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THE CHARTERED ACCOUNTANT

JOURNAL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Accounting Profession as Growth Catalyst - Finding Opportunities in Challenges





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Accounting Profession as Growth Catalyst – *Finding Opportunities in Challenges*

It is rightly believed that the road to any destination is strewn with umpteen obstacles and innumerable impediments. However, challenges add an agreeable flavour to life and sweeten the taste of success. After all, overcoming the daunting times of distress gives indispensable meaning to our being and render wisdom upon our character. Striding through troubled waters is an act of persistence, courage and patience. By helping us build our personality, trials and tribulations provide us with a precious opportunity to improve both our learning as well as growth curves.

The global pandemic that has landed life to standstill is uprooting the strong foundations of business and industry. The economic fallout is utmost serious in nature that is jeopardising best of the financial structures. The catastrophic tremors of economic fallout can be felt, as an example, when certain crude prices of May futures in United States plunged into negative territory, a phenomenon that was unheard and unthought by the best of economists before it actually happened. Sellers paying buyers to take the oil off their stores does not remain a moot point for consideration, when energy companies run out of space to store and nobody wants to have a crude contract that is about to become due.

The Indian government has been taking a variety of measures that are invariably directed to value human life much above the economic considerations. The position of lockdown and forced social distancing appears to be single immediate solution, albeit economically very uncomfortable, when the question of saving lives is involved. We professionals must respect these decisions and follow them in letter and spirit and encourage society also to strictly follow them.

To move ahead, we need to firmly believe that one can turn any bad day into an unarguably good lesson. It is important to emphasise on the essentiality of looking at any hardship in the eye, strengthening one's resolve, maintaining calm and making the most of it. Without losing sight of end goals, one must consistently march

forward with the motivation of experiencing the pious exhilaration of victory.

The Institute has taken a number of actions directed to assist the fraternity in form of advisories on financial reporting and auditing and a series of decisions to protect the interest of members and students. The Institute is also encouraging members to wisely use their time at home by doing literary work by writing for this journal and prepare materials that are relevant for members and students. Myriad writing and research opportunities also exists in various ICAI committees. Apart from members driven initiatives you may also contribute in students related endeavours. With the practical insights available with accounting professionals, you are in best position to prepare case studies that are near to reality and help the students to become future Chartered Accountants with practical insights and implementable knowledge.

The accounting profession cultivates the importance of never giving in to the fear of failure. It rather pushes all members to trample all forms of negativity and rise to challenges. Since times immemorial, optimism and the unquenchable thirst to learn have defined the key features of the professional subjects. It urges all members and budding students to view every break in our journeys as an invaluable chance to introspect and understand ourselves better. This wave of internal positivity propels us to begin again with greater zest and determination. After-all, it is the pauses and the semi colons, which explicate the route to the full stops.

The Institute of Chartered Accountants of India stands on the fundamental principle that difficulties don't test your strength, rather help build them. For the members of ICAI, success has always been defined by the degree of growth during the climb, in contrast to merely touching the summit of the mountain. Every hurdle is an opportunity to learn and expand your horizons because at the end, what matters is not where you are but how far you came.

-Editorial Board ICAI: Partner in Nation Building

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From the President



CA. Atul Kumar Gupta
President, ICAI

My dear Professional Colleagues,

In the words of ICAI Past President, CA. P.A. Nair - *"no efforts should be spared in justifying the confidence reposed in us by the society. This calls for independent, objective, honest and impartial attitude on the part of each one of us."* ICAI has sailed through its journey of

more than seven decades with conviction, optimism, hope and confidence to maintain the virtues of independence, integrity and excellence. The Institute has always believed that the aptitude and the attitude are two important possessions

Chartered Accountants should have for their self-actualisation. Swami Vivekananda once remarked - *"we are what our thoughts have made us; so take care about what you think. Words are secondary. Thoughts live; they travel far."* By materialising the indestructible power within us to train our minds, we can face any difficult challenge and jump over any arduous hurdle with paramount positivity and strength to realise our potential and emerge triumphant. After all, a positive mind can always discover the silver lining in a grey cloud. An optimistic attitude evokes energy and enthusiasm and pushes us to take increasingly tough initiatives and excel at the tasks that are set on our mind. Besides positivity, by equipping one to take charge

of one's own actions as well as surroundings, is the foundation for building successful professionals who can set precedents and benchmarks for others to follow. The Institute of Chartered Accountants of India firmly believes that a professional bestowed with leadership qualities can catalyse change with persistent influence as opposed to coercive authority. By demonstrating discipline and dedication, a successful professional not just actualises own goals but also compels others to strive for their dreams. I wish to remind the professional fraternity that invincible faith in oneself in addition of unbending hope for the best, adds a charismatic charm to one's inherent character and aids us to stand out and distinguish ourselves from the unexcited crowd. *Remember, we can never be appointed or elected as a leader but only evolve into one.*

Under the invincible umbrella of positivity and perseverance, ICAI has always deftly dealt with hardships and adeptly responded to times of crisis. After all, every challenging circumstance which presents disorder and fear is in fact, the best occasion to learn more and fear less. Amidst the chaos caused by the life-threatening claws of the global pandemic - Covid-19, the Institute of Chartered Accountants of India has come up with several enabling measures and initiatives in order to promote knowledge as the ultimate weapon. The Institute has always remained at the technological forefront. Some of the recent technology driven initiatives, DCMM, UDIN and Digital Learning Hub (DLH) are well recognised, used and acknowledged by the fraternity, stakeholders and pleasantly by various professional organisations in India and abroad. We will continue to leverage technology to give our profession a winning edge and raise a generation of professionals who are second to none in the world professional arena. Despite the challenge of no physical interactions, ICAI through Digital Learning Hub, already allowed members to earn up to 10 structured CPE hours without any charge. Moving further, now Members can participate in certificate courses virtually at a very small cost and ease of access. Further, 50 hours educational course by ICAI Registered Valuers Organisation, and Indian Institute of Insolvency Professional of ICAI, and academic classes for students are also initiated on virtual mode.

From the President

The International Federation of Accountants (IFAC), global organization for the accountancy profession, also recognised ICAI online modules (DLH) in these times of crises; and on a call, ICAI offered its voluntary support for the professional brethren globally.

Rebooting of Indian Economy

COVID-19 pandemic has created a unique situation before all of us which we never witnessed before. Global economies are facing serious crisis related to unemployment, sustainability in terms of small and medium enterprises and liquidity. Recent slowdown also got exaggerated because of prolonged fight against pandemic. At this time each one of us has to rise and shoulder the national duty. We are fully aware that our branches and members are putting their best to support the humanity, still the call is to take up important tasks of building nation. Post COVID-19, there will be new ways of doing business, shifting of operations, adoption of technology and call for self-sufficiency will be the need of hour. At this time, ICAI, an important stakeholder and its members, who understand the nerve of the business need to explore innovative ways of policy level suggestions. Recently, we formed a Special Purpose Group on ***“Rebooting Indian Economy – way forward for 5 Trillion USD Economy”*** and deliberated on ***Nine Mantras*** as follows:

- Invest on Make in India
- Attract Investment by Sustainable Policies
- Increased domestic productivity by innovation and Adoption of technology
- Work on Potential Sector to increase Exports
- Self-sufficient – Reduce dependency on Imports
- Explore new financially viable Sector to boost employment and Exports
- Ensure Sustainability {SDG 2030}
- Focus MSME/SME
- Tax policies-Stabilized, Growth oriented, ensure easy of doing

We at ICAI engage with experts and stakeholders

at national and global levels, discuss and deliberate at appropriate levels to share our thought process and identify way forward on each of the above mantra.

Centre for Audit Quality

As each one of you will agree that the purpose of an independent audit is to provide confidence to the users of audited financial statements in the quality of financial reports, in particular their reliability. Improving audit quality and the consistency of audit execution is essential to maintain confidence in the *independent assurance*, provided by the auditors. It is trust that enables organisations to create long-term value and in developing confidence of external stakeholders on the users of financial information. There is no set definition of a quality audit, and many factors influence audit quality. As a result, judging audit quality can be challenging and subjective. The term ‘audit quality’ has a number of different definitions across the world; however, none of them have achieved the status of a globally recognised definition. It is a complex subject and therefore, it might be challenging to assess audit quality. Further, the perception of audit quality depends on the various stakeholders of financial information which may be users, auditors, regulators, or society at large. The Institute of Chartered Accountants of India, the second largest accountancy body in the world, has a strong tradition of serving in public interest and for Indian economy. One of the epithets applied to the Institute of Chartered Accountants of India is *“Partners in Nation Building”*. ICAI through *‘The Chartered Accountants Act, 1949’* has been mandated to regulate the accountancy profession in India which inter alia comprises, laying down well-defined framework of education, practical training and examination, registering members and practicing firms, carry oversight on their extent of compliance in performing professional work, issuing standards/guidance on accounting, audit, ethics, pro-active reviews through PRB, FRRB in addition to those mandated by QRB and discipline errant members.

On quality side, we have framework for Audit Quality prescribed in Engagement and Quality Control Standards; SQC 1 which deals with audit

From the President

quality at the level of firm for all audit engagements undertaken by them. SQC 1 requires the firm to establish a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards, regulatory and legal requirements. Further, SA 220 deals with audit quality at the level of individual (engagement partner) audit engagement undertaken by the firm.

Internationally, the International Auditing and Assurance Standards Board (IAASB) of IFAC has issued a Framework for Audit Quality: *“Key Elements that create an Environment for Audit Quality”* in February 2014. The Framework prescribes the key elements of Audit Quality as *input factors, process factors, output factors, key interactions and contextual factors*.

As a part of ICAI's drive to continue to benchmark the accountancy profession against the best available global practices, we have already converged to global standards on disclosure and assurance while keeping Indian interests in high stead. The future of the profession lies in its ability to change, evolve and adapt to the changing environment, which is central to reforms and ICAI's mission is its standard-setting role. ICAI, recognising the fact that high level *“quality framework”* provide the foundation for development of a proficient, high quality accountancy profession, has moved to set up a *“Centre for Audit Quality”* at Centre of Excellence, Jaipur. The Centre for Audit Quality will aim at the continuous investment in the contemporary education and training for prospective accountants and auditors, developing guidance and training programmes to assist audit teams and offices to undertake effective root cause analysis, conducting group learning sessions to discuss identified causes of findings and the solutions to be implemented, establishing Audit Quality indicators, thus will work for *Audit Quality Maturity Model*. The Audit Quality Maturity model will initiate a process of laying out a voluntary self-evaluation matrix for accounting firms to gauge their relative maturity level as regards audit quality pertaining to Audit and Accounting related functions being rendered by them.

Virtual Firms and DCMM 2.0

“It is not the strongest or the most intelligent who will survive but those who can best manage change.” Creating and managing virtual firms by moving towards automation has become imperative. You will agree with me at this difficult time and continuous lockdown, various processes at our firm level got stuck because of non-availability of data and information in digital mode. Besides, lack of automation created a challenge, even to expand wings at global level and improve efficiency. In this scenario, it is imperative for all of us to move towards large scale automation at our offices. Recently, Digital Accounting and Assurance Board of ICAI had released Digital Competency Maturity Model (DCMM 2.0) for assessing digital competency of a firm with respect to level of automation in the area of audit, tax compliances, accounting and support functions. Besides guidance for adaptation of advanced and emerging technologies, the most useful enhancement is that DCMM version 2.0 includes detailed Implementation Guide and comprises a questionnaire that enables firms to rate their current level of maturity on digital competency and then develop a road map for achieving a higher level of maturity.

Mapping on Impact of COVID -19 on Reporting and Assurance

In this difficult time of pandemic, our professional colleagues are facing a lot of challenges in terms of assessing the impact of COVID-19 on reporting and assurance. As shared earlier, ICAI has issued detailed advisories and FAQs on the impact of COVID-19 on reporting and assurance function related to Financial Statements for the year 2019-2020. In line with the advisories, we thought it fit to have a Global webinar on *“Impact of COVID 19 pandemic on Reporting and Assurance”* organised on 13th April, 2020 wherein we invited leaders from various global and regional bodies apart from Professional Accountancy Organisations. The webinar focused to address the challenges that COVID-19 outbreak has on Global Economies especially addressing the challenge being faced by professionals and corporates across the globe on accounting, reporting and assurance perspective. The webinar was addressed by global leaders including CA. Suresh P. Prabhu, Hon'ble MP

From the President

(Rajya Sabha) and Prime Minister's Sherpa to G 7 & G 20, Dr. In Ki Joo, President IFAC, and Mr. Alan Johnson, Deputy. President, IFAC apart from heads of ASEAN Federation, IAASB, Accountancy Europe, EFPA, and Edinburg Group. The Global Webinar was live streamed on all social media channels of ICAI, viewed by more than 80000 professional accountants globally, was organised in coordination with ICAI overseas Chapters.

Let's Fight Together with COVID-19

At ICAI we are aware that this is a challenging time for all of us. To support our Small and Medium Practitioners, we started number of initiatives including free access to structured CPE Hours through DLH, and virtual certificate courses. Besides that, to offer a helping hand, we have extended the due date for the filing of various forms/regulatory classes for students and members. Further, the date for the registration of the foundation course also stands extended. An announcement on the use of electronic signature for signing audit reports and certificates and advisories for key audit considerations relating to 'Going Concern' and 'Physical Inventory Verification' have also been released.

It is time for us to muster all our positive energy, faith and hope and instil the same in our peers, family and friends to strengthen our community. We should also express and demonstrate gratitude towards all the COVID-19 Warriors providing essential services viz. doctors, nurses, chemists, police personnel, sanitation workers, bankers and many others who are leading from the front while working in the background to ensure citizen well-being. As you are aware Hon'ble Prime Minister has formed The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on 28 March, 2020, following the COVID-19 pandemic in India with the primary objective of dealing with any kind of emergency or distress situation as posed by the pandemic, and to provide relief to the affected people. The ICAI Council recognising its public interest and welfare facet as a statutory limb of Government has decided to contribute ₹ 21 crores towards COVID-19 relief measures; to collaborate in this call of national duty.

We do hope our small contribution will aid in supporting governmental efforts. I am pleased to inform that while acknowledging the humble contribution made by ICAI, our Hon'ble Prime Minister Shri Narendra Modi tweeted, *"Our hardworking CA fraternity helps keep the world of business healthy and they are also contributing to make the nation healthy, making the fight against COVID-19 stronger by the contribution to PM-CARES."* (10th April 2020)

Hon'ble Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, Hon'ble Minister for Railways, and Commerce & Industry CA. Piyush Goyal and Hon'ble Minister of State for Finance and Corporate Affairs Shri Anurag Thakur also acknowledged ICAI contribution through different tweets.

ICAI- By the Members for the Members

It is imperative to stay aware and stay connected to tackle these trying times of adversity. In an attempt to remain in touch with all members, ICAI urges academically inclined enthusiasts to take up different forms of research work or even become associated in the capacity of an examiner or a MCQ or case-study developer. One can even make productive use of the available free time on the hands by submitting articles for this Journal. In this tough battle against the dreadful disease, our strength lies in our united efforts.

Mahatma Gandhi had once remarked, *"live as if you were to die tomorrow; learn as if you were to live forever."* By making efficient utilisation of time, we at ICAI urge everybody to never let the wheel of learning stop. Backed by awareness, optimism and diligence, one can combat any evil and overcome all hurdles. Our growth is rooted within the constant nourishment of our morale and endless building of our knowledge.

Best wishes. Stay Safe and Healthy.



CA. Atul Kumar Gupta
President, ICAI
New Delhi, May 1, 2020

ICAI in Action

Concept Paper on All About Fair Value

Financial Reporting in India has undergone a significant transformation owing to adoption of Indian Accounting Standards (Ind AS) and fair value is the guiding principle in financial reporting across the globe. ICAI converged Accounting Standards with IFRSs and accordingly, the financial statements beginning from the accounting year 2016-17 started disclosing financial figures based on fair value measurement. Fair value is a common basis of value associated with financial reporting valuations and is utilised throughout the Indian Accounting Standards. To standardise the various principles, practices and procedures followed by registered valuers/ valuation professionals in valuation of assets and liabilities, ICAI issued "ICAI Valuation Standards-2018" which were formulated on the basis of "Fair Value principles" as per Ind AS 113 as notified by the Ministry of Corporate Affairs. ICAI Valuation Standards, 2018 have been adopted by ICAI Registered Valuers Organisation (ICAI RVO). Looking at the importance of the concept of fair value and its various aspects, ICAI brought out a Concept Paper on "All about Fair Value" highlighting various Key aspects of Fair Value as per Ind AS 113, Consideration for determination of value based on highest and best use, where the highest and best use is different from the existing use, factors influencing Fair Value and Relevance of Exit Price in Fair Value. In this Concept Paper, an analysis of 505 Companies listed on S&P500 in identifying data related to fair value accounting since year 1990 has been done along with an Analysis of Fair Value Impact in Financial Statements of Nifty 50 since FY 1989-90. The Concept Paper will help the registered valuers, other stakeholders to convey more clearly that fair value is a market-based measurement, and not an entity-specific measurement.

Compendium of Opinions

The Institute of Chartered Accountants of India solemnly believes that by upholding ethical conduct and morally rendering services, the profession acquires indomitable strength to march forward. Accounting/ financial reporting is an important medium of communicating critical and important financial information to various users of financial information that needs to be useful and prepared according to the extant standards and guidelines. The Expert Advisory Committee has compiled next

Volume (Volume XXXVII) of 'Compendium of Opinions' which is due for release. The compendium shall contain independent and objective opinions on various issues that can be referred to by the members in industry and practice

Risk Diversification Strategies – Opportunity for Global Manufacturers

The Covid-19 pandemic is posing unprecedented challenges to the economies across the globe that may affect them for a very long time. Nations are realigning their investment, manufacturing and supply chain strategies to cope up with the eventuality and bring back normalcy in life and business. It is an avowed duty of all of us to collaborate and partner with the initiatives of Government of India to develop conducive environment for an enabling economic ecosystem to usher the country into growth trajectory in the post COVID -19 phase. To make India ready and contribute towards economic development, ICAI organized a Global Webinar on the topic "Risk Diversification Strategies – Opportunity for Global Manufacturers in India – Post COVID-19" on 30th April, 2020. The webinar witnessed e-presence of CA. Piyush Goyal, Hon'ble Minister of Commerce and Industry & Hon'ble Minister of Railways, CA. Arun Singh, Hon'ble Member of Parliament. The Webinar has an eminent panel of Speakers Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, Shri Rajkiran Rai G, MD & CEO, Union Bank of India, Shri Satish Marathe, Director, Reserve Bank of India, CA. Gopal Krishna Aggarwal, Economist, CA. Rajiv Kumar Singh, Independent Director, Union Bank of India, and CA. Umesh Chandra Pandey, Former Independent Director, Engineers India Ltd., who shared their views on the topic followed by Question and Answer Session by the Chapters abroad with the Hon'ble Minister CA. Piyush Goyal.

Creating Global Opportunities

The Indian Chartered Accountants are well recognised across the globe for their strong acumen and incisive skills. Many young Chartered Accountants from India move abroad to take up attractive careers in different countries. Even within India many members take assignments emanating from other countries and render their services as exports. To facilitate globally inclined Chartered Accountants, ICAI enters into different arrangements. Recently, the Committee for Export of CA Services & WTO has

initiated online Spanish Language Course through Instituto Cervantes, Official Language Centre of Embassy of Spain for creating demand of members and students for learning foreign language on Pan India basis wherein 10 Structured CPE Hours will also be provided. The committee is also working on the arrangements with Alliance Française, Hyderabad for online course in French language on the similar lines which is expected to be finalized soon.

Meeting with ICAI Overseas Chapters

The ICAI leadership interacted with heads of 19 foreign chapters including chapters from Asia-Pacific (3 chapters), Africa (3 chapters), Europe (2 chapters), Middle East (10 chapters) and North America (1 chapter) on March 31st 2020 through conferencing. The objective of the discussion was to share the vision and objectives of ICAI for the year and to understand the thought process of chapters and the challenges being faced by them in foreign jurisdictions. Several matters of international interest were discussed covering formulation of Foreign Policy, functioning of the Chapters, international placements, MRAs/MoU's and areas to focus for Chapters

Facilitating Taxation Regime

ICAI always endeavours to work with government facilitating the national agenda. ICAI shares useful inputs to the government from time to time and many of its suggestions forms part of changes in policy.

Considering these aspects the Direct Taxes Committee has submitted a representation covering issues and suggestions of the ICAI on "The Direct Tax Vivad se Vishwas Act, 2020". The committee has also submitted a representation with request to consider hardship regarding unnecessary issuance of demand notices despite full tax credit in Form No. 26AS. Further, the Committee has requested for one time stay/relaxation of 30 days from the existing provisions of section 6(1) of the Income-tax Act, 1961 considering spread of COVID - 19. Certain taxpayers reported hardships being faced by them due to long term capital gains chargeable under section 112A of the Income-tax Act, 1961 being wrongly taxed twice by the CPC, Bengaluru while processing ITR forms of such assesseees. A representation is also submitted on the issue.

Further, the GST & Indirect Taxes Committee has also taken-up different matters related to indirect taxes. The committee has requested for extension of due date of filing of various Return under GST due to COVID -19 outbreak. The committee has also submitted a representation to the Government with

the request to extend the due date of payment by further 60 days in the SVLDRS- Scheme. It has also been requested to allow SVLDRS-2 / 3 modification / rectification in deserving cases even beyond 30 days.

Enabling Bank Audit

The COVID-19 outbreak has impacted the bank audit season. Lockdown has limited physical movement and hence the Chartered Accountants are facing difficulties in conducting the audit and meeting the deadlines. Apprehending such situation, Professional Development Committee proactively approached to various Regulators requesting them to relax in the last dates of statutory filings and other compliance and various regulators have already eased the compliance deadlines. The banking industry is typical in terms of its geographical and customer spread, the volume and varied nature of products and services offered, coupled with the strict constraints for completing the audits, the members, many a times, face lot of issues/queries while conducting Bank Branch Audits. With a view to support members for fast resolution of their queries, the Auditing and Assurance Standards Board (AASB) has initiated online support to members from May 02, 2020 for the bank branch audits for the year ended 31st March 2020. The queries can be sent at email id: bankauditfaq@icai.in.

Disciplinary Cases - e-Hearing

The Institute of Chartered Accountants of India proudly stands on the invulnerable foundation of unbending integrity and sincere honesty. ICAI's disciplinary committee consistently endeavours towards building an honest society. It is quest for justice and objective fairness. Imbibing technology in a big way, ICAI has started the e-hearing of disciplinary cases. Further, Disciplinary Judgements are getting uploaded along with cause list on ICAI website for the information of stakeholders.

Meeting of National Financial Reporting Authority (NFRA)

A meeting of NFRA was held on March 25, 2020 through Video conferencing. From ICAI, the meeting was attended by Chairman, Accounting Standards Board and Chairman Auditing and Assurance Standards Board. At the meeting, matters related to ICAI Recommendations on Mirroring of Companies (Accounting Standards) Rules, 2006, and amendments to certain Indian Accounting Standards under section 133 of the Companies Act, 2013, were considered. The NFRA agreed with ICAI recommendations. Pursuant to NFRA meeting, the Notification for Ind AS (Amendments) Rules, 2020,

Developments

including following amendments to Ind AS has been submitted to Ministry of Corporate Affairs (MCA), Government of India for notification under section 133 of the Companies Act, 2013:

- Definition of Business: Amendment to Ind AS 103, Business Combinations
- Definition of Material: Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Interest Rate Benchmark Reform (IBOR): Amendments to Ind AS 109, Financial Instruments, and Ind AS 107, Financial Instruments: Disclosures

ICAI Virtual Courses Amid Lockdown

In these unprecedented times of COVID-19 outbreak, the ICAI has initiated number of steps to ensure that the profession is not only having inclusive growth but also ensure that its members & students are kept updated on various professional matters of contemporary relevance. ICAI has harnessed technology to enhance knowledge and qualification of its members. In line with these aspects, ICAI has recently launched following important post qualification/certificate courses in Virtual Mode for its members as follows.

- i. Certificate Course on Forensic Accounting & Fraud Detection
- ii. 50 hours Educational Course by ICAI Registered Valuers Organisation
- iii. Certificate Course on Concurrent Audit of Banks

Communication with the Retiring Auditor through e-mail

Amid the ongoing lockdown it is not possible for the Incoming Auditor to communicate with the Retiring Auditor through the mode(s) of communication permissible in terms of provisions of Code of Ethics. Due to the existing constraint of communication, ICAI in a progressive manner decided that the members may communicate with the Retiring Auditor vide e-mail, provided an acknowledgement of such communication is received from the Retiring Auditor's e-mail address registered with the Institute or his last known official e-mail address. Such acknowledgement of communication would be deemed as valid evidence of positive delivery of communication.

Postponement of Examinations

In view of the ongoing spurt of the COVID-19 pandemic and in the interest of the wellbeing of students, the Chartered Accountant Examinations scheduled have been rescheduled and the examinations shall now be held from 29th July 2020 to 16th August, 2020.

Series of Steps for Students and Members

The challenges of lockdown may confine our movement but could not confine our quest for knowledge. We also took the COVID – 19 lockdowns as a challenge and ensured that the services and learning to Members and students should not have any interruptions. A series of steps were taken and informed through ICAI website. A few other steps that have taken are:

- a. Extended due dates of filing of various forms by Members and students.
- b. Extended the date for attending various mandatory classes like ITT/GMCS by students. Offered those classes online to enable membership.
- c. For the benefit the students who are appearing in the forthcoming Final and Intermediate exams, the Live Revision Classes have been started afresh from 22nd April, 2020 in the morning and evening. These classes are made available free of cost for all CA students. The classes are being offered directly to the students on their mobile phones, laptops, etc.
- d. Date for registration for foundation course extended.
- e. Period of Lockdown for students (except for those who were already on Exam leave) will not be recognised for leave in regulatory requirements.
- f. Issued advisory to guide the preparers and auditors on "Impact of Corona Virus on Financial Reporting and the Auditors Consideration".
- g. Clarified use of Electronic Signature for Signing Audit Reports and Certificates.
- h. Members are allowed to earn up to 10 Structured CPE Hours online through Digital Learning Hub without paying any fee.
- i. In case of selected Certificate courses, members can avail 30 Structured CPE Hours.
- j. Invited members to use their available time wisely by preparing case studies, MCQ, undertake research, write article for this Journal and become an examiner. ■

ICAI GLOBAL WEBINAR

Impact of COVID-19 Pandemic on Reporting and Assurance



The COVID-19 outbreak has a significant impact on the global economies and the international financial markets. From accounting, reporting and assurance perspective, number of challenges are being faced by Professionals & Corporates across the globe. To play its part in ensuring a robust and fully functioning accountancy profession, ICAI recently organized a Global Webinar on the topic "Impact of COVID-19 pandemic on the Reporting and Assurance" on April 13, 2020. The webinar witnessed the e- presence of CA. Suresh Prabhu, Hon'ble MP (Rajya Sabha) & Prime Minister's Sherpa to G7 & G20, Dr.Inki Joo, President IFAC, Mr. Alan Johnson, Deputy President, IFAC, Mr. Tom Seidenstein, Chairman, IAASB and Mr. Arjuna Herath, Chairman, PAO Development Committee of IFAC . Also, the webinar was participated by panellists from various Regional Bodies and PAOs including SAFA, AFA, Accountancy Europe, EFAA, CAW, CPA Australia, IAI, MICPA and CPA Canada who shared their perspective on the topic.



"In the current (COVID-19) times, financial statements and audit engagement and assurance services have become more relevant and important."

CA. Atul Kumar Gupta, President ICAI welcomed the speakers and emphasized that global economy is in difficult phase as Covid-19 has hit most sectors, with significant impact on travel, hospitality and economy all over the world is in turbulence. He informed the delegates that relief of up to \$ 3MN has been offered by ICAI to PM fund. He also stressed that in current times the preparation of financial statements and audit engagement and assurance services have become more relevant and important.

He elucidated the importance of organising a webinar at this time which would bring together the best ideas by brainstorming to combat the challenges being faced by the profession due to corona virus. He expressed that FY 2019-20 shall require lot of disclosures due to Corona Impact and shared the various aspects of reporting and assurance being impacted by the pandemic.



"The role of Auditor and Assurance service provider is challenging, and they have to give best to the society and play their role of auditor with utmost sincerity."

CA. Suresh Prabhu, Hon'ble MP (Rajya Sabha) & Prime Minister's Sherpa to G7 & G20 shared his condolences for lives lost and expressed gratitude towards corona warriors for their efforts. He expressed that in case of choice of Economy v/s lives- Lives should always come first and the way Government has taken critical steps including financial packages for saving economy and restoring lost economic output, balance sheet of Government is going to be over leveraged and burden is expected to be shifted to future taxes. He expressed that for revenue of corporates will reduce and the challenge for them will be how to survive and remain competitive in the business. For small businesses and households, he expressed that people will have difficulties in payment of installment of loan repayments.

Further to the above challenges shared by him, he inspired the audience to come out of these



challenges. He expressed that this can be done by all countries coming together and extending the concept of globalization. These kinds of challenges have been seen earlier also and we came out of those at that time also. The role of Auditor and Assurance service provider is challenging, and they have to give best to the society and play their role of auditor with utmost sincerity. He left the food for thought for the audience, wherein he queried whether we should use the same norms/same standards to provide assurance to the users of financial statements in these challenging times or whether there should be changes for us to see the realistic picture in the near future.

He appreciated the initiative of ICAI for organising Global Webinar and inviting global leaders on a single platform.



"Worldwide crisis requires solutions to be worked in collaborated manner and this conference where speakers are from around the globe is a step towards the same."

Dr. In Ki Joo, President IFAC congratulated President ICAI for taking this initiative to organize the webinar at this time. He stated that Corona has impacted lives all over the world which has resulted in challenges in many fields including economic stability, politics, public healthcare and culture,

which are now imposing critical challenges to our profession.

He also acknowledged ICAI's technical contribution to IFAC since ICAI joined IFAC in 1977. He expressed that worldwide crisis requires solutions to be worked in collaborated manner and this conference where speakers are from around the globe is a step towards the same.

Further, he asserted that Government, professionals and other bodies have challenge to stop the chain reaction of disruption in economy and they are putting best efforts to stabilize their concerned economies. Hence our profession should also put a big step forward and contribute for stabilizing economies and financial markets through persistent efforts and enhance the relevance and transparency of the financial statements/audit reports for the decision makers and key users of the same.

He commended ICAI for being the leader amongst the PAOs to have published materials on reporting and assurance services during COVID-19. He asserted that collaborative information made available should help SME/SMP Clients. He informed that IFAC website has also recently updated to include online Continuing Professional Development, shared by member organizations. He concluded by acknowledging the efforts of ICAI and stressed on the synergistic collaborative efforts of all member bodies.



“Role of technology becomes all the more important in these times and ASEAN Federation of Accountants (AFA) is exploring possibilities to move their activities online”

Mr. Wan Tin, President, ASEAN Federation of Accountants (AFA) expressed that it is important to provide collective research on Covid-19 updates and resources which can be used by different member bodies. He emphasized that role of technology becomes all the more important in these times and AFA is exploring possibilities to move their activities online. He informed that AFA has provided dedicated page on its website for Accountants to assist them in current situation and he made a request to member bodies for sharing information not only with their members but also with all regional stakeholders.

He further stressed that we should try to understand the applicability of IFRS standards or jurisdictional compliance challenges in this Covid-19 scenario in the fields of assets impairment, contract modification, fair value measurement and impact of government policies.



“There may be a need to give relaxation, for allowing businesses to survive in this (COVID-19) environment.”

Mr. Arjuna Herath, Chair, PAODC, IFAC referred the need to give consideration to context while applying accounting standards. He emphasized that there may be a need to give relaxation, for allowing businesses to survive in this environment. He stressed that we need to give some specific guidelines for the application of certain standards while doing audit, in order to manage the risks in these times. He informed that IFAC has created specific depository - COVID 19 Resources webpage and encouraged everyone to visit website of IFAC, which has lots of knowledge material including articles, guidelines etc. He also informed that seven essential Crisis Management plan/steps for PAO indifferent languages are provided on the IFAC website.



“The standard setters and regulators will have to play a huge role in these times of crisis as they form a part of reporting chain and thus any weaknesses arising in the process may shake the entire system of reporting.”

Mr. Tom Seidenstein, Chairman, IAASB expressed that the aim of this webinar is to share information on how to deal with such crisis (COVID 19). He emphasized on working together on National and International level with standard setters/regulators, accounting and auditing practitioners to help the economy get back on its feet faster.

He stressed that the standard setters and regulators will have to play a huge role in these times of crisis as they form part of reporting chain and thus any weaknesses arising in the process may shake the entire system of reporting.

He emphasized that the guidelines are being prepared by IAASB for gathering audit evidence, which will be of assistance to the auditors. He stressed that auditor should take into consideration the impact of this crisis on the going concern of the entities. He shared his views on revised ISA 540 (Auditing Accounting Estimates and Related Disclosures) wherein he emphasized that those shall help the auditor on specific inherited risks attached to the estimation of uncertainty.



“The valuation of Inventory is expected to be the biggest challenge to the auditors and for the management the biggest challenge will be to exercise sufficient internal controls.”

CA. G. Sekar, Chairman of AASB, ICAI emphasized that audit should be planned and performed in compliance with auditing standards. He shared certain areas with regard to assessing the risk of misstatement and materiality of planning due to the COVID -19, which includes- operational disturbances resulting in changes in the business model, non-compliance of contractual obligations, liquidity and working capital issues and asset valuation.

He stressed that the auditor should evaluate and disclose the required disclosures in the financial statements. He further emphasized that in this regard the auditor is expected to give due consideration to the ISA-320 (Audit Materiality) in planning and performing the audit.

He emphasized that in respect of preparation of financial statements, we are expected to have lot of challenges, specifically in accounting issues like impairment of assets, property plant and equipment, intangible assets, contractual penalties, employee benefits etc. He emphasized that the valuation of inventory is expected to be the biggest challenge to the auditors and for the management the biggest challenge will be to exercise sufficient internal controls.



"In regards with COVID-19, he emphasized on review of the events after the reporting period, going concern assumption in the financial statements, impairment of non-financial assets, adequacy of provisions made in the financial statements and he stressed that government grants must be adequately accounted."

Mr. Eamonn Siggins, CE, CPA Ireland & Chairman- Edinburgh Group briefed about the challenges being faced by SMPs & SMEs in this critical time. Further, with regard to the Covid-19 environment, he shared the summary of implications for Financial Reporting i.e. emphasis on review of the events after the reporting period, going concern assumption in the financial statements, impairment of non-financial assets, adequacy of provisions made in the financial statements. He emphasized that government grants must be accounted for separately at this stage, considering these are being made available to SMPs, in these special circumstances.

He stressed that in current situation the challenges for professional bodies are expected to be advocacy, creating virtual communities, information support for members (information analysis guidance), engagement with stakeholders, virtual operations, increase in intensity to breach security like hacks and fishing activities as employees have been working from home and financial impact on their operations.



"Digital evidences can be obtained and there should be stress on engaging with the parties to meet the objective of sufficient & appropriate audit evidences."

Mr. Ong Chee Wai, Council member, Malaysian Institute of Certified Public Accountants (MICPA) shared his views on the possible current ways/options for auditors and need for them to ensure that they address both auditing & accounting standards. He stressed that inventory observation can be through the use technology (for e.g. use of drones to conduct inventory count). He further stressed that digital evidences can be obtained and there should be stress on engaging with the parties providing digital & electronic evidence for meeting the objective of sufficient & appropriate audit evidences in the audit of different entities.

He emphasized that auditors can address the going concern assumption by understanding the client's business. He stressed that all professional bodies are required to give realistic and practical view about the balance sheet and reporting. He also stressed on the fact that higher degree of professional scepticism is required from the auditor.



"In the current circumstances (COVID-19), there may be need to consider the use of alternative procedures, including remote working and technology to obtain the evidences."

Mr. Salvador Marin, President, European Federation of Accountants & Auditors for SMEs briefed that EFAA has curated list of some guidance for SMP's. He shared that general guidance includes essential resources, guidance and advice from IFAC member organisations and other stakeholders to help support professional accountants including SMPs.

On Accounting matters, he shared that the IASB has published education materials to support the consistent and robust application of IFRS 9 during the current uncertain period. He stressed that auditors must obtain sufficient appropriate audit evidence to support their audit opinion. However, in the current circumstances, there may be need to consider the use of alternative procedures, including remote working

and technology to obtain the evidences. He stressed that this may not work in all circumstances and he opined that it is likely that there will be more modified opinions arising from the impact of COVID-19 on the businesses.



“Communication to investors is far more important for future viability rather than focusing on past profitability.”

