amount received minus TDS and therefore the order was set aside based on the above contentions.

The correctness of accounting entries is truly relevant to evidence the transactions and to avoid the further litigations. It was held in case of Jindal Steel & power ltd Vs Commr of Central Excise and Service Tax Raipur 2017 (348) E.L.T. 367 (Tri. - Del.) wherein the appellant held that proper accounting entries have been passed by the appellant in their books of Accounts showing that excess paid excise duty has not been passed to the buyer of the goods and the incidence of such duty amount has been borned by the appellant itself for which the doctrine of unjust enrichment has no application. The appellant has explained the accounting entries as passed in the books of Accounts which prove that tax is borned by the appellant itself.

Basically, the GST credit is debited to a separate account like GST Credit receivable account and the appropriate accounting entries are required to set off against the output tax payable. The GST Credit



Receivable Account is shown as asset side of Balance sheet. If there are any reversal of input tax credit, then in such instance appropriate accounting and adjustment entries are to be accounted. The Tax law requires the matching of supplier and recipients returns so the provisional ledgers can be created with different taxes and cess accounts. To reconcile the input tax credit in books with the provisional credit based on statement GSTR 2A and GSTR 2B, it can be routed through input tax credit control accounting entries and on its eligibility, it shall be transferred to respective input tax credit account.

There are certain common inputs which are used for taxable supplies as well as for exempted supplies. The GST credit is to be computed only in respect of those inputs which are used for making taxable supply and GST credit pertaining to exempted supplies should be expensed and reversed. If there is variation between the monthly and yearly credit under Rule 42 then the registered person should pass the appropriate adjustment entries in books of Accounts. It is also general tendency that reversal of consolidated input tax credit is dumped in Rates and Taxes expense account but capturing of such input tax credit under respective expense head through appropriate accounting entries is right approach though it is quite cumbersome exercise.

Basically, the eligible credits are reflected in the returns and ineligible credits or blocked credits are generally not disclosed in the returns. All the ineligible credits are dumped along with the expenses in the books of Accounts. Therefore, lack of such data leads to under reporting of ineligible input tax credit under section 17(5) in GSTR 3B. Therefore, appropriate accounting entries can be passed to disclose the eligible credits and blocked credits in books of Accounts.

As per the provisions of GST law, if the supplier of goods and services is not paid within 180 days the input tax credit must be reversed along with the Interest and such credit should be parked in reversal account as it can be re credited once the payment is made to the vendors without any time limit. These accounts must be maintained vendor wise. Therefore, accounting entries for ITC reversal accounts, and interest must be maintained separately.

As per the provisions of time of supply, the GST liability is to be paid on advances on services. To track the liabilities on advances it must be accounted separately and can be reconciled on monthly basis and issue of receipt voucher and refund voucher should be entered separately to add or reduce the tax liabilities. The tax collected or payable on outward supply or on reverse charge should be credited to GST payable account and the adjustment entries can be passed when GST payable account is set off with the GST Credit receivable account and the credit balance if any in GST payable account will be shown on the liabilities side of balance sheet.

The appropriate accounting entries should be accounted to disclose the refund received and refund receivable and also the refund pending in case if the proceedings are pending with the departments. There is possibility of mismatch of receipt of IGST refunds in case of exports with payment of taxes and IGST paid as per books due to difference in exchange rate difference (mismatch in value of export invoices as per books Vs Shipping bills). IGST is payable on export transaction based on FOB (Free on Board) value (costs incurred up to the port of exportation) and in cases where the contract is FOR (Free on Road), the Export invoice will have freight element up to the port of destination, which will result in excess payment of IGST when compared with shipping bill and consequently there will be short realisation of IGST refund as shipping bill is deemed to be refund application as per Rule 96A in case of export of goods with payment of IGST. The difference due to above reasons needs to be expensed of in books of accounts by passing the appropriate accounting entries.

There are various other scenarios where the accounting entries and adjustment entries are to be passed to reflect the tax dues and tax credits. In the reconciliation statement it is expected to show the reconciliation between the annual return filed for GST with the financial data. There should be different ledgers for tracking the liability, credits, recoveries under GST else it will be a challenge. It will be real time challenges to reconcile the GST data with the financial data especially when there are multiple amendments under the GST law.



TAMIL NADU VAT

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

Limitation: Order of attachment dated 10.03.2021 was issued later to the to an order of assessment dated 17.02.2020, which has been served upon the petitioner only on 30.03.2021 by post. Ld Government Advocate stated that the order has been sent by e-mail on the same day of assessment. Service by e-mail is an accepted mode of service vide Section 169 of the CGST Act, 2017. The petitioner stated that it wishes to file a statutory appeal challenging order of assessment. Court held that the petitioner may do so within 4 weeks from today in view of the decision of the Supreme Court in a series of judgments on limitation. **Tvl. Gokul Traders Vs. 1. DSTO (ST), Hosur (North) – II Assessment Circle, W.P. No.10015 of 2021 DATED: 22.04.2021**

Cross verification report: The prayers in the WPs are for a mandamus directing the respondent to furnish a copy of the cross-verification report received from the Karnataka State, relied upon in notices dated 12.01.2021. Ld AGP has filed a compilation of documents dated 11.03.2021 containing 22 pages. These documents, he says, constitute the cross-verification report and there is no other document available with the AO upon which reliance is placed. Thus, the mandamus stands achieved. The petitioners are permitted to file their response to the notice, upon receipt of which, the respondent officer shall finalise the assessments in accordance with law and as expeditiously as possible. **Ankit Ispat P Ltd Unit-I, Ankit Ispat P Ltd unit II, Vs. CTO, Kariakal, W.P. No.2530 & 2533 of 2021 DATED: 22.04.2021**

Alternative remedy: In a matter of mismatch, the AO records that the details culled out from the Departmental website on the basis of annexure I and II of the purchasing/selling dealers were furnished to the petitioner and thus the burden cast upon the Department stands discharged. Personal hearing is stated to have been afforded on 14.11.2016 and 13.06.2017 and on both dates the petitioner did not appear and neither was there any appearance thereafter. Hence, the Court rules that there is no justification to interfere with the impugned orders under Article 226 of the Constitution of India. The petitioner may file appeals, if it is so inclined, within a period of 2 weeks from today, in view of the decision of the Supreme Court in a series of judgments as to limitation. **Tvl.Rajgaru Plywoods Vs. AC (ST), Shevapet Circle, Salem. W.P. Nos.10072 of 2021 DATED: 22.04.2021**

Waiver Petition: Petitioner prays for a Mandamus directing the respondents 3 & 5 to dispose its representation dated 23.01.2021 seeking waiver of interest and penalty. This Court directed on 19.03.2020, R3 & R5, being AC (ST), Salem, and the JC, Salem, to consider the representation and dispose the same. Today, the provisions of Section 16-B of the TNGST Act, 1959 are brought to my notice, as per which, the power to reduce or waive penalty in certain circumstances, stand vested in the Commissioner. Thus, the petitioner is permitted to seek waiver of interest and penalty before the Commissioner. **Salem Textile Limited Vs. 1 Addl Commr (ST), Chempauk, Chennai-6 2.The CTO, Bazaar Circle, Salem-7. 3.AC(ST), Bazaar Circle,. 4.DC (ST), Bazaar Circle, 5.The JC,No.17, Pitchards Road,Salem-7. W.P. No.7225 of 2021 DATED: 22.04.2021**

Remand directions: The impugned order has come to be passed without affording an opportunity to the petitioner and merely confirming the original proposals in two words “found intact”. The Court held that this sort of order is absolutely unacceptable as it is in violation of all accepted norms of framing an assessment and set aside the same with directions. **W.P. No.7002 of 2021 DATED: 18.03.2021 Tvl. Dhanalakshmi Automobiles Vs. 1. DCTO I Vriddhacahalam 2.ADC (CT), Cuddalore.**