Ms. Tashia Batstone, Sr. Vice President- External Affairs & Business Development, CPA Canada opined how regulators, standard setters & accountancy professionals can work together for capital market. She emphasized that strong & positive relationship between all the parties involved in ensuring robust corporate reporting & importance of audit quality will lead to strong & effective capital market.

She emphasized that effective communication between stakeholders, regulators and security administration, ensure that engagements continue and there is compliance with required standards.

She stressed that integrity of financial statements is most important and communication to investors is far more important for future viability rather than focusing on past profitability. She emphasized that use of advanced AI allows real time 100% testing of transactions which can be a great help in completing the assignments better.



“There are challenges wherein we need to deliver a lot of guidance as how to apply the principle of the standard in these volatile conditions and uncertainty that's the world is currently going through.”

Mr. Manil Jayesinghe, President, CA Sri Lanka & Chairman, SAFA Committee on Accounting Standards while sharing his views on impairment of assets, said that there are challenges wherein we need to deliver a lot of guidance as how to apply the principle of the standard in these volatile conditions and uncertainty that's the world is currently going through.

Further, while discussing about IFRS 15, he said that organisations are going to have issues on the impact of the ongoing customer contracts. The effects of COVID-19 will also lead to contract modification.

He opined that so many contracts might get cancelled or they may be renegotiated. Hence these are some of the areas where IFRS 15 or revenue recognition contract is going to pull on businesses.

In his closing remarks he said that financial statement of entities are going to have a lot of disclosures about this whole equation, so that the users of the financial statements can use these disclosures for their decision-making.



“We have to predict the severe impact on our economy in the medium to long term and thus making estimates and assumptions based on future economic activities will be immensely challenging and will significantly stretch our capabilities as professionals.”

Mr. Ram Subramanian, Public Advisor -Reporting, CPA Australia shared that Australia's federal and state governments have gone all out in offering a range of economic stimulus packages and these are aimed at keeping the businesses afloat during this covid pandemic. The idea behind these packages is to keep the economy ticking as once we get out of this crisis, we come out of it relatively unharmed.

He emphasized that we being the accounting professionals, we have to predict the severe impact on our economy in the medium to long term and thus making estimates and assumptions based on future economic activities will be immensely challenging and will significantly stretch our capabilities as professionals.

He shared in detail the impact of this crisis on accounting treatment of the lease payments under IFRS – 16 (Leases). He further remarked IFRS 16 being a new standard which has been introduced few years back.



“Some of the major concerns regarding survival and critical measures for driving the economy through this crisis (COVID-19) includes identifying which sectors is at high risk and provides support to them on priority basis....”

Mr. Florin Toma, President, Accountancy Europe shared some of the major concerns regarding survival and critical measures for driving

the economy through this crisis i.e. identifying which sectors is at high risk and provides support to them on priority basis, put in place job protection scheme, speed up public sector payments, ensure liquidity and financial support for SMEs, promptly implementing EU insolvency directive and set up corona response fund etc.

He opined few actions in immediate time, which should be taken by SMEs i.e. there is an emerging need to maintain sustainability, to help with immediate business survival by accessing the reliefs available, corporate board in due respect needs to consider and prioritize long term objective and consider the entire stakeholder's net-worth, working towards making corporate reporting more reliable, reconsider business model if possible for their clients, check insurance of clients and consider even the insolvency options.

He informed about IFRS publications for reporting i.e. IFRS 9, IFRS 15, IFRS 16 and relevant for banks, investments and pension funds. At year-end 2020, the issues/ matters which we should find relevant to look after includes- accounting estimates, fair value adjustment, hedge accounting, expected credit losses and assessments and other disclosures that would be required at year end.



"Entity needs to identify and assess & use consideration in testing whether debtors impacted by Covid-19 can be covered and fulfil their obligations after the end of restructuring barriers; which has to be done through significant judgment and assumptions need to be revised at regular intervals."

Ms. Rosita UliSinaga, National Council Member, IAI, Indonesia expressed that financial and capital markets are very volatile and uncertain. In the present scenario there are some of the challenges in implementing IFRS i.e. (i) Entities needs to identify and assess & use consideration in testing whether debtors impacted by Covid-19 can be covered and will be able to fulfil their obligations after the end of restructuring barriers; which has to be done through significant judgment and assumptions need to be revised at regular intervals, for past and current reporting information. (ii) Entity should also need to consider whether they need to revise model or just go with existing model if revising the model is difficult or impossible.

She also shared about relaxations provided in Indonesia which includes Indonesia stock exchange has provided extension for financial report submission, extension for General meeting of shareholders, waiver of income tax for certain group, reduction of corporate income tax from 25% to 22% and Government relaxation policy like tax holiday policy etc.



"We need to advise the government as they have to take various financial decisions and we have to advise our clients to help their business going, once the crisis is over."

Mr. Vernon Soare, CAW Board Member & COO, ICAEW expressed that Covid -19 is a huge event in the history of world but he also stressed that it represents in a much smaller way an opportunity for accounting professionals worldwide to re-establish the trust in the profession. He emphasized that CAW is working in this direction. He stressed that this represents a unique opportunity for us as accountancy professionals to demonstrate that we do work in public interest. He emphasized that we need to advise the government as they have to take various financial decisions and we have to also advise our clients to help their business going, once the crisis is over.



"It is the time for all stakeholders to invest more resources in sustainability reporting beyond integrated reporting and business responsibility reporting."

CA. M.P. Vijay Kumar, Chair- ASB, ICAI expressed that financial statements preparation is a big challenge, as for all stakeholders like management, lenders and significant equity owners -need for timely financial statements are highest now. He emphasized that in such circumstances, the more structured disclosure standards which enhances intra entity and inter entity comparability will be more useful. He shared views on disclosure relating to events such as-deferred payments, moratorium, expansion projects held back, deferred tax issues, expected compliances/non-compliances of debt covenants etc. and he opined that these will



increase the predicted value of financial statements in these challenging and uncertain times.

He also expressed his views in context of IAS-23 (Borrowing Costs) and deferred tax assets. He stressed it is the time for all stakeholders to invest more resources in sustainability reporting beyond integrated reporting and business responsibility reporting.



"The role of the profession becomes much more important as the Governments have not spent much in public sector financial management which may be due to lack of resources and other priorities."

Mr. Alan Johnson, Deputy President, IFAC expressed his appreciation for ICAI in organizing a webinar at such critical times and helping accounting professionals across the world to combat this challenge.

He elucidated on the importance of Public Sector Financial Management more than ever and how the profession must offer improvement in accounting of public sector including adoption of International Public Sector Accounting Standards. He stressed that the role of the profession becomes much more important as the Governments have not spent in public sector financial management much which may be due to lack of resources and other priorities.

He ended by wishing well-being of everyone and asserted that crisis has brought us together and being together we would be facing a better future.



Vote of Thanks was given by **CA. Nihar Niranjan Jambusaria, Vice President, ICAI** wherein he opined that the need to shift to a virtual world has come sooner and we all need to cope up with this. He further stressed that collective efforts would overcome hindrances.

CA. Atul Gupta, President ICAI in his concluding remarks expressed sincere thanks to all the speakers and the viewers for the overwhelming response.

The Webinar was live streamed on all social media channels of ICAI including Facebook, Twitter and YouTube and was viewed by more than 80,000 professional accountants globally. ICAI has received all round praise from viewers for such a unique initiative of bringing together all global leaders of Accountancy Profession on a single platform and giving them the opportunity to listen to the views, ideas and suggestions of speakers from different parts of the world, representing top global and regional bodies for combating COVID 19 challenge on Reporting and Assurance.

Such a huge response signifies that professional Accountants across the globe are looking for the possible solutions on the impact of COVID 19 on Reporting and Assurance. The readers can access the complete recording of this Global Webinar on the link - <https://www.youtube.com/watch?v=t6kSYfsRIkE>

Know Your Ethics



FAQs relating to professional Ethics of members pertaining to Bank Assignments

Q. Whether a Firm of Chartered Accountants can accept Audit of a branch of a bank, while one of the partners of the said Bank have taken loan from a different branch of the Bank?

A. No, the Firm of Chartered Accountants cannot accept branch Audit of the Bank if one of the partners have taken the loan from any branch of that bank. The members should not place themselves in position which would either compromise or jeopardize their independence.

Q. Whether a member can accept appointment as Statutory Auditor of certain branch(es) of a Bank, while he is the Revenue Auditor of different branch(es) of the same Bank ?

A. No, a member is not permitted to accept the appointment as Statutory Auditor of certain branch(es) of a Bank while he is the Revenue Auditor of different branch(es) of the same Bank.

Q. Whether a member can do Concurrent audit and Quarterly review of the same Bank?

A. No, Concurrent audit and the assignment of Quarterly review of the same entity cannot be taken simultaneously as the Concurrent Audit being a kind of internal audit and the Quarterly Review being a kind of Statutory audit undertaken simultaneously are prohibited under the provisions of 'Guidance Note on Independence of Auditors'.

Q. Whether it is permissible to accept Concurrent Audit of a Bank branch by the Statutory Auditor of 3 different Branches of the same Bank?

A. In line with the principle of strict independence, it is not permissible to accept Concurrent Audit of one of the branches of a bank by the Statutory auditor of 3 different branches of the same bank.

Q. Whether the Internal Auditor of an entity/ Bank can undertake Consultancy work of the same Bank?

There is no restriction for the consultancy work if it is undertaken by a member along with the assignment of Internal Audit.

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Know Your Ethics

Q. Whether the Statutory Auditor of a Bank can undertake Concurrent audit of its Sponsor Bank?

- A. No, the Statutory Auditor of a Bank cannot be the Concurrent Auditor of its Sponsor Bank, since the relationship between them may be likened to Holding and subsidiary companies under Companies Act, 2013.

Q. Whether the Statutory Auditor of a Bank can accept Stock audit of the same branch or different branch of the same Bank?

- A. The Stock Audit and Statutory Audit are not permissible to be done simultaneously since Stock Audit is kind of management function, which cannot be done simultaneously with the Statutory Audit (whether pertaining to the same branch or different branch).

Q. Whether the Concurrent Auditor of a Bank can accept Tax audit of the same Bank?

- A. No, the Concurrent Auditor of a Bank cannot accept the Tax audit assignment of the same Bank, as it would affect independence in terms of the provisions of Code of Ethics that Statutory Audit and Internal Audit cannot be done together, as also in terms of the provisions of Section 288 of the Income Tax Act, 1961 which prohibits undertaking Concurrent Audit and Tax Audit simultaneously.

Q. Whether the Concurrent Auditor of a Bank can accept Limited Review of the Same Bank?

- A. No, the Concurrent Auditor of a Bank cannot accept Limited Review of the same Bank?

Q. Whether a member can simultaneously be the Certified Information System Auditor (CISA) and Credit Appraiser of the same Bank?

- A. A member can simultaneously be the Certified Information system Auditor (CISA) and Credit Appraiser of the same Bank; however, he should ensure at his end that there is no conflict of interest involved.

Q. Whether the Auditor of a Bank can hold Credit card of the same Bank?

- A. There is no prohibition in holding credit card of bank where a CA Firm is Auditor of the Bank. Indebtedness will apply if there is outstanding balance of ₹ 10, 000/-* beyond prescribed credit period limit on credit card given to holder of credit card.

* As per the limit of indebtedness existing as on date.

Q. Whether the Concurrent Auditor of a Bank can accept the assignment of its Statutory Audit, after relinquishing the assignment of the Concurrent Audit of the Bank?

- A. Yes, the Concurrent Auditor of a Bank can choose to relinquish the Concurrent Audit, and accept the assignment of Statutory Audit. He can, of course, also choose to continue with the Concurrent Audit assignment, without accepting the Statutory Audit.

Provided, where the Concurrent Audit Assignment for the relevant year has already been commenced at the time of acceptance of Statutory Audit, the Statutory Audit for the said year should not be accepted.

Q. Whether the Statutory Auditor of a Bank can accept assignments like Internal Audit, system Audit and Management Consultancy services?

- A. No, as per the provisions of Guidance Note on Independence of Auditors, the Statutory Auditor of a Bank should not accept any other assignments such as Internal Audit, System audit and Management Consultancy services within one year from the completion of audit assignment.

Q. Whether the Incoming Auditor of an entity can communicate with the retiring auditor vide email?

- A. Yes, the Incoming Auditor of an entity can communicate with the retiring auditor vide email. However, the positive proof of delivery to the previous auditor will be reckoned on the receipt of acknowledgement of the communication from retiring auditor's vide email address registered with the Institute or his last known official email address. ■

Accounting for Surcharge on Delayed Payment

A. Facts of the Case

1. A public sector undertaking (hereinafter referred to as 'the company') owned by the Government of India comes under the administrative control of the Ministry of Coal. The company is engaged in the business of mining of lignite and generation of power.
2. The company has entered into Power Purchase / Sale Agreement with different Electricity Boards (EBs) and DISCOMs. Power is being sold to the said DISCOMs as and when generated. However, billing for the said power sale takes place once in a month. As per the Tariff Regulation of Central Electricity Regulatory Commission (CERC), the purchaser has a right to pay the bill value within 45 days from the date of receipt of bill. In case the purchaser fails to pay the power bill within the allowed 45 days' period, delayed payment surcharge is applicable at a specified rate i.e., 1.5% per month. Similarly, if the purchaser pays the bill within 45 days' period, graded rebate is also allowed based on the date of payment of the bill. Both delayed payment surcharge as well as rebate are as per the tariff (pricing) Guidelines issued by the regulator (CERC).

3. *Accounting for Surcharge*

As per the accounting practice, the rebate allowed to the power purchaser, is adjusted from the sales revenue. However, the surcharge billed / collected is considered as other revenue.

4. The querist has stated that considering the accounting principles and the relevant accounting standards (Ind AS 115), if the revenue activities relate to the main business of the company, the same has to be classified under 'Operating Revenue'.
5. The querist has also stated that the company has also checked the practice followed by other PSUs in this regard. It has been observed that, some of the PSUs operating in the power business are considering the same as 'operating income' whereas some other companies are considering the same as 'other income'. There is no consistency in the accounting treatment of the said element of revenue among the PSUs of the country.

B. Query

6. In this regard, the querist has sought the opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India on the following issue:

"When the product pricing guidelines are issued by a regulator allowing provisions both for early payment and late payment of the billed amount, whether the late payment surcharge (billed / received) from the Electricity Boards should be considered under the head 'Operating Revenue' or as 'Other Income' as per applicable Accounting Standards (Ind AS)."

C. Points considered by the Committee

7. The Committee notes that the basic issue raised in the query relates to presentation and disclosure of late payment surcharge billed to/received from the Electricity Boards in the statement of profit and loss of the company. The Committee has, therefore, considered only this issue and has not considered any other issue that may arise from the Facts of the Case, such as, presentation in the statement of cash flows, accounting for the early payment rebate, determination of transaction price, separation of financing component or other aspects for revenue recognition/measurement under Ind AS 115, initial recognition/measurement of the receivables, detailed aspects related to calculation of interest income, timing of recognition, applicability of Ind AS 114, 'Regulatory Deferral Accounts' and Ind AS 116, 'Leases' (as the same have not been specifically referred to by the querist in the extant case), etc. At the outset, the Committee wishes to point out that the opinion expressed hereinafter is in the context of Indian Accounting Standards, notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. Further, the opinion issued is purely from accounting perspective and not from the perspective of legal interpretation of Tariff Regulations issued by the CERC.
8. With regard to the presentation of late payment surcharge, the Committee notes the following clauses from Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019:

“59. Late payment surcharge: In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term customers as the case may be, beyond a period of 45 days from the date of presentation of bills, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company or the transmission licensee, as the case may be.”

From the above, the Committee notes that the terms for late payment from the day of presentation of bills to customers are expressly provided in the Tariff Regulations, which are binding on both the buyer as well as the company.

9. In the extant case, the Committee notes from the Tariff Regulations, as reproduced above that the amount of consideration varies due to difference in timing of payments, for example, if customer paid within the prescribed period, which is 45 days from the day of presentation of bills, no late payment surcharge would be charged from the customers, whereas if the customer pays beyond the prescribed period, late payment surcharge would be levied. Thus, it appears that the late payment surcharge in the extant case is directly linked to the timing of payment by the customers and is to compensate the entity for the time value of money. Therefore, the Committee is of the view that the late payment surcharge is of the nature of finance income in the extant case and should be accounted for and presented accordingly in the financial statements. The Committee also notes that the company is not an NBFC (Non-banking Financial Company) and thus, the Division III of Schedule III to the Companies Act, 2013 is not relevant. Therefore, as far as presentation of the late payment surcharge is concerned, the Committee notes the following paragraphs from the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, issued by the ICAI:

“9.2 Other income

The aggregate of ‘Other income’ is to be disclosed on face of the Statement of Profit and Loss. As per Note 5 of General Instructions for the Preparation of Statement of Profit and Loss ‘Other Income’ shall be classified as:

- (a) Interest Income;
- (b) Dividend Income;

- (c) Other non-operating income (net of expenses directly attributable to such income).

Ind AS 107, para 20(b) requires total interest revenue calculated using the effective interest method for financial assets that are measured at amortized cost and that are measured at FVOCI, to be shown separately.

Accordingly, ‘Interest Income’ for financial assets measured at amortized cost and for financial assets measured at FVOCI, calculated using effective interest method, should be presented in separate line items under ‘Other Income.’”

From the above and considering the nature of late payment surcharge as that of a finance income, the Committee is of the view that the late payment surcharge in the extant case should be presented as ‘other income’.

D. Opinion

10. On the basis of the above, the Committee is of the view that the late payment surcharge in the extant case should be presented as ‘other income’, as discussed in paragraph 9 above.

1.	The Opinion is only that of the Expert Advisory Committee and does not necessarily represent the Opinion of the Council of the Institute.
2.	The Opinion is based on the facts supplied and in the specific circumstances of the querist. The Committee finalised the Opinion on November 21, 2019. The Opinion must, therefore, be read in the light of any amendments and/or other developments subsequent to the issuance of Opinion by the Committee.
3.	The Compendium of Opinions containing the Opinions of Expert Advisory Committee has been published in thirty six volumes. A CD of Compendium of Opinions containing thirty six volumes has also been released by the Committee. These are available for sale at the Institute’s office at New Delhi and its regional council offices at Mumbai, Chennai, Kolkata and Kanpur.
4.	Recent opinions of the Committee are available on the website of the Institute under the head ‘Resources’.
5.	Opinions can be obtained from EAC as per its Advisory Service Rules which are available on the website of the ICAI, under the head ‘Resources’. For further information, write to eac@icai.in . ■

Enhanced Responsibilities of the Auditor: Key Changes in CARO 2020

The Ministry of Corporate Affairs (MCA) vide notification dated February 25, 2020 issued the Companies (Auditor's Report) Order 2020 (CARO 2020). Given the current environment, the rapidly evolving threat around COVID-19 is raising concerns amongst the business and investor community across the world. The virus has impacted the entire global economy and the disruption from the Coronavirus has created a number of accounting, financial reporting and auditing concerns for entities. Against the backdrop of COVID-19, Government has provided various relaxations including extended timelines to both the companies as well as the auditors. In the context, MCA has deferred the applicability of CARO 2020 by one year i.e., now it will be applicable for audits of periods commencing on or after April 1, 2020. Read on...



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Considering the prevailing lockdown in the economy, these relaxations/deferment in timelines will help reduce the immediate burden on companies and professionals. Companies will now have sufficient time to address their immediate business needs and then respond to the additional compliances by designing their systems and processes to meet the enhanced requirements that were envisaged under the new CARO provisions. It is expected that in the long run, new CARO will require the companies to set up systems and processes to streamline the new reporting requirements like internal audit system, whistle blower systems (even where there is no mandatory requirement).

The objective of this article is to highlight the increasing expectations of the regulators/stakeholders from the auditors, key changes in CARO 2020 and the consequential impact on companies in terms of additional disclosures and increased scrutiny in the current regulatory regime. The companies as well as the auditors can utilise the additional time given for implementing the newly added provisions in CARO.

The aim of CARO 2020 is to enhance the trust in financial reporting. India has witnessed multiple instances of corporate failures which have shaken the investor's confidence. The regulators have increased their

The aim of CARO 2020 is to enhance the trust in financial reporting and should act as a positive measure in that direction.

vigilance and oversight recently in the form of additional regulations, requirements and inspections. Issuance of CARO 2020 is another step in this direction. The regulators and investigation agencies noted that early warning signals through additional reporting requirements could have assisted in reducing some of the recent fraudulent activities in the business world.

In the long run, CARO 2020 will require companies to set up systems and processes to streamline the new reporting requirements like internal audit system, whistle blower systems (even where there is no mandatory requirement), etc.

The new reporting requirements in CARO 2020 will require additional efforts, both from the company as well as the auditors. The largest attention is on financing and investing activities of a company from both perspectives as a borrower and as a lender. There is a lot of attention to fraud and enhancing the responsibilities that auditors must investigate the themes around the same.

Applicability and Effective Date

There is no change in the applicability of CARO 2020 as compared to CARO 2016. CARO 2020 is applicable to every company including a foreign company except:

(a) a banking company;
(b) an insurance company;
(c) a company licensed to operate under section 8 of the Companies Act (Act), (d) a One Person Company as defined in section 2(62) of the Act and a small company as defined in section 2(85) of the Act and (e) a private limited company, not being a subsidiary or holding company of a public company, having a paid up capital and reserves and surplus not more than one crore rupees as on the balance sheet date and which does not have total borrowings exceeding one crore rupees from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Schedule III to the Companies Act (including revenue from discontinuing operations) exceeding ten crore rupees during the financial year as per the financial statements.

Every report made by the auditor under Section 143 of the Companies Act 2013 for financial year commencing on or after 1st April 2020 should include reporting in accordance with CARO 2020, i.e., it will be applicable for audits for the financial year 2021-21 and onwards.

Enhanced and New Reporting Requirements

Default in Repayment of Loans

To tackle the liquidity issues being faced by corporates, the MCA has revamped disclosures relating to loans. Auditors will be required to report, in the prescribed format, the details of *default* in repayment of loans and interest thereon

Every report made by the auditor under Section 143 of the Companies Act, 2013 for financial year commencing on or after 1st April 2020 should include reporting in accordance with CARO 2020, i.e., it will be applicable for audits for year ended March 31, 2021 and onwards.

from *any lender* unlike only banks, financial institutions, Government or debenture holders in CARO 2016. It will even cover default in repayment of loans to companies (private/public), related parties and other than related parties. The reporting on declaration of wilful defaulter by any bank or financial institution or other lender is another significant change. The introduction of this provision may help in early warning signals for the company as well as the regulators since the number of wilful defaulters in banks is on rise. RBI guidelines define wilful defaulter (e.g., the unit has defaulted in meetings its payment/repayment obligations to the lender even when it has the capacity to honor the said obligations). It will be practically challenging for both the management and auditor to identify wilful defaulters for financial institutions, Government or other lenders since there is no definition prescribed in the Companies Act 2013 and no such list is available in public domain.

Some of the requirements have been carried forward from CARO 2016 for instance, companies need to report whether term loans were used for the purpose for which they were obtained but with an additional reporting requirement to report on diverted funds and purpose for which funds were used. Also, the requirement of short-term funds utilized for long term purposes has been carried forward from CARO 2003 to assess liquidity position of the company.

Another new requirement added is to monitor the obligations of subsidiaries, associates or joint ventures taken over by the parent company. The auditor of the parent company will have to rely on the management to obtain such details wherein he/she is not the auditor of the components. Similarly, the auditor will be required to report if the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. The objective of these amendments is to avoid fund diversion and also to provide a holistic perspective of the group to the stakeholders and the regulators.

Investments, Guarantees, Loans and Advances

This clause contains extensive revisions to the existing reporting requirements. The auditor is required to report if the company has made investments in, provided guarantees or security in addition to loans or advances in nature of loans to companies, firms, Limited Liability Partnerships or any other

parties (as against those parties covered under Section 189 of the Act in the erstwhile clause of CARO 2016). Both auditor and the management will now have to assess what constitutes advance in the nature of loan, basis the facts of each case, as the same has not been defined anywhere in the Act e.g., if a trade advance is given for an amount which is far in excess of the value of an order or for a period which is far in excess of the period for which such advances are usually extended as per normal trade practice.

The auditor is required to exercise professional judgement to assess whether loans or advances in nature of loans granted, guarantees provided or security given to any other entity are prejudicial to the company's interest. While an auditor was required to assess the loan's basis terms and conditions on which it was given, determining whether investment made, guarantees/securities provided are prejudicial will be challenging for the auditor. The auditor will be required to consider factors connected with such an investment/guarantee/security, including company's ability to make such investment or provide such guarantee/securities, nature of guarantee/security, covenants attached, etc. The auditor's comment on whether investment, guarantees or security are not prejudicial to the interests of the company will help investors measure the end-use of funds and would contribute towards better corporate governance.

A very important change made in this clause is to report on evergreening of loans. Though the term is not defined in this Order or in the Act, it implies an attempt to mask default of loan by giving new loans to help delinquent borrowers repay principal or pay interest on

old loans. The auditor will be required to report on all such loans or advances in nature of loans which has fallen due during the year but has been renewed or extended or fresh loans granted to settle the overdues of existing loans to same parties. Some exemptions have been given to companies whose principal business is to give loans. Similarly, if company has granted any loans or advances in nature of loans either repayable on demand or without specifying any terms or period of repayment, specific reporting is required for such loans to promoters and related parties. This change is another step to deal with reporting related party transactions in addition to existing responsibilities of the auditor under SA 550, Related Parties.

Going Concern

The recent collapses of some of the large corporates despite no red flags on going concern raised by the auditors seems to have resulted in this new requirement wherein an auditor is now required to *opine* on company's ability to discharge liabilities reflected in the balance sheet if they fall due within a period of 12 months from the balance sheet date. While opining on such matter, an auditor is required to consider factors like expected

A very important change made in this clause is to report on evergreening of loans. Though the term is not defined in this Order or in the Act, it implies an attempt to mask loan default by giving new loans to help delinquent borrowers repay principal or pay interest on old loans.

ageing of assets, financial ratios, plans of the board of directors and other information (i.e., Other information as defined in SA 720(Revised)) in the financial statements. An auditor's opinion as to whether there is no material uncertainty on company's ability to meet its liabilities would indicate the ability of a company to sustain its business and remain stable in the next year. This reporting requirement is in addition to the auditor's responsibilities under SA 570(Revised), Going Concern. Such opinion can help investors to make a better assessment of the company.

Working Capital Loans

Auditors will now be required to report whether during any point of time of the year, the company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets (i.e., inventory, debtors, etc.) and whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company. If any discrepancy arises on comparison of such statement to the management certified books of account, the auditor is required to report the same along with the reasons. For unlisted companies, i.e., where there is no requirement to prepare financial statements on quarterly basis, the auditor will be required to check with the unaudited trial balance and books of account prepared and approved by the management.

Reporting on Fraud and Reporting on Whistle Blower Complaints

There is an increased focus on fraud reporting and auditor is required to report on any fraud

by the company or any fraud on the company, i.e., reporting on fraud is not limited to frauds by the officers or employees of the company while reporting under this clause. Further, the requirement to consider whistle blower complaints further expands auditor's responsibilities. There have been several instances where companies have brushed aside whistleblower complaints and refrained from disclosing them to the shareholders. The auditor will be required to consider all such whistle blower complaints now while determining his audit procedures and issuing opinion on the financial statements. Auditors will now report on filing of ADT 4 and report to the Central Government required to be filed by the auditor pursuant to requirements prescribed under Section 143(12) of the Companies Act 2013.

Cash Losses

This requirement has been reinstated from CARO 2003 and requires specific reporting whether company has incurred any cash losses in the current financial year and in the immediately preceding financial year and amount of such cash losses.

Internal Audit Reports

Auditors now have to specifically comment on the internal audit system of the companies considering the size and nature of the business of the company. This is unlike requirement of CARO 2003 wherein this clause was applicable to specified classes of companies. An auditor will also be required to consider reports of internal auditors of the companies which will require greater level of co-ordination between the statutory auditor and the internal auditor.

Resignation of Statutory Auditors

In addition to the various requirements prescribed for resignation by auditor through filing of Form ADT 3 under Companies Act, 2013, compliance with SEBI LODR Regulations 2015 and SEBI circular dated October 18, 2019 on "Resignation of statutory auditors from listed entities and their material subsidiaries", obtaining professional courtesy clearance from the outgoing auditor under Code of Ethics issued by the ICAI, this clause requires incoming statutory auditors to report on consideration of concerns/objections raised by outgoing statutory auditor of the company. The auditor is expected to understand the modifications in the audit report and address it as part of his audit engagement in accordance with the Standards on Auditing.

Inventory and Property, Plant & Equipment (PP&E)

The auditor is required to provide specified details of immovable properties disclosed in the financial statements whose title deeds are not held in the name of the company. There is new reporting requirement on maintenance of proper records showing full particulars of intangible assets. Disclosure of details of proceedings against the company for holding benami property and whether the company has disclosed the details in its financial statements is also required to be reported by the auditor. Auditor is also required to report on revaluation of PP&E and intangible assets if change as a result of revaluation is 10% or more in aggregate net carrying value of each class of PP&E or intangible assets and whether such revaluation is based on valuation by a registered valuer.

A clear picture on title deeds and ownership of assets may prevent mismanagement in companies having significant promoter control.

Auditor is also required to report on discrepancies of 10% or more in the aggregate for each class of inventory and whether such discrepancies were properly dealt in the books of account.

Unrecorded Income Subsequently Recorded

The auditors will be required to report on any transactions not recorded in the books of account but surrendered/disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and if such unrecorded income has been recorded in the books of account during the year.

Consolidated Financial Statements

Only one clause has been made applicable to auditor's report on consolidated financial statements, i.e., auditor will need to give a CARO report on the consolidated financial statements with reporting on one Clause, i.e., Clause (xxi). Auditors are required to provide the details of the companies and the paragraph numbers of the respective CARO report containing the qualifications or adverse remarks. There may be situations wherein

the component auditor has not issued his statutory audit report by the date of the principal auditor's report and therefore will require co-ordination between the parent auditor and the component auditor.

Reporting Requirements Carried Forward

Some of the reporting requirements such as reporting under Section 185 and Section 186 of Companies Act 2013, maintenance of cost records, related party transactions, non-cash transactions, registration under Section 45-IA of RBI Act, public issue, etc. have been carried forward with no changes.

Reporting Requirement not Carried Forward

The requirement related to reporting on managerial remuneration has been deleted to avoid duplication of reporting requirements and will continue to be reported under the Section "Report on *Other legal and regulatory requirements*" in the audit report.

Concluding Remarks

CARO 2020 has made auditor's reporting more onerous while mandating significant reporting and disclosures in the audit report. The extensive revisions to the reporting requirements are intended to bridge expectations gap which will provide useful information to users about the underlying financial statements and the findings by the auditor. Additional resources and time would be required to carry out audits while obtaining and gathering information which may not be available with the company. Auditors will be required to develop robust information gathering, data

analysis and control procedures to meet the increasing expectations of stakeholders.

Considering applicability of CARO 2020 has been deferred by a year, both companies and auditors should co-ordinate and plan well in advance for the additional work and time involved. It is important to note that CARO 2020 not only enhances auditor's responsibilities but also expands additional disclosures in financial statements, e.g., disclosures about proceedings initiated or pending against the company for holding any benami property; financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements to enable auditor to opine on material uncertainty.

It is important to note that CARO 2020 not only enhances auditor's responsibilities but also expands additional disclosures in financial statements.

Further, to enable the auditor to report on the new and revised matters specified in CARO 2020, companies will not only be required to disclose additional information in the financial statements but also aggregate and compile information for the year commencing on April 1, 2020. Companies will need to recognise that the enhanced reporting requirements are intended to push for stricter compliance on the aforesaid matters by them. Failure with the disclosures would be regarded non-compliance and now need to be explicitly stated by the auditors in their audit reports. ■

Disclosure of details of proceedings against the company for holding benami property and whether the company has disclosed the details in its financial statements is also required to be reported by the auditor

BEPS 2.0: Re-writing the Rules of International Corporate Tax?

Ever since the rules of international corporate taxation were written in 1920s by the League of Nations – the permanent establishment (PE) requirement for a multinational corporation for the source state to levy tax has not been removed. The present exercise by the OECD led Inclusive Framework reviews this notion after almost 100 years. What happens to the future of transfer pricing or arm's length principle? At stake is the allocation of taxing rights between jurisdictions; fundamental features of the international tax system, such as the traditional notions of PE and the applicability of the arm's length principle; the future of multilateral tax co-operation; the prevention of aggressive unilateral measures; and the intense political pressure to tax highly digitalised MNEs. Read on...



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The current framework for international taxation goes back to 1920s when the League of Nations submitted a report on international taxation. From these, resulted Vienna convention, the model tax convention by Organization for Economic Cooperation and Development (OECD) and the United Nations (UN). The UN model tax convention is similar to the OECD's but for more emphasis on the right of source state to levy tax.

At a very simplistic level, according to the current international corporate tax rules, a multinational enterprise (MNE) operating across borders is liable to tax in the market/ source jurisdiction only where

such MNE has a physical presence in the country. This physical presence is known as 'Permanent Establishment' or PE. With the growing advancements in technology, it has become easy for MNEs to participate in the economic life of market/ source country without a physical presence therein. Accordingly, the current rules for taxation of cross order activities seem outdated. The dissatisfaction with these rules begin to gain momentum in the aftermath of global financial crisis of 2008 when governments, particularly of emerging economies, found themselves struggling to mop up tax revenues in an era of tepid global growth.

In 2013, following a mandate from the G20 Finance Ministers, OECD and G20 countries, working together on an equal footing, adopted a 15-point Action Plan to address Base Erosion and Profit Shifting (BEPS). One of the biggest aims of the BEPS project was to secure revenues by realigning taxation with economic activities and value creation.

In 2015, the OECD released final reports on all 15 action plans. Amongst other things, the BEPS project will amend around 3,000 tax treaties with the help of a multilateral agreement or MLI¹. Action Plan 1 of the BEPS project dealt with *'Tax Challenges Arising from Digitalisation'*. In the absence of any consensus in the report, multiple interim solutions were suggested like *'Significant Economic Presence'* or a withholding tax in the form of *'equalization levy'*. It was agreed that further work was required to be undertaken to reach a consensus based solution by 2020.

Unilateral Action by jurisdictions including India

Pending a consensus based solution and in an effort to ramp up tax revenues, countries across the globe started implementing unilateral uncoordinated measures, mostly outside the tax treaty framework, to tax digital companies. India introduced 'equalization levy' in Finance Act, 2016 – a

6% final withholding tax on payment to non-residents for online advertisement or any provision for digital advertising space or facilities/ service for the purpose of online advertisement. This levy is supposedly outside the tax treaty framework and therefore credit of tax paid is not creditable in the home jurisdiction. Finance Act, 2018 amendment section 9(1) (i) of the Act to provide that 'Significant Economic Presence' of non-resident taxpayers would also constitute taxable presence in the form of 'business connection' in India. The latter is within the tax treaty framework and is relevant for non-resident taxpayers coming from non-tax treaty covered jurisdictions.

Similarly, other jurisdictions introduced unilateral measures.

Post BEPS work

Following up and pursuant to Action Plan 1 report, the OECD released in March 2018 – an interim report on *'Tax Challenges Arising from Digitalisation'*.

In May 2019, the OECD came out with a Programme of Work ("PoW") to develop a consensus solution to tax challenges arising from Digitalisation of the Economy. This PoW was approved by Inclusive Framework² countries and laid down two pillars on which further was required to be done. Pillar 1 is the profit allocation in case of highly digitalised businesses and

Pillar 2 is the development of a Global Anti-Base Erosion or the 'GLOBE' proposal. In respect of pillar 1, three proposals were considered by the PoW namely "user participation", "marketing intangibles", and "significant economic presence".

OECD's public consultation document on Secretariat Proposal for a "Unified Approach" under Pillar One

Building on the public consultations and consistent with the objective of developing a consensus solution to Pillar 1 issues, the Secretariat prepared a proposed *"Unified Approach"* combining the elements of all these three proposals. The OECD floated a public consultation document providing an overview of the proposed unified approach³.

It is important to bear in mind that this is a proposal developed by OECD secretariat⁴ and does not represent the approach agreed by members. The broad contours of the "Unified Approach" are below.