Attachment for arrears: An asset admittedly belonging to a Director of company 1 cannot be attached for the arrears of another Company, especially when the said property has not been offered as security by the Director to the CT Department. **International Asset Reconstruction Co P Ltd, Vs.1.CTO, Bhavani, Erode 2. The Sub-Registrar, Bhavani. 3.M/s. Erode Rana Textiles Processors P Ltd, (In Liquidation), W.P.No.35347 of 2019 DATED: 01.04.2021**

Personal Hearing: The Ld Government Advocate stated that the non-grant of personal hearing is erroneous. The petitioner ought to have been called for a hearing, and the statement of the AO to the effect that such opportunity was not necessary, is deprecated. Stating so, the impugned orders are set aside on this short point and remanded back to the Assessing to be redone afresh. **M/s.Rasi Seeds (P)**



Ltd, Vs. STO, Attur (town) Assessment Circle, W.P. No.9974, 10174, 8342 & 8341 of 2020 DATED: 22.03.2021

Stay order: The direction to pay Rs.58,590/-, issued by the Appellate authority in a stay order, has been complied. The petitioner is aggrieved against the condition imposed in regard to the furnishing of bank guarantee for the balance of the disputed tax and penalty. WP Prayer that the same be modified to furnish a personal bond instead of bank guarantee is accepted by the Court. **M/s.Cauvery Timber Co (P) Ltd vs. 1. AC (ST), Saravanampatti West Circle, 2. Appellate DC, Coimbatore. W.P. No.10606 of 2021 DATED: 28.04.2021**

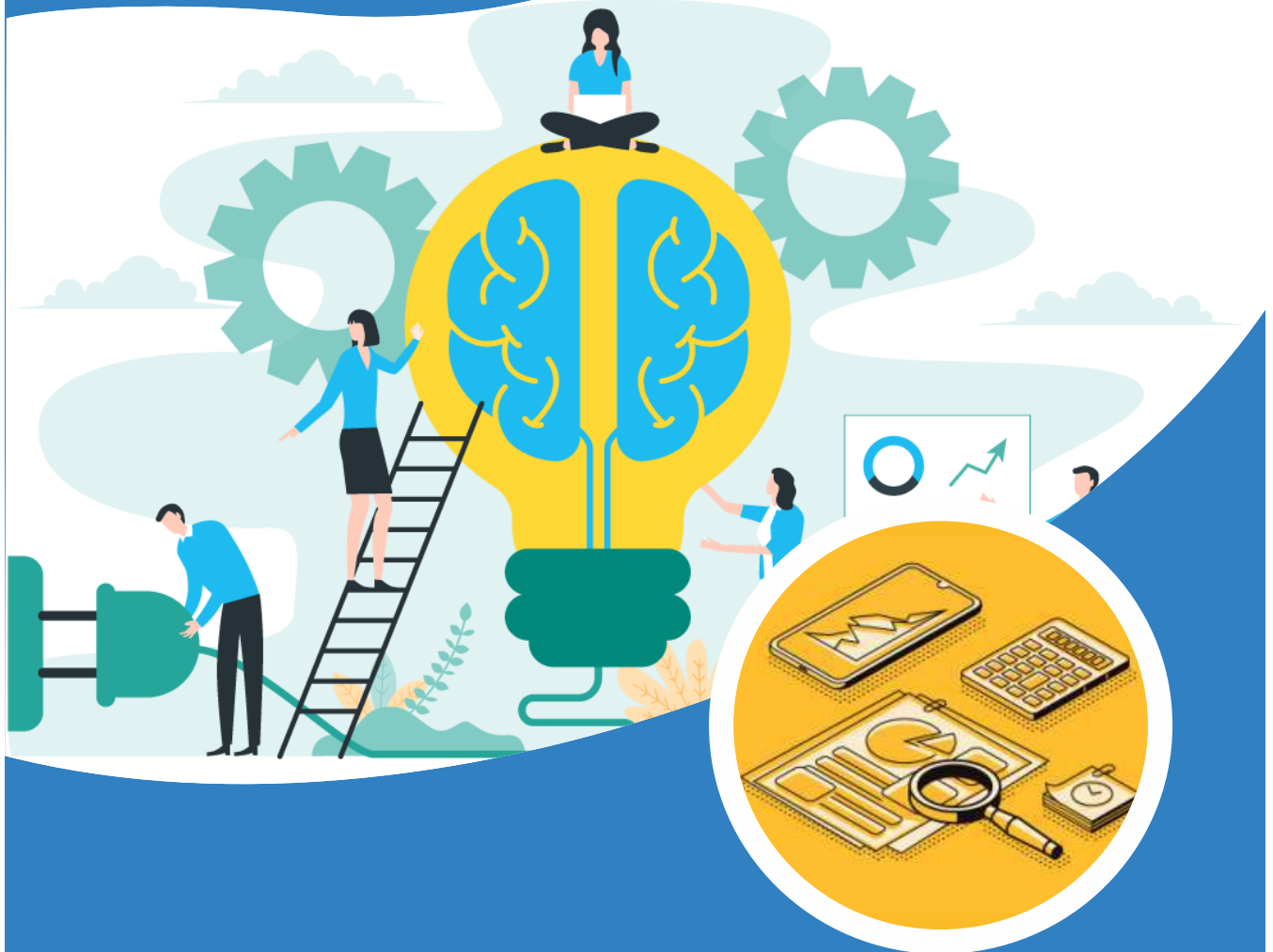
Stay orders: Case law rulings in CTO Vs A. Infrastructure Ltd. (87 VST 190)(SC) has been noticed by the first appellate authority, who rightly states that the grant or refusal of a request for stay is a matter of exercise of discretion. Having said so, it then becomes incumbent upon him to consider the three factors for grant of stay or rejection thereof and pass a speaking order on the applicability of the aforesaid factors to the facts and circumstances as well as the legalities that arise in a particular case. However, this has not been done in the present matter and the first appellate authority proceeds to pass a rather mechanical order calling upon the petitioner to remit a further 25% of tax and furnish a bank guarantee for the balance. This is akin to orders that are routinely passed in stay applications and ought not to be passed, as a matter of routine. The impugned orders are set aside with a direction that the petitioner be heard and orders passed afresh on the stay applications. **M/s.Chennai Petroleum Corpn Ltd., Vs 1 DC (CT) – III (FAC) LTU , 2. JC (CT) (Appeals), W.P Nos.8676 and 8678 of 2021 DATED: 08.04.2021**

Court Directions: When the representation of the petitioner was not considered and the impugned order has been passed without hearing the petitioner the impugned order of assessment is set aside with the directions that the petitioner appear before the AO on 05.05.21 at 10.30 a.m along with materials without expecting any further notice. The AO is directed to pass an order of assessment, de novo, within a period of 4 weeks thereafter, in accordance with the law. **Tvl.S.S.S.Jewel Paradise (P) Ltd, Vs. AC (ST), Dharmapuri Assessment Circle, W.P. No.5868 of 2021 DATED: 29.04.2021**

Natural Justice: A notice appears to have been issued pursuant thereto the petitioner has filed a response dated 18.02.2021. Proof of service of the same is placed in the typed set accompanying the WP. AO proceeded stating that there has been no response and finalised the assessments. No opportunity of personal hearing has also been afforded. The impugned orders are set aside by the Court with certain directions. **M/s.Sridevi Traders, Vs. DSTO, Thirukoilur. W.P. Nos.10692 & 10694 of 2021 DATED: 29.04.2021**



Committee for Members in Practice
The Institute of Chartered
Accountants of India
(Set up by an Act of Parliament)



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ICAI LEADS IN CAPACITY BUILDING OF PROFESSION THROUGH DIGITAL AUDIT TOOLS

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Important Announcements

COVID-19 (CABF) – Members & Students Services Directorate The Institute of Chartered Accountants of India

The Managing Committee of the Chartered Accountants Benevolent Fund (CABF) ICAI has considered the difficulties being faced by Members in the time of pandemic and has decided to grant Medical Financial Assistance to the Members and their dependents suffering from CORONA.