- **Scope:** Large consumer-facing businesses. There may be certain carve-outs like extractive industries
- **New Nexus:** Not dependent on physical presence but largely based on sales. Could have threshold including country specific threshold. The
- **New Profit Allocation Rule:** Going beyond the Arm's length Principle ("ALP") for attributing

¹ Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting

² The OECD/G20 IF on BEPS (IF) was established to ensure interested countries and jurisdictions, including developing economies, can participate on an equal footing in the development of standards on BEPS related issues, while reviewing and monitoring the implementation of the OECD/G20 BEPS Project. As of December 2019, IF had a membership of 137 countries. Source: OECD

³ <https://www.oecd.org/tax/beps/public-consultation-document-secretariat-proposal-unified-approach-pillar-one.pdf>

⁴ 9 October 2019

a portion of non-routing profits to market jurisdiction. A three tier profit allocation mechanism is proposed under the proposal as below:

- **Amount A:** Portion (percentage) of deemed residual profit
- **Amount B:** Fixed return for distribution functions
- **Amount C:** Additional return based on TP analysis. Introduction of Binding and effective dispute resolution mechanisms

Firstly, the scope of this approach is to cover highly digital consumer facing business models but includes certain B2B models. Extractive industries are assumed to be out of the scope. Secondly, the approach proposes a new nexus rule - not dependent on physical presence but largely based on sales. It would be designed as a new self-standing treaty provision and may have country specific sales thresholds.

Thirdly, the approach propose going beyond the ALP and using a simple formulaic approach. The departure from the ALP appears to be for the determination of 'residual profits'. The approach consists of three tier profit allocation mechanism consisting of Amount A, B and C.

Amount A is a share of deemed residual profit allocated to market jurisdictions using a formulaic approach, i.e. the new taxing right. This constitutes the primary response of the unified approach to the tax challenges of the digitalisation

of the economy⁵. Amount B is a fixed remuneration for baseline marketing and distribution functions that take place in the market jurisdiction. Amount C would be additional return over compensation of Amount B, if any, based on transfer pricing analysis. Amount C would also involve developing binding and effective dispute prevention and resolution mechanisms relating to all elements of the proposal.

The underlying objective is to improve tax certainty for taxpayers as well as tax administrations especially for countries which don't have enough resources to monitor and administer a complex profit allocation system.

Given that the proposal amounts to fundamental rewriting of the international tax rules, it would be useful to see whether countries are able to reach a consensus. The PoW and the consultation paper note that *'the stakes are very high. In the balance are: the allocation of taxing rights between jurisdictions; fundamental features of the international tax system, such as the traditional notions of permanent establishment and the applicability of the arm's length principle; the future of*

The underlying objective is to improve tax certainty for taxpayers as well as tax administrations especially for countries which don't have enough resources to monitor and administer a complex profit allocation system.

multilateral tax co-operation; the prevention of aggressive unilateral measures; and the intense political pressure to tax highly digitalised MNEs.'

Pillar 2: Global Anti-Base Erosion or the 'GLOBE' proposal

Pillar 2 calls for the development of a co-ordinated set of rules to address ongoing risks from structures that allow MNEs to shift profit to jurisdictions where they are subject to no or very low taxation. The four component parts of the GloBE proposal are:

1. an **income inclusion rule** that would tax the income of a foreign branch or a controlled entity if that income was subject to tax at an effective rate that is below a minimum rate;
2. an **undertaxed payments rule** that would operate by way of a denial of a deduction or imposition of source-based taxation (including withholding tax) for a payment to a related party if that payment was not subject to tax at or above a minimum rate;
3. a **switch-over rule** to be introduced into tax treaties that would permit a residence jurisdiction to switch from an exemption to a credit method where the profits attributable to a PE or derived from immovable property (which is not part of a PE) are subject to an effective rate below the minimum rate; and
4. a **subject to tax rule** that would complement the undertaxed payment rule

⁵ Taken from Revised POW issued by OECD in January 2020 – refer discussion below

International Taxation

by subjecting a payment to withholding or other taxes at source and adjusting eligibility for treaty benefits on certain items of income where the payment is not subject to tax at a minimum rate.



These rules would be implemented by way of changes to both domestic law and tax treaties and would incorporate a co-ordination or ordering rule to avoid the risk of double taxation that might otherwise arise where more than one jurisdiction sought to apply these rules to the same structure or arrangement.

The PoW released by OECD in May 2019 notes that while the measures set out in the BEPS package have further aligned taxation with value creation and closed gaps in the international tax architecture that allowed for double non-taxation, certain members of the IF consider that these measures do not yet provide a comprehensive solution to the risk that continues to arise from structures that shift profit to entities subject to no or very low taxation.

In that sense, Pillar 2 is a residuary framework and seeks to address the BEPS concerns remaining even after BEPS 1 (ie, 15 Action plans and the MLI) and Pillar 1. One of the

most important rules under the proposed Pillar 2 – the income inclusion rule – builds on the controlled foreign company (CFC) regime. Generally, CFC rules help determine when a domestic corporation has enough control of a foreign subsidiary to tax its earnings under domestic law and which earnings and how much of those earnings are taxed¹. In other words, CFC is an anti-abuse provision to tax passive income parked in an offshore subsidiary in no or low tax jurisdiction. This is an important distinction as the proposed Pillar 2 is supposed to apply to all types of income, whether passive or active. The OECD sought public comments on the following points:

- whether financial accounts can be used as a starting point for tax base determination, as well as different mechanisms to address timing differences
- the level of blending under the GloBE proposal, that is the extent to which an MNE can combine high-tax and low-tax income from different sources taking into account the relevant taxes on such income in determining the effective (blended) tax rate on such income; and

One of the most important rules under the proposed Pillar 2 – the income inclusion rule – builds on the controlled foreign company (CFC) regime.

- experience with, and views on, carve-outs and thresholds considered as part of the GloBE proposal.

Update by OECD on 31st January 2020

Given that a lot of tech giants that would be impacted especially by Pillar 1 proposal are domiciled in the United States of America (“US”) – the global community was eagerly waiting for the US’s reaction to the both these proposals. As a background, it is important to note that while the USA was not part of BEPS 1 but is a part of the IF. The Tax Cuts and Jobs Act (“TCJA”) of 2017 was significant and brought the US tax framework at par with a global post BEPS era framework.

With this background, the US’ secretary of the treasury wrote a letter to the OECD stating that US *has serious concerns regarding potential mandatory departures from arm’s-length transfer pricing and taxable nexus standards - longstanding pillars of the international tax system upon which U.S. taxpayers rely*. Instead, the US advocated that goals of Pillar 1 could be substantially achieved by making Pillar 1 a safe-harbor regime. The letter also stated that US supports a GILTI² like Pillar 2 solution. In its reply, OECD replied that the consultations within the IF had not contemplated the notion that Pillar 1 could be a safe-harbour regime. Further, this may impact the ability of IF member countries to move forward within the

⁶ Source: Tax Foundation: How Controlled Foreign Corporation Rules Look Around the World: United States of America

⁷ The U.S. “Global Intangible Low Taxed Income” (“GILTI”) tax, introduced by the Tax Cuts and Jobs Act, is a minimum tax on outbound foreign direct investment returns. Source: IMF POLICY PAPER: CORPORATE TAXATION IN THE GLOBAL ECONOMY (March 2019)

tight deadline of achieving a consensus based solution by 2020.

In view of the above and for continuing discussions on Pillar 1 and Pillar 2, the IF met on 29-30 January 2020 and issued a statement on the Two Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy. Some important points from the update and the revised PoW issued by OECD on Pillar 1 are as below:

- The businesses that will fall within scope of the new taxing right under Amount A will be those that fall into the two categories: (a) Automated digital services; (b) Consumer-facing businesses.

The former would comprise of business models such as online search engine; social media platforms; online intermediation platforms, including the operation of online marketplaces, irrespective of whether used by businesses or consumers; digital content streaming; online gaming; cloud computing services; and online advertising services. The latter would cover businesses that generate revenue from the sale of goods and services of a type commonly sold to consumers, i.e. individuals that are purchasing items for personal use and not for commercial or professional purposes.

- There will be many groups with diverse activities, some of which will meet

the definitions above, some of which will not. This may be addressed by the segmentation of those activities into different business lines to which Amount A would be separately applied.

- In contrast to the traditional transfer pricing “separate entity” approach, the calculation of Amount A will be based on a measure of profit derived from the consolidated group financial accounts.
- After determining the residual profits, it would be necessary to determine the allocation key to allocate this profits to applicable market jurisdictions. This allocation key will be based on sales of a type that generate nexus. Specific revenue-sourcing rules to support its application by reference to different business models will need to be developed. For example, for online advertising such rules will, when possible, deem revenue to arise in the jurisdiction where the advertising is viewed rather than the jurisdiction (if different) where the advertising is purchased. Revenue sourcing will also be considered to address sales through independent distributors in order to avoid possible distortions.
- **Elimination of double taxation:** Given that Pillar 1 views MNE group as a whole for calculation of Amount A rather than individual entity or individual country. The application of existing methods in tax treaties for elimination of double taxation would be inherently difficult. Among other things, it will be necessary to determine which jurisdiction will have an obligation to eliminate any resulting double taxation; and, if there is more than one jurisdiction, the quantum of the relief to be provided by each.
- There will be no significant interaction between Amounts A and B. For an MNE group in scope and liable for Amount A to market jurisdictions, the interaction between Amount A and Amount C may occur each time its activities in scope are subject to a transfer pricing re-assessment. Further work will be undertaken to identify the interaction between Amount A and Amount C.
- Securing tax certainty is an essential element of the unified approach and is a fundamental part of the design of Pillar One. The work will include the exploration of innovative and inclusive processes to provide such tax certainty to taxpayers and tax administrations alike. It is agreed to explore an innovative approach under which tax administrations of the IF would provide early tax certainty for Amount A, for instance through the establishment of representative panels which would carry on a

review function and provide tax certainty. This would require work on the process and governance of such panels to ensure appropriate representation of Members and effective, transparent, and inclusive processes.

- The agreed outcome under Pillar 1 may need to be implemented by way of another multilateral instrument. It is expected that any consensus-based agreement must include a commitment by members of the IF to implement this agreement and at the same time to withdraw relevant unilateral actions.
- An alternative approach to Pillar One implementation will be considered. Under this alternative global safe harbour system, an electing MNE group would agree, on a global basis, to be subject to Pillar 1.

Conclusion / Way Forward

Ever since the report issued by the league of nations in 1920s, a fundamental premise of the international tax system has been the prerequisite of an MNE constituting PE (mostly by a sustained physical presence) in source country for allocating taxation rights to the source country. This fundamental rule is set to change involving a host of other issues – some as outlined above. This initiative by the OECD and the IF comes at a time when multilateralism is under attack from all quarters – some examples include India not joining the Regional Comprehensive Economic Partnership (RCEP), US getting

This initiative by the OECD and the IF comes at a time when multilateralism is under attack from all quarters – some examples include India not joining the Regional Comprehensive Economic Partnership (RCEP), US getting out of the Paris climate deal and the Trans-Pacific Partnership.

out of the Paris climate deal and the Trans-Pacific Partnership. Hence, the ability to reach a consensus based solution and parting with tax sovereignty at least in a limited sense seems challenging.

After the 2008 global financial crises and in order to stimulate demand, many countries went on a spending spree and ran huge fiscal deficits. As such, the proposals are expected to increase tax revenues across the globe.

An important part of the OECD PoW released in May 2019 was to carry out more in-depth analysis of each proposal and their interlinkages with a particular focus on the importance of assessing the revenue, economic and behavioural implications of the proposals in order to inform the IF in its decision making. On 13 February 2020 – OECD gave a high level update on the economic analysis & impact assessment done so far. Some of the conclusions are:

- The combined effect of Pillars 1 & 2 would lead to

a significant increase in global tax revenues

- Estimated global net revenue gain up to 4% of global CIT revenues or USD 100 billion annually, depending on reform design
- The revenue gains are broadly similar across high, middle and low-income economies, as a share of corporate tax revenues. However, investment hubs would experience some loss in tax revenues
- Failure to reach a consensus-based solution would lead to further unilateral measures and greater uncertainty
- More than half of the profit reallocated comes from 100 MNE groups

A recent working paper by the International Monetary Fund¹ highlights that several small economies play an outsized role in the global FDI network: the Netherlands, Luxembourg, Hong Kong SAR, Switzerland, Singapore, Ireland, Bermuda, the British Virgin Islands and the Cayman Islands jointly host more than 40% of global FDI although their combined share of global GDP is only around 3%.

One certainly hopes that the unfinished agenda of BEPS 1.0 is completed by the so called BEPS 2.0 (Pillar 1 and Pillar 2) and taxing outcomes are more closely aligned with value creation. Anything otherwise threatens to destabilize the already in retreat globalisation. ■

⁸ What Is Real and What Is Not in the Global FDI Network? By Jannick Damgaard, Thomas Elkjaer, and Niels Johannesen dated 2 December 2019

GST: A Comparative Study of India and Singapore

Goods and Service Tax (GST) is one of the most pivotal tax reforms for any of the tax ambitious country. Goods and Services Tax is a new-fangled landing of VAT, wherein a widespread set-off for the input tax is being granted. GST have subsumed many indirect taxes from national and state level, in order to amalgamate economy into seamless national marketplace. It is expected that GST would iron out all the wrinkles of earlier indirect taxation schema. This study is an attempt to understand the enactment of GST Laws, with special reference to GST Law of Singapore, so that the experience of Singapore can be useful implementation challenges in India.

Introduction and History

GST is a single tax on the transactions of both goods and services, covering all from manufacturers to the consumers. Herein GST business gets credits of all the input taxes paid at each stage and thus net taxes are payable on only the value addition made by the business house. The final burden of all the taxes are ultimately transferred by the last dealer in supply chain to the consumer who consumes the goods and services.

This concept was firstly introduced by France in year 1954. The success of GST has been such a great success, that it has got replicated in almost

as many as 160 countries across the globe. Most of the countries followed unified GST while some countries like Brazil, Canada follow a dual GST system where tax is imposed by central and state both.

In India GST is one of the greatest commercial reform in indirect taxation system, which has made itself one unified common marketplace. Idea of GST was mooted by Vajpayee Government in 2000, but it took long 17 years for India and its legislature procedure to implement the current GST with effect from 1st of July 2017. There are innumerable expectations from the GST, that it shall rollout all the shortcomings of the earlier indirect taxes structure and shall built up India as a strong

nation in the world, and it shall be an important catalyst in achieving a benchmark of \$ 5 Trillion Economy.

Singapore was among first few of the countries to implement GST in Asian Continent, GST was implemented in Singapore on 1 April 1994 with a minimal flat rate of taxation i.e. 3%, which was roused from time to time and current rate of GST of the country is 7%, the rate of GST in Singapore is lowest in the world since the date on which the same was implemented, and even till date the rate of GST is lowest.

Review of Literature

(SAG Infotech, 2019) In an online publication through their blog page in an article titled



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“Difference Explained: GST India vs GST in Other Countries” have stated that Singapore follows a single and consistent system of GST rate on every transaction. With its introduction in 1994 the rate was 3%, which has been raised to 7% in 2007, which is a lowest rate as on date in the global market. Across the globe rates of GST are prefixed between 16 to 20 percent and India has somehow taken the cues from this and jotted down the similar pattern.

(Kumar, Revankar, & Jaju, 2018,) In an article titled “GST: A Comparative study of India vis a vis Singapore” they compared 5 industries of the two country and highlighted that there is an average difference in prices of the items of 8.91%.

(Gupta S. , 2017) In an article titled “Goods and Services Tax (GST): A Comparative Study of Select ASEAN Countries” she stated that by subsuming majority of indirect taxes and cesses levied at the central and state government levels it has simplified the indirect tax regime in India and has put an end to the complex and cascading nature of the multiple tier indirect taxation. GST with implementation in more than 160 countries carries rich history of successes and failures. India should learn from the pitfalls in administration and application of law in developing countries as well as from the successful administrative strategies of the developed countries like Singapore.

(Pathan, 2017) In an article titled “A Comparative Study of GST in India and Other Countries” he stated that the

GST has created a lot of buzz since its inception and has been discussed all over India by all the professionals. The impact of GST has been such that each and every one all over the country, whether concerned with it or not has been trying to breakdown the said term. GST in India is implemented with the propaganda of “One Nation One Tax”. It would not be exaggerated to mention over here that the concept of GST is not new to the world as nearly 160 countries as on 2016. He also mentioned that the HST is applicable in Canada, it is good to know that the Indian GST model is similar to the Canadian model of “Duel GST”. Harmonized Sales Tax was implemented by several provinces in Canada to build a more efficient tax system that would improve the competitiveness of businesses in the participating provinces. The HST is a combination of the Canadian GST and Provincial Sales Tax.

(Gupta, Sarita, Singh, Komal, & Kumawat, 2017) In their article titled as “Good and Service Tax: An International Comparative Analysis” stated that the consumption and productions of the goods and services is undoubtedly increasing and because of the multiplicity of taxes in current tax regime, administration complexities and compliance cost is also accelerating. Thus, a simplify, user -friendly and transparent tax system is required which can be fulfilled by implementation of GST. Its implementation stands for a coherent tax system which will colligate

most of the current indirect taxes and in long term it will lead to higher output, more employment opportunities and flourish GDP. It can also be used as an effective tool for fiscal policy management if implemented successfully, due to nation-wide same tax rate. The ‘flawless’ GST is designed as a consumption type destination-based VAT with invoice credit method. It will help to optimize efficiency, equity and effectiveness. Several governments have come and gone, each with different promises and goals.

(Poirson, 2006) In its working paper on “The Tax System in India: Could Reform Spur Growth” has stated that a tax reform combining lower statutory rates with base broadening could help in achieving a pro-growth of fiscal adjustment in India. He also states that tax productivity estimates suggest ample scope for raising direct tax revenue through the removal of exemptions and improved tax administration and compliance.

(Sui & Loi, 1994) In their article titled “Implementation of the Goods and Services Tax (GST) in the Singapore Construction Industry” they studied on the problems and changes which building contractors in the construction industry have made to accommodate the implementation of this tax, for which they concluded that larger construction companies in Singapore spent more time and effort in preparing for the implementation of GST than smaller construction companies.

Research Gap:

Although at International level some studies compare Indian GST with another countries. As far as our knowledge and review of literature is concerned very few studies has been carried to compare the GST of Singapore and India. Further no such comparative study of the laws of two countries have been done in past to learn from experience of Singapore. In this way present study fulfils this research gap.

Research Methodology

For the purpose of this study we have been taken as the law of GST of India and Singapore. The GST Taxation Law with its working were compared with the help of some of

the key points of the statute. Comparative Charts are drawn to help in easy understanding of the law, enactment, working of the two countries.

This research work is fully based on secondary data from various sources like reference books, articles from newspapers, research papers, talks in the parliament and various websites.

India and Singapore both being the countries of Asian Continent, where Singapore leads the ally of GST implemented Nations in the continent, so to learn from the experience of the Singapore wherein they have been successfully doing this with the lowest rate for so long years.

Therefore, on the judgemental basis we have selected Singapore for the purpose of this study.

Objectives of The Study

The primary objectives of the paper are

- I. To study and compare about Goods and Service Tax law of the two selected counties of Asia, with respect to enactment, working and to critically comment on the same.
- II. On the basis of comparison, give suggestions which can be useful in overcoming the current and future difficulties being faced by India in successful implementation of GST across the nation.

Comparative Study of Gst Law of India and Singapore

1. At a Glance

Particulars	Singapore	India
Name of Law	Goods and Services Tax	Goods and Services Tax
Date of Implementation	01 – 04 – 1994	01 – 07 – 2017
Governing Acts	Goods and Services Tax Act, 1993.	India has adopted and implemented Dual model of GST, which are as follows: Central Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 & Integrated Goods and Services Tax Act, 2019. Consequently, we have taken Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017, for the purpose of this study.
Threshold and Exemption Limit from Registration.	Business whose gross receipt/ turnover is less than SGD 1 Million (Approximately 5.30 Cr), can claim exemption from registration under the GST Act.	Business whose gross receipt/ turnover is less than 20 Lakhs (10 Lacs in case of North Eastern States), can claim exemption from registration under the GST Act.

Registration for various branches or different offices of a group.	<p>Group Registration. Businesses that are under “common control” may apply to register as a GST group. Each member must be individually registered for GST. After group members are registered as a GST group, they are treated as a single taxable person and submit a single GST return. Supplies made between members within the same GST group are disregarded for GST purposes. Group members are jointly and severally liable for all GST liabilities.</p>	<p>There is no such concept of group registration/ single registration/ centralised registration in India.</p> <p>In India branches are required to take separate registration on each territory/ state basis, however entire branches under that territory can operate on that single registration, but they can not take a centralised registration for the business as in whole which is operating in multiple locations in different states.</p>
Standard Rate of GST	<p>Singapore operates on single rate of Taxation – wherein its standard rate of GST is 7%, in current.</p> <p>At the time of introduction of GST, the rate was 4%.</p> <p>Zero rated exempted supplies as enlisted and specified. Further on a list of specified items there are Zero Rated exempted supplies too.</p>	<p>India adopted a multiple slab system taxation, wherein the products have been specified and classified on the basis of HSN code and are taxed at 0% (for food staples), 0.25%, 3%, 5%, 12%, 18% and 28% (+cess for luxury items).</p> <p>Further the highest rate for a GST has been fixed under the act as 28%, but the other powers in hands of council, which can be changed on the recommendation of GST council.</p>
Returns and Payment of Taxes	<p>Quarterly Return in form of a summary return through GST F5 is to be filed.</p> <p>In case where there is no liability to pay taxes, being an exporter, and there arises a refund always, then assessee can file his return on monthly basis, with a prior approval.</p>	<p>Monthly Summary Return GSTR 3B is to be filed along with payment of taxes, Further a detailed GSTR 1 return for outward supply too is required to be filed on Monthly basis, with an option in case where turnover is less than 1.5 Crore in last Financial Year, than assessee can choose the option of filing GSTR 1 on quarterly basis. Further Returns – GSTR 2 and GSTR 3 have not, yet been notified. (But as per law they too shall be required to be filed on monthly basis).</p> <p>Annual Return – An annual return in form GSTR 9 is required to be filed by every registered person for the FY after the end of FY, along with an audit if the annual turnover of the said FY is more than 2 Crore.</p>
Penalty for delay in submission of Return.	<p>A penalty of SGD 200 after the submission due date and an additional SGD 200 for each completed month are assessed for the late submission of a GST return, up to a maximum penalty of SGD 10,000.</p>	<p>Penalty for late filing of every return shall be levied on daily basis with maximum cap of INR 10,000, per return.</p>

Interest and Penalty for delayed Payment of Taxes.	<p>A flat penalty of 5% of the tax due is levied for late payment of taxes. Further if the delay is more than 60 days, than an additional penalty is @ 2% of the tax due for each completed month is levied, up to a maximum of 50% of the unpaid tax.</p> <p>That implies - that maximum penalty and Interest chargeable in case of any delay due to dispute will not rise beyond 55% of the total tax due.</p>	<p>Interest @ 18% pa shall be charged for the time, till there is default in payment of taxes.</p> <p>Further if the liability of taxes arises due to wrong utilization/ excess utilization of input tax credit, or undue/ mis-statement of output taxes, then interest shall be levied @ 24% pa, for the period till which default continues.</p> <p>It is important to note, that there is no ceiling/ capping on the amount of interest being levied because of delayed payment, further no relief in case of disputed matter being confirmed at a later stage, thus in times the amount of interest can surpass the total amount of tax due too.</p>
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2. Scope of Taxation

Singapore

As per Goods and Services Tax Act, 1993, (31 of 1993), of Singapore: -

“As per Section 7 – Goods and services tax

A tax shall be charged on the supply of goods and services (including anything treated as such a supply) and on the importation of goods.

As per Section 8 – Scope of Tax

Forward Charge – Tax shall be charged on any supply of goods or services other than an exempt supply made where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.

Reverse Charge – Tax shall be charged on Reverse Charge Basis on Import of services from abroad by a person for the purpose of his business.

As per Section 10 - Meaning of “supply”

(a) “supply” in this Act includes all forms of supply and reverse charge supplies, but not anything done otherwise than for a consideration;

(b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.

As per Section 2 – Interpretation

“goods” excludes money

“Services” is anything which is not a supply of goods and is done for a consideration (including, if so done, the granting, assignment or surrender of any right).

“Money” and “Currency” include currencies whether of Singapore or any other country but does not include a collector’s piece, investment article or item of numismatic interest.”

India

As per Central Goods and Services Tax Act, 2017, (12 of 2017), of India: -

“As per Section 9 – Levy and Collection

Forward Charge – GST shall be levied on all supply of goods or services or both, within country, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

Reverse Charge –

- a) The GST on specified categories of supply of goods or services or both shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both;
- b) GST in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

As per Section 7 – Scope of Supply – The expression “supply” includes –

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
- (b) import of services for a consideration whether or not in the course or furtherance of business;
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration; and
- (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.”

As per Section 2 - Definitions

“goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

“services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.

“money” means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value.”

Remarks:

The law of two countries in veneration of inclusive thoughtfulness is more or less matching, but the aspect of elucidations and definitions as covered in the act showcases a great deal of contrast. The scope for coverage and its related terms are defined in one or two liners under the statute of Singapore, on the contrary, the Indian statutes are elaborate, which are good in the initial stages and are easier to comprehend.

Term “Goods” as defined in the two country has a very wide difference, Indian legislature covers only movable properties as goods, whereas in case of Singapore it covers all movable and immovable properties, with a similar exclusion by both of money and currency, with additional exclusion in India of Shares and Securities.

The Term “Services” has been defined simply under both the

laws as anything other than goods, but again India in this case has tried to cover some additional business with express statement in the statute.

Similarly, there has been much more the definition of money and currency has too been elaborated extravagantly, covering the financial instruments like travels cheque, LC's etc. with a specific coverage, leaves an ambiguity, for an example what if the item is a bearer cheque and the same is exchanged or endorsed, will that be a goods for the purpose of GST, so this leaves ample scope and may raise questions' with the passage of time and with the fast changing business environment, while on the other hand defining a item in plain essence with least if and but, and to define it word “include” gives an wide meaning with ample scope of bringing all in its ambit, which can be understood in common parlance, or that has been defined in any other law of the land.

On the hands of charging section, both the countries charge tax on both forward and reverse basis, but in India the same is extensive and regressive, further when there is a particular section which says that in case of purchases from unregistered person the taxable person is liable to pay tax on same on RCM basis, this enough is sufficient, but introduction of separate specified list, that too notification based, gives ample scope for ambiguity and confusion over status, the notification can be amendment as and when required and there can be instances that people might not get updated with the same and this can lead to some non-compliances, penal consequences etc., therefore the proviso should not be recurrent in the act, that one needs to look into the aspects of drawing harmonious construction of the statutes.

3. Time of Supply**Singapore**

As per Goods and Services Tax Act, 1993, (31 of 1993), of Singapore: -

“As per Section 11 – Time of Supply – For Forward Charge Supply

A supply of goods or services shall be treated for the purposes of this Act as taking place at the time when — the person making the supply issues an invoice or receives any consideration in respect of it; whichever is earlier.

As per Section 11C – Time of Supply – For Reverse Charge Supplies

Where the recipient receives services, which are subject to reverse charge supplies, as taking place at the earlier of — (a) the date on which supply is made to the recipient; and (b) the date on which any consideration is paid for that supply, to the extent that the supply of services is covered by the entry or consideration.”

India

As per Central Goods and Services Tax Act, 2017, (12 of 2017), of India: -

“As per Section 12 – Time of Supply of Goods – For Forward Charge Supply

Time of supply of goods shall be earliest of the following dates: — (a) date of issue of invoice; or (b) last date on which supplier is required to issue invoice; or (c) date of payment.

As per Section 12 – Time of Supply of Goods – For Reverse Charge Supply

Time of supply shall be earliest of the following dates: — (a) date of receipt of goods; or (b) date of payment; or (c) date on which payment is debited in bank account; or (d) thirty first day from date of invoice.

As per Section 13 – Time of Supply of Services – For Forward Charge Supply

Time of supply of services shall be earliest of the following dates: — (a) date of issue of invoice; or (b) date of receipt of payment; or (c) date of provision of service; or (c) date of receipt of services in books of account.

As per Section 13 – Time of Supply of Services – For Reverse Charge Supply

Time of supply shall be earliest of the following dates: — (a) date of payment; or (b) date on which payment is debited in bank account; or (c) sixty first day from date of invoice.

As per Section 12 & 13 – Time of Supply for - Interest, Late Fee or Penalty for delayed payment of any consideration

Time of supply in case of interest, late fee or penalty for delayed payment of any consideration – it shall be the date on which the supplier receives such addition in value.”

Remarks:

Singapore considers the time of supply is the moment, where liability of tax shall be determined at a date which is earlier of accrual or payment, whichever is earlier. Whereas India has been a step ahead in clarifying the charging moment of a transaction as Time of Supply separately for both goods and services, where the liability of tax will be the date, date of accrual or date of payment or last date at which it could get accrue as per act, whichever is earliest. Further in case of any amount which is charged as an additional levy because of default in payment etc, then in such cases, the time of supply

shall be the date when amount is actually recovered will be considered, just accruing of the same in books shall not be liable for actually taxing the same, this additional point is good and infact better as compared to that from Singapore, as where there is default of the principal amount, the recovery of additional levy cannot be confirmed, and hence the same should be taxable only when actually received, thus, Indian statue is better in this term.

Herein the Indian statue, even though extra elaborative has cleverly drafted the provision where the interest of business houses in practical essence too have been taken care off, along

with the defaults, if any, made by any business house because of any its system hierarchy, and in case of business disputes too, there will be no loss of taxes to government for the original amount.

The length and complexities of law of India could have been reduced, by making similar law for both supply of goods as well as services, and thus by just defining them through the use of single term “Time of Supply”. This would have even dropped out the possibilities of the cases, where there have been many disputes in past, that whether a particular transaction is covered under goods or services, i.e. in case of a composite transaction.

4. Input Tax Credit**Singapore**

As per Goods and Services Tax Act, 1993, (31 of 1993), of Singapore: -

“As per Section 19 – Input Tax Credit

“input tax”, in relation to a taxable person, means the following: (i) tax on the supply to him of any goods or services; (ii) tax on the reverse charge supply treated as made by him (as a recipient) to himself; (iii) tax paid or payable by him on importation of any goods, being (in any such case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him.

As per Section 19 - Apportionment of credit/ Restrictions

Wherever any registered person uses the goods or services for any purposes other than business, than tax on such supplies and importations must be apportioned and credit of only so much input tax shall be allowed as is attributable to business.”

India

As per Central Goods and Services Tax Act, 2017, (12 of 2017), of India: -

“As per Section 16 – Input Tax Credit

Every person shall be entitled to take credit of tax charged on any supply of goods or services or both which are used or intended to be used in course or furtherance of business.

As per Section 17 – Apportionment of Credit

(1) Where goods or services or both are used by person partly for any purposes other than the business, then the amount of credit shall be restricted to so much of the input tax as is attributable for the purposes of business.

(2) Where goods or services or both are used by person partly for effecting taxable supplies including zero-rated supplies and partly for effecting exempt supplies, then amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

(3) A banking company or a financial institution including a NBFC, engaged in supplying services by way of accepting deposits, extending loans or advances shall have option to either comply with the provisions of sub-section (2) above, or avail of, every month, an amount equal to fifty percent of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse.

As per Section 17 – Blocked Credit

Input tax credit shall not be available in respect of the following, namely: —

- (a) motor vehicles and other conveyances except when they are used – (i) in making taxable supplies; or (ii) for transportation of goods;
- (b) food and beverages, outdoor catering except where an inward supply is made to make outward supply in similar category;
- (c) beauty treatment, health services, cosmetic and plastic surgery except where an inward supply is made to make outward supply in similar category;
- (d) membership of a club, health and fitness centre;
- (e) rent-a-cab except where — required under statutory obligation or in same line of business;
- (f) life insurance and health insurance except where — required under statutory obligation or in same line of business;
- (g) travel benefits extended to employees on vacation such as leave or home travel concession;
- (h) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;
- (i) goods or services or both received by a taxable person for construction: including re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation; of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business;
- (j) goods or services or both for which tax is paid under composition scheme;
- (k) goods or services or both received by a non-resident taxable person except on goods imported by him;
- (l) goods or services or both used for personal consumption;
- (m) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and
- (n) any tax paid in matter of confiscation and penal provisions.”

Remarks:

In case of input tax credit, the law of India is too complex, there are several restrictions and several prohibitions for a tax to be eligible input tax credit,

whereas the law of Singapore is very clear and straight forward at this front too, it allows every item to be claimed as input tax credit, provided the same has

been paid and used in course of business, with no other condition and restriction, thus making it simple and clear, whereas in case of Indian Law

even if the fundamentals are more or less clear, but the law makers have induced many tangles and restriction for various capital expenditure and other revenue expenditures which are incurred by a business house in the course of furtherance of his business, but the same have been specifically categorised as a blocked credit and thus not allowed, therefore even after the introduction of the system of GST, the complexities of allowability of taxes credit remains same with and the wipe off the cascading effect of taxes, have been reduced but not fully eliminated from the system.

The allowability and seamless flow of the input tax credit in the system is the main essence of the GST, further this encourages the business houses to think innovatively and take on the big decisions in capital investment, with a possibility of quick payback period, a better IRR. Further this would not just facilitate the business houses, but it will help the economy to be more competitive in the world market, as the prices of the products shall surely go down. Benefits of this would just not be restricted to a particular industry, but will flow through the economy and will also help in reducing the unemployment.

Therefore, a clear provision in India with respect to input tax credit to be in line with those as enacted in the statute of Singapore would surely help to make the law of India not just easy to understand but also easy to work upon with a boast to the mission of Make in India. And this will not just reduce litigations and chance of litigations, but also the matter of assessments would by department would become very easy as the matter of only correct rate determination at output would be required to be checked, and thus in turn would also reduce the department's administrative aspect.

Conclusion and Recommendations

India has overcome the muddle of many taxes, which was hindering the growth of the industry. However, rudimentary aim of a reform should be to streamline and simplify the working of statute. The Indian law of GST, has taken big leap forward in the direction, however, can be further updated to bring certain more benefits to tax payers. There are areas that can be modified to give better experience. The burden of tax compliance as compared to that of Singapore is complex

and with high frequency, this is a hurdle in the vision of government to provide ease of doing business and eliciting the foreign investment for setting up industries to achieve the mission of Make in India. Furthermore, in long run when we try to look into the aspects the act together with various judicial pronouncements and interpretations of the different intellectuals the inferences would be drawn in such a manner as beneficial to one's own business.

There is a sturdy requirement for a thoughtful review and actions from the government in streamlining the GST structure. A country's economic progress is hugely depended on the type of taxation structure it adopts. There is a need that both the central and state governments cohesively work together to further simplify the the taxation structure with uniform common objectives. GST has brought paradigm shift in Indian Indirect taxation regime and over time with modifications is going to be a genuinely uncomplicated tax system, much more than what it is now. It would further the objectives of Government to bring ease of doing business besides augmenting much needed financial resources. ■

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Vouchers- Concept and GST Implications Thereon

Distributor of vouchers involves tricky issues such as RBI master directions, exclusion of part consideration representing discount, etc.

Issuance and redemption of vouchers in the form of PPIs are outside the ambit of GST being 'mere transactions in money'/or are 'money'. Vouchers in the form of PPIs are means to an end and not an end in themselves.

The ruling of AAR-Tamil Nadu in the application of Kalyan Jewellers that the gift vouchers/cards are taxable as independent supply, apart from supply of jewellery does not seem to be correct and leads to double taxation and is contrary to principles of taxing transactions which involve vouchers, as prevalent in most of the countries.

Further, there are instruments which can qualify as vouchers even though not PPIs. Read on...



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A. Concept:

Voucher in terms of clause (118) of Section 2 of Central Goods and Services Tax Act, 2017 has been defined as follows:

“voucher” means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument.”

In other words, voucher is any **instrument** that is ‘accepted’ as consideration for procuring goods or services, containing its

own terms and conditions for being used *as such*. Obligation to accept the voucher as consideration can be on account of the contractual terms or even by virtue of any operation of law in force.

Following are the factors to determine whether instrument is a voucher or not:

1. Legal obligation to accept as consideration for supply of goods or services *to be affected in future*;
2. Discounts are offered till the voucher changes hands and finally redemption is at the face value.
3. Council Directive 2016/1065 dated 27.06.2016 (“EU Council Voucher Directive”) inserted directives relating to

chargeability of VAT on vouchers by amendment in “EU Council VAT Directives”. Following is relevant to note from these voucher directives:

- It defines voucher exactly in the same words as Section 2(119) and recognizes two types of vouchers viz. ‘**single-purpose voucher**’ (“SPV”) and ‘**multi-purpose voucher**’ (“MPV”).
- SPV:** Where the VAT treatment attributable to the underlying supply of goods or services can be determined with certainty upon issuance it is considered to be SPV. In that case, VAT should be charged on each transfer. The actual handing over of the goods or the actual provision of the services in return for a SPV should not be regarded as an independent transaction.
- MPV:** Vouchers other SPV are considered as MPV. VAT is charged when the goods or services to which the voucher relates is supplied. Any prior transfer of MPV is not subject to VAT.