This help is going to be available to the Members and their dependents who are in distress and need financial assistance for treatment of Corona disease. To avail this help members/dependents may file request in prescribed Application Form-cum-Undertaking hosted on the website of the ICAI at the CABF Portal at the link <https://cabf.icai.org/>. The application is to be accompanied with the CORONA positive report and is available only for the cases of hospitalization.

The financial assistance will be up to INR 1.5 Lakhs and will be returnable to CABF in full, if it is not utilized for treatment of CORONA.

For detailed information please mail to covidassistance@icai.in.

Member Secretary
Chartered Accountants Benevolent Fund, M&C-MSS Directorate



Sub: Amendment in Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

This is to inform you that the Ministry of Corporate Affairs vide its notification dated 09th June 2021 has amended the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 to introduce the manner of transfer of shares under section 90(9) of the Companies Act 2013 to the Investor Education and Protection Fund.

Accordingly, the following amendments have been made in the aforesaid rules. Analysis of which is given below:

S No.	Rule	Pre-Amendment	Post-Amendment
1	Rule 3(2) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016: Fund	<p>There shall be credited to the Fund, the following amounts, namely:-</p> <p>(a) all amounts payable as mentioned in clause (a) to (n) of sub-section (2) of section 125 of the Act;</p> <p>(b) all shares in accordance with sub-section (6) of section 124 of the Act;</p> <p>(c) all the resultant benefits arising out of shares held by the Authority under clause (b);</p> <p>(d) all grants, fees and charges received by the Authority under these rules;</p> <p>(e) all sums received by the Authority from such other sources as may be decided upon by the Central Government;</p> <p>(f) all income earned by the Authority in any year;</p> <p>(g) all amounts payable as mentioned in sub-section (3) of section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, sub-section (3) of section 38A of the State Bank of India Act, 1955], and section 40A of the State Bank of India (Subsidiary Bank) Act, 1959; and'</p> <p>(h) all other sums of money collected by the Authority as envisaged in the Act.</p>	<p>There shall be credited to the Fund, the following amounts, namely:-</p> <p>(a) all amounts payable as mentioned in clause (a) to (n) of sub-section (2) of section 125 of the Act;</p> <p>(b) all shares in accordance with sub-section (6) of section 124 of the Act;</p> <p>(c) all the resultant benefits arising out of shares held by the Authority under clause (b);</p> <p>(d) all grants, fees and charges received by the Authority under these rules;</p> <p>(e) all sums received by the Authority from such other sources as may be decided upon by the Central Government;</p> <p>(f) all income earned by the Authority in any year;</p> <p>(fa) all shares held by the Authority in accordance with proviso of sub-section (9) of section 90 of the Act and all the resultant benefits arising out of such shares, without any restrictions</p> <p>(g) all amounts payable as mentioned in sub-section (3) of section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, sub-section (3) of section 38A of the State Bank of India Act, 1955], and section 40A of the State Bank of India (Subsidiary Bank) Act, 1959; and'</p> <p>(h) all other sums of money collected by the Authority as envisaged in the Act.</p>