- Similar to EU VAT, as per Section 35A of GST Act of Singapore read with regulations issued thereunder, vouchers are classified into Multi-Redemption Vouchers (similar to MPV of EU VAT) and Non-Multi-Redemption

Voucher (similar to SPV of EU VAT)

Even though Indian GST law doesn't specifically provide for such SPV or MPV type vouchers but the reference for the same can be found in Section 13(4) while determining time of supply.....

B. Vouchers in the form of Pre-paid payment Instruments (“PPIs”) is ‘Money’ and thus not chargeable to GST:

Money in terms of clause (75) of Section 2 has been defined as follows:

“‘money’ means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value.”

It is relevant to note that “Money” is excluded from the definition of both “Goods” and “Services” and hence not chargeable to GST.

Money includes **instrument** recognised by RBI:

- When used as a consideration to settle an obligation or**
- Exchange with Indian legal tender of another denomination.

One such instrument which is used as consideration to settle an obligation & are recognised

by RBI are PPIs. PPIs are payment instruments that facilitate purchase of goods and services *against the value stored on such instruments.*

The value is **already stored** in PPIs at the time of issuance which facilitate purchase of **goods or services**. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card.

RBI issued RBI (Issuance and Operation of Prepaid Payments Instruments) Directions, 2017 (“**Master Directions**”) dated 11.10.2017, the purpose is to provide a framework for authorisation, regulation and supervision of entities operating payment systems for issuance of PPIs in the country.

A typical transaction flow of Closed PPI system-based transaction is depicted by way of a diagram below:



A typical transaction flow of Semi-closed PPI system-based transaction is depicted by way of a diagram below:



The two types of PPIs can be issued by non-bank entities are:

- a. **Closed System PPIs:** These PPIs are issued by an entity for facilitating the purchase of goods and services from that entity only and do not permit cash withdrawal.
- b. **Semi-closed System PPIs:** These PPIs are used for purchase of goods and services, including financial services, remittance facilities, etc., at a group of clearly identified merchant locations / establishments which have a specific contract with the issuer (or contract through a payment aggregator / payment gateway) to accept the PPIs as payment instruments. These instruments do not permit cash withdrawal, irrespective of whether they are issued by banks or non-banks.

Issuance of Vouchers in the nature of PPIs:

Even though it seems that the issuance of vouchers in the nature of PPIs would not be covered within the meaning of money since issuance of instrument **is not settlement of obligation rather creation of an obligation**, its issuance in essence is a **mere transaction in money** as far as issuer is concerned since money that has been received is for disbursements to merchants (in case of semi-closed payment instrument) and represents as an advance for the future supply of goods or services (in case of closed payment instrument). In the case of **Union of India vs. Delhi Chit Fund Association (W.P. (C) 4512 of 2012)**, Hon'ble Delhi High Court held that *"a mere transaction*

in money represents the gross value of the transaction. But what is chargeable to service tax is not the transaction in money itself since it can by no means be considered as a service" (affirmed by Hon'ble Supreme Court). Though the case pertains to service tax regime, however it is relevant to note the definition of Money under erstwhile service tax law was essentially same as under GST law. Further as per Master Directions, amount received from holders (customers) is always kept in escrow account and is used strictly only for settlement of vouchers and is not accounted for or used as income in the hands of the PPI issuer.

Therefore, there would be 'no' GST incidence on vouchers in the nature of PPIs.

Redemption of Vouchers in the nature of PPIs:

Holder is the person who actually uses (redeems) PPI for purchase of goods or services. The definition of money under GST law considers instruments **used as a consideration to settle an obligation** as equivalent to money. *It is relevant to note that obligation can be of any person and not necessarily of holder only.*

Therefore, redemption of PPI can be safely considered to be Money.

The definition under GST law of "Money" is an one step further to the definition of Money as was provided under Section 65B(33) of Finance Act, 1994 (erstwhile Service Tax law) which states that, *"money" means legal tender, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any such similar instrument but shall not include any currency that is held for its numismatic value*". The words *"when used as a consideration to settle an obligation"* are addition to the definition of money under GST law.

Supply of Goods or Services against redemption of Vouchers in the nature of PPIs:

Merchants are the ones who actually supplies goods or services against redemption of PPI. Supply of goods or services against vouchers in the nature of PPIs is chargeable to GST since voucher represents consideration for the said supply of goods or services.

The above analysis can be summed up by way of below table:

Particulars	GST Chargeable (Yes/No)	Reason in Crux
Issuance of Voucher in the nature of PPI	No	Mere transaction in Money
Receipt of Cash against above	See next column	Closed System PPI: Represents Advance/Taxable in the hands of Issuer

		Semi-Closed System PPI: <ol style="list-style-type: none"> 1. Not taxable in the hands of Issuer (Received for onward disbursement to Merchants). 2. Taxable in the hands of Merchants.
Supply of Goods or Services by Merchant	Yes	It is taxable supply. Consideration/ Taxable Value will include value of voucher redeemed.

Vouchers in the nature of PPI- Case Study:

ABC agrees to issue a travel voucher having face value of ₹ 500/- through XYZ (payment aggregator) at the rate of ₹ 400/-. This travel voucher can be redeemed for purchase of travel arrangement related services through ABC website only. XYZ issued this travel voucher through its online application to individual customer at the rate of ₹ 450/-. XYZ disbursed amount of ₹ 400 (after deducting its service charges) to ABC. Customer redeemed (used) this voucher for online booking of travel package of ₹ 5000 from ABC website. Below captures taxability for XYZ and ABC:

- **Voucher is in the nature of PPI** because it has a value loaded in it and therefore, no GST would be applicable on its issuance by ABC through XYZ.
- There would be no requirement on XYZ to pay GST on the amount collected (₹ 450) or on disbursement to ABC (₹ 400). GST would be paid

by XYZ on ₹ 50 on account of payment aggregator services provided to ABC. This view is also takes its support from the case of **Sodexo SVC India Pvt. Ltd. v. State of Maharashtra, (2015) 16 SCC 479**, wherein Hon'ble Supreme Court observed, *while holding that sodexo meal vouchers are not goods and accordingly no Octroi or Local Body Tax can be levied, as follows:*

"...Vouchers are not the commodity which are sold. If the face value of the said vouchers is ₹ 50, by giving these vouchers to its customers, the appellant only takes specified service charges from its customers, which is normally ₹ 2 for ₹ 50 voucher."

"The intrinsic and essential character of the entire transaction is to provide services by the appellant and this is achieved through the means of said vouchers. Goods belong to the affiliates which are sold by them to the customers' employees on the basis of vouchers given by the customers to its employees. It is these affiliates who are getting the money for those goods and not the appellant, who only gets service

charges for the services rendered, both to the customers as well as the affiliates."

- Taxability for ABC is *para materia* to taxability of Jubilant discussed in case study given below.

C. Vouchers not in the form of Pre-paid payment Instruments ("PPIs"):

There can be other instruments as well which qualifies the definition of voucher since there is obligation to accept it as consideration. However, these instruments does not have value stored in it and thus do not qualify to be PPIs. Also, these does not require recognition by RBI and therefore cannot be construed as Money.

Vouchers not in the nature of PPI- Case Study:

Reliance entered into an arrangement with Zomato wherein it is agreed that Reliance would be giving away a voucher having face value of ₹ 100 on every purchase of ₹ 1,000 of mobile phone from its store in cash. This voucher can be redeemed using application of Zomato on purchase of Pizza having minimum value of ₹ 500. A customer ordered pizza from Jubilant using application of Zomato of ₹ 600 and redeemed voucher of ₹ 500 and balance of ₹ 100 was paid in cash.

- Reliance paid ₹150 to Zomato (₹100 on account of voucher and ₹50 as fee of Zomato).
- Jubilant issued invoice for ₹600 for sale of pizza but received ₹544 from Zomato (i.e. ₹600 less ₹ 50 on account of Zomato fee less ₹6 as TCS).

The following GST implications would follow:

Reliance: The value of supply of mobile phone can be ₹1,000 or ₹900 for the reasons discussed below.

View in favour of ₹900 can be due to the following reasons:

1. Section 15(1) states the transaction value would be the price *actually paid* or payable for the *said supply*. *Actual price paid* is ₹ 900 as amount of ₹100 was never *actually paid* to Reliance for the supply of *mobile phone*. Use of word '*said supply*' would imply *supply of mobile phone* in this case.

Even if one states that the ₹1000 was paid in cash to Reliance, however, ₹100 doesn't pertain to *supply of mobile phones*. ₹100 is for onward disbursement to Zomato. Even from customer's (recipient) point of view actual price paid is ₹900 only. Actual price paid should be true reciprocally as well i.e. *actual amount received* by Reliance.

1. Section 15(3)(b) excludes any discount which is given before or at the time of supply and duly recorded in the invoice issued. Word 'Discount' has not been defined in GST law. Ratio from below cited judgments can be referred:

Discount is a commercially acceptable measure which may be resorted to by a vendor for a variety of reasons (CC v. J.D. Orgochem Ltd., (2008) 16 SCC 576, 581.

Discount means a reduction in sales consideration (Indica Laboratories Pvt. Ltd. v. CCE, 2007 (213) ELT 20 (Tri. - LB).

From above, it is clear that commercial measures which are

adopted for various business reasons, leading to reduction in sales consideration can be understood to mean discount. In the present case, Discount is a commercial measure which has led to reduced sales consideration.

Therefore, issuance of voucher can qualify as discount and thus, value of supply would be ₹900 (provided duly recorded in the invoice).

View in favour of ₹1000 can be due to the following reasons:

1. Reliance may not be supplying mobile phone at the price of ₹ 900 if the customer does not wish to accept voucher. This itself signifies that value of standalone supply of mobile phone remains to be ₹1000 irrespective of the fact whether voucher is given away to customer or not.
2. Voucher is issued by Reliance and which is redeemed by Jubilant. Since reliance has received ₹1000 and has not offered any discount, the same cannot be excluded. Discount should essentially arise out of the agreement between a supplier and recipient and does not require a third party for its effectuation.

It is relevant to note that, as per Ind AS 115, ₹ 900 will recognised as revenue (after netting off ₹100 on account of voucher distributed).

Further, ₹100 remitted to Zomato on account of voucher would not be an inward supply for Reliance.

Zomato:

1. ₹ 100 received from Reliance is on account of onward remittance to Jubilant. The same being a

mere transaction in money does not entail any GST implications.

2. Further, ₹ 50 received each from Reliance and Jubilant represents value of services rendered and liable to GST.
3. It qualifies to be an E-commerce operator. TCS at the rate of 1% needs to be collected in compliance with the provisions of Section 52.

Jubilant:

Taxable value would be ₹600 (₹500 received from customer directly and ₹100 against issue of voucher determined as per Rule 32(6)). Recipient for Jubilant would be the customer for entire value (Refer Section 2(93)(a)).

As per Rule 32(6), value of voucher is considered to be equal to money value of goods or services redeemable against such voucher. It is relevant to note that there is no GST on vouchers per se since voucher in the present case are in the nature of PPI. GST is on the goods or services which are to be supplied against this voucher. *Rule 32(6) states of valuation methodology and doesn't determines GST chargeability.*

It is relevant to note that applicability of rule 32(6) is at the option of supplier. Suppose if Jubilant agreed for a discounted price of ₹ 80 for issuance of this voucher having face value (redemption value) of ₹ 100 through Zomato, in that case **taxable value if determined as per the provisions of Section 15(1) would be ₹ 580/- (₹ 500 received from customer directly and ₹ 80 i.e. actual price received against issue of voucher). ₹ 580/- is transaction value which is the price actually paid for the supply of aforesaid pizza.**

It is relevant to note that ₹ 50 being fee of Zomato cannot be

reduced from this transaction value as the same pertain to payment aggregator services provided by Zomato and arises a result of independent transaction

having no relation whatsoever with supply of pizza to customer.

PS: For the sake of simplicity GST implications arising due

to involvement of multiple GSTINs of Reliance/Jubilant/Zomato are not being considered. Complexities can multiply in such cases.

D. Illustrations:

Type	Voucher in the form of	Remarks
Amazon Gift Vouchers	PPI	Gift vouchers represents loaded value. Amazon has approval from RBI.
'10% discount coupon issued on account of first purchase of ₹ 1000, to be applied against second purchase' or 'credit card reward points' Or 50% discount coupon on first ride offered by Rapido	Discount Coupons	Discount on account of points accrued on first purchase or Discount on account of installing application and using it for the first time (Discounts linked to positive action by beneficiary). These coupons are issued by the same entity and are non-transferrable. Not includible in value of supply. (See note 2 and 3)
PayTM Wallet PayTM Wallet linked RFID Tag	PPI	Wallet is loaded value. Linking to RFID Tag is irrelevant for determination.
Train Tickets/Movie Tickets	Neither Voucher nor PPI	These are invoice cum receipt for the services to be provided or are being provided.
Google Pay Cashback	Neither Voucher nor PPI	Cashback is Indian Legal Tender
Meal Vouchers	PPI	Meal Vouchers represents loaded value

Notes:

- Any convenience charges recovered in respect of any of the above cases (such as for issuance of RFID tag) is liable to GST.
- Issuance of loyalty points that can be redeemed in next (second) transaction can qualify as discount provided the same has been specially recorded in the invoice raised for first transaction or established in terms of prior agreement. In that case, value of supply of second transaction should not include monetary value of loyalty points by virtue of Section 15(3). Further, any upfront discount offered by way of coupon codes would also be not includible in value of supply.
- Remarks are on the understanding that issuance and redemption of voucher is by same GSTIN. Otherwise, it can entail GST implications arising out of distinct persons transactions.
- Vouchers can qualify to be actionable claim and/or Crypto Currency as well. Author does not wish to delve into the analysis of Vouchers w.r.t. actionable claim/ crypto currency in this article since it is a separate subject altogether.*

Conclusion

Taxing vouchers cannot be understood solely from the provisions contained in GST law. It is essential to look into foreign legislation and jurisprudence already available on the subject. Need of the hour is to note that

in Indian context, vouchers has cross-linkage to RBI master directions apart from the relevant contractual terms. GST law becomes unique and needs unravelling by astute readers. Whether its money or it's a voucher and merely a discount coupon needs to critically examined.

Money ought not to be confused with Voucher. Definition of Voucher does not attempt of overlap with definition of Money.

Discount coupons are neither money nor vouchers if privately issued. Discount coupons issued for cash is advance liable to tax upfront. And if it is issued without cash, then it is nothing in the eyes of law except a promise *in presenti* to allow a discount *in future!* ■

Evolving Periphery of Insolvency And Bankruptcy Code In India

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Prior to enactment of Insolvency and Bankruptcy Code, 2016, multiple legislations were applicable for different categories, namely, Corporates, Individuals, Partnerships and LLPs. However, with the introduction of this Code, certain legislations which were outdated were repealed and others were nullified. The foremost aim of this Code was to consolidate insolvency resolution process for the various categories mentioned above. This Code has put the Insolvency Resolution Process in fast track mode, whereas, in the earlier regime, the entire process was taking years altogether and that too without reaching any finality. Read on...

Regular Updations in the Code

The contemporary developments in the insolvency regime in India mandates for regular amendment in the Insolvency and Bankruptcy Code. The law of insolvency is in the nascent stage and as the Code is maturing with the issues being faced on day to day basis with the intervention of High Courts and Apex Court, amendments are being made in the Code. Insolvency Bankruptcy Board of India (IBBI) is amending the Insolvency Code & Regulations from time to time for establishing the future prospect of the companies.

In the last 3 years, the Code has been amended on regular basis to bring an effectual legal



framework for timely resolution of Insolvency and Bankruptcy matters that would encourage expansion of credit markets and persuade entrepreneurship. All this will outdo ease of doing business and facilitate more investments leading to higher economic growth and development.

Let's have a look at how the Code has gradually evolved in the last three years:

Developments in the Code

As you are very well aware when a new law gets implemented, practical difficulties arise on account of interpretation of various sections and dealing

Insolvency and Bankruptcy Code , 2016

- enforced on May 28, 2016

Insolvency and Bankruptcy (Amendment) Ordinance, 2017

- passed on Nov. 23rd, 2017,
- became an Insolvency and Bankruptcy Code (Amendment) Act, 2018 on January 18th, 2018 w.e.f Nov. 23rd, 2017

the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018,

- passed on June 6th, 2018
- in the form of the Insolvency and Bankruptcy (Second Amendment) Bill received the assent of the President on the 17th Aug, 2018 and
- thus the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 was promulgated

Insolvency and Bankruptcy Code (Amendment) Act, 2019,

- effective from 16th Aug 2019, and

the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019

- notified on 28th Dec, 2019
- came into force at once

with real time difficulties when law is put into practice. The Adjudicating Authorities including the NCLT, NCLAT, High Courts and even the Apex Court have delivered several revolutionary judgements especially during last two years which instigated the Lawmakers to bring out the amendments, namely, in Interpretation of Section 29A, Retrospective effect of Section 238A, Continuation of such proceedings as per Section 14 of the Code-taking procedural steps such as filing of written statement, Continuation of proceedings against the Director not permissible where the course of action against Corporate Debtor and Director are inextricably linked.

In the succeeding paras, we are going to discuss as to how various landmark judgements pronounced by the Apex Court and other adjudicating authorities have brought about sea fall changes in certain sections of Code and the same have eased out difficulties faced by various sections of Society.

Significant Orders/ Judgements which have relevance in the development of the Code

(1) Homebuyers to be treated as financial creditors under Section 5(7) of the Code

Pioneer Urban Land and Infrastructure Ltd and Anr vs Union of India [Supreme Court, WP(C) No.43 of 2019, dated 09.08.2019]¹

The Petitioner challenged the explanation added to Section 5(8)(f) of the Code stating that “any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing” before the Honorable Supreme Court of India.

According to the writ petition, amounts having the commercial effect of borrowing are treated as ‘financial debt’ as per Section 5(8)(f). Therefore, any amount invested by a person in a real estate project for allotment of apartments will be deemed as “financial debt” and so the homebuyers as “financial creditors”.

The Petitioners contended before the Honorable Supreme Court if homebuyers will be treated as financial creditors, then, Article 14& 19(1)(g) would be violated, i.e., treating unequal equally and equals unequally?

It was further contended that homebuyers have a separate remedy under the RERA Act for redressal of disputes between allottees and Promoters/ developers.

It was decided by the Supreme Court that in real estate projects, money is raised from the allottees, against consideration for the time value of money. The amounts raised from allottees is included within section 5(8)(f) even without referring to the explanation introduced by the Amendment Act. The deeming fiction that is used by

the explanation is to put beyond doubt the fact that allottees are regarded as Financial Creditors. The allottees/home buyers were included within the main provision, i.e., section 5(8)(f) with effect from the enforcement of the Code. The explanation was added by amendment in 2018 merely to clarify doubts that had arisen.

The Supreme Court also concluded as under:

- (i) The Amendment Act to the Code does not infringe Articles 14, 19(1)(g) read with Article 19(6), or 300-A of the Constitution of India.
- (ii) The RERA is to be read harmoniously with the Code, as amended by the Amendment Act. It is only in the event of conflict that the Code will prevail over the RERA. Remedies that are given to allottees of flats/apartments are therefore concurrent remedies, such allottees of flats/apartments being in a position to avail of remedies under the Consumer Protection Act, 1986, RERA as well as the triggering of the Code.
- (iii) Section 5(8)(f) as it originally appeared in the Code being a residuary provision, always subsumed within it allottees of flats/apartments. The explanation together with the deeming fiction added by the Amendment Act is only clarificatory of this position in law.

¹ ICAI study material on significant case laws on Economic Laws.

(2) Maintenance of application of Corporate Insolvency Resolution Process(CIRP) under Section 7 or 9 of the Code against companies struck off by the Registrar of Companies(ROC) under the Companies Act

Mr.HemangPhopalia Vs.The Greater Bombay Co-operative Bank Limited &Anr. [CA (AT) (Ins) No. 765/2019]²

In the aforesaid matter, the financial creditor (the Greater Bombay Co-operative Bank Limited) filed an application under Section 7 of IBC (Insolvency and Bankruptcy Code) for initiation of CIRP (Corporate Insolvency Resolution Process) against the corporate Debtor (Penguin Umbrella Works Private Limited). Application was admitted in the NCLT, Mumbai Bench. The appellant (Hemang Phopalia) in an appeal confirmed that the Corporate Debtor, was struck off from the Register of Companies, thus CIRP cannot be initiated against the corporate debtor.

The main issue before the Adjudicating Authority was whether an application for CIRP under section 7 or 9 can be initiated against a company which is in non-existence i.e., struck off by the ROC, under section 7 or 9 of the Code.

It was held that the Adjudicating Authority who is also the Tribunal is empowered to restore the name of the Company and all other persons in their respective position for the purpose of initiation

of 'Corporate Insolvency Resolution Process' under sections 7 and 9 of the Code based on the application, if filed by the 'Creditor' ('Financial Creditor' or 'Operational Creditor') or workman within twenty years from the date the name of the Company is struck off under sub-section (5) of section 248 of the Companies Act, 2013.

In the present case, application under section 7 was admitted and the 'Corporate Debtor' and its Directors, Officers, etc. were deemed to have been restored as per section 252(3) of the Companies Act.

(3) Initiation of Liquidation process under Section 33 of the Code, where resolution plan of concerned corporate debtor(s) failed to acquire requisite percent of voting share of financial creditors

K. Sashidhar vs. Indian Overseas Bank &Ors [Supreme Court, Civil Appeal No.10673 of 2018 dated 05.02.2019]³

In the aforesaid matter, the Petitioner filed Civil Appeal before the Supreme Court.

It was noted that in the case of the corporate debtor KS&PIPL i Steel & Power India Pvt. Ltd.), the resolution plan, when it was put to vote in the meeting of CoC held on 27th October, 2017, could get approval of only 55.73% of voting share of the financial creditors and even if the subsequent approval accorded by email (by 10.94%) was taken into account, it did not fulfil the requisite vote of

not less than 75% of voting share of the financial creditors. On the other hand, the resolution plan was expressly rejected by 15.15% in the CoC meeting and later additionally by 11.82% by email.

Similarly, in the case of corporate debtor IIL (Innoventive Industries Ltd.), the resolution plan received approval of only 66.57% of voting share of the financial creditors and 33.43% voted against the resolution plan. This being the indisputable position, NCLAT opined that the resolution plan was deemed to be rejected by the CoC and the concomitant is to initiate liquidation process concerning the two corporate debtors.

The Managing Director of the corporate debtor (KS&PIPL) appeared before the adjudicating authority (NCLT) on 6th November, 2017, and also filed a memo on 17th November, 2017, inter alia submitting that for the financial creditor who chooses not to participate in the voting, the votes and the majority be counted without their vote.

The Supreme Court looked into the scope of NCLT jurisdiction to enquire into justness of rejection of the resolution plan and decided that where resolution plan of concerned corporate debtor(s) had not been approved by requisite percent of voting share of financial creditors, i.e., 75 per cent as in October 2017, and no alternative resolution plan was presented within

² www.ibbi.gov.in ³ www.ibbi.gov.in

statutory period of 270 days, proposed resolution plan was to be disapproved and amendment to section 30(4) which came into force with effect from 6-6-2018 substituting threshold requirement of 75 per cent to 66 per cent would not be applicable and, therefore, liquidation process under section 33 was to be initiated.

(4) Applicability of Limitation Period for the admission of application under Section 7 of the Code

Jignesh Shah and another v. Union of India and Anr. [Writ Petition (Civil) No. 455 of 2019, Transfer Petition (Civil) No. 817 of 2019, Civil Appeal No. 7618-19 Of 2019, September 25, 2019]⁴

In the aforesaid case, a winding up petition was initiated against La-Fin Financial Services Private Limited by the Bombay High Court. A letter of undertaking was given by La Fin, a group of company promoted by Jignesh Shah, on 20th August 2009, to IL&FS. La Fin in which it undertook to purchase the shares held by IL&FS in MCX (Multi-Commodity Exchange India Limited) Stock Exchange after a period of one year, but before a period of three years, from the date of investment. Within three years, IL&FS exercised the option in 2012 but La Fin refused to honour the undertaking under no contractual obligation to buy the aforesaid shares. As the Code came into force on 1st December 2016, the petition was transferred to the AA as

a section 7 application. It was admitted on 28th August 2018.

The moot question before the Supreme Court was whether a winding up petition, which is converted into a Section 7 application under IBC, was to be barred by lapse of time under the Limitation Act.

The Supreme Court noted that in the Winding up Petition itself, what is referred to be the fall in the assets of La-Fin to being worth approximately INR 200 crores as of October, 2016, which again does not correlate with 3rd November, 2015, being the date on which the statutory notice was itself issued. This again is only for the purpose of appointing an Officer of the Court as Official Liquidator in order to manage the day-to-day affairs and otherwise secure and safeguard the assets of the Respondent Company. There is no averment in the petition that the Company's substratum has disappeared, or that the Company is otherwise commercially insolvent. It is clear therefore that even on facts, the company's substratum disappearing or the commercial insolvency of the company has not been pleaded.

The Supreme Court held that in winding up or commercial insolvency cases, first there is a requirement that the default should take place, after which the debts remain outstanding. It is only on this date that the limitation period is triggered. It also clarified that the winding up proceeding is a right in rem and not a recovery proceeding. The Court concluded that the

Limitation Act is applicable in cases of insolvency. It was held that winding up petition filed on 21-10-2016 being beyond the period of three-years mentioned in article 137 of the Limitation Act is time-barred, and cannot, therefore, be proceeded with any further. Accordingly, the impugned judgment of the NCLAT and the judgment of the NCLT is set aside.

(5) Administrator of the other country would attend CoC meeting only as observer with no right to vote where Parallel insolvency proceedings initiated in India and other country as per "Cross Border Insolvency Protocol"

Jet Airways (India) Ltd. vs. State Bank of India & Anr. [Company Appeal (At) (Insolvency) No. 707 Of 2019, September 26, 2019]⁵

In the aforesaid case, corporate insolvency resolution process had been initiated against 'Jet Airways' in India and a Resolution Professional (RP) was appointed. In the Netherlands, the 'Jet Airways' company had also been declared bankrupt and the Dutch Trustee (Administrator) had been appointed to manage the estate of the 'Jet Airways'. Simultaneously CIRP proceedings were going on against Jet Airways in two countries.

An appeal was filed before National Company Law Appellate Tribunal to consider the issue as to whether separate proceedings of CIRP can take place against a common 'Corporate Debtor', if it

⁴ www.lbi.gov.in ⁵ www.lbbi.gov.in

takes place in two separate jurisdictions or countries.

The NCLAT made it clear that the 'Dutch Trustee (Administrator) will work in co-operation with the 'Resolution Professional of India' and, if any, suggestion is required to be given, he may give it to the 'Resolution Professional'. The draft of 'Cross Border Insolvency Protocol' clause is made final. It should be treated as a direction of this Appellate Tribunal and it would be mandatory to Company Appeal (AT) (Insolvency) No. 707 of 2019 to comply with the order of this Appellate Tribunal subject to the other procedures which are to be followed in terms of the 'Insolvency and Bankruptcy Code, 2016'.

In view of the aforesaid observations, the NCLAT set aside part of the impugned order dated 20th June, 2019 passed by the Adjudicating Authority (National Company Law Tribunal), Mumbai Bench in so far it relates to the observations that the 'Dutch Court' has no jurisdiction in the matter of 'corporate insolvency resolution process' of 'Jet Airways (India) Limited, (Offshore Regional Hub) and the consequential directions as given to the 'Resolution Professional' in respect of 'Offshore proceedings'.

However, it was made clear that NCLAT have not interfered with the order of admission of application under Section 7 of the I&B Code filed by the 'State Bank of India' against 'Jet Airways (India) Limited',

therefore, joint 'Corporate Insolvency Resolution Process' will continue in accordance with 'Insolvency and Bankruptcy Code, 2016'.

The appeal stands disposed of with aforesaid observations and directions.

(6) Extension of time beyond mandatory period for completion of resolution plan in case of contravention of approved resolution plan by concerned corporate debtor under Section 12

Committee of Creditors of Amtek Auto Limited through Corporation Bank Vs. Dinkar T. Venkata Subramanian & Ors. [Civil Appeal Nos. 6707, 7567-7569 of 2019 September 24, 2019]⁶

In the aforementioned matter, application under section 7 to initiate corporate insolvency resolution process against corporate debtor was admitted. The resolution plan, which had consumed the time available under section 12 of the Code, had failed owing to nonfulfillment of the commitment by Liberty House. By virtue of the Amendment Bill, 2019, which came into effect from 16.08.2019, the resolution process may be permitted to be completed within 90 days from the date of the commencement of the Amendment Act.

The Supreme Court pondered on the issue whether extension of time beyond mandatory period for completion of resolution plan can be given in case of contravention of

approved resolution plan.

The Supreme Court noted that the recent Amendment Act permits resolution process to be completed within 90 days from the date of the commencement of the Amendment Act. It held that resolution plan given earlier having failed, so resolution professional was permitted to invite fresh offers within a period of 21 days in view of Amendment Act, 2019 with effect from 16-8-2019 as per which period for completion of resolution process was available upto 15-11-2019.

(7) Pre-Incorporation of the moratorium period before the initiation of CIRP

NUI Pulp and Paper Industries Pvt Ltd v Roxcel Trading GmbH [Company Appeal (At) (Insolvency) No. 664 of 2019 July 17, 2019]⁷

In this case, Roxcel Trading GmbH had filed an application under section 9 of the IBC against NUI Pulp and Paper Industries for the unpaid operational debt. The Corporate Debtor claimed that the debt is disputed therefore it sought time for filing the reply. However, Roxcel had apprehensions that the Corporate Debtor might be intending to sell its assets thus leading to abuse of the process of the IBC. Therefore, the **NCLT under Rule 11 of the NCLT rules, 2016 passed an order** stating that the Directors of the Corporate Debtor shall create no interests or no assets shall be sold to any third party, ordering a pre- moratorium

⁶ www.lbhi.gov.in

⁷ www.lbhi.gov.in

order. This was challenged by the Corporate Debtor in the NCLAT contending that before admission of an application under section 7 or 9, the Tribunal had no jurisdiction to restrain the corporate debtor and its directors from alienating, encumbering or creating any third party interest on the assets of the corporate debtor.

NCLT deliberated as to whether the NCLT has inherent powers under rule 11 of NCLT rules to alienate powers of the Directors of the Corporate Debtor.

While deliberating on the same, it noted after perusal of rule 11 that it is clear that the (Adjudicating Authority) can make any such order as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal.

From the provisions of rule 11, it is clear that once an application under section 7 or 9 is filed before the Adjudicating Authority, it is not necessary for the Adjudicating Authority to await hearing of the parties, or for passing order of 'Moratorium' under section 14. In order to ensure that one or other parties may not abuse the process of the Tribunal or for meeting the ends of justice, it is always open to the Tribunal to pass appropriate interim order.

It was held that once a CIRP application is filed, Tribunal need not await hearing of parties and it can pass interim order restraining corporate debtor misusing process of Tribunal.

(8) No discrimination in the distribution of proposed amount under a resolution plan

*Standard Chartered Bank v. Satish Kumar Gupta (Essar Insolvency case) [Company Appeal (At) (Ins) Nos. 242/2019 and Ors.]*⁸

In this case, Financial Creditors of the Essar Steel India Limited had filed an application for CIRP under section 7 of the IBC. In the 'corporate insolvency resolution process' initiated against 'Essar Steel India Limited' ('corporate debtor'), the 'Committee of Creditors' approved the 'Resolution Plan' submitted by 'Arcelor Mittal' ('Successful Resolution Applicant') which was approved by the NCLT with certain modifications by impugned order.

The Order had been challenged related to distribution of assets to different 'financial creditors' and the 'operational creditors' on the ground of discrimination or the modification of 'Resolution Plan' as suggested by the Adjudicating Authority.

The Supreme Court considered the following main issues with regard to the -

- (i) treatment of the secured and unsecured creditors,
- (ii) determining of the powers of the CoC,
- (iii) powers in relation to the powers of accepting the resolution plan and the constitutional validity of the section 12(3) and section 30(2) of the IBC.

The Supreme Court differentiated with regard to the payment of debts to the Secured and Unsecured creditors. It urged on the fact that the unequals cannot be treated equally. Thus, a resolution plan cannot be rejected on the ground that the plan is unjust or unfair to a certain class of creditors, if the interest of the each class of the creditor has been looked into.

The Supreme Court also stated that the CoC has the total powers over the running of the business of the Corporate Debtor, hence such vital powers cannot be delegated to any other person or sub committees. But the **Supreme Court clarified** that the Sub Committees can be instituted for other purposes such as performing of administrative functions etc.

According to Section 12(3) of the IBC, mandatory timeline of 330 days for completion of CIRP, if not complied with, would result in the liquidation of the corporate debtor. **The Supreme Court** partially struck down the section in which the word 'mandatory' was considered as arbitrary and unreasonable under article 14 of the Indian Constitution and it also held up with the rights of the carrying out business under Article 19(1) (g).

Whereas, Section 30(2) of the IBC provided for the minimum payment that to be made to dissenting financial creditors as well as the operational creditors. **The Supreme Court held** that this section was a mere guideline that the CoC

⁸ www.ibbi.gov.in

needs to follow while it arrives at any decision regarding the resolution plan and any such decision must be taken taking the feasibility and the ground realities. Thus, section 30(2) was upheld by the Supreme Court.

In this case, it was held that where huge discrimination had been made by 'Committee of Creditors' in distribution of proposed amount to 'operational creditors' qua 'financial creditors', i.e., majority of 'financial creditors' had been allowed 99.19 per cent of their claim amount, whereas it was 'NIL' in favour of 'operational creditors', resolution plan submitted by resolution applicant was not rejected but was modified to safeguard rights of operational creditors and other financial creditors.

'Financial creditors' cannot be discriminated on ground of 'Secured' or 'Unsecured financial creditors' for purpose of distribution of proposed amount amongst stakeholders in 'Resolution Plan' by 'Resolution Applicant'.

(9) Liquidation estate or assets of corporate debtor not to include all sum due to any workmen or employees from provident fund, pension fund and gratuity fund

State Bank of India v. Moser Baer Karamchhari Union
[Company Appeal (At)
(Insolvency) No. 396 of 2019]⁹

In this case, the 'corporate insolvency resolution process' was initiated against the 'corporate debtor', under section 7 of the Code, wherein the order

of liquidation was passed by the Adjudicating Authority (NCLT), and the workmen stood discharged under section 33(7).

According to the liquidator, the payment of the gratuity fund, the provident fund and the pension fund was denied preferentially and included the same for the payments under the waterfall mechanism under section 53 of the 'I&B Code'.

'Moser Baer Karamchhari Union' being financial creditor filed company application with the prayer that the directions be issued to the liquidator to exclude the amount due to them towards 'provident fund', 'pension fund' and gratuity trust fund' from the waterfall mechanism envisaged under section 53 and pay them the 'provident fund dues', 'pension fund dues' and 'gratuity fund dues' as these would not constitute part of the liquidation estate.

NCLT, by impugned order allowed the company application and **held** that the 'Provident Fund Dues', 'Pension Fund Dues' and 'Gratuity Fund Dues' cannot be part of section 53. The 'State Bank of India', a 'secured creditor', has challenged the order in instant appeal.

The adjudicating authority by its impugned order held that 'Provident Fund Dues', 'Pension Fund Dues' and 'Gratuity Fund Dues' cannot be part of section 53 of the Code. A Financial Creditor filed an appeal on the ground that workmen's dues have the same meaning as assigned in section 326 of

the Companies Act, 2013, which includes PF, pension and gratuity fund.

The NCLAT held: "In terms of subsection (4) (a) (iii) of Section 36, as all sums due to any workman or employees from the provident fund, the pension fund and the gratuity fund, do not form part of the liquidation estate/ liquidation assets of the 'Corporate Debtor', the question of distribution of the provident fund or the pension fund or the gratuity fund in order of priority and within such period as prescribed under Section 53(1), does not arise..."

(10) No attachment of properties under provisions of PML Act during Moratorium period

SREI Infrastructure Finance Ltd. v. Sterling SEZ & Infrastructure Finance Ltd.
[M.A.NO.1280/2018 C.P.
405/2018, 2019]¹⁰

In this case, Section 7 petition was admitted against the corporate debtor and the Interim Resolution Professional was appointed, who was subsequently confirmed as Resolution Professional (RP).

Subsequently, the Directorate of Enforcement (ED) provisionally attached the assets belonging to the corporate debtor. The RP intimated the ED about the initiation of the CIRP and imposition of moratorium and requested it to withdraw the said attachment on the properties and assets of the corporate debtor as the RP was required to take charge and custody of the same.

⁹ www.ibbi.gov.in ¹⁰ www.ibbi.gov.in

The ED raised defence that the Audit Report from the banks that had granted loan to the corporate debtor showed that the said loan funds were used for non-mandated purposes and payments were made to non-existent parties and there were unjustified payments to the Directors, etc. It was further contended that the properties so attached constituted the value of proceeds of crime. It was also submitted that the moratorium declared by the Adjudicating Authority would not be applicable to the criminal case initiated under the PML Act by the ED or by the CBI.

As per the provisions of section 14(1)(a), where moratorium on any kind of proceedings is imposed by the Adjudicating Authority, particularly this attachment is a legal proceedings which squarely falls under the ambit of the said sections of I&B Code. Since, the attachment order passed by the PML Act, Court is hit by the provisions of section 14 and considering the overriding effect of I&B Code under section 238, the attachment order under PML Act is a nullity and non-est in law and hence it will not have any binding force.

The proceedings before **the Adjudicating Authority under the PML Act** in respect of attached properties is a civil proceedings, the Adjudicating Authority under PML Act does not have jurisdiction to attach the properties of the corporate debtor undergoing corporate insolvency resolution process.

Thus, the attachment order under the PML Act is a nullity

and non est in law and the Resolution Professional can proceed to take charge of the properties and deal with them under the I&B Code as if there is no attachment order.

The **Insolvency and Bankruptcy Code (Second Amendment) Bill, 2020** has now been cleared from both the houses of Parliament. The Bill was introduced in Lok Sabha on 12th December, 2019, before the promulgation of a similar ordinance named **The Insolvency and Bankruptcy Code (Second Amendment) Ordinance passed** on 28th December, 2019. Further on 13th March, 2020, the Ministry of Law and Justice notified the Insolvency and Bankruptcy Code (Amendment) Act, 2020 w.e.f. 28th day of December, 2019.¹¹

Highlights

- The code has now given the power to the creditors that they can initiate an insolvency resolution if the company fails to make any payments to them. In the case of real-estate companies, at least 10% of homebuyers or 100 such individuals, whichever is less, can start the process.
- The creditors will not be able to initiate the process if they have failed to provide the necessary supplies to the company if the company has paid the current dues during the moratorium period.
- If the management of the company changes prior to the process then the

company will not be held liable for any offense.

- The process can only be started after the appointment of IPR (Insolvency Resolution Professional) on the date of application (also called date of start of the procedure) to the National Company Law Tribunal (NCLT).

Conclusion:

The continuous changes in Insolvency & Bankruptcy Code connote work in progress in the Code. The Code is tweaked as we are switching from the old way of doing business, which we were familiar with and which was inefficient, to a new way of doing business which is much more efficient, effective and time bound.

Currently, the outbreak of COVID 19 has diminished the pace of economic growth of not only India but of the World at large. The Government of India is taking preventive steps in order to curtail initiation of CIRP at a large scale. The Ministry of Corporate Affairs vide a notification dated March 24, 2020, specifies one crore as minimum amount of default for initiating the insolvency resolution process i.e., from existing amount of default i.e., ₹ 1,00,000 (\$1,300) to ₹ 1,00,00,000 (\$130,000) under Section 4 of the IBC.

From the above, it may be inferred that this Code is very dynamic and evolving to cater to the needs of stakeholders and of the economy. ■

¹¹ <http://egazette.nic.in/WriteReadData/2020/218654.pdf>

Beneish Model: A Tool for Auditors to Check Accounting Manipulation

In the current era where organisations are seeking global investments, the businesses are facing stiff competition and therefore, are under constant pressure to show good financial results through their financial reporting system. Accounting manipulation allows a company to present a better though false financial picture. The reasons can range from securing finance and investor interests to meeting high shareholder expectations.

Financial Statement misstatements are rare, but when they occurs, the consequences can be devastating. They can cause huge damage to a company's reputation and drain the wealth of investors. Auditors with their in depth knowledge and skills can do a wonderful job in identifying the financial wrongdoings, that are otherwise difficult to unearth and thereby enhance well drawn credibility for the profession. Read on. . . .



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According to Association of Certified Fraud Examiners (ACFE) Report to the Nations 2020, financial statement fraud is least common and most costly. It has occurred in 10% of the cases and caused a median loss of a hefty USD 954,000.

'Fraudulent Financial Reporting: 1998-2007', a study published in 2010 sponsored by COSO explains that the number of alleged cases of public company fraudulent financial reporting increased to 347 versus 294 cases reported in COSO Study published in 1999. Further, apart from an increase in fraud

cases, the median fraud of \$12.05 million in the present study was nearly three times larger than the median fraud of \$4.1 million in the 1999 COSO study.

In India, the SEBI-DRG Report on Earnings Management (Ajit, Malik, & Verma, 2013)¹ states that "average earnings management in Indian non-financial corporate sector in India is 2.9 percent of the total assets of these firms which is comparable to the estimates in US, Europe and elsewhere in the world. The study reveals that small-sized companies in India indulge in relatively more earnings management

¹ Ajit, D., Malik, S., Verma, V.K., 2013. Earnings Management in India, SEBI DRG Study

(10.6 percent of the total assets) than medium and large-sized firms.”

In the words of ACFE, financial statement fraud is “a *scheme in which an employee intentionally causes a misstatement or omission of material information in the organization’s financial reports.*”

Standard on Auditing (SA) 240(Revised) *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements* expresses “Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.”

While the income recognition system is well known, the other way to manipulate a company’s financial position and profitability is through the overvaluation of complex financial instruments, overstated assets, understated liabilities, inflated revenue and misreporting.

SA 240 (Revised) reveals that fraudulent financial reporting may be accomplished by the following:

- Manipulation, falsification (including forgery), or alteration of accounting records or supporting documentation from which the financial statements are prepared.
- Misrepresentation in or intentional omission from,

the financial statements of events, transactions or other significant information.

- Intentional misapplication of accounting principles relating to amounts, classification, manner of presentation, or disclosure.

The financial statement manipulations are committed by individuals, organisations as well as private and public companies.

Potential investors use financial statements to carry out financial analysis, which is a key component of investment. Readers of financial documents seek to understand the key factors behind the company’s performance and disposition. Credit institutions will check the “financial health” of a person or organisation and use annual financial statements to decide whether or not to lend. Regulators also use financial statements for regulatory decisions and formulating economic policies. All the above could be affected by fraudulent financial statements leading to incorrect decisions.

In general, three conditions are present when fraud occurs:

- *Pressure* or reason to commit fraud.

Potential investors use financial statements to carry out financial analysis, which is a key component of investment.

- *Opportunity*, like lack of controls.
- Ability to *rationalise* the fraud.

The detection of accounting fraud can be difficult, but not impossible. As financial transactions are larger and more frequent, many creative accounting practices and complex financial vehicles are used. The ability of auditors and audit teams to monitor them closely and thoroughly also gets hampered since it often involves different parties, management, and organisations. Further, management has a unique ability to direct its employees to perpetrate the fraud by an override of controls and disguise the manipulations.

The detection of accounting fraud can be difficult, but not impossible

Under SA 315, relating to *Identifying and Assessing the Risk of Material Misstatement*, an auditor has to assess the risk of material misstatement. Under SA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*, there is a responsibility cast on the auditor to have reasonable assurance that the financial statements are free from material misstatement, caused by fraud or error. Moreover, the auditor may, at times, be required by the legislation or regulation to make a specific assertion in respect of frauds on/by the entity in his report.

Thus, it is also imperative for the auditor that though difficult to detect, he has to elevate professional scepticism and enhance audit procedures to mitigate this risk of misstatement.

Both Auditors and Forensic accountants use financial statement ratios, multivariate statistical models and data mining techniques to uncover financial statement misstatements. Among these several resources and tools available which look for aggressive accounting practices and detect the propensity for fraud, Beneish Model is one such quantitative model.

Auditors can use Beneish ratios to help carry out the SA 240 requirement to obtain reasonable assurance that financial statements are free from material misstatement. Forensic accountants brought in to investigate a suspected misstatement can use Beneish Model to help focus the investigation.

What is Beneish Model?

Beneish's M - Score is a mathematical model created by *Professor Messod D.*

Both Auditors and Forensic accountants use financial statement ratios, multivariate statistical models and data mining techniques to uncover financial statement misstatements.

Beneish, an accounting professor in the Kelley School of Business at Indiana University. It uses eight financial metrics to arrive at a calculated score which can determine whether or not a company has manipulated its profits.

Earnings Management (EM) is possible by manipulating accruals (more by altering discretionary accruals) or by manipulating actual activities (operational activities). Discretionary accruals are the portion of accruals over which management exercises discretion and this estimated portion of accruals is often used as a proxy of the earnings that are managed

In his study, Beneish found that he could correctly identify 76% of the earnings manipulators and incorrectly identify 17.5% as non-manipulators. In other words, Beneish found that 17.5% of the companies whose financial statements he thought were free from earnings manipulation were in fact manipulators.

(Kaur, Sharma and Khanna 2014)² in a study of a sample of 332 Indian Companies from 6 different sectors had one important verdict, which is all the sectors under study were engaged in earnings management. They used the Beneish model to discover that 32.14% of companies in the telecoms sector were engaged in earning management taking a sample of 28 telecom

companies further out of a sample of 93 companies in the retail sectors 31.18% were involved in earnings management.

There is an incentive for companies to use creative accounting when there is a decrease in gross margins, an increase in operating costs, and increase in leverage.

Beneish Model is based on eight ratios that could indicate a propensity to engage in earning manipulations (GMI, SGI, SGAI, LEVI) whereas some ratios capture financial statement distortions that can result from manipulating this earning (DSRI, AQI, DEPI, and TATA).

Each of the eight metrics focuses on the above aspects and measures the change in a ratio from one year to the next.

Days' Sales in Receivables Index (DSRI)

Account Receivable [CY]/
Sales [CY]

Account Receivable [CY-1]/
Sales [CY-1]

It is current year **DSR** (Days' Sales in Receivables) to that of the previous year, an increase in DSR could show revenue inflation and creating fictitious receivables.

Account receivable and Sales generally show a correlation. This ratio detects a rise in days receivables to Sales, the change might result from revenue

² Kaur, R., Sharma, K., Khanna, A., 2014. "Detecting Earnings Management in India: A sector-wise study", *European Journal of Business and Management: Vol.6, No.11, 2014.*



inflation by accelerated revenue recognition.

Gross Margin Index (GMI)

$$\frac{\text{Sales} - \text{Cost of Sales}}{\text{Sales}} \left[\frac{\text{CY}-1}{\text{CY}-1} \right]$$

$$\frac{\text{Sales} - \text{Cost of Sales}}{\text{Sales}} \left[\frac{\text{CY}}{\text{CY}} \right]$$

GMI (Gross Margin Index) is a ratio of a prior years' Gross Margin Rate to that of the current year, a deteriorating gross margin would provide pressure or temptation to manipulate when things are not going well.

When the GMI is greater than 1, the company's gross margins have decreased and management is motivated to show better numbers and inflate profit.

Asset Quality Index (AQI)

$$1 - \frac{\text{Current Assets in CY} + \text{Net Fixed Assets in CY}}{\text{Total Assets in CY}}$$

$$1 - \frac{\text{Current Assets in [CY-1]} + \text{Net Fixed Assets in [CY-1]}}{\text{Total Assets in [CY-1]}}$$

The AQI (Asset Quality Index) is the ratio of non-current assets (other than the plant,

property and the equipment) to total assets of a year versus the prior year.

An increase in long term assets, other than property plant and equipment (for example, the

cost deferrals, amortisations), relative to total assets indicates that a firm has possibly increased its cost deferral to inflate profits.

Sales Growth Index (SGI)

$$\frac{\text{Sales [CY]}}{\text{Sales [CY-1]}}$$

$$\frac{\text{Sales [CY]}}{\text{Sales [CY-1]}}$$

SGI (Sales Growth Index) is the ratio of Sales during the current year to the prior year.

Growth in sales as such does not indicate manipulation, however, companies with high growth rates find themselves highly motivated to commit deception when the trend reverses. Shareholders from inside and outside the company expect that growth to continue and those expectations pressure managers to produce which could lead those managers to indulge in manipulative practices. Whenever there is a slowdown the growth firms could face a decrease in its capitalisation providing incentives to manipulate earnings.

Depreciation Index (DEPI)

$$\frac{\text{Depreciation [CY-1]}}{\text{Depreciation [CY-1]}}$$

$$\frac{\text{Depreciation [CY]}}{\text{Depreciation [CY-1]}}$$

$$\frac{\text{Depreciation [CY]}}{\text{Depreciation [CY-1]}}$$

DEPI (Depreciation Index) ratio of the rate of depreciation of current year to the prior year.

A high DEPI indicates that the depreciation during the year has been slow which could be due to upward revision of estimated useful life of or adopted a new method that is income increasing, either way, the company is deferring cost and increasing income. DEPI of more than 1, therefore, uncovers an inappropriate increase in the useful life of fixed assets.

Sales, General, and Administrative expenses Index (SGAI)

$$\frac{\text{SGA [CY]}}{\text{Sales [CY]}}$$

$$\frac{\text{SGA [CY-1]}}{\text{Sales [CY-1]}}$$

SGAI (Sales General and Administrative Expense Index) is the ratio of SG&A expenses of the current year to the prior year.

SG&A Expenses should rise in tandem with sales, an increase in SGAI, therefore, indicates a disproportionate increase in SGA Expenses could suggest manipulative coverups.

Leverage Index (LVGI)

$$\frac{\text{Total debts [CY]}}{\text{Total Assets [CY]}}$$

$$\frac{\text{Total debts [CY-1]}}{\text{Total Assets [CY-1]}}$$

LVGI (Leverage Index) is the ratio of total debt to total assets of the current year to the prior year.

An increase in LEVI of greater than 1 shows either new Debt or increase in existing Debt which means some additional debt covenants. Thus, an increase in leverage creates an incentive to manipulate profits to meet debt covenants.

Total Accruals to Total Assets (TATA)

Change in WC - Change in Cash + Change in Income Tax payable + Change in Current portion of Long Term Debt–Depreciation

Total Assets

TATA (Total accruals to Total Asset) It is calculated as the change in the accounts of working capital other than the cash less depreciation to Total assets.

These accruals could mean that management had made discretionary accounting choices to inflate earnings. A high TATA, therefore, indicates that there is more possibility of profit manipulation

The detailed description of the above-mentioned ratios would indicate that they are very valuable in providing an insight into the financial statements of an organisation by analysing different areas that may contain fraudulent

transactions as well as earning manipulations.

Thus, the Beneish ratios focus on financial statement manipulations and capture an inappropriate increase in receivables (DSRI, indicates of revenue increase), abnormal capitalisation of expense and decrease in depreciation (AQI and DEPI, both indicative of expense decrease), and whether the income is supported by cash profits (Accruals). The four other ratios can indicate favourable conditions for manipulation of financials i.e. portray declining gross margins and rising administration costs (GMI and SGAI, both signals of deteriorating forecasts), inflated sales (SGI) since there is an incentive for young growth firms to prop up figures to obtain funding, and the last ratio indicates an increase in dependence on debt financing (LEVI), this increases the chance of manipulation to meet the debt financing covenants.

How does the model work?

All the above metrics are woven into a calculated score called M-score.

$$M = -4.84 + 0.92 * DRSI + 0.528 * GMI + 0.404 * AQI + 0.892 * SGI + 0.115 * DEPI - 0.172 * 4.679 * TATA - 0.327 * LVGI$$

M-score greater than the value of -2.22 (or less negative than this number, e.g., -2.00 would be greater) implies that the financial statements have

been manipulated. Thus, the higher a company's M-Score, the more likely it is that the company is manipulating its earnings. Thus, Beneish Model provides a quick and easy way to track down companies that may have manipulated their financial statements.

Some considerations when using Beneish model are:

- Beneish Model is designed with US disclosure in mind and many Indian companies do not distinguish between Cost of Goods and SGA in their disclosure so the relevant figures have to be reworked.
- Further, the Model is designed for non-financial companies so results might not be reliable for financial companies.

Conclusion:

The Beneish model presents a useful tool for the auditors to identify potential cases of financial manipulations that needs to be explored further. A careful and deeper analysis by the auditors can pinpoint cases of financial misstatements. The convenience of this model is that the data to calculate the metrics can easily be obtained from the income statement, balance sheet, cash flows of the company and the model can easily be programmed even as a simple excel sheet. ■

Integrated Reporting <IR> A Change for the Better

What is Integrated Reporting?

To know the best about integrated Reporting, one must first try to understand what it is not – Integrated reporting is not just another format of reporting and for sure this is not another compliance burden. Integrated reporting is not a CSR or climate change reporting embedded into financial reporting and it does not give any standard measurement metrics for corporate strategy, governance, and performance for comparisons.

Then what is it? Integrated reporting should be understood from its intention and as a consolidation of core business with finance and non-finance partnerships within the organization. It is a mindset, it's a shift in thinking across all levels of the organization. It is a better strategic report that attracts investors.

The why what, how and when of <IR> can be learned from International Integrated reporting council <IIRC> a global coalition of regulators, investors, companies, standard setters, accounting bodies and NGO's that promote the awareness about <IR> as a next-level dimension in the evolution of corporate reporting.

1. Investors vs Corporates – Annual Report 101.

When was the last time you have read a corporate annual report (AR) top to bottom as a



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stakeholder? post digitalization era, adopting green initiatives (paperless) reduced the curiosity of taking notes, bookmarking with a dog ear, and highlighting in an annual report for the readers. There are very few exceptional readers who still rely on hard copies reading end-to-end of the AR from the chairman's letter till proxy forms.

Some questions to ponder in this context -

1.1 As an Investor -

- Do we get all the information we need from an annual report? Does anybody read all the information given and ask questions?

- Barring fundamental stock analysts, how many common investors can link both financial and non-financial or historical and forward-looking information in the AR?
- As far as the contents in the AR is concerned, what are the rights of shareholders?

Few key aspects from SEBI (Listing Obligations and Disclosure Requirements), 2015, and the brief intention of the regulations are mentioned below from a stock-exchange listed entity perspective.

Reg. 4 (2) (a) The rights of Shareholders	Effectively participate – Ask questions – exercise ownership rights.
Reg. 4 (2) (b) Timely information	Sufficient, full, and timely information about the proceedings.
Reg. 4 (2) (e) Disclosure and Transparency	Both Financial & Non-Financial – timely & cost-efficient access to the relevant information by users.
Reg. 34 (2) – Annual Report contents	<ul style="list-style-type: none"> - Audited Financial Statements - Consolidated Financial Statements - Cash Flow Statement - Directors Report - Management Discussion & Analysis report - Voluntary Business Responsibility Report (BRR) (for top 500 market cap companies), describing the initiatives about ESG perspectives. <ul style="list-style-type: none"> o Environmental o Social o Governance
SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10, Feb 6, 2017.	Mandatory submission of Business Responsibility Report (BRR).

1.2 As an Organization –

- Do we need to rush on the fastest quarterly and annual book closures and spend so many man-hours in compiling a quarterly and annual report (or) there needs to be a flexible real-time reporting?
- How long does it take to publish an annual report from the day the financial year ends?
- Do we need to spend time and resources on increased voluntary disclosures?

Typical listed company Annual report pages across the globe range between 150 to 300 that includes the corporate strategy, mission, vision, values, financial and non-financial KPI's, letters, product details, photographs, sustainability reports, etc. On average, a listed company would

take anywhere between 10 to 60 days including signatory rituals until the earnings are released to the public via market regulators or stock exchanges. This is a very time-sensitive journey for internal and external professionals.

The question remains open, despite these efforts, do stakeholders decipher the contents or still ask for more details in the name of transparency? Is it not a compliance distraction for the organisation?

The general understanding of the preparation of financial statements starts when books of accounts get closed in a timely workday manner under the assumption that data collection, sanitization, classification, and entity-level control review and various analytics are accurately making the numbers fit for financial

and management reporting purposes. As mentioned earlier, <IR> challenges the way we work with the fundamentals of the data source from financial, non-financial, governance, sustainability areas of the organization that requires management commentaries to focus on business strategy reporting.

2. A reader's dilemma reading financial statements combined with MD&A in an annual report –

Let us analyze a few basic questions in this perspective -

2.1 Financial Analysis

- Does financial Information tell the complete story to an investor, what it means for him/her? (example being how IFRS16 changes impact gearing ratios, deferred

taxation, and dividend policies)

- Is it easy for an organization to measure the value of Key management personnel added/left the organization and its impact on stock price in the secondary market?
- What should be the level of knowledge of the users/reader of financial statements and notes to accounts in the annual reports?
- Is there a way to financially measure the non-financial data?
- Are the Financial statements confined to form rather a substance?

2.2 Non-Financial Analysis

- What has been the corporate strategy in allocating its resources?
- Is the business value chain of the organization clearly show the strategic direction differentiating between the value it generated and destroyed within the domain it operates?
- Is there a past performance comparative data available on business value chain Inputs and outcomes?
- Is there any categorization of intrinsic value generated by the company?
- Is there any

Independent assurance available on future business outlook, forward-looking statements, trends, KPI evaluations made by the management in their commentary?

- What is the diversity & Inclusive behaviors shown by organizations? Is there a measurement available?

rigorous due diligence of the professionals. The message is not that if <IR> becomes mandatory, all the lacunas of existing annual reports will give blanket answers to the questions posed. The driving point is on challenging the ways that each organization presents its external reports and assess how the Integrated reporting helps fill the gap being a progressive step beyond traditional

	Financial reporting			
	Financial statements	Narrative report*	Sustainability reporting	Integrated reporting
Purpose	Communicate financial performance, position and cash flows in a specific reporting period	Provide context for financial statements and forward-looking information through the eyes of management	Communicate the entity's broader social and environmental impacts, strategies and goals	Explain to providers of financial capital how value is created over time
Audience	Current and prospective investors, lenders and other creditors	Current and prospective investors, lenders and other creditors	Investors (when including sustainability data in investor-focused communications) or multi-stakeholder (when preparing a stand-alone sustainability report)	Providers of financial capital. Others interested in the organization's ability to create value will also benefit
Scope	Information about: <ul style="list-style-type: none"> • Recognized assets • Liabilities • Equity • Income • Expenses • Changes in equity • Cash flows 	<ul style="list-style-type: none"> • Risk exposure • Risk management strategies and the effectiveness of those strategies • Effect of beyond financial statement factors on operations and financial statement performance 	Significant impacts in the following performance areas: <ul style="list-style-type: none"> • Economic • Environmental • Social, including labour practices, human rights and broader societal influences • Governance 	Content Elements: <ul style="list-style-type: none"> • Organizational overview and external environment • Governance • Business model • Risks and opportunities • Strategy and resource allocation • Performance • Outlook • Basis of preparation and presentation

* For example, the Directors' Report, Management Commentary, Management's Discussion and Analysis, or Operating and Financial Review

Source: <http://integratedreporting.org/faqs/>

These points mentioned above neither undermine various accounting, corporate reporting standards nor the

reporting. The concept of <IR> is still evolving and emphasizes on "**Integrated Thinking**" to begin with.

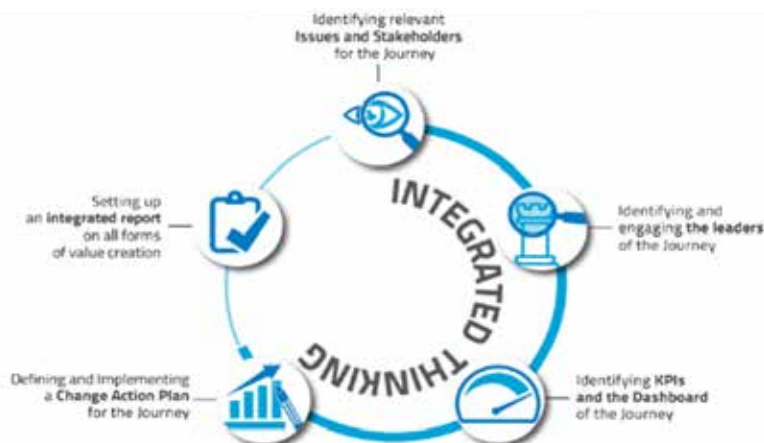
3. Corporate Governance – Change in the Mindset from “Thinking in Silos” to “Integrated Thinking”.

In a rudimentary form, the order book in a manufacturing organisation nearly drives everything back and up in the value chain for both financial and non-financial planning. However, when this gets translated to reporting, the real capital that underlies within the value chain is not visible to the readers of annual reports as on today. At the Operational level, each department within the organisation has its targets and performance measurements, the accumulation of which it does not give much room for flexibility. For example, usage of structured manufacturing approaches like TQM or JIT should never be implemented in silos under continuous Improvement initiatives rather shake-up the stagnant or change-resistant departments and the individual behaviors within the organisation.

How should this collective and connected thinking at the grassroots level be achieved? This often comes only as a top-down approach and starts from the Boardrooms. The guiding motivation is in “Integrated Thinking” that leads to “Integrated Reporting”.

All the OECD Principles of Corporate Governance reiterates the importance of governing frameworks to be robust in articulating the strategy of the organisations by relevant stakeholders.

Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance



The oversight and strategic support from the Board of Directors will be effective when the performance of the board is measured through what it primarily achieves over time, least said the individual's success is nothing but his recent assignment and the same goes with the Board performance assessment. Bold personalities throw bold ideas, these need not be a run rate between the quarters but for an exceptionally long term. Within the Board composition, the role of independent directors and gender diversity in committees is invaluable when it comes to creating a positive lead on “Integrated thinking”.

“Integrated Thinking” is in full utilisation of the strategic leadership and operational management potential. This begins with little discomfort as it challenges the rigidity and status-quo while targets demanding unprecedented collaboration across the value chain in the organisation. Given the times of change, If the steps are not initiated by the leaders

“Integrated Thinking” is in full utilisation of the strategic leadership and operational management potential. This begins with little discomfort as it challenges the rigidity and status-quo while targets demanding unprecedented collaboration across the value chain in the organisation.

of today, will be automatically be forced by the existing generations that can soon take over the majority portions in the boardrooms of the future that is driving by the philosophy of transparency and change management.

[Source: Integrated Reporting <IR>: Focus on Integrated Thinking. A handbook for the change journey', published by NIBR in 2016 – www.integratedthinking.it- www.nibr.it (network Italiano business reporting)]

Post Covid19 economic scenario, there's an apparent shift in human thinking and changing expectations on life and livelihood – profitability, scalability, and sustainability of the business to become dominant along with the measurement of the 'value' of anything and everything that gets created, preserved and destroyed by the organisations.

Boards and the top leadership of the organisations shall start identifying the real change agents who can bring integrated thinking across departments (finance or non-finance) in the organisation and the intangible benefits to be measured accurately during the journey within a logical time frame that's best left to the choice of the individual organisation.

Great words of our father of the nation are apt in bringing this integrated reporting to reality, *"You must be the change you wish to see in the world"*. There are quite a few multinational conglomerates across countries that are already in this direction gaining credibility from the investor communities.

4. The Framework - Philosophy & Structure.

Post Covid19 economic scenario, there's an apparent shift in human thinking and changing expectations on life

and livelihood – profitability, scalability, and sustainability of the business to become dominant along with the measurement of the 'value' of anything and everything that gets created, preserved and destroyed by the organisations. A clear view of the tangible and intangible value movement process to help the communities and the society at large.

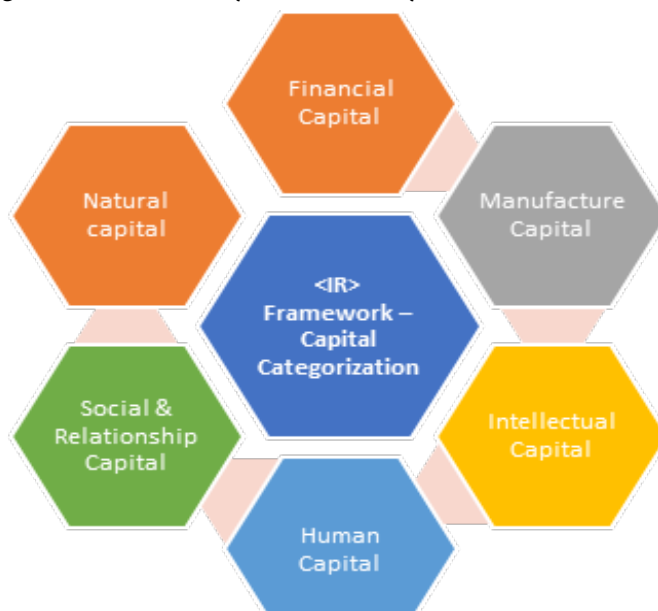
4.1 International Integrated Reporting Council (IIRC)

<IR> is a process established on integrated thinking that results in a periodic integrated report by an organisation about the value creation over a period, say on an annual basis. International Integrated Reporting Council (the IIRC) is a global not-for-profit organization, incorporated in England and Wales, the coalition of which comprises various entities drawn from broad global communities, including business and other

reporting entities; providers of financial capital; policymakers; regulators and exchanges; the accounting profession; reporting framework developers; and standard setters; civil society and academia. As mentioned by <IIRC>, Integrated reporting is a tool and a journey for better reporting, its an evolution of corporate reporting, with a focus on conciseness, strategic relevance, and future orientation. (Courtesy: integratedreporting.org. visit for more information including published "Integrated reports" at <http://examples.integratedreporting.org/home>)

<IR> defines the resources used in the value chain and its relationships as "The Capitals". International <IR> framework defines how to use the framework and the underlying fundamental concepts. It also gives a thought leadership about <IR> guiding principles and the content elements.

Capital Categorisation is a guideline for the concept of value creation by organisation internally and externally.



4.2 A Brief On “The Capitals In The Value Chain”

- **Financial Capital** – A pool of funds to create goods and services along with the financial viability of various projects run by the organization (viz., Debt, Equity, Internal accruals, government subsidies, etc.)
- **Manufactured Capital** – Physical assets used to create goods and services and the quality of it. (viz., Property, Plant, Equipment, Public infrastructure including captive usages)
- **Human Capital** – people’s competency, capabilities, experience, corporate culture, motivation to innovate, and abilities of the leadership. This includes social and environmental value additions made by the organizations.
- **Social & relationship Capital** - The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. This capital expands to shared behaviors, trust, and commitments in the value chain, intangibles associated with the brand, reputation, societal license to operate, and the perception of the public about the organization.
- **Natural Capital** – All renewable and non-renewable environmental resources and purposes that provide goods and services that support the past, current, or future prosperity of the organization. (viz., Water, land, air, minerals, forests, biodiversity,

ecosystem, and being responsible for nature.)

- **Intellectual Capital** – These are the competitive advantage creators namely, patents, rights, and proprietary software and documents, etc.

4.3 A Brief on “The Guiding Principles”

Integrated reporting guiding principles define ‘The how’ of the reporting structure.

- **Strategic and future-oriented** Integrated reporting – IR to give an insight on how it relates to the organization’s ability to create value in the short, medium and long term and to its use of and effects on the capitals – Quantitative & Qualitative information.
- **Connectivity of Information** - An integrated report should show a holistic picture of the combination, interrelatedness, and dependencies between the factors that affect the organization’s ability to create value over time.
- **Stakeholders’ relationships** - Integrated reports should provide insight into the nature and quality of the organization’s relationships with its key stakeholders while also responding to their needs and interests.
- **Materiality** - Any information that substantively affects the organization’s ability to create value over the short, medium, and longer-term.
- **Conciseness** – Integrated reports reporting in an easily understandable language in few words, ensuring a plain language, avoiding jargon or highly technical terminology while keeping the relevancy

of the information to the organization.

- **Reliability and Completeness** - An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.
- **Consistency and comparability**- The report to be consistent over time and comparable with other organisations.

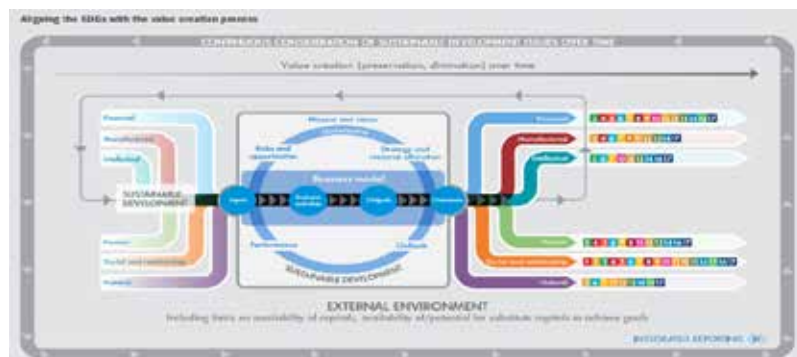
4.4 A Brief On “The Content Elements”

Using the guiding principles of Integrated reporting, the content elements define ‘The what’ of the integrated reporting.

- Organisational overview and external environment
- Organisational governance structure
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance outcomes for each of ‘the capitals’
- Outlook, including challenges, uncertainties, and implications.
- Basis of preparation and presentation

The organisations’ competitive information can be published on a ‘need to know’ basis that can be used by the individual organisations and the materiality levels, limitations, and availability of data to be clearly articulated. Integrated reporting is yet evolving to the current times while it complements the applicable financial reporting frameworks, customer satisfaction measures, and industry-based frameworks to evaluate risks.

5. The Value Creation (Preservation, Diminution) Process by Businesses



The value creation process defined in the framework guides the reporting for 'the capitals' from its inputs > business activities > outputs > outcomes, while simultaneously focusing on the governance in the overall business model of an organization. Each of the capitals is interlinked with UN Sustainable development goals (SDG).

5.1 How does the reporting value chain help?

IR layout of a clear template of the reporting framework to identify the real value generates to destroyers in the business value chain. Any report is extremely critical in telling the story to the users of financial statements on how organizations create value. IR makes the users observe the value chain and in turn helps the organizations with better support by the investors, creditors, and regulators, etc. The benefits of early adopters were proven successful in various geographies. Few key benefits from the ones who already adopted this framework include

- Positive relations with institutional investors, analysts, and other stakeholders.

- Organisational strategies are better understood by the financial capital providers and help evolving business

models and support its long-term success.

- Increased understanding of data quality, value creation, and its benefits.
- Perceived trust and transparency by employees, customers, and vendor communities.

Concluding message

Be it from Covid-19 like pandemics or otherwise, and irrespective of the force from stakeholders or regulators, The role of Chartered Accountants is ever-evolving, there is no doubt that this hardworking fraternity is playing a vital role in furthering the culture of honesty and better corporate governance in the society while helping the ambitious economic growth and transparency in public spending while facing unprecedented challenges in front. Whilst the shift is near professionals in the industry and practice must start directing their energies towards an integrated mindset, global sustainable development ambitions (for example, UN SDG, ESG, and Sustainability reporting, etc.) to achieve integrated reporting.

Change is around the corner, boardrooms, committees,

Chartered Accountants are in the bright spot to take advantage of another big opportunity. With their natural talent in the fields of financial reporting, auditing, corporate governance, etc., CA's are in a better position to understand how the "value" in and out of the business arises

and Independent directors to discuss how to accomplish integrated thinking for integrated reporting, benchmarking us in the global comparison. To reiterate, IR is not a compliance burden but a holistic view of the business value chain and how it complements the society at large. There is a dearth of skills and resources in this area, gaps to fill leveraging financial and non-financial measures in the value chain process. SEBI's circular (2017) was the right step in this direction making it mandatory for a few listed organizations to supplement the Annual reports with Business Responsibility Reports (BRR).

Chartered Accountants are in the bright spot to take advantage of another big opportunity. With their natural talent in the fields of financial reporting, auditing, corporate governance, etc., CA's are in a better position to understand how the "value" in and out of the business arises. A paradigm shift in fundamental thinking, curriculum, progression, and reskilling is needed on how a chartered accountant can be a proud partner in nation-building. ■

Corporate Sustainability

The objective of this Article is to make the corporates aware of the term Sustainability i.e ability to create long term stakeholders value and the way to achieve it in its true spirit by emphasising on all 3 Ps- PROFIT, PEOPLE AND PLANET.

We have very good opportunity in terms of Sustainable Development Goals (SDGs) provided by The UNITED NATIONS to achieve Sustainability. Businesses are being called upon to contribute to the SDGs to achieve Sustainability. While overall responsibility to achieve the SDGs lies with the policy makers, these cannot be achieved without a concerted effort by Businesses. Read on...