S No.	Rule	Pre-Amendment	Post-Amendment
2	Rule 6A of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016: Manner of transfer of shares under sub-section (9) of section 90 of the Act to the Fund	N.A.	<p>New Insertion</p> <p>(1) The shares shall be credited to DEMAT Account of the Authority to be opened by the Authority for the said purpose, within a period of thirty days of such shares becoming due to be transferred to the Fund.</p> <p>Provided that transfer of shares by the companies to the Fund shall be deemed to be transmission of shares and the procedure to be followed for transmission of shares shall be followed by the companies while transferring the shares to the fund.</p> <p>Provided further that such shares shall be transferred to the Authority without any restrictions and no application shall be filed for claiming back such shares from the Authority.</p> <p>(2) For the purposes of effecting transfer of such shares, the Board shall authorise the Company Secretary or any other person to sign the necessary documents.</p> <p>(3) The company shall follow the following procedure while transferring the shares, namely:-</p> <p>(A) for the purposes of effecting the transfer, where the shares are dealt with in a depository-</p> <p>(i) the company shall inform the depository by way of corporate action, where the shareholders have their accounts for transfer in favour of the Authority,</p> <p>(ii) on receipt of such intimation, the depository shall effect the transfer of shares in favour of DEMAT account of the Authority;</p> <p>(B) for the purposes of effecting the transfer of shares held in physical form-</p> <p>(i) the Company Secretary or the person authorised by the Board shall make an application, on behalf of the concerned shareholder, to the company, for issue of a new share certificate;</p> <p>(ii) on receipt of the application under clause (a), a new share certificate for each such shareholder shall be issued and it shall be stated on the face of the certificate that "Issued in lieu of share certificate No..... for the purpose of transfer to IEPF under subsection (9) of section 90 of the Act" and the same be recorded in the register maintained for the purpose;</p> <p>(iii) particulars of every share certificate shall be in Form No. SH-1 as specified in the Companies (Share Capital and Debentures) Rules, 2014;</p> <p>(iv) after issue of a new share certificate, the company shall inform the depository by way of corporate action to convert the share certificates into DEMAT form and transfer in favour of the Authority.</p> <p>(4) The company shall make such transfers through corporate action and shall preserve copies for its records.</p> <p>(5) While effecting such transfer, the company shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action taken under sub-rule (4) of rule 6A containing details of such transfer and the company shall also attach a copy of order of the Tribunal under sub-section (8) of section 90 of the Act along with a declaration that no application under sub-section (9) of section 90 of the Act has been made or is pending before the Tribunal.</p>



S No.	Rule	Pre-Amendment	Post-Amendment
			<p>(6) The voting rights on shares transferred to the Fund shall remain frozen.</p> <p>Provided that for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.</p> <p>(7) The company shall maintain all such statements filed under sub – rule (3) in the same format along with all supporting documents and the Authority shall have the powers to inspect such records.</p> <p>(8) All benefits accruing on such shares like bonus shares, split, consolidation, fraction shares and the like except right issue shall also be credited to such DEMAT account [by the company which shall send a statement to the Authority in Form No. IEPF-4 within thirty days of the corporate action containing details of such transfer.]</p> <p>(9) If the company is getting delisted, the Authority shall surrender shares on behalf of the shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the proceeds realised shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.</p> <p>(10) In case the company whose shares or securities are held by the Authority is being wound up, the Authority may surrender the securities to receive the amount entitled on behalf of the security holder and credit the amount to the Fund and a separate ledger account shall be maintained for such proceeds.</p> <p>(11) Any further dividend received on such shares shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.</p> <p>(12) Any amount required to be credited by the companies to the Fund as provided under sub-rules (9), (10) and sub-rule (11) shall be remitted into the specified account of the IEPF Authority maintained in the Punjab National Bank [and the details thereof shall be furnished to the Authority in Form No. IEPF-7 within thirty days from the date of remittance].</p> <p>Provided further that all such amounts shall be transferred to the Authority without any restrictions and no application shall be filed for claiming back such amounts from the Authority.</p> <p>(13) Authority shall furnish its report to the Central Government as and when noncompliance of the rules by companies came to its knowledge.”</p>
3	eforms IEPF-4 and IEPF-7	-	Substitution of eforms IEPF-4 and IEPF-7 with the updated versions of the same as to enable the requirement of filing the said eforms pursuant to the requirements introduced through Rule 6A of IEPFA (Accounting, Audit, Transfer and Refund) Rules, 2016.

Notification is available at the link-

<https://www.mca.gov.in/bin/dms/getdocument?mds=XvERwVtVFjMBkvi%252BqMcOg%253D%253D&type=open>

Members may take note of the above and plan accordingly.