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Sustainability may be defined as the ability to be maintained at a certain rate or level. When it is used in reference to Corporates, it refers to the ability of corporates to create Long Term stakeholders Value. One has to be consistent in its ability through relentless pursuit of achieving Long Term Stakeholders Value. The term 'Stakeholder' remained very happening as per the passage of time and state of level of development in respective country. At start, it used to include the promoters and its interest only in form of PROFIT. But with the passage of time due consideration was started to be given to the Social angle hence interest of PEOPLE around

like employees, consumers, suppliers, community etc. were started taken care of. The reason was that corporates started realising the importance of people for whom they are producing goods or rendering services and the people who help in manufacturing the goods or rendering services. Some of the corporates out of its sincerity towards PEOPLE started giving respect without waiting for the implementation of relevant regulations and others as a compliance of rules and regulation later on. During the start of current century in special, one more interest was very rightly added to the term Stakeholder- PLANET. The reason is the

continuous deterioration of our environment being caused by lavish standard of living by inhabitants of Rich Nations, aspirations of developing Nations to imitate them among others which compel the Corporates- both manufacturer and service providers to go on utilising the natural resources to please them without considering its availability limits. This has caused the very severe outcomes-Global Warming out of excessive emission of CO₂, Water Crisis, depletion of natural resources among others.(According to The Global Footprint Network which estimates Earth Overshoot Day each year, we now need 1.5 Earths to satisfy our current demands and desires. But that's a global figure. Wealthy nations- such as United States- have a large Ecological Foot Prints than poorer ones, meaning they use larger areas of land and sea to maintain their lifestyles. If everyone in the world lived as Americans do, we would need 5 Earths to support humanity- Augt.26, 2013. Earth overshoot Day 2019 was July 29.Each Overshoot Day marks the date when humanity's annual demand on nature exceeds what Earth's ecosystems can regenerate in that year. Over the past 20 years, it has moved up 3 months to July 29, the earliest ever. This means that humanity is currently using nature 1.75 times faster than our planet's ecosystem can regenerate, equivalent to 1.75 Earths)

Corporate Sustainability is built on three pillars- Profit, People and Planet. Corporate to become sustainable has to give due consideration to People,

Planet aspects along with earning Profit.

So if we linked the way vest with the corporates to achieve this, we may define Corporate Sustainability as an approach aiming to create long term stakeholders value through the implementation of a business strategy that focus on the people, environmental, and economic dimensions of doing business.

Justification

The big question is why the corporates go for this or what are the justification for making efforts to achieve Sustainability. The justifications are:

A- Increase in Revenue

- 1 - Increase in sales both within the country and overseas due to emerging interest of customers towards Sustainable Businesses.
- 2 - Sustainable Innovations resulting in extension of Product and Service portfolio.

B- Reduction in cost

- 1 - Saving in use of energy and water.
- 2 - Reduced sourcing and after sales cost by improved supplier reliability and quality of goods through Supply Chain Management.
- 3 - Reduced R&D costs by improved interaction with stakeholders
- 4 - Reduced labour cost by increased loyalty of employees

C- Increased Reputation

- 1 - Increased brand value
- 2- Increased attractiveness for investors.

- 3 - Improved employer branding

- 4 - Increased trust and customer loyalty

D- Risk reduction

- 1 - Protection of right to license
- 2 - Reduced reputational risks
- 3 - Reduced regulatory risks.

Move Towards Sustainability

We will now see how these 4 justifications are usually considered by decision makers as businesses moves on their journey of becoming Sustainable one. There are three stages to this journey.

Unsustainable-

They have the increase in opportunities by way of increase in revenue or reduction in cost or mitigation of risk, as a prime justification for becoming sustainable.

Sustainable

They consider Increase in reputation as a priority over others like opportunities and mitigation of risk as justification for becoming Sustainable in true spirit.

Sustainable in True Spirit.

They have the same justification as the Sustainable one has. They both deploy business strategies that respect the health of the environment and community and the going business health of it. The only difference is that whereas the Sustainable one wants itself as a successful business as an outcome whereas Sustainable in True Spirit one has purpose and values of contributing to a better world and eventually become leaders

and motivators for others to become Sustainable in true spirit.

Corporate Sustainability and Sustainable Development Goals (SDGs)

As explained above that our Planet is facing economic, social and environmental challenges so are our businesses. Companies to gain sustainability required to set long term goals and short term targets for their environment and social efforts and to measure progress against these. We have very good opportunity in terms of Sustainable Development Goals(SDGs) provided by The UNITED NATIONS to achieve Sustainability as claimed by the UN Global Compact & Accenture Strategy CEO Study, "Agenda 2030: A window of opportunity", 2016, that 87% of CEOs globally believe that SDGs provide an opportunity to rethink approaches to sustainability.

Sustainable Development Goals

At Global Level, the efforts toward Sustainable Development during this century in form of Millennium Sustainable Development goals 2000-15(MDGs) and then Sustainable Development Goals 2015-30(SDGs) were taken. Unlike MDGs, SDGs explicitly called on businesses to apply their creativity and innovation to solve sustainable Development Challenges as also seen in statement by BAN Ki-moon, United Nations Secretary –General- "Business is a vital partner in achieving the Sustainable Development Goals. Companies can

contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results."

Also the UN Global Compact & Accenture Strategy CEO Study, "Agenda 2030: A window of opportunity", 2016, states that 49% of CEOs globally believe that business will be the single most important actor in delivering the SDGs.

SDGs encourage corporates to reduce their negative impacts and enhance their positive contribution to the SDGs and in turn their own performance and get advantages to earn sustainability

So it is important to understand first the SDGs.

There are 17 Goals agreed to by 193 countries. Each goal offers several specific and actionable targets (169 in total). The goals to achieve by 2030, in short are as follows:

- 1 - End poverty
- 2 - End hunger, achieve food security.
- 3 - Ensure good health and well being
- 4 - Ensure quality education
- 5 - Achieve gender equality
- 6 - Ensure clean water and sanitation
- 7 - Ensure affordable and clean energy
- 8 - Promote decent work and economic growth
- 9 - Industry, innovation and infrastructure
- 10 - Reduce inequality
- 11- Sustainable cities and communities

12 - Ensure sustainable consumption and production

13 - Combat climate change

14 - Life below water

15 - Life on land

16 - Peace, justice and strong institution

17- Revitalise global Partnerships for sustainable development

Though all goals are interlinked but generally the goal no.13, 9, 11, 12 and 8 are good business cases. The companies can go for achieving the goals relevant for them by introducing practices for change in their value chain and company management. For others, companies can engage in partnership and advocate for change in their ecosystems. By developing and delivering solutions for the achievement of the relevant SDGs, Businesses can prove their justification explained above as right.

The question arises 'How' companies can incorporate these SDGs in their goals, implement into their strategies to achieve SUSTAINABILITY. For company's action on the SDGs, an important guide named **SDG COMPASS** is developed by GLOBAL Reporting Initiatives (GRI), UN Global Compact (UNGC) and World Business Council for sustainable development (WBCSD).

The objective of SDG COMPASS is to guide companies on how they can align their strategies as well as measure and manage their contribution to the SDGs. It suggests five steps to be followed by companies to maximise their contribution to the SDGs. In brief, the five steps are as follows:

Understanding The SDGs- Since all companies in a way directly or indirectly impacted by the challenges that the SDGs address, it is important to familiarise themselves with the SDGs. We have already provided the SDGs above. These are 17 goals with 169 Targets in total to be achieved by the year 2030. Companies must know the opportunities and threats as an outcome of taking action to go or not to go for achieving these. Opportunities as short term outcomes are like Increase in Revenue or reduction of cost. Similarly long term opportunities are in form of Increase in Brand value and Mitigation of Risks. These are provided in detail above under the heading JUSTIFICATION.

Defining Priorities- Based on an assessment of their positive and negative, current and potential impacts on the SDGs across their value chain – supply chain, production, use and end of Product etc., identification is done of the segments of value chain with high potential impact requiring increase in efforts or the areas requiring reduction in efforts on part of company. Further to measure the performance of relationship between efforts on part of company and their impacts on Relevant sustainable development, identification of INDICATORS is done.

Setting Goals- As explained in above 2nd step, your goals should encourage improvement across the entire value chain. The key performance indicators representing goals should be SMART- specific, measurable, achievable, relevant and time bound. Due consideration should be given to the ambition aspect. Ambitious goals generally motivate for more innovative efforts and hence better results.

Similarly making public the goals, also motivate employees and all other stakeholders. It also attracts prospective investors.

Integrating- Since sowing the seed of sustainability and nursing it further is a strategic decision, it requires sincere spirit on part of top management to make it happen. Rather sustainability ambition should be reflected in its vision, mission and strategy statements. Top management plays a key role especially where the importance of it is not fully understood across the parts of the organisation. To achieve goals, Top management can motivate by clearly communicating the business case and how it can complement progress towards other business goals. It can also integrate performance incentives with the result in achieving sustainability goals. Companies for embedding sustainability across all functions within the organisation can take help of external consultants also. Companies can also take benefit of shared opportunities by interacting with relevant industry forums, governments etc.

Reporting And Communicating- SDGs has also given emphasis to reporting aspects by providing SDG Target 12.6 calling on Governments everywhere to encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycles. Aligning company's reporting and communication with the SDGs provides opportunity to discuss the performance in context to the expectations set by the SDG vide key performance indicators as defined in the process of assessing impacts and setting goals as described in step2 and 3 above. Also aligning disclosures with the language of the SDGs ensures

a common dialogue among stakeholders.

Companies can also integrate information on the SDGs into existing types of reports if there, by adding a column to provide for their list of relevant SDGs. Say in INDIA SEBI vide its circular dated February,6, 2017 recommended that Integrated Reporting might be adopted on a voluntary basis by top 500 Listed companies which were required to prepare Business Responsibility Report. Under Integrated Reporting, it is required to disclose about the 6 capitals- Financial, Manufactured, Intellectual, Human, Social and relationship and Natural. Companies while reporting about these 6 capitals can also include there status of SDGs. It is easy as transformation of the Capital will often relate to one or more SDG/s. like Natural Capital may be related to nine of the SDGs-2,6,7,11,12,13,14,15 and 17. For example, increased reliance on renewable energy sources and improving diversity in the work force enhance Natural and Human capital and may contribute to the achievement of SDGs 5,7,10 and 13.

Conclusion

Sustainability is inevitable for CORPORATES. They require goals and targets to achieve it. SDGs provide a very good opportunity by way of common goals and targets to corporates also, even though these are mainly an agenda of nations. Companies can go ahead with the goals relevant for them and introduce practice for change in the relevant segments of their value chains to achieve the set goals. By doing so, companies in turn improve their own performance and earn sustainability i.e. real contribution towards three P's- Profit, People and Planet. ■

Corporate Social Responsibility: Way More Than Just a Responsibility

The concept of corporates acting responsible towards various stakeholders of society is not new but it is completely upgraded now and there has been a drastic revolution because of the term 'Corporate Social Responsibility' (CSR). Even ages ago, corporates were taking a note that whether their business activities were done just to earn profits or it had some element of social welfare too. However, in the recent years, with growing focus on environmentalism, sustainable development, socio-economic development, the importance of 'Corporate Social Responsibility' has been taken to wider extent. India is the first country to place so much importance on the term 'Corporate Social Responsibility' that it made it mandatory for corporates to comply with its provisions & rules through amendment in Companies Act, 2013. Read on...

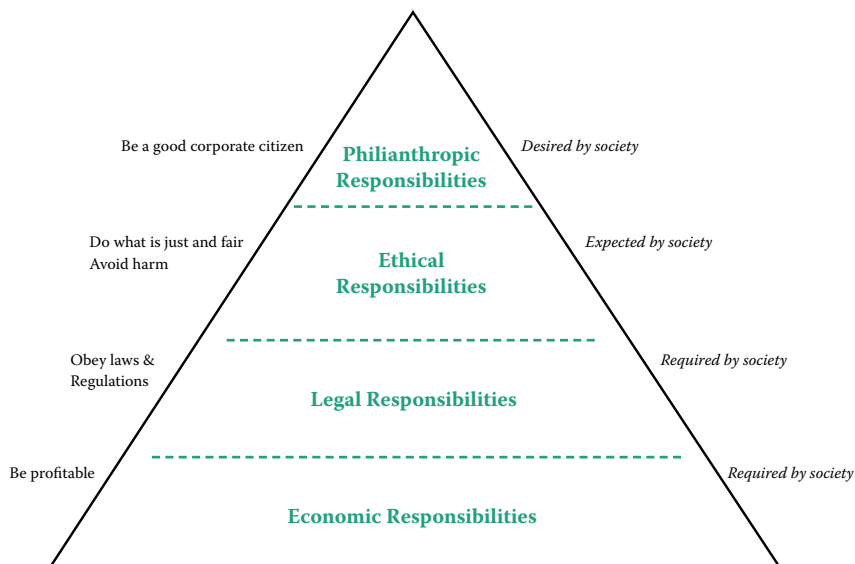


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Archie Carroll, a renowned professor, has described 'Corporate Social Responsibility' as pyramid of responsibilities on corporates namely economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities. The same is explained through pictorial representation as below:



Social Responsibility

'Corporate Social Responsibility' (CSR) is governed by section 135 of the Companies Act, 2013

With the growing importance of 'Corporate Social Responsibility' (CSR) towards socio-economic development of nation, corporates are required to comply with the provisions failing which stringent penal provisions are imposed

An attempt is made to explain the provisions of CSR in a very unique way:

There are two brothers named Mr Vyom and Mr Nirgranth. Mr Vyom had just recently incorporated a new company named Socially Responsible Management Pvt Ltd where as Mr Nirgranth is a Chartered Accountant by profession having expertise in company law. Mr Vyom was reading an article in the news paper regarding 'Corporate Social Responsibility' (CSR) and was highly impressed with the efforts taken by government towards CSR.

Mr Vyom, as a person is always motivated to contribute for the betterment of the society (we can clearly reconcile it too with name of his company). So he decided to consult his brother Mr Nirgranth having detailed knowledge of Companies Act & also complete understanding of CSR provisions; to understand various provisions and rules so that he can be a part of contribution towards socio-economic development of the nation.

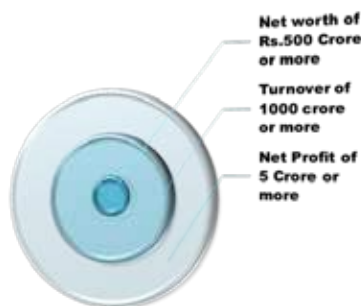
Here is the summary of conversation that happened between two brothers which highlights and explains

important provisions of 'Corporate Social Responsibility' under the Companies Act, 2013

1. **Vyom: What is the provision in Companies Act, 2013 relating to Corporate Social Responsibility (CSR)? Can you explain me in simple terms?**

Nirgranth: Every company having net worth of Rs 500 crores or more **OR** Turnover of ₹ 1000 crores or more **OR** net profit of Rs 5 crores or more during the immediately preceding financial year is required to spend in every financial year atleast 2% of average net profit of 3 preceding financial years.

Provisions of section 135 are attracted to the company if, in the immediate preceding Financial Year, company falls into ANY of three below given criteria:-



2. **Vyom: I also read, that the Company has to form a CSR committee of the Board. Can you explain me what is composition of such CSR committee, how many minimum and maximum directors can be in such CSR committee?**

Nirgranth: Section 135 of

Companies states that the CSR committee shall consist of 3 or more directors of which atleast one director should be an independent director.

3. **Vyom: But according to my knowledge, private limited companies can be incorporated with only 2 directors in its board. So in that case how to form CSR committee of 3 Directors?**

Nirgranth: In that case, private limited companies can form the CSR committee with 2 directors only.

4. **Vyom: Please tell me; do all the companies are required to appoint independent director in its CSR committee because I also read in newspaper that many companies are exempted from appointing independent director; so for forming CSR committee do such exempted companies also require to appoint independent director?**

Nirgranth: Companies that are not required to appoint independent director under Companies Act, 2013; its CSR committee can also be without independent director i.e. such companies are exempted from appointing independent director in its CSR committee.

5. **Vyom: Whether CSR provisions are applicable only to private limited company or applicable**

Social Responsibility

only to public limited company or applicable only to section 8 company or applicable to every company?

Nirgranth: Section 135 of the Act reads “Every company.....” So provisions of CSR is applicable to **all the companies** whether private limited, public limited or section 8.

6. **Vyom:** What if the company has not completed 3 years from its incorporation? So how to calculate 2% of average net profit in such case?

Nirgranth: In such case, 2% of average net profit of the years since its incorporation is to be taken into consideration.

7. **Vyom:** Whether the ‘average net profit’ criterion is Net profit before tax or Net profit after tax?

Nirgranth: Computation of net profit criterion is net profit **before tax**.

8. **Vyom:** How to compute net profit for particular financial year?

Nirgranth: It is to be calculated as per section 198 of Companies Act, 2013.

9. **Vyom:** Which activities are considered as CSR activities?

Nirgranth: The activities enlisted in Schedule VII of Companies Act, 2013 are considered as CSR activities. However MCA has clarified that the activities enlisted in

Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities. Activities like educational relief, medical relief, relief to poverty, promotion of sports etc. are included.

10. **Vyom:** How to calculate the amount to be spent by way of CSR & what is the year of spending the CSR amount? Please explain with illustration?

Nirgranth: Say for example the profit of the company for various years are as under:

Financial year	Net profit calculated as per section 198
2015-16	2cr
2016-17	3cr
2017-18	3cr
2018-19	6cr
2019-20	4cr

In Financial year 2018-19, net profit calculated as per section 198 exceeds ₹ 5 crs, hence CSR provisions (i.e. provisions of section 135) are applicable to the company for Financial year 2019-20 and CSR activities is to be undertaken in FY 19-20.

Further in order to calculate the amount of CSR to be spent; 2% of average net profit of preceding three

financial years is to be taken.

The preceding three financial years in this case are FY 2016-17, FY 2017-18 & FY 2018-19 and the amount to be spent in FY 2019-20 is atleast ₹ 8 lakhs $[(3cr+3cr+6cr)/3]*2\%$



11. **Vyom:** What if the company is unable to spend amount of CSR as required (i.e what if the company is unable to spend atleast 2% of average net profit of 3 preceding financial years)?

Nirgranth: If the company fails to spend the amount of CSR as required by the provisions of the Act then following compliances needs to be done by the company as per Amended Companies Act:

- The Board has to state the reasons for not spending (to the extent of amount of unspent) in its Director's report vide provisions of section section 134(3) (o). In the above illustration; the board has to state the reasons in the Director's report of FY 2019-20.

Social Responsibility

b. IN CASE OF “NO ONGOING CSR PROJECTS”:

The company has to transfer such unspent amount to any of the following funds **within 6 months of closure of financial year** in which it was required to be spent (i.e. within 6 months from the end of FY 2019-20 in the above illustration):

- ~ Swachh Bharat Kosh fund set up by central government for promotion of sanitation
- ~ Clean Ganga Fund set up by central government for rejuvenation of river Ganga
- ~ Prime Minister National Relief fund or any other fund set up by central government for socio economic development and relief and welfare of SC/ST other backward classes, minorities and women.

c. IN CASE OF ANY “ONGOING CSR PROJECTS”:

In this case, the company is required to open a separate bank account to be termed as “UNSPENT CSR ACCOUNT” within 30 days of closure of financial year (i.e. within 30 days from the end of FY 2019-20 in the above illustration) and such amount shall be spent

by the company on the ongoing project within a period of 3 years from the date of such transfer.

12. Vyom: What if in case of “ongoing projects”, such CSR amount still remains unspent after the end of 3 years?

Nirgranth: In such case the company shall transfer the amount to Swachh Bharat Kosh Fund or Clean Ganga Fund or Prime minister national relief fund within 30 days of completion of 3 years.

13. Vyom: What is the meaning of ‘ongoing projects’ and what are the conditions to be fulfilled to qualify as ongoing projects?

Nirgranth: Ongoing projects shall mean any activity or program being undertaken by the company and still some expenditure is to be incurred for such activity or program which is being undertaken. Still MCA will prescribe conditions to qualify as ongoing projects in due course.

14. Vyom: One of my friend who is a director of foreign company told me that as far as foreign companies are concerned, they are not required to prepare director’s report, so in such case whether it is mandatory on the part of foreign companies to give reporting of CSR Activity?

Nirgranth: In case of foreign companies, the balance sheet filed by them

shall contain an Annexure regarding report on CSR.

15. Vyom: Whether CSR expenditure by the company can be claimed as business expenditure?

Nirgranth: The amount spent by the company for CSR activities cannot be claimed as business expenditure as per Finance Act, 2014. Explanation 2 to section 37(1) of Income tax Act, 1961 states that any expenditure incurred relating to CSR u/s 135 of Companies Act, 2013 shall not be treated as expenditure for business purpose.

16. Vyom: What if the company to whom CSR provisions are applicable; donates the amount to charitable institutions such as trusts and/or societies and/or section 8 companies?

Nirgranth: Subject to compliance of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014 by the company; if the company donates the amount to charitable institutions it will be deemed that CSR provisions are complied by the company as per clarification by MCA through circular No. 21/2014 dated 18.06.2014.



17. Vyom: It is quite possible that in order to comply with CSR provisions, company donates the amount to various charitable institutions like trusts and/or societies and/or section 8 companies and such charitable institutions is yet to utilize such CSR amount received. So will this be treated as non compliance?

Nirgranth: The Amendment in Companies Act has failed to address such issue. So even if such charitable institutions to whom amount has been donated fails to utilize such CSR amount then also it will be deemed as company has complied with CSR provisions.

However company has to also comply with proviso to Rule 4(2) of Companies (CSR Policy) Rules, 2014 which states that company to whom CSR provisions are applicable; can donate to charitable institutions (i.e. trusts and/or societies and/or section 8 companies) who has an established past track record of charitable activities of 3 years in undertaking similar programs or projects as that of the programs or projects in which company has given the direction for spending and the company monitors the modalities of utilization of such funds and its reporting mechanism. The 3 years are to be counted from date of such donation.

(In a nut shell; company has to comply with proviso to Rule 4(2) of Companies (CSR Policy) Rules, 2014)

18. Vyom: Whether any amount given directly or indirectly to political parties will be considered as CSR activity?

Nirgranth: Contribution of any amount whether directly or indirectly to any political parties under section 182 will not be considered as CSR activity.

19. Vyom: Can the Company collaborate with other Companies for projects or programs undertaken in CSR?

Nirgranth: Yes company can collaborate with such other companies. However reporting of CSR activities is to be done separately by such companies.

20. Vyom: What if the company undertakes CSR activities that benefits only the employees of the company & their families. Will it be treated as CSR activity?

Nirgranth: In the above case, it will not be treated as CSR activity as the rationale behind CSR activities is the benefit of the society as a whole and not to particular section or class.

21. Vyom: What are penal provisions in case of non compliance of CSR provisions of Companies Act, 2013?

Nirgranth: No specific penal provisions are laid down in section 135 of Companies Act, 2013 in case company fails to spend the amount required. However the company has to specify in its

Director's report the reasons for the amount remaining unspent under section 134(3)(o).

- (i) So if the company fails to comply with the provisions of section 134 then:
 - a) The company shall be punishable with a fine of ₹ 50,000/- minimum which may extend upto ₹ 25,00,000/- and
 - b) Every officer who is in default shall be punishable with an imprisonment upto maximum 3 years or with a fine of minimum ₹ 50,000/- and maximum upto ₹ 5,00,000/- or both.
- (ii) Further there is provision in Companies Act, 2013 vide section 450 which states that in case no specific penalty is provided in the Act then general penal provisions will be attracted which is as follows:
 - a) Company and every officer in default shall be punishable with fine maximum upto ₹ 10,000/- and
 - b) Further fine maximum upto ₹ 1,000/- per day during which such contravention continues in case of continuing offence.

CONCLUSION:

Thanks Mr Nirgranth for answering to all my queries and giving me overall clarity on the subject of CSR and its provisions. I will ensure that my company takes all the measures and steps to comply with the provisions of CSR. ■

COVID-19 Impact on Financial Reporting: Global Action Tracker

ICAI, in its endeavour to remain converged with the globally acceptable International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) at all times, continuously monitors the financial reporting developments globally and plays a critical role in the Nation's Standard-setting Framework by formulating, amending and implementing Ind ASs in line with IFRS Standards issued by IFRS Foundation. In this context, read on the following updates.

The Institute of Chartered Accountants of India (ICAI) has issued an Accounting and Auditing Advisory in March 2020 (the same can be assessed at <https://resource.cdn.icai.org/58829icai47941.pdf>) highlighting few important areas which require particular attention in respect of financial statements for the year 2019-20.

In this direction, on April 10, 2020, the Accounting Standards Board of the ICAI has issued an Addendum (<https://resource.cdn.icai.org/58993icaiasb110420.pdf>) to this March 2020 ICAI Accounting and Auditing Advisory to provide additional guidance in relation to estimation of impairment loss for financial instruments under Expected Credit Loss approach. The guidance is also given on considerations to be made in respect of loan moratorium. The ASB also created a weblink as https://www.icai.org/post.html?post_id=16438 specifically dedicated to cover the Accounting Guidance on COVID19-¹

COVID-19 Impact on Financial Reporting: Global Action Tracker

The Secretariat of ASB has been monitoring the actions taken by International Accounting Standard-setter viz. The International Accounting Standards Board (IASB) and also the Standard-setters and Prudential Regulatory Authorities of Banking Sector and Securities Market Authorities in certain key jurisdictions where IFRS Standards are adopted or converged. Overall, there has been support for high quality financial reporting standards and their role in these challenging times to provide much needed useful financial information to users of financial statements. Many Banking Sector Prudential Regulators have stepped in on timely basis to give guidance to Banks and Financial Institutions on application of an important standard i.e. Expected Credit Loss approach of IFRS 9. Basel Committee on

Banking Supervision, Prudential Regulators in UK, EU, South Africa, Canada have issued application guidance on ECL.

❖ The IASB is reconsidering timelines for some of the EDs and DPs issued recently and planning rescheduling the dates of their other projects. In the Staff Paper, issued for discussion at the meeting of the IASB in April 2020, the following timelines have been proposed:

1. to defer by one year to 1st January 2023 the effective date of an amendment to IFRS Standards issued in January— Classification of Liabilities as Current or Non-Current;
2. to extend the consultation period by (approximately) three months for some major ongoing consultations documents as follows:
 - ✓ Exposure Draft General Presentation and Disclosures;
 - ✓ Request for Information Comprehensive Review of the IFRS for SMEs Standard; and
 - ✓ Discussion Paper on Business Combinations-Disclosures, Goodwill and Impairment.
3. to delay the publication of forthcoming major consultation documents originally planned for 2020.

In the afore-said staff paper, it has also been proposed to continue with the original project plans to time-sensitive projects, such as, Interest Rate Benchmark Reform (IBOR) Phase 2 amendments, which seeks to address financial reporting issues arising during the reform of interest rate benchmarks, and the IFRS 17 amendments to avoid undue disruption to implementation already well under way.

Contributed by Accounting Standards Board of ICAI. Comments can be sent to asb@icai.in. Refer https://www.icai.org/post.html?post_id=14058 for Ind AS – IFRS Standards Convergence Status, https://www.icai.org/post.html?post_id=15770 for Ind AS Implementation Guidance and https://www.icai.org/post.html?post_id=16438 for COVID-19 Accounting Guidance of ICAI

Developments at IFRS Foundation & IASB

IASB, the international accounting standard-setter has taken cognizance of the impact of COVID-19 outbreak on financial reporting and its projects.

Application Guidance

❖ IASB has issued brief Application Guidance on *IFRS 9: Expected Credit Loss* and *IFRS 16: Lease Rent Concession treatment*.

- Application guidance on IFRS 9 highlight requirements within the Standard that are relevant for companies considering how the COVID-19 pandemic affects their accounting for expected credit losses (ECL) and support the consistent and robust application of IFRS 9.
- Application guidance on IFRS 16 highlight requirements within IFRS 16 and other IFRS Standards that are relevant for companies considering how to account for rent concessions granted as a result of the COVID-19 pandemic.

IASB's Project and Work Timelines Reconsideration
Considering the unprecedented global crisis, affecting not only collective health and well-being of its stakeholders, but the global economy, caused by sudden onset of COVID-19 global pandemic, the IASB reviewed its current project plans and timelines. (Refer <https://www.ifrs.org/news-and-events/calendar/2020/april/supplementary-iasb-meeting/?f1=2020&f2=April&f3=>)

- ❖ Based on feedback from its stakeholders during informal consultation, the IASB has decided to continue with the following two urgent projects:
 - the project on IBOR Phase 2, including the need for a short comment period on the consultation document. The project seeks to address financial reporting issues arising during the reform of interest rate benchmarks. The Exposure Draft is open for comment by May 25, 2020. The IASB aims to issue the final amendments in Q3 2020. The Exposure Draft can be assessed at <https://cdn.ifrs.org/-/media/project/ibor-phase-2/ibor2ed2020.pdf?la=en>
 - the project on amendments to IFRS 17 *Insurance Contracts* and the temporary exemptions from applying IFRS 9 *Financial Instruments* in IFRS 4 *Insurance Contracts*. This is because entities implementing IFRS 17 need certainty about the amendments

to IFRS 17 to avoid undue disruption to implementation already well under way.

- ❖ The IASB is reconsidering timelines for some of the EDs and DPs issued recently and planning rescheduling the dates of their other projects. In the Staff Paper, issued for discussion at the supplementary meeting of the IASB on April 17, 2020, the following timelines have been proposed:
 - to defer by one year to 1 January 2023 the effective date of an amendment to IFRS Standards issued in January— Classification of Liabilities as Current or Non-Current;
 - to extend the consultation period by (approximately) three months for some major ongoing consultations documents as follows:
 - ✓ Exposure Draft General Presentation and Disclosures;
 - ✓ Request for Information Comprehensive Review of the IFRS for SMEs Standard; and
 - ✓ Discussion Paper on Business Combinations-Disclosures, Goodwill and Impairment.
 - to delay the publication of forthcoming major consultation documents originally planned for 2020.

Compilation of Agenda Decisions—Volume 2 published

The IFRS Foundation's second *Compilation of Agenda Decisions* published to brings together agenda decisions published by the IFRS Interpretations Committee (IFRS IC) from October 2019 to March 2020, to make the already published work of the IFRS IC more accessible. The IFRS IC publishes an agenda decision when, following consultation, it concludes that standard-setting is not required to address a question it receives about the application of IFRS Standards. Standard-setting is often not required because principles and requirements in the Standards are adequate to address the question. In such situations, the agenda decision includes material that explains how the applicable principles and requirements in the Standards apply to the transaction or fact pattern described in the Agenda Decision.

Compilation of Agenda Decisions—Volume 2 can be accessed at <https://cdn.ifrs.org/-/media/feature/supporting-implementation/agenda-decisions/>

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[agenda-decision-compilations/compilation-of-agenda-decisions-vol-2.pdf?la=en](#)

IFRS Foundation Appointments (<https://www.ifrs.org/about-us/find-out-more/appointments/>)

IFRS Interpretation Committee members – Preparer focus-closing date extended

The Trustees of the IFRS® Foundation had invited applications from suitable candidates to fill four vacancies on the IFRS Interpretations Committee ('the Interpretations Committee'). These particular seats are currently held by members with a preparer focus. To provide balance to the Committee, individuals with strong knowledge and/or experience of the application of IFRS Standards from the perspective of non-financial corporate organisations will be of particular interest.

Closing date for applications has been extended: **8 May 2020**

Interested candidates may refer to the criteria and indicate interest by sending a cover letter and curriculum vitae by 8th May 2020 to: Michel Madelain, IFRS Foundation Nominating Committee Chair, care of Jill Robinson, IFRS Foundation, Columbus Building, 7 Westferry Circus, Canary Wharf, London E14 4HD, email: jrobinson@ifrs.org.

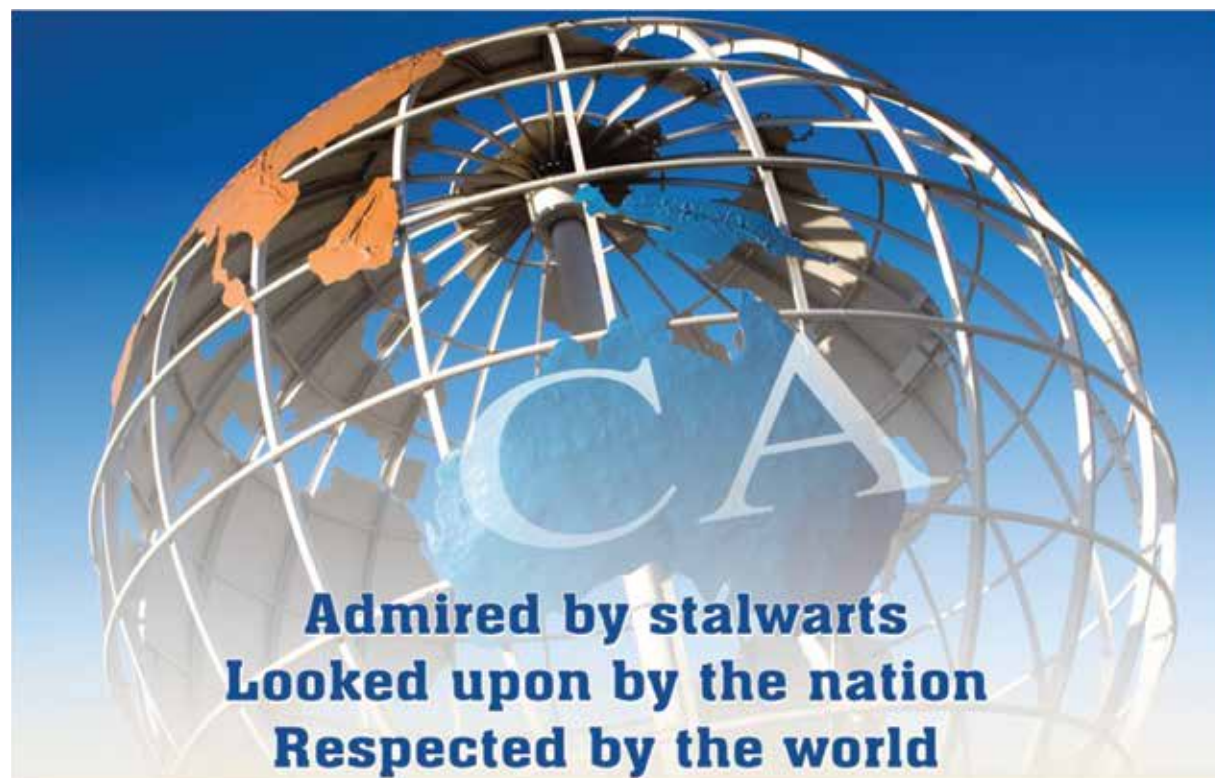
Call for nominations to join IFRS Trustees

On April 15, 2020, The IFRS Foundation has called for nomination to appoint four Trustees: two from the Americas, one from the At Large category and one from Europe for vacancies that will become available in January 2021.

Interested candidates may indicate interest by sending a covering letter and curriculum vitae by 8 May 2020 to Michel Madelain, Chair of the Nominating Committee, IFRS Foundation, Columbus Building, 7 Westferry Circus, London E14 4HD, United Kingdom or by email to jrobinson@ifrs.org.

New ITCG members appointed

The IFRS Taxonomy Consultative Group (ITCG) is an advisory and review forum whose members provide the IASB and the IFRS Foundation (Foundation) with technical advice regarding the development of the IFRS Taxonomy. The IFRS Foundation has announced the appointment of five new membership organisations and four new representatives of existing membership organisations to the ITCG. It has also reappointed six members. All appointments and reappointments take effect from 1 April 2020 and are for a one, two- or three-year period, with the possibility of reappointment after a member has served his or her term. ■



Govt Task Force Lays Out ₹ 111-lakh-crore Infra Investment Road Map

The task force under economic affairs secretary Atanu Chakraborty submitted its final report on the “national infrastructure pipeline” (NIP) to Hon’ble finance minister Nirmala Sitharaman. With the economy being battered by the pandemic, a government task recently firmed up a road map for capital investments of ₹ 111 lakh crore in infrastructure over six years through FY25, pledging 71% of the expenditure for energy, roads, urban development and railways, and envisaging a key role for private investors.

The government aims to raise the share of the private sector to 30% in coming years. This requires massive reforms in the way the PPP model is designed, given the poor response of the private sector to such projects over the years. Elevated investments in infrastructure will be key to ensuring that India recovers from the Covid-19 crisis at the earliest. Already, several analysts have projected negative to sharply negative economic growth for the country for FY21, although a fragile recovery is expected in the next fiscal. The task force has recommended that three committees be set up: One panel will monitor the NIP progress and eliminate delays; a steering committee in each infrastructure ministry for following up implementation; and a steering committee in the department of economic affairs in the finance ministry for raising financial resources for the NIP. While basic monitoring will vest with the ministry and project agency, there is a need for higher level of monitoring on reforms to be undertaken and to deal with issues of stalled projects,” it said. The NIP project database will shortly be hosted on the India Investment Grid (IIG) to provide visibility to the NIP and help in its financing with prospective investors, both domestic and foreign. Each line ministry/state would further add new projects and update their respective project details at pre-defined time intervals so that updated data are available to prospective investors, the finance ministry said in a statement.

(Source: www.financialexpress.com)

GST, GAAR Reporting Delayed till March 2021 Amid Coronavirus Outbreak

The income tax (I-T) department on Monday deferred, for the third time, the requirement for firms to include details of Goods and Services Tax (GST) and GAAR in their tax audit report, in view of the pandemic. The reporting requirement of these details in the I-T audit form has been kept in abeyance till March 31, 2021, suggesting that audit reports need not include details on GST and General Anti-Avoidance Rules (GAAR) till then. Business entities with turnover of over ₹ 1 crore (or ₹ 2 crore if they have opted for presumptive taxation), and professionals with gross receipts of more than ₹ 50 lakh, have to comply with the tax audit requirements, for which the due date is September 30.

(Source: <https://www.business-standard.com>)

‘Virtualisation’ is key for MSMEs, Startups to Compete with Large Players; Here’s What Can Enable It

The benefits that Cloud Service Providers (CSP) claimed around reduced workforce for support and reduced hardware/software resource requirements has suddenly become the most needed capabilities. Covid-19 pandemic has been a wake-up call for many organizations and communities as it exposed how prepared or unprepared they were from a business continuity standpoint. Remote working and remote access has now become the new normal. The benefits that Cloud Service Providers (CSP) claimed around reduced workforce for support and reduced hardware/software resource requirements suddenly became most needed capabilities and thereby powerful value propositions for the cloud. In addition, the world is realizing that many of the facilities and services available online are made possible by the cloud. These include productivity and collaboration software products, games, enterprise business applications etc. where cloud-based capabilities play a vital role. Cloud computing is playing its share in enabling much-needed virtualization to support citizens and organizations during this pandemic where lockdowns and social distancing are being enforced in most parts of the world.

(Source: www.financialexpress.com)

Legal Decisions



Income Tax

LD/68/163, [ITAT Mumbai: 198/ Mum/2019], M/s Faber Construction Vs. The Asst. Commissioner of Income Tax, 12/03/2020

The provision which prescribed 5% tolerance limit for difference between value adopted by the stamp valuation authority and the actual sale consideration in Section 43CA, has been held to be retrospectively applicable. Mumbai ITAT stated that cardinal principle of interpretation is to look at the mischief, the act, the amendment, the proviso is aimed to remove or take care of, and in the present case the proviso was inserted to grant relief where there is only a 5% variation in the agreement value and stamp value. ITAT held that the proviso is aimed at mitigating the hardship or the mischief which was caused to the taxpayer on the invocation of deeming provisions of Section 43CA where there is marginal variation upto 5% and hence the proviso would take retrospective effect. Thus rules in favour of assessee for AY 2015-16.

LD/68/164, [ITAT Mumbai: 7519/ Mum/2016], The Asst. Commissioner of Income Tax Vs. M/s Jasubhai Engineering Pvt. Ltd., 06/03/2020

Issue of redeemable debentures by assessee-company to its related entity in which assessee is a beneficial-shareholder holding more than 20% stake, which was subsequently redeemed by it, not held to be a deemed dividend under section 2(22)(e). ITAT observed that this transaction involving issue of securities, which is even though a private placement, cannot be considered as a loan transaction. The AO had equated the securities with loans and advances and invoked Section 2(22)(e) to the extent of outstanding liability in the books of assessee. ITAT held that the securities are a separate scripts and have a standalone capital liability, which cannot be equated with loan, which is current liability, and that the provisions

of Section 2(22)(e) of the Act are only attracted when loan and advances are taken in place of direct issue of dividends. Separately for a transaction of accepting inter-corporate deposit from another related entity, ITAT upheld the invocation of Section 2(22)(e).

LD/68/165, [Bombay High Court: Tax Appeal 17 & 18 of 2013], Sesa Goa Limited Vs. The Jt. Commissioner of Income Tax, Goa 28/02/2020

Bombay High Court held that Education Cess and Higher and Secondary Education Cess is allowable as a deduction and that the same should not be disallowed under section 40(a)(ii). Revenues contention that 'cess' was included in the scope of 'any rate or tax levied' as envisaged under section 40(a)(ii), rejected by the High Court since no reference to any 'cess' was made by the legislature. Admittedly 'cess' was included in Section 40(a)(ii) as per the Income Tax Bill 1961 introduced in the Parliament however the same was deleted while enacting the Act and since such deletion deliberate, there is no question of reintroducing this expression in Section 40(a)(ii) of the Act under the guise of interpretation of taxing statute. High Court stated that CIT(A) or ITAT could have allowed the claim of the assessee though it was not claimed in the return of income, when the relevant claim was made before them.

Transfer Pricing

LD/68/166, [ITAT Kolkata: ITA 1548/ Kol/2019], Nomura Research Institute Financial Technologies India Private Limited Vs. Dy. Commissioner of Income Tax, 13/03/2020

Reopening of assessment based on invalid TPO-order, held to be bad in law and therefore final assessment order was quashed. AO had made original reference to TPO on 08.09.2015 but final assessment order was passed before receiving TPO's order wherein an adjustment of ₹ 5.08 Crores was made by the TPO. AO initiated reassessment proceedings under section 148 on the basis that TPO's order was not

considered while passing the final assessment order. Subsequently, draft assessment order was passed by AO without again making reference to TPO and despite a DRP ruling in favour of assessee wherein the DRP had held that TPOs order was invalid. Further a final assessment order was passed by the AO after incorporating the TP adjustment made by the TPO in his order. ITAT quashed this final assessment order. DRP had correctly ruled that the original reference to TPO gets terminated or infructuous after passing of the final assessment order by the AO. Further when the DRP has held that the re-opening of the assessment is bad in law, the AO had no other alternative but to drop the assessment proceedings.

LD/68/167, [ITAT Mumbai: ITA 2070/Mum/2016], Soveresign Safeship Management Private Limited Vs. The Income Tax Officer, 05/03/2020

Sovereign Ship Management Ltd, UK and Premier Ship Management Ltd, UK had jointly given loans more than 51% of the book value of total assets of the assessee company. Revenue had held these entities to be the associated enterprises (AE) of the assessee as per Section 92A(2)(c). ITAT held that the language of Section 92A(2)(c) of the Act is unambiguous and clear that in order to fall within the ambit of deeming fiction of becoming AEs, either Sovereign Ship Management Ltd, UK or Premier Ship Management Ltd, UK should have independently advanced loan to the assessee company which more than 51% of book value of total assets of the assessee company. Further amount advances by Sovereign Ship Management Ltd, UK to assessee was in the nature of business advances for rendering ship management and consultancy services rendered by assessee and hence the same could not be construed as loan. Though the assessee had itself reported these two parties to be AEs in its Form 3CEB, ITAT stated that plain language of the statute is unambiguous and it is very well settled that there is no estoppel against the statute. ITAT therefore held that no ALP-adjustment is required in respect of transactions carried out by assessee with these entities.

LD/68/168, [ITAT Mumbai: ITA 2165/Mum/15], Kaybee Private Limited Vs. The Income Tax Officer, 28/02/2020

Revenue treated assessee and a Singapore based entity as AEs, observing that the 2 enterprises had a common director, who was also 99.9% shareholder in assessee. Mumbai ITAT held that Section 92A(1) cannot be applied on standalone basis and has to be essentially considered in conjunction of Section 92A(2) i.e. only when it satisfies at least one of the conditions set out therein can 2 enterprises be treated as AEs. Reliance placed on Veer Gems ruling wherein it was held that there was no AE-relationship between family controlled entities absent Section 92A(2) conditions fulfilment. Revenues request for reference to larger bench was also rejected by ITAT stating that views of non-jurisdictional High Court will anyway bind the special bench and constitution of special bench will be a meaningless ritualistic exercise. ITAT thus held that no arm's length price adjustments could be made on the transactions between these assessee and the Singapore entity.

LD/68/169, [ITAT Mumbai: ITA 6077/Mum/2018], IPF India Property Cyprus (No.1) Ltd. Vs. The Dy. Commissioner of Income Tax, 25/02/2020

Assessment order was passed on non-resident assessee as per terms of Section 144C(15)(b) (ii) for AY 2014-15, on 17th August 2018, which was held by ITAT as time barred. Assessee had claimed its tax rate as 10% as per article 11(2) of the India-Cyprus DTAA whereas as per the AO, the same was 40%. ITAT noted that there are no variations in the returned income and the assessed income and the controversy is only confined to the question about rate of tax. ITAT noted that prior to 01.04.2020, draft assessment order under section 144C was not required to be issued where there was no proposed variation in returned income or loss, and thus time limit of completion of assessment for AY 2014-15 was only up to 31st December 2017. Therefore assessment order passed in August 2018 was time barred. As per ITAT, mere issuance of draft assessment order, when it was legally not required

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to be issued, cannot end up enhancing the time limit for completing the assessment under section 143(3).

LD/68/170, [Karnataka High Court: W.P. 17125 of 2018], WIPRO GE Healthcare Private Ltd.Vs. The Dy. Commissioner of Income Tax 11/02/2020

High Court allows assessee's writ of certiorari and holds that mandatory procedure prescribed under section 144C should have been followed by AO/TPO in respect of transfer pricing issues remanded back by ITAT. Rejects Revenue's argument that there was no scope for judicious determination after remand. ITAT had specifically directed the AO to carry out working capital adjustment disregarding the artificial cap and re-examine comparability of two comparables which could not be done mechanically. Accepts assessee's contention that there ought to have been a draft order to which the assessee could have responded. Revenue did not make out a case about the prejudice that would have been caused had the mandatory procedure under section 144C been adhered. High Court rejected Revenue's contention about maintainability of Writ and availability of alternate remedy.

GST



LD/68/171, [2020-TIOL-827-HC-KAR-GST], UOI and ors Vs. L C Infra Projects Pvt Ltd., 03/03/2020

The High Court concurred with the decision of the Ld. single judge that before recovery interest payable in accordance with Section 50 of the GST Act, a Show Cause Notice is required to be issued to the assessee following the principles of natural justice.

LD/68/172,[2020-Tiol-813-HC-Kerala-GST], Pittappillil Agencies Vs. Superintendent of Central Tax And Central Excise Goods and Services Tax Department, 21/11/2019

When assessee was served with notice of recovery for interest on delayed filing of returns and its bank account was attached without considering the objections raised by the

assessee to the said recovery, the High Court directed the revenue authorities to consider the objections raised by the assessee after affording to the assessee a reasonable opportunity of being heard.

Service Tax

LD/68/173,[CESTAT Delhi: 52317 of 2019 /2020], M/s M.D. Overseas Ltd.Vs. The Commissioner of Customs, Delhi, 22/02/2020

Assessee, an exporter of Gold Jewellery, sought amendment in the shipping bills in terms of section 149 of Customs Act for claiming refund of duty while all the necessary information was submitted with the shipping bills at the time of export of goods. Assessee's appeal regarding such amendment allowed by CESTAT under paragraph 2 of the notification dated 29/06/2012. CESTAT stated that the Commissioner completely failed to distinguish the requirements of paragraph 2 of the notification and paragraph 3 of the notification. Documents and information format sought by the Commissioner (Appeals) from the assessee were in relation to the requirements of paragraph 3 and not paragraph 2. CESTAT noted that no amendment shall be so authorized by proper officer after goods have been exported, except on the basis of documentary evidence which was in existence at the time the goods were exported.

LD/68/174, [2020-TIOL-493-CESTAT-BANG], M/S TPI Advisory Services India Pvt Ltd Vs. Commissioner of Central Tax, 27/01/2020

Tribunal affirmed the order of the adjudicating authority which denied the refund of service tax to the assessee on the ground that services were provided by the assessee during the pre-gst regime and hence the payment of service tax during April 2017 to June 2017 is also in order and according to the provisions of Finance Act 1994 then prevailing. The mere fact that at the request of the assessee's client, the assessee issued credit noted canceling the original invoices and issued fresh invoice charging GST at a higher rate is not a ground for refunding service tax, levy of which is otherwise in order.

Circulars/Notifications

Given below are summarised important Circulars and Notifications issued by the CBDT, CBIC-GST, FEMA and MCA issued since the publication of the last issue of the journal, for information and use of members. Readers are requested to use the citation/website or weblink to access the full text of desired circular/notification. Feedback and suggestions on this column can be submitted at eboard@icai.in



A. CBDT

I. NOTIFICATIONS

1. **Enactment of the Direct Tax Vivad se Vishwas Act, 2020 – Gazette ID: CG-DL-E-17032020-218716, dated 17-03-2020**
2. **Central Government notifies the Direct Tax Vivad Se Vishwas Rules, 2020 - Notification No. 18/2020, dated 18-03-2020** : The Central Government has framed the Direct Tax Vivad Se Vishwas Rules, 2020. These Rules have come into force w.e.f. 18.03.2020.
3. **Notification of 'designated authority' under 'Direct Tax Vivad se Vishwas Act, 2020 - Notification No. 4707 and 18641 and F.No. Pr. CCIT/Lko/Judl./VSV/Vo1.21/2019-20, dated 18-03-2020** : It is specified that the jurisdictional Commissioners of Income-tax as specified in these Notifications having their headquarters at the place as specified shall be the 'designated authorities'.
4. **Pr. DGIT(Systems) issues notification on procedure to filing online Form 1 and Form 2 under the Direct Tax Vivad Se Vishwas Act 2020 - Notification No. 12/2020, dated 19-03-2020**: This Notification comes into the effect immediately.

II. CIRCULARS

1. **Clarification regarding short deduction of TDS/TCS due to increase in rates of surcharge by the Finance (No. 2) Act, 2019 - Circular No. 08/2020, dated 13-04-2020**: The CBDT has clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of transactions as specified in that Circular.
2. **Clarification in respect of option under section 115BAC of the Income-tax Act, 1961 - Circular No. C1/2020, dated 13-04-2020**: The CBDT, in exercise of powers conferred under section 119 has clarified that an employee, having income other than the income under the

head "profit and gains of business or profession" and intending to opt for the concessional rate under section 115BAC, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon.

III. PRESS RELEASES/INSTRUCTIONS/ OFFICE MEMORANDUM/ORDER

1. **Income Tax Department designates Income tax Authority before whom particulars of parent entity and alternate reporting entity to file Country-by-Country Report would be notified – Press Release, dated 19-03-2020**: In view of the specified amendment the Director General of Income tax (Risk Assessment) has designated the Joint Director of Income tax (Risk Assessment)-1 having office at 4th Floor, C-Block, Dr. S.P. Mukherjee Civic Centre, Minto Road, New Delhi-110002 as the Income tax Authority for the purpose of Section 286, with effect from 01.04.2020.
2. **Finance Ministry issues Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020 – Press Release, dated 31-03-2020**: In order to give effect to the announcements made vide Press Release dated 24.03.2020, regarding several relief measures relating to statutory and regulatory compliance matters, the government has brought in an Ordinance on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts. It also provides for extension of time limits contained in the Rules or Notification which are prescribed/ issued under these Acts.
3. **CBDT issues orders under section 119 of IT Act, 1961 to mitigate hardships to taxpayers arising out of compliance of TDS/TCS provisions – Press Release, dated 04-04-2020**: To mitigate the hardships of taxpayers on account of COVID-19, the CBDT has issued various directions/clarifications by exercise of its power under section 119. Further, vide F. No.

¹Matter on Direct Taxes, Indirect Taxes, MCA Updates is contributed by Direct Taxes Committee, GST & Indirect Taxes Committee and Corporate Laws & Corporate Governance Committee of ICAI respectively. FEMA updates by CA. Manoj Shah, CA Hinesh Doshi and CA. Sudha G. Bhushan)

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275/25/2020-IT(B) dated 09.04.2020, the CBDT has issued certain clarifications on matters received from stakeholders arising out of Orders issued under section 119 dated 31.03.2020 and 03.04.2020.

4. **Submission of certificate for claiming deduction under section 80G in respect of donation made by an employee to the PM CARES Fund – F. No. 178/7/2020-ITA-I, dated 09-04-2020:** CBDT has clarified that the deduction in respect of donations made to PM CARES Fund through employer will be admissible under section 80G on the basis of the Form 16/Certificate issued by the Drawing and Disbursing Officer (DDO)/Employer.

B. CBIC-GST



1. GST

Exemption of Foreign Airlines from furnishing reconciliation Statement in FORM GSTR-9C - Notification No.09/2020-CT dt 16th March, 2020: Notified foreign airlines company as the class of registered persons who shall **not be required to furnish** reconciliation statement in **FORM GSTR-9C** under section 44(2) of the CGST Act read with rule 80(3) of the CGST rules subject to duly authenticated statement of receipts and payments by Chartered Accountant.

Special procedure for Merged UTs of Daman and Diu & Dadra and Nagar Haveli - Notification No.10/2020-CT dt 21st March, 2020: Notified those persons whose **principal place of business or place of business was in the erstwhile UT of Daman & Diu or in the erstwhile UT of Dadra & Nagar Haveli till the 26th Jan, 2020**; and is in the merged UT of Daman and Diu and Dadra and Nagar Haveli from the **31st May, 2020 (transition date)** shall follow the special procedures for filing returns for the months of January & February, 2020 and transfer of balance of ITC.

Special Procedure to be followed by Corporate Debtors undergoing Corporate Insolvency Resolution Process - Notification No.11/2020-CT dt 21st March, 2020: Prescribed the special procedures to be followed by the corporate debtors undergoing the corporate insolvency resolution process and the management of whose affairs are being undertaken by interim resolution professionals (IRP) or resolution professionals (RP), from the date of the appointment of the IRP/RP till the period they undergo the corporate insolvency resolution process, in regards to registration, return, ITC. Further, CBIC vide Circular No.134/04/2020-GST dated 23rd March, 2020 has issued clarification in respect of various issues

under GST law for the corporate debtors who are undergoing CIRP under the provisions of IBC and the management of whose affairs are being undertaken by IRP/RP under Insolvency and Bankruptcy Code, 2016

Waiver from filing GSTR-1 for 2019-20 for specified taxpayer - Notification No.12/2020-CT dt 21st March, 2020: Notified exemption to those registered persons from filing **GSTR-1** for **2019-20** who could not opt for availing the option of special composition scheme by filing FORM CMP-02 & have furnished return in **FORM GSTR-3B** instead of furnishing the statement in **FORM GST CMP-08**.

Deferment of implementation date of E-invoicing and QR Code: Notification No.13/2020-CT dt 21st March, 2020 has deferred the date of implementation of **E-Invoicing** to **1st October, 2020** for those registered persons **whose aggregate turnover in a F.Y exceeds 100 crore rupees**. Further, Notification No.14/2020-CT dt 21st March, 2020 has deferred the date of implementation of **Dynamic Quick Response (QR) code** to **1st October, 2020** for those registered persons **whose aggregate turnover in a F.Y exceeds 500 crore rupees**. Also, it exempted the few suppliers (Insurance or banking company, GTA etc.) of taxable service from requirement of E-invoicing and QR Code even if the aggregate turnover exceeds the specified limit.

Clarification in respect of appeal in regard to non-constitution of Appellate Tribunal: CBIC vide Circular No.132/2/2020-GST, dated 18th March, 2020 clarified that as provided in **CGST (Ninth Removal of Difficulties) Order, 2019**, the appeal to tribunal can be made within three months (six months in case of appeals by the Government) from the date of communication of order or date on which the President or the State President, as the case may be, of the Appellate Tribunal enters office, **whichever is later**.

Extension of due date of GST Annual Return for F.Y 2018-19: The Central Government vide Notification No.15/2020-CT dt 23rd March, 2020 has **extended** date for filing GST annual returns of FY 18-19, which is due on 31st March, 2020 for the F.Y **2018-2019 till 30.06.2020**.

Amendments in CGST Rules, 2017 - Notification No. 16/2020- Central Tax dated 23rd March 2020: Amendments have been made in different areas related to authentication of Aadhaar number for grant of registration, physical verification of the premises, increase the threshold limit for furnishing the Form GSTR-9C & thereby relaxing the said compliance for SME's, refund of excess tax/ wrongly paid tax, empower the proper officer to dispose of the seized goods or things.

Notification of date of Aadhaar authentication for registration and exemption to specified class of persons: Notification No.18/2020- Central Tax dated 23rd March 2020 notified **1st April,2020** as the date from which an individual shall undergo authentication, of Aadhaar number, as specified in rule 8 of the CGST Rules, 2017, in order to be eligible for registration. Provided that if Aadhaar number is not assigned to the said individual, he shall be offered alternate and viable means of identification in the manner specified in rule 9 of the said rules. Further, Notification No. 17/2020- Central Tax dated 23rd March 2020 specified that there will no requirement of Aadhaar authentication w.e.f. 1st April,2020 for GST Registration for a person **who is not a citizen of India or to a class of persons other than** (a) Individual;(b) authorised signatory of all types; (c) Managing and Authorised partner; and (d) Karta of an Hindu undivided family. Therefore, Notification No.19/2020- Central Tax dated 23rd March 2020 clarified that only above persons **shall undergo authentication of possession of Aadhaar number**, as specified in rule 8, **in order to be eligible for registration under GST**

Due Dates for furnishing GSTR-1 for April,2020 to September, 2020: The Central Government vide Notification No.27/2020- Central Tax dated 23rd March 2020 & Notification No.28/2020- Central Tax dated 23rd March 2020 has provided the due dates of the Form GSTR – 1 for furnishing the details of outward supply of goods or services or both.

Clarification of issues in respect of apportionment of input tax credit (ITC) in cases of business reorganization: CBIC vide Circular No.133/03/2020- GST ,dated 23rd March, 2020 has issued clarification in respect of apportionment of input tax credit (ITC) in cases of business reorganization under section 18 (3) of CGST Act read with rule 41(1) of CGST Rules.

Clarification on Refund related issues: CBIC vide Circular No.135/05/2020-GST dated 31st March, 2020 has issued clarifications in respect of some of the issues relating to GST refunds:-

CGST (Fourth Amendment) Rules, 2020: The Central Government vide Notification No. 30/2020- Central Tax dated 3rd April 2020 has made the amendments to extend time limit for filing an intimation in FORM GST CMP-02 and furnishing the statement in FORM GST ITC-03 for taxpayers opting for the Composition scheme for the F.Y 2020-21. Further, **cumulative application of condition in rule 36(4)** for the months of February, March, April, May, June, July and August, 2020 and the return in FORM GSTR-3B **for the tax period of September, 2020** shall be furnished with cumulative adjustment

of input tax credit for the said months in accordance with the condition under rule 36(4)

Conditional Waiver/Lowering of interest rate for delay in furnishing of FORM GSTR-3B for tax periods of February, 2020 to April, 2020: The Central Government vide Notification No. 31/2020- Central Tax dated 3rd April 2020 & Notification No. 32/2020- Central Tax dated 3rd April 2020 has **waived/ lowered the interest payable & waived the Late Fees** payable, for the class of registered persons ,who are required to furnish the returns in **FORM GSTR-3B**, but fail to furnish the said return along with payment of tax for the following months & **subject to conditions**. Further, Notification No. 3/2020- Integrated Tax dated 8th April 2020 & Notification No. 1/2020- Union Territory Tax dated 8th April 2020 has **waived/ lower the interest payable** for the class of registered persons, who fails to furnish the returns in **FORM GSTR-3B** along with payment of tax **for the months of February, March & April, 2020, subject to conditions** of filing the said return **within the dates as specified** in the above said notifications.

Conditional waiver of late fee for delay in furnishing FORM GSTR-1: The Central Government vide Notification No. 33/2020- Central Tax dated 3rd April 2020 has **waived the Late Fees** payable , for the registered persons who fail to furnish the details of outward supplies in **FORM GSTR-1** by the due date for the months of **March, 2020, April, 2020 and May, 2020, and for the quarter ending 31st March, 2020** , but furnishes the said details in **FORM GSTR-1, on or before the 30th day of June, 2020.**

Extension of due date of furnishing FORM GST CMP-08 and FORM GSTR-4: The Central Government vide Notification No. 34/2020- Central Tax dated 3rd April 2020 has extended the due dates of furnishing the forms GST CMP 08 and GSTR-4 by taxpayers registered under the **Composition scheme.**

Extension of due date of compliances & extension of validity of E-way bills - Notification No. 35/2020- Central Tax dated 3rd April 2020: Extended the time limit of the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20th March 2020 to 29th June 2020 shall be extended to 30th June, 2020. Further, where an e-way bill's period of validity expires during **20th March, 2020 to 15th April, 2020**, the validity period shall be deemed to have been **extended till the 30th April, 2020.**

Extension of Due date for furnishing FORM GSTR-3B for the month of May, 2020: The Central Government vide Notification No.36/2020- CT dt 3rd April 2020 has **extended the due date** for filing of **Form GSTR-3B** in a staggered manner for the **month of May, 2020.**

2. CUSTOM

Exemption of customs duty: The Central Government vide Notification No. 20/2020- Customs dated 9th April 2020 has **exempted the ventialators, Mask, personal protection equipments, COVID-19 Kits etc.** from whole of the duty of **customs** leviable thereon under the First Schedule to the said Customs Tariff Act and the whole of **health cess** leviable thereon under section 141 the said of Finance Act, 2020. This notification **shall remain in force upto** and inclusive of **the 30th September, 2020**.

Special Refund and Drawback Disposal Drive: In line with the decision to release all pending refunds in order to provide immediate relief to the business entities, especially MSMEs, the Central Government vide Instruction No. 03/2020- Customs dated 9th April 2020 has issued instructions regarding **“Special Refund and Drawback Disposal Drive”** with the objective of priority processing and disposal of all pending refund and drawback claims. This Special Drive shall be **in place till 30.04.2020** & it is expected that during this period all refund and drawback claims that **are pending as on 07.04.2020**.

Clarification in regards to refund, LUT and return filing etc.: CBIC vide Circular No. 136/06/2020-GST dated 3rd April, 2020 has clarified various issue Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19) in regards to refund, LUT, return filing etc.



C. FEMA

Settlement System under Asian Clearing Union (ACU) Mechanism - A.P. (DIR Series) Circular No. 22 dated March 17, 2020

Board members of ACU have decided to permit Japanese Yen for settling payments among ACU member countries. Asian Monetary Unit is now denominated as “ACU Dollar”, “ACU Euro” and “ACU Yen” which shall be equivalent to One US Dollar, ON Euro and One Japanese Yen respectively.

With effect from 6th March 2020 participants in ACU will have to settle their transactions in either ACU Dollar or ACU Euro or ACU Yen.

Investment by Foreign Portfolio Investors (FPI): Investment Limits - A.P. (DIR Series) Circular No. 24 dated March 30, 2020

The limit for FPI investment in corporate bonds is increased 15% of outstanding stock for FY 2020-21. The revised limits for FPI investment in corporate bonds shall be as under:

Limits for FPI in Corporate Bonds for FY 2020-21 (₹ In crore)	
Current FPI Limit	3,17,000
Revised limit for HY Apr 2020 – Sep 2020	4,29,244
Revised limit for HY Oct 2020 – Mar 2021	5,41,488

The revised limits for FPI investment in Central Government Securities (G-Sec) and State Development Loans (SDLs) for FY 2020-21 will be advised separately. Till such time, the current limits shall continue

Fully Accessible Route (FAR) for investment by Non-residents in Government securities - A.P. (DIR Series) Circular No. 25 dated March 30, 2020

Certain specified categories of Central Government securities would be opened fully for non-resident investors without any restriction apart from being available to domestic investors as well. Accordingly, a new route is introduced known as Fully Accessible Route (FAR) for investment by non-residents in securities issued by GOI. The detailed scheme can be accessed from the following link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11849&Mode=0#AN1>

Realisation and Repatriation of Exports proceeds – Relaxation (A.P. (DIR Series) Circular No. 27 dated April 01, 2020)

In view of the outbreak of pandemic COVID – 19 it has been decided to extend the period of realization and repatriation of full value of exports of goods or software or services from 9 months to 15 months with regards to exports made up to or on July 31, 2020. The provisions in regard to period of realization and repatriation to India of the full export value of goods exported to warehouses established outside India remain unchanged.

Rupee Drawing Arrangement: Remittance to PM CARES Fund - A.P. (DIR Series) Circular No. 28 dated April 03, 2020

It has been decided to permit receipt of foreign inward remittances from non-residents through non-resident exchange houses in favour of ‘Prime Minister’s Citizen Assistance and Relief in Emergency Situations (PM-CARES)’ subject to condition that AD Cat-I Banks shall directly credit the remittances to the fund and maintain full details of the remitters.

Extension of Foreign Trade Policy (FTP 2015-2020) - Notification No. 57/2015-2020 dated 31st March, 2020 issued by Department of Commerce, Directorate General of Foreign Trade

The existing Foreign Trade Policy (FTP 2015-2020) which was valid up to 31st March, 2020 is now being extended up to 31st March, 2021.

Liberalisation of FDI Policy relating to Air Transport Services in Civil Aviation Sector - Press Note No. 2 dated March 19, 2020 issued by Department of Promotion of Industry and Internal Trade (DPIIT)

The consolidated FDI Policy of 2017 has been amended to liberalize FDI Policy relating to the Civil Aviation Sector in Air transport Services. The said amendments will take effect from the date of FEMA notification. The detailed conditions of Press Note No. 2 can be accessed from the following link: https://dipp.gov.in/sites/default/files/pn2_2020.pdf

D. Ministry of Corporate Affairs

The Companies (Amendment) Bill 2020: The Companies (Amendment) Bill 2020 has been introduced in the Lok Sabha on 17th March, 2020. There are 64 amendments in the Bill and provisions for Producer Companies have been introduced. Further, Lesser penalties for One Person Companies or Small Companies have been introduced.

Details are available at http://www.mca.gov.in/Ministry/pdf/Amendment_18032020.pdf

Board meetings under the Companies Act, 2013: The Ministry of Corporate Affairs has relaxed the requirement of holding Board meetings with physical presence of directors, such meetings may till 30th June, 2020 be held through video conferencing or other audio visual means by duly ensuring compliance of rule 3 of the said rules.

Details are available at: http://www.mca.gov.in/Ministry/pdf/Meeting_18032020.pdf

Companies Affirmation of Readiness towards COVID-19 Form: MCA has issued Companies Affirmation of Readiness towards COVID-19 Form which is a voluntary form. Details are available at : http://www.mca.gov.in/Ministry/pdf/Car_22032020.pdf

Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008: In order to support and enable Companies and Limited Liability Partnerships (LLPs) in India to focus on taking necessary measures to address the COVID-19 threat, including the economic disruptions caused by it, Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak has been implemented. Details are available at: <https://resource.cdn.icai.org/58831clcg47943.pdf>

Clarification on spending of CSR funds for COVID-19: MCA has issued a clarification mentioning that spending of Corporate Social Responsibility (CSR) funds for COVID-19 is eligible CSR activity. The funds may spent for various activities related to COVID-19 under Schedule VII(i) and (xii) relating to promotion of health care, including preventive health care and sanitation, and disaster management. Details are available at : https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf

Clarification on contribution to PM CARES Fund as eligible CSR activity under item no. (viii) of the Schedule VII of Companies Act, 2013: It has been clarified that any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013. Details are available at : http://www.mca.gov.in/Ministry/pdf/Circular_29032020.pdf.

MCA extends the last date of submitting the draft Companies (CSR Policy) Amendment Rules, 2020: MCA has extended the last date of submission of public comments on the draft Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020. till **April 20, 2020**. The public comments on the draft may be accessed at the web link <http://feedapp.mca.gov.in/csr/>.

Company Fresh Settlement Scheme, 2020 (CFSS-2020): As part of the government's efforts to provide

relief to companies in the wake of Covid-19, the Ministry of Corporate Affairs, has introduced the "Companies Fresh Start Scheme, 2020". Details are available at: http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf. FAQs by ICAI on the Companies Fresh Start Scheme are available at the link <https://resource.cdn.icai.org/58908clcg48020.pdf>

Modification to LLP Scheme 2020: The Ministry of Corporate Affairs vide its notification dated 30th March, 2020 has revised the LLP Settlement Scheme, 2020. Details are available at http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf. FAQs by ICAI on the LLP Settlement Scheme, 2020 (Original and Modified) are available at the link <https://resource.cdn.icai.org/58902clcg48009llpfaq.pdf>.

DIN holders marked as "Deactivated" and companies marked as "ACTIVE non-compliant" can become compliant once again: DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification (ACTIVE) eform are encouraged to become compliant once again.

COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR): A set of FAQs along with clarifications have been provided by MCA for better understanding on eligibility of CSR expenditure related to COVID-19 activities. Details are available at http://www.mca.gov.in/Ministry/pdf/Notification_10042020.pdf.

Filings under section 124 and Section 125 of the Companies Act 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID-19: MCA has already allowed filing without additional fees till 30th September, 2020. Therefore, transfer of money remaining unpaid or unclaimed for a period of seven years in terms of the provision of Section 124(5) of the Companies Act, 2013 and transfer of shares under 124(6) of the Companies Act, 2013 read with IEPFA Rules may be made accordingly. Details are available at http://www.mca.gov.in/Ministry/pdf/Circular16_13042020.pdf.

Clarification on passing of ordinary and special resolutions by companies: MCA vide its circular dated 8th April, 2020 brought greater clarity on the modalities to be followed by companies for conduct of EGMs during the COVID-19 related social distancing norms and lockdown for the period. Clarifications were given regarding manner and mode of issue of notices to the members before convening the general meeting. The modalities have been given for companies which are required to provide the facility of e-voting under the Act or any other company which has opted for such facility and for companies which are not required to provide the facility of e-voting under the Act. Details are available at http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf.




ICAI - Doctoral Scholarship Scheme 2020

Eligibility:

- Membership of the ICAI with minimum 75% marks/grade in 10th and 12th.
- NET/SLET and MPhil from a recognized university will carry weightage in the assessment of research proposal.
- The scholar should not be more than 40 years of age on the last date of application.
- Candidates who have already availed UGC Junior research fellowship (JRF)/ Rajiv Gandhi National Fellowship (RGNF)/ Maulana Azad National Fellowship (MANF)/ICSSR/ICAR/CSIR/ICPR/ICMR/ICHR or any such doctoral fellowship awardees are not eligible to apply.

Scholarship:

- Rs 50,000 per month for maximum period of 36 months.
- Annually 5 Scholars will be selected.

Contingency grant:

- Yearly grant not exceeding Rs. 50000/- per year.

How to apply:

- Applications are invited through ICAI website, ICAI journal, mass email to members and should be received before 31st July 2020
- The application along with research proposal & abstract (3000 and 300 words respectively) and all the enclosures, must be sent to: Research Committee before the last date mentioned in the advertisement duly signed and stamped by the Ph.D. Registered institution.

Joining & release of scholars:

- The scholar must join the scholarship within four weeks of the date of the award letter by submitting the required documents through the affiliating/ administering institution. This may be extended by the ICAI up to six months in deserving cases.
- The sanction of the scholarship will be issued initially for a period of one year, effective from the date of joining of the scholar in the scholarship. The renewal of the scholarship for the subsequent year shall be subject to the receipt of satisfactory annual progress report and at least one research paper in international journal of repute and one in ICAI journal.

Procedure for the award

- Applications are initially scrutinized by the Research Committee Secretariat
- Thereafter, subject group(s)/Expert Committee(s) will short-list the meritorious proposals from the eligible applications and thereafter by the Research Committee of ICAI.
- Such applicants may also be invited for a presentation before an Expert Committee at ICAI- HO or its COEs/ DCOs.
- The recommendations of the Expert Committee will then be placed before the Research Committee for its final approval.

Scholarship Topics:

The following topics are suggested:

1. Human Resource Accounting
2. Simplification of Human Resource Laws
3. Government Sector Accounting
4. Integrated Reporting
5. International Taxation Laws
6. Water Audit

The Research Committee will decide the suitability of the topics from time to time.



For further details please write to:

Secretary, Research Committee
The Institute of Chartered Accountants of India

ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi - 110002
 Tel.: 011-30110468; Email: research@icai.in, website: www.icai.org



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

**Last date for
receipt of entries:
30th September
2020**

Research Committee of the ICAI Presents **ICAI AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING**

Unique opportunity to participate in the Competition for the year 2019-20

OBJECTIVE OF ICAI AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING'

To recognise and encourage excellence in preparation and presentation of financial information.

PROCESS FOR DECIDING AWARDEES

Selection of awardees in specified categories are made through a robust three tier process:

- Review by Technical Reviewers
- Review of short-listed annual reports by Shield Panel and
- Selection by External Jury consisting of representatives from regulatory bodies, professionals, academicians, etc.

PROCEDURE FOR PARTICIPATION

1. There is no fee for participation in the competition.
2. Annual report relating to the financial year ending on any day between April 1, 2019 and March 31, 2020 (both days inclusive) is eligible for participation in this competition.
3. Decisions of the Panel of Judges in all the matters relating to the Competition will be final.
4. An entity awarded 'Hall of Fame' may again participate in the competition after the cooling period of three years of receiving the award of 'Hall of Fame'.
5. Fill in the Entry Form and submit with requisite documents on or before September 30, 2020 to Secretary, Research Committee.