Sincerely Yours,

Chairman and Vice Chairman

Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India



Sub: Amendment in Rule 38A of the Companies (Incorporation) Rules, 2014

This is to inform you that the Ministry of Corporate Affairs, as part of its Ease of Doing Business (EODB) initiatives has amended the Rule 38A of the Companies (Incorporation) Rules, 2014 relating to Application for registration of GSTIN, ESIC registration, EPFO Registration, Profession Tax Registration and Opening of Bank Account vide its notification dated 07th June 2021.

The Ministry of Corporate Affairs (MCA) vide the aforesaid amendment rules have introduced the facility to take shops and establishment registration at the time of incorporation itself through filing of e-form AGILE-PRO-S (formerly known as AGILE-PRO).

Accordingly, the following consequential amendments have been made in Rule 38A. The pre and post analysis of the same has been given below:

S No.	Rule	Pre-Amendment	Post-Amendment
1	Rule 38A of the Companies (Incorporation) Rules, 2014	<p>Application for registration of Goods and Service Tax Identification Number (GSTIN), Employee State Insurance Corporation (ESIC) registration, Employees' Provident Fund organisation (EPFO) Registration and Profession Tax Registration and Opening of Bank Account</p> <p>The application for incorporation of a company under rule 38 shall be accompanied by e-form AGILE-PRO (INC-35) containing an application for registration of the following numbers, namely:-</p> <p>(a) GSTIN with effect from 31st March, 2019</p> <p>(b) EPFO with effect from 8th April, 2019</p>	<p>Application for registration of Goods and Service Tax Identification Number (GSTIN), Employee State Insurance Corporation (ESIC) registration, Employees' Provident Fund organisation (EPFO) Registration and Profession Tax Registration and Opening of Bank Account and Shops and Establishment Registration</p> <p>The application for incorporation of a company under rule 38 shall be accompanied by e-form AGILE-PRO-S (INC-35) containing an application for registration of the following numbers, namely:-</p> <p>(a) GSTIN with effect from 31st March, 2019</p> <p>(b) EPFO with effect from 8th April, 2019</p> <p>(c) ESIC with effect from 15th April, 2019</p> <p>(d) Profession Tax Registration with effect from the 23rd February, 2020</p>
		<p>(c) ESIC with effect from 15th April, 2019</p> <p>(c) Profession Tax Registration with effect from the 23rd February, 2020</p> <p>(d) Opening of Bank Account with effect from 23rd February, 2020.</p>	<p>(e) Opening of Bank Account with effect from 23rd February, 2020.</p> <p>(f) Shops and Establishment Registration</p>
2	Annexure to the said rules	eform INC-35 (AGILE-PRO)	eform INC-35 (AGILE-PRO-S)

Notification is available at the link-

<https://www.mca.gov.in/bin/dms/getdocument?mds=r2JGVOj52RJgsqlsMI8Hqw%253D%253D&type=open>

Members may take note of the above and plan accordingly.

Sincerely Yours,

Chairman and Vice Chairman

Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India



Virtual CPE Programme on Information Technology - Theme: PROFESSION 2.0

On 8th July, 2021 at 5PM – 8PM

Timing of Sessions	Session Details	Speakers
05.00 PM – 06.30PM	Technical Session I - Topic Key Issues for Adopting Cloud Computing for Digital transformation	CA. Anand P. Jangid, Bengaluru
06.30 PM – 08.00 PM	Technical Session II - Topic Artificial Intelligence to Auditing Intelligence - Role of Predictive Technology for the Future	CA. Saurabh Goenka, Bengaluru

Registration Fees Rs 100 + 18% GST

Link for online Registration: <https://bit.ly/sirclogin>

For more details, please contact 9176826789 & sircspe@icai.in

CA. K. Jalapathi
Chairman, SIRC of ICAI

CA. S. Panna Raj
Secretary, SIRC of ICAI