Note: The documents submitted by the entities for the competition will not be utilized for any other purpose.

AWARD CATEGORIES

- Hall of Fame awarded to the entity that has been winning the first prize under the same category continuously for five years.
- One Gold Shield in each category for the best entry.
- One Silver Shield in each category for the next best entry.
- Plaques to be awarded to the entities who are following better financial reporting practices as is decided by the Jury.



AWARD CATEGORIES OF THE COMPETITION 'ICAI AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING' FOR THE YEAR 2019-20

Category I	: Public Sector Banks	Category VII©	: Manufacturing and Trading Sector (Turnover less than ₹. 500 crores)
Category II	: Private Sector Banks (including Foreign Banks)	Category VIII(a)	: Service Sector (Other than financial services sector) (Turnover equal to or more than ₹ 500 crore)
Category III	: Co-operative Banks	Category VIII(b)	: Service Sector (Turnover less than ₹ 500 crore)
Category IV	: Life Insurance	Category IX	: Not-for-Profit Sector
Category V	: Non-Life Insurance	Category X(a)	: Infrastructure and Construction Sector (Turnover equal to or more than ₹ 500 crore)
Category VI	: Financial Services Sector (Other than Banking and Insurance)	Category X(b)	: Infrastructure and Construction Sector (Turnover less than ₹ 500 crore)
Category VII(a)	: Manufacturing and Trading Sector (including entities engaged in processing, mining, plantations, oil and gas enterprises) (Turnover equal to ₹ 3000 crores or more)	Category XI	: Public Sector Entities
Category VII(b)	: Manufacturing and Trading Sector (Turnover equal to and between ₹ 500 crores and ₹ 3000 crores)	Category XII	: Integrated Reporting

For further information please write at research@icai.in or visit our website www.icai.org

Secretary, Research Committee, The Institute of Chartered Accountants of India,
ICAI Bhawan, Indraprastha Marg, New Delhi – 110 002



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

ICAI-RESEARCH PROJECT SCHEME 2020

*Maximum:
Rs 10 lacs
per study.*

THRUST AREAS

1. Tax Reforms
2. Revival of Economy
3. Integrated Reporting
4. Impact of Rotation of Auditors on Audit Quality
5. Contribution of Accountancy profession on significant economic developmental subjects like broadening the tax base in country
6. Role of professionals in USD 5 Trillion Indian Economy
7. Impact of moving from Single Entry System to Double Entry System
8. Impact of Dispute Resolution Scheme
9. Impact of CSR on society
10. Research studies on NGOs
11. Start ups
12. Others pertaining to profession.

THE ELIGIBILITY CRITERIA

Projects will be supported to the extent that they are strategic in nature, have a strong research dimension, inter alia, by involving qualified research scholars such as

- a. The applicant must be a member of the Institute of Chartered Accountants of India with a research aptitude having at least 10 years post-qualification experience either in the practice of the

profession or as an employee with a reputed manufacturing/service organisation; or

- b. An experienced research scholar with PhD or faculty of a recognized University/ Institute of a high repute.

Applications from persons having an experience less than as stated above might also be considered on the basis of merit.

MONITORING

The Research Committee would monitor the implementation and progress of the research projects approved under this project facility. The applicant (researcher) may, at any point of time during the project, be requested to provide the details the work done/remaining, the draft of the project/publication, etc, so that Research Committee may evaluate the implementation and progress. If Research Committee feels that the project is not being carried out as mentioned in the research proposal or the progress made by the researcher is not satisfactory, the Research Committee may consider withdrawal of the project from the researcher. In such a case, the work already completed would be the property of ICAI.

DURATION

The duration of research project should not exceed 6 months from the date the project proposal is approved by Research Committee of ICAI unless a longer period is otherwise justified.

THE EXPECTED OUTPUTS OF THE PROJECTS INCLUDE

- o Research Paper/Publication and
- o Dissemination of best practices and launching/implementation of the results, policy-oriented seminars, workshops and exchanges.
- o Capacity building of the members of the profession and of the targeted beneficiaries as may be agreed in the project.

COPYRIGHT, PATENT, ETC

Any copyright or intellectual property right or patent, etc. arising out of the research work done would vest with ICAI. The ICAI would, however, duly acknowledge the researcher.

For further details please write to:
Secretary

RESEARCH COMMITTEE

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi-110002
Tel. : 011-30110468, E-mail : research@icai.in, www.icai.org

PRESENTED BY
RESEARCH COMMITTEE OF ICAI

ICAI International Research Award 2020

**CALL FOR
RESEARCH PAPERS**
From 15th May 2020
(10 AM Indian Standard Time)

**LAST DATE FOR
RECEIPT OF PAPERS**
14th August 2020
(05 PM Indian Standard Time)

INTRODUCTION

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 for regulating the profession of Chartered Accountants in India. ICAI is the second largest accounting body in the whole world with a strong tradition of service to the public interest and to the Indian economy.

The Research Committee of the Institute of Chartered Accountants of India is one of the oldest technical committees set up in 1955 with a view to undertake research activities to improve the quality of services rendered by the profession.

COVERAGE OF THE AWARDS

The areas/scope of the awards would be to identify the topics of international and societal importance where accounting profession can leverage its due role. The award will be given in five broad categories:

- Accounting
- Finance
- Taxation
- Auditing
- Economics

The illustrative list of areas of such research activities is as under:

- Combating corruption
- Transparency in reporting
- Anti-money laundering
- Fraud detection
- Combating terrorism financing
- Global Financial stability
- Global sustainability growth
- Reducing tax evasion
- Corporate Social Responsibility
- Impact of Rotation of Auditors on audit quality in the Indian context
- Water Audit
- Human Resource Accounting
- Simplification of Human Resource Laws
- Government Sector Accounting
- Integrated Reporting
- International Taxation Laws

Being an illustrative list, the areas indicated are 'not exhaustive' but indicate areas which came in the realm of accountancy profession qualitatively and ultimately achieve tranquility, serenity and stability in the financial systems. The topics of national level or country specific are specifically excluded from these categories.

OBJECTIVE

To acknowledge the vital contribution made in research activities in the area of Accounting, Auditing, Finance, Economics and Taxation with an objective enhance the research activities in Accounting, Finance and Taxation and allied areas and to identify the challenges confronting the global economy where accounting profession can play its due role in Public Interest by way of research and contributions which could pave path for innovative practices in mitigating the various emerging financial and non-financial risks and alternatively propagate good practices for promoting public interest.

CATEGORIES OF THE AWARD

- One Gold Shield in each category for the Best Research Paper.
- One Silver Shield in each category for the Second-Best Research Paper.
- One Bronze Shield in each category for commendable Research Paper

NOMINATION PROCESS AND GENERAL GUIDELINES

1. Only online nomination through eligible institution is allowed.
2. Only Published Research Work is allowed to be nominated.
3. Nomination will be accepted only between invite open date to close date.
4. Nominating entity has to submit a recommendation letter for each nomination.
5. One Research Paper is to be nominated in one category only.
6. Nomination must contain consent of Author and contact details of Author and Nominating Entity.
7. The awardee may be asked to present their Research Paper for the benefit of larger audience.
8. Decisions of the Panel of Judges in all the matters relating to the Competition will be final.
9. Selection of awardees in specified categories are made through software, blind review by subject matter experts and then by eminent international Jury.

Note: The Research papers submitted for the competition will not be utilized for any other purpose.

For further details please write to:
Secretary, Research Committee
The Institute of Chartered Accountants of India
ICAI Bhawan, Indraprastha Marg, New Delhi – 110 002, India
☎ 011-30110468 ✉ research@icai.in
www.icai.org

NATIONAL RESEARCH CONFERENCE-2020

THEME: ROLE OF ACCOUNTING PROFESSION IN \$ 5 TRILLION ECONOMY

26th-28th June, 2020

Hotel Natraj

BSNL Colony, Dehradun Road,
Natraj Chowk, Rishikesh

ORGANIZED BY:

Research Committee of ICAI

HOSTED BY:

Haridwar Branch of CIRC of ICAI

ABOUT THE CONFERENCE

The Research Committee of The Institute of Chartered Accountants of India (ICAI) facilitates interactions among various professionals and invites research papers/posters that addresses the topics of national and global significance.

The Research Committee had started an initiative to be known as the 'ICAI NATIONAL RESEARCH CONFERENCE' to showcase the research papers/posters from members/non-members like research scholars, academicians etc. on the theme of the Conference, **"Role of accounting profession in \$ 5 trillion economy"**. The papers/posters will be shortlisted by the Research Review Committee of the Institute comprising of eminent faculties, scholars and researchers. The selected entries will then be given an opportunity to be presented during the conference. Further a Conference proceeding may be published after the conference to honour the good work done by the researchers.

We also invite participation from the interested scholars/professionals in the conference who can not/did not present their papers but would like to join the intellectual community in their deliberations. The conference caters to both members and academicians, providing a forum to exchange ideas and experiences on accounting and finance based on case studies and practical experiences.

REGISTRATION DETAILS

Registration: Registration is open for professionals and research scholars including paper/ poster presenters who are interested in conference theme on first cum first serve basis. Registered delegates can also present paper in absentia in the conference proceeding.

Registration Link: The interested delegates may kindly fill the registration form on the link given below in fees section.

Contact: Secretariat, Research Committee
Ph: 011-30110468, Email: research@icai.in
Haridwar Branch of CIRC of ICAI, Mob.: 9412055566
Email: haridwar@icai.org, haridwar.icai@gmail.com

Fee, Registration & Payment Links:

Residential

- **Member:** 10500 Plus GST Per Person (Stay on twin sharing Basis) <https://ccm.icai.org/?progid=2772>
- **Non-Member:** 12000 Plus GST Per Person (Stay on twin sharing Basis) <https://ccm.icai.org/?progid=2773>

Non-Residential

- **Member:** 2800 Plus GST <https://ccm.icai.org/?progid=2774>
- **Non-Member:** 4000 Plus GST <https://ccm.icai.org/?progid=2775>

IMPORTANT DATES:

Last date for Submission of Research paper/Poster&Application form: not later than 15-05- 2020.

Acceptance Notification Intimation: to the researchers shall be sent latest by 25-05-20

Date of Conference: 26th June-28th June, 2020

CALL FOR PAPERS/ POSTERS

The interested scholars may send the Research Papers latest by 15th May, 2020 (not more than 2500-3000 words). Note, only one submission per researcher or team of researchers may be submitted, and all documents should be emailed as a single word or pdf file. You may submit papers through email on research@icai.in

PROGRAM CHAIRPERSON

Chairperson, Research Committee

PROGRAM VICE-CHAIRPERSON

Vice-Chairperson, Research Committee

PROGRAM COORDINATORS

*Chairman
Haridwar Branch of CIRC
Of ICAI*

*Vice-Chairman
Haridwar Branch of CIRC
of ICAI*

*Secretary
Haridwar Branch of CIRC
of ICAI*

*CICASA
Chairman*

*Treasurer
Haridwar Branch of CIRC
of ICAI*



Research Committee

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi-110002
Tel. : 011-30110468, E-mail : research@icai.in, www.icai.org

4 DAYS TRAINING PROGRAM ON RESEARCH METHODOLOGY

Date & Day: 5th (Sun) to
8th (Wed) July 2020

Venue: CoE, Hyderabad



The Institute of Chartered Accountants of India (ICAI)

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 for regulating the profession of Chartered Accountants in India. ICAI is the second largest accounting body in the whole world with a strong tradition of service to the public interest and to the Indian economy. During its more than seventy years of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for maintaining highest standards in technical, ethical areas and for sustaining stringent examination and education standards. Since 1949, the profession has grown leaps and bounds in terms of membership and student base. Starting with a handful of about 1700 members, today, the strength of Chartered Accountant fraternity has grown to over 3 lakh members. On the education front, the ICAI began with mere 259 students and today about 8 lakh active students are a part of ICAI. The Institute functions under administrative control of Ministry of Corporate Affairs, Government of India. It has its headquarters in New Delhi and 5 Regional offices in Chennai, Kanpur, Kolkata, Mumbai and New Delhi. It presently has 164 branches spread all over the country. In addition, it has also set up 34 chapters outside India and an overseas office in Dubai. The affairs of the ICAI are managed by a Council in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988. The Council is composed of 40 members of whom 32 are elected by the members and remaining 8 are nominated by the Central Government generally representing the Comptroller and Auditor General of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Ministry of Finance, Ministry of Commerce and other stakeholders.

About the Course

Creation and dissemination of knowledge through research is one of the core functions of the Research Committee of ICAI. Apart from generating new knowledge, training the intellectual manpower is required for all sectors of the society. Quality of manpower is the most important factor for producing good quality researches. With the passage of time, research as an activity has not received due attention. As a result, the quality of the research has projected a declining trend. This has raised a concern amongst the academic community, social thinkers and policy makers. The present course is an endeavour in this direction. ICAI has taken an initiative of organizing such kind of course on regular basis with a mission to impart research skills to the beginners and help improve the quality of Research by the existing researchers.

Research Committee

The Research Committee of the Institute of Chartered Accountants of India is one of the technical committees set up in 1955 with a view to undertake research activities to improve the quality of services rendered by the profession. The primary objective of Research Committee is to undertake research in the field of accounting and other affiliated areas with a view to enhance the value of services rendered by the profession. The Committee undertakes approved research projects on current and continuous basis in various areas which are generally published in the form of Guidance Notes, Technical Guides, Studies, Monographs, etc. on generally accepted accounting principles and practices designed, to enhance the value of the services rendered by the profession.

Objectives

The Objective of this course is to pay attention to the most important dimension of Research i.e. Research Methodology. It will enable the Researchers to develop the most appropriate methodology for their Research Studies. It will provide comprehensive understanding of the Research design. It will enable the delegates for efficient academic writing skills and ethical aspects.



Pedagogy

The Course Structure is designed in a way that the learning of Research Methodology can move from Mugging up syndrome to fun-practical method; from a teaching process to an experimental process, from memorizing to brainstorming, from competitive learning to collaborative learning.

Fee

Non-Members: 15000+GST
Members: 30% discount on 15000 to members of ICAI i.e. 10500+GST (Fee includes 4 days classroom teaching, 6 days accommodation with all meals, reading material and Participation Certificate, Group Photo)

Non-Residential (both Members and Non-Members): 4500+GST

Venue

Centre of Excellence, Hyderabad
The Institute of Chartered Accountants of India
Plot No. 10 & 11, Road No. 2,
I.T Park, Gachibowli, Financial District,
Nanakram Guda, Hyderabad - 500 032.

Duration

4 Days classroom study, participants can check in one day prior and check out one day after course, it is included in fee.

Contact

Secretariat, Research Committee.
Ph: 011-30110468
Email: research@icai.in
CoE Hyderabad, Telangana
Mobile: +91 9515378026
Email: coehyd@icai.in

Application Procedure

Interested delegates can apply for the course by filling the online application form available on the link given :

For Members



<https://ccm.icai.org/?progid=2779>

For Non-Members



<https://ccm.icai.org/?progid=2780>

For Non-Residential (Members)



<https://ccm.icai.org/?progid=2782>

Non-Residential (Non-Members)



<https://ccm.icai.org/?progid=2783>

Important Dates

Last date for receiving application for the course (online)
25th June, 2020

Completion of Training
8th July, 2020

Commencement of Training
5th July, 2020

Faculties

Sessions will be delivered through our esteemed faculty members having expertise in their respective subject area.

Program Chairperson
Chairperson, Research Committee

Program Vice-Chairperson
Vice-Chairperson, Research Committee



RESEARCH COMMITTEE THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi 110002.

Tel: 01130110468 Email: research@icai.in

For further details visit website : www.icai.org

Digital Accounting and Assurance Board, ICAI Launched The Virtual Classes of Certificate Course on Forensic Accounting & Fraud Detection



Seeing the current situation of lockdown due to COVID-19 Pandemic, Digital Accounting and Assurance Board (DAAB) of the Institute of Chartered Accountants of India (ICAI) launched the Certificate Course on Forensic Accounting & Fraud Detection (FAFD course) through virtual mode for the Members of the Institute.

This is the very first step taken in the history of ICAI by launching the Certificate Course through online mode with a motive that learning should not stop even in the trying times. ICAI received an overwhelming response from the Members and around 700 Members registered for the Course. Digital Accounting & Assurance Board launched the batches of the Certificate Course from 17th April, 2020. Total 8 batches launched by the Board through Digital Learning Hub of ICAI (<https://learning.icai.org>).

The Course focussed to enrich the participants of the fraternity on the important areas of Forensic Accounting, Forensic Audit, Fraud Detection, Data/ Forensic Analytics, Cyber Security and Digital Forensics.

The discussions came into reality and Digital Accounting and Assurance Board is playing a pioneer role to foster a cohesive global strategy on aspects related to Digital Accounting and Assurance. The Board's core mission is to drive the transformation of practice areas, advance the technology ecosystem for the accountancy profession, and lead technology research for benefit of the members. DAAB is making wide ranging efforts to ensure that expertise in new dimensions of technology becomes essential part of professional skill set of Chartered Accountants by bringing out technical publications and organising workshops and training programs. DAAB also organises Post Qualification Course on Information Systems Audit, Course on Blockchain Technology and other hands on training sessions on Data Analytics tools to enrich the CA Fraternity.

**[PUBLISHED IN THE GAZETTE OF INDIA, PART III,
SECTION 4, DATED 4TH May, 2020]**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

New Delhi, the 4th May, 2020

NOTIFICATION

No.1-CA(7)/193/2020:- The following draft of certain regulations further to amend the Chartered Accountants Regulations, 1988, which the Council of the Institute of Chartered Accountants of India proposes to make, is hereby published, as required by sub-section (3) of Section 30 of the Chartered Accountants Act, 1949 (38 of 1949) for the information of all persons likely to be affected thereby; and notice is hereby given that the said draft regulations will be taken into consideration on or after the expiry of a period of forty-five days from the date on which the copies of the Gazette of India in which these draft regulations are published, are made available to the public;

Any person desiring to make any objection or suggestion in respect of the said draft regulations, may forward the same to the Council of the Institute of Chartered Accountants of India within the period so specified, addressed to the Secretary, The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi- 110 002;

Any objection or suggestion which may be received from any person with respect to the said draft regulations before the expiry of the period so specified will be taken into consideration by the Council.

Draft Regulations

1. (1) These regulations may be called the Chartered Accountants (Amendment) Regulations, 2019.
(2) They shall come into force on the date of their final publication in the Official Gazette.
2. In the Chartered Accountants Regulations, 1988 (hereinafter referred to as the said regulations), in sub-regulation (1) of regulation 25E of the said regulations,-
for the words and figures, "appeared in the Senior Secondary (10+2)", the words and figures, "passed the Class 10th" shall be substituted;
the words, "for the purpose of admission to graduation course" shall be omitted.
3. In sub-regulation (1) of regulation 25F of the said regulations,-
for clause (a), the following clause shall be substituted, namely:-
"(a) is registered with the Board of Studies of

the Institute on or before 1st day of January or 1st day of July for the examination to be held in the months of May/June or November/December respectively; and has complied with such other requirements as may be decided by the Council from time to time.; and"

in clause (b), for the word, "passed", the words, "appeared in" shall be substituted.

4. In regulation 28F of the said regulations,-
for sub-regulation (3), the following sub-regulation shall be substituted, namely:-
"(3) No candidate shall be registered for the Intermediate Course unless he has passed the Foundation Examination under these regulations and Senior Secondary (10+2) examination conducted by an examining body constituted by law in India or an examination recognised by the Central Government or the State Government as equivalent thereto for the purpose of admission to graduation course and has complied with such other requirements as may be decided by the Council from time to time."

File No. 1-CA(7)/193/2020

(Rakesh Sehgal)
Acting Secretary

Note: The principal regulations were published in the Gazette of India, Extraordinary, dated the 1st June, 1988 vide number 1-CA(7)/134/88 dated 1st June, 1988 and subsequently amended by the following numbers:-

- (i) Notification No.1-CA(7)/1/89 published in the Gazette of India, dated 7th October, 1989
- (ii) Notification No.1-CA(7)/10/90 published in the Gazette of India, dated 19th January, 1991
- (iii) Notification No.1-CA(7)/11/90 published in the Gazette of India, dated 19th January, 1991
- (iv) Notification No.1-CA(7)/12/91 published in the Gazette of India, dated 23rd February, 1991
- (v) Notification No.1-CA(7)/13/90 published in the Gazette of India, dated 2nd February, 1991

- (vi) Notification No.1-CA(7)/19/92 published in the Gazette of India, dated 7th March, 1992.
 - (vii) Notification No.1-CA(7)/28/95 published in the Gazette of India dated 1st September, 1995
 - (viii) Notification No.1-CA(7)/30/95 published in the Gazette of India, Extraordinary dated 13th March, 1996
 - (ix) Notification No. 1-CA(7)/31/97 published in the Gazette of India, dated 16th August, 1997
 - (x) Notification No. 1-CA(7)/44/99 published in the Gazette of India dated 26th February, 2000
 - (xi) Notification No.1-CA(7)/45/99 published in the Gazette of India, dated 26th February, 2000
 - (xii) Notification No.1-CA(7)/51/2000 published in the Gazette of India, Extraordinary, dated 17th August, 2001
 - (xiii) Notification No.1-CA(7)/59/2001 published in the Gazette of India, Extraordinary dated 28th September, 2001
 - (xiv) Notification No.1-CA(7)/64/2002 published in the Gazette of India, Extraordinary dated 31st March, 2003
 - (xv) Notification No.1-CA(7)/64A/2003 published in the Gazette of India, Extraordinary dated 4th December, 2003
 - (xvi) Notification No.1-CA(7)/83/2005 published in the Gazette of India, Extraordinary dated 28th July, 2005
 - (xvii) Notification No.1-CA(7)/84/2005 published in the Gazette of India, dated 17th June, 2006
 - (xviii) Notification No. 1-CA(7)/92/2006 published in the Gazette of India, dated 13th September, 2006
 - (xix) Notification No. 1-CA(7)/102/2007(E) published in the Gazette of India, dated 17th August, 2007
 - (xx) Notification No.1-CA(7)/116/2008 published in the Gazette of India, dated 25th September, 2008
 - (xxi) Notification No.1-CA(7)/123/2008 published in the Gazette of India, dated 3rd December, 2008
 - (xxii) Notification No. 1-CA(7)/145/2012 published in the Gazette of India, Extraordinary dated 1st August, 2012
 - (xxiii) Notification No. 1-CA(7)/154/2014 published in the Gazette of India, Extraordinary dated 22nd July, 2014
 - (xxiv) Notification No. 1-CA(7)/167/2014 published in the Gazette of India, Extraordinary dated 23rd January, 2015.
 - (xxv) Notification No.1-CA(7)/178/2016 published in the Gazette of India, Extraordinary dated 25th May, 2017.
- Comments/suggestions if any may be sent to email id reg.suggestions@icai.in

Classifieds

- 5810** P K Chopra & Company, 56 year old New Delhi based firm of Chartered Accountants having office in Connaught Place, New Delhi and branches at Ahmedabad, Mumbai, Kochi, Bangalore Lucknow, Gurugram, and Coimbatore is looking for Partners or firms wishing to merge. Partners / Firms in Srinagar, Jammu, Chandigarh, Bangalore, Chhattisgarh, Lucknow, Hyderabad, Kolkatta, Chennai, Uttarakhand, Himachal Pradesh and Madhya Pradesh. Contact Gloria Jaggi at gloria@pkchopra.com; 9811 228 838 & 9899 911 063
- 5811** Proprietorship firms/Retired CAs, from any city, with experience in Forensic Audit/ Ind-AS Implementation, interested in merging / joining with a more than 45 years old CA firm, please write with details including Date of Birth/Establishment, Membership/Registration Number, DISA/CISA etc. to calinkup@gmail.com
- 5812** Tarun Kandhari & Co LLP, a Chartered Accountant firm headquartered in New Delhi, operating since 1992, presently represented by 14 partners, operating from 11 locations in India; looking for growth prospects through merger with a Chartered Accountant firm having more than 40 years of experience. Contact: 1) CA Renu Suri +91 9891159533, E-mail – renu@catarunkandhari.com and CA. Tarun Kandhari, +91 9958644645, E-mail – tarunkandhari@catarunkandhari.com
- 5813** Wanted qualified/semi-qualified CA, CMA, CS, CISA/ DISA qualified professionals of any age group to represent and work for our CA firm at their home district level in India. Only energetic professionals need to contact dr.anujsinghal.1987@gmail.com

Postponement of Chartered Accountant Examinations, May 2020*

In continuation to the Important Announcement dated 27th March, 2020, it is hereby notified for general information that in view of the ongoing spurt of the COVID-19 pandemic and in the interest of the well-being of students, the Chartered Accountant Examinations scheduled from 19th June 2020 to 4th July, 2020* stand rescheduled and the said examinations shall now be held from 29th July 2020 to 16th August, 2020 as per details given below.

FOUNDATION COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 25 F (3) of the Chartered Accountants Regulations, 1988.]

7th, 9th, 11th & 14th August 2020

INTERMEDIATE (IPC) COURSE EXAMINATION – Under OLD SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 E (3) of the Chartered Accountants Regulations, 1988]

Group-I: 30th July 2020, 2nd, 4th & 6th August 2020

Group-II: 8th, 10th & 13th August 2020

INTERMEDIATE COURSE EXAMINATION – Under NEW SCHEME

[As per syllabus contained in the scheme notified by the Council under Regulation 28 G (4) of the Chartered Accountants Regulations, 1988.]

Group-I: 30th July 2020, 2nd, 4th & 6th August 2020

Group-II: 8th, 10th, 13th & 16th August 2020

FINAL COURSE EXAMINATION - Under OLD SCHEME

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

Group –I: 29th, 31st July 2020, 3rd & 5th August 2020

Group -II: 7th, 9th, 11th & 14th August 2020

FINAL COURSE EXAMINATION - Under NEW SCHEME

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

Group -I: 29th, 31st July 2020, 3rd & 5th August 2020

Group -II: 7th, 9th, 11th & 14th August 2020

INTERNATIONAL TRADE LAWS AND WORLD TRADE ORGANISATION

(ITL & WTO), Part I EXAMINATION

Group A 30th July 2020 & 2nd August 2020

Group B 4th & 6th August 2020

INTERNATIONAL TAXATION – ASSESSMENT TEST (INTT – AT)

7th & 9th August 2020

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

Candidates may note that two of the papers viz. Paper(s) 3 & 4 of Foundation Examination are of 2 hours duration. Similarly, Elective Paper - 6 of Final Examination (under New Scheme) is of 4 hours. However, all other examinations are of 3 hours duration, and the examination wise timing(s) are given below:

Examination	Paper(s)	Exam. Timings (IST)	Duration
Foundation	Paper 1 & 2	2 PM to 5 PM	3 Hours
	Paper 3 & 4*	2 PM to 4 PM	2 Hours
Intermediate (IPC)	All Papers	2 PM to 5 PM	3 Hours
Intermediate (New Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (Old Scheme)	All Papers	2 PM to 5 PM	3 Hours
Final (New Scheme)	Paper 1 to 5 & Paper 7 & 8.	2 PM to 5 PM	3 Hours
	Paper 6 (Elective)	2 PM to 6 PM	4 Hours
Post Qualification Course Examinations i.e. (ITL & WTO), Part I and (INTT – AT)	ALL	2 PM to 5 PM	3 Hours

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

Foundation Course Examination is to be held along with Final Group –II Examinations on 7th, 9th, 11th & 14th August 2020 and the Post Qualification Course Examination i.e. INTT - AT is to be held along with Final Group – II Examination on 7th & 9th August 2020, whereas ITL & WTO examination is to be held along with 4 papers, Group – I of Intermediate (IPC) / Intermediate Examinations.

Additional Secretary (Examinations)

Contribution to ICAI COVID-19 Relief Fund

The COVID-19 pandemic marks an unprecedented time in modern history that will require the best of humanity to overcome. Unfolding of epidemic has brought the economic momentum to a much lower trajectory. The situation requires all members of society to extend support to the government initiatives to help those in distress. ICAI created a separate fund to facilitate collection of funds for COVID -19 relief. A large number of members are coming forward to contribute to the fund. We look forward to continued support for the cause of humanity.

The collected amount will be given to Prime Minister's National Relief Fund/PM Cares Fund. All contributions towards this Fund are eligible for deduction from Income Tax under Section 80G. For details members may visit - https://www.icai.org/new_post.html?post_id=16403

A list of major contributors is given below:

Members Contributing ₹ 1,00,000 and Above



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Krishnamoorthy, 020638,
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CA. Geetha G, 028448,
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CA. Dhakappa Rajesh
Gurunath, 030719, Hubballi



CA. Kamlesh Shivji
Vikamsey, 034025, Mumbai



CA. Nilesh Shivji Vikamsey
037665, Mumbai



CA. Hegde Nandkishore
Chidamber, 040197,
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CA. Panda Prashant
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072743, Delhi



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202736, Abu Dhabi



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202995, Bengaluru

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024677, Mangaluru

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067211, Kolkata

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100443, Indore

Members Contributing ₹ 50,000 and Above		
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014643	CA. Khedkar Jayendra Ramchandra	Vadodara
020270	CA. Ramalingam S	Vellore
020270	CA. Ramalingam S	Vellore
023999	CA. Prasanna Kumar D	Visakhapatnam
024524	CA. Selvaraj V	Dammam
026418	CA. Niraimozhi Nagarajan	Erode
028994	CA. Partha Narayan M A	Bengaluru
032057	CA. Shanbhag Ganesh Nagesh	Mumbai
032523	CA. Shriniwas Yeshwant Joshi	Mumbai
033204	CA. Desai Prakashchandra Zaverchand	Mumbai
033424	CA. Girish Shivilal Shah	Mumbai
035885	CA. Chitale Chandrashekhar Vasant	Pune
046476	CA. Vijay Mathur	Mumbai
049132	CA. Bajrang Lal Agarwal	Mumbai
055812	CA. Choudhary Balram	Guwahati
057534	CA. Goyal Sushil Kumar	Kolkata
068861	CA. Sumeet Bucha	Al Khobar
074868	CA. Tulsian Ajay	Indore
079758	CA. Abdhesh Bansal	Indore
079842	CA. Misra Suyash	Dubai
081652	CA. Gupta Hari Kishan	Faridabad
082467	CA. Sanjiv Kumar Chaudhary	Gurgaon
087774	CA. Vinay Jain	New Delhi
088646	CA. Chugh Hans Raj	New Delhi

Member-ship No	Name	Place
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093512	CA. Garg Rajesh	Ludhiana
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099782	CA. Arvind Kumar	Mandi
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102864	CA. Ashok Kumar Rathi	Aurangabad (Mh)
103559	CA. Jay Ajit Chhaira	Surat
131567	CA. Aniket Sunil Talati	Ahmedabad
201797	CA. Vijay Kumar M P	Chennai
204314	CA. Rajendra Kumar P	Chennai
204868	CA. Abdul Salam K A	Doha
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206865	CA. Meenakshi Sundaram H	Bahrain
219286	CA. Abhishek K	Hyderabad
221659	CA. Vinayak D Prabhu	Kozhikode
240224	CA. Ramon Dharma Rajan	Thiruvananthapuram
403882	CA. Bhandari Abhishek	Jodhpur
513433	CA. Amar Sood	Pinjore
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009270	CA. Sambaragimath S G	Belagavi
009729	CA. Sathiyamurthy K R	Vellore
011342	CA. Rajagopalan K	Kochi
018802	CA. Venugopal Mukkala	Kavali
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Member-ship No	Name	Place
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024599	CA. Ravi Kumar S	Tirupattur
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026777	CA. Dinesh Ramu	Dubai
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027552	CA. Ashok R	Coimbatore
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027990	CA. Krishna C R	Bengaluru
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029026	CA. Premraj Jain S	Puducherry
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056699	CA. Pralay Chakravorty	Guwahati
062324	CA. Ritesh Shaw	Kolkata
070205	CA. Rallan Arvind	Agra
072990	CA. Gupta Satish Kumar	Jaipur

Member-ship No	Name	Place
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078435	CA. Garg Vishal	Moradabad
080794	CA. Madan Gopal	Phagwara
081547	CA. Arya Rakesh Kumar	Moradabad
089955	CA. Milan Kapur	Abu Dhabi
096283	CA. Suman Deep Kumar	Hajipur
097709	CA. K Srinivasan	Dubai
102444	CA. Bishan Rameshchandra Shah	Ahmedabad
102837	CA. Vishal Ghisulal Jain	Navi Mumbai
105591	CA. Dheeraj Kumar Khandelwal	Mumbai
105973	CA. Saurabh Vasantkumar Kuwadia	Mumbai
106122	CA. Bharatkumar Chhibubhai Bhandari	Dahanu
106137	CA. Hitesh Manharlal Pomal	Ahmedabad
114795	CA. Jyotin Mukteshbhai Dholakia	Abu Dhabi
115297	CA. Alpa Saurabh Kuwadia	Mumbai
118411	CA. Ketan Yashvantray Sheth	Rajkot
122962	CA. Dinesh Gopal Mundada	Pune
149603	CA. Isha Rameshchandra Marfatia	Bharuch
200710	CA. Srinivasulu T	Nellore
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201618	CA. Senthil Sithan	Salem
202011	CA. Hemamalini V	Salem
202097	CA. Kalaiarasan K	Krishnagiri
202396	CA. Subbiah Bangaru Kesavanambi	Madurai
203233	CA. Sreenivasa Rao Godavarthi	Vijayawada
204000	CA. Prabhu Srinath Pundalik	Bahrain
204803	CA. Vimala S	Erode
205084	CA. Pius Thomas	Abu Dhabi
206380	CA. Harinarayanarao S	Nairobi
208088	CA. Sanjay R	Safat
208902	CA. Nakkina Purushothama Prasad	Kakinada
211510	CA. Smitha Padmanabhan	Chennai

Member-ship No	Name	Place
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216211	CA. Lingambhotla S Rajendra	Vijayawada
218353	CA. Sanjay R Das	Muvattu-puzha
219250	CA. Guruprasad	Chennai
221424	CA. Chengal Reddy Ramireddygar	Hyderabad
237829	CA. Ganesh Kumar R	Vellore
405230	CA. Haider Arquam	Abu Dhabi
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Member-ship No	Name	Place
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011316	CA. Prakash Nagardas Shah	Mumbai
011959	CA. Pachisia Suraj Ratan	Mumbai
012056	CA. Jose Pottokaran	Thrissur
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012200	CA. Dhulipala Sankar	Vijayawada
012695	CA. Manavi Anant Vaman	Sangli
012703	CA. Bhaskara Rao K	Hubballi
012796	CA. Gandhi Arjan Dev	Ambala
013201	CA. Nadpurohit Shrikant Ramdas	Pune
013205	CA. Jeyaraj V Rayen	Tirunelveli

Member-ship No	Name	Place
013743	CA. Ramaiya Virendra Laxmidas	Mumbai
013964	CA. Jain Parasmasl Farasramji	Ahmedabad
014381	CA. Rathna Gupta S V G	Hindupur
014549	CA. Medhi Probodh Chandra	Dibrugarh
015364	CA. Ramdas M	Thrissur
015487	CA. Harbansh Lal	Delhi
015596	CA. Sarada Shrigopal Rajaram	Sangli
015650	CA. Sivaswamy Nagarajan	Coimbatore
015726	CA. Shyam Lal	Lucknow
015736	CA. Patet Gajendra Kumar	Dehradun
015820	CA. Agarwal Ram Gopal	Jamshedpur
016157	CA. Sudhakar Kasu	Nellore
016599	CA. Gupta Niraj	New Delhi
017669	CA. Zatakia Jitendrakumar Damodar	Mumbai
017768	CA. Harish Kumar	Shimla
017983	CA. Subhash Kumar	New York
018017	CA. Shanmuga Sundaram P	Karur
018091	CA. Jalakrishna Rao P	Nellore
018097	CA. Sundara Moorthi M	Bengaluru
018319	CA. Bhujanga Shetty S	Hubballi
018381	CA. Venkateswarlu Ch	Ongole
018708	CA. Halbhavi V S	Belagavi
018710	CA. Lakshmanan M	Madurai
018728	CA. Pundarikaksham A	Nellore
018939	CA. Ramakrishnan D	Tirunelveli
018979	CA. Vasudevan Nampoothiri C K	Kochi
019139	CA. Pitchaiah G B V	Ongole
019145	CA. Easwaran G	Madurai
019189	CA. Sreenivasa Kumar B	Anantapur
019207	CA. Bolmal Umesh Gurusiddappa	Belagavi
019425	CA. Raghunathan T	Coimbatore
019734	CA. Veeranna Gundappa Mantgol	Kalaburagi

Benevolence

Member-ship No	Name	Place
019763	CA. Krishna Kumar C	Thrissur
019876	CA. Kulkarni S G	Hubballi
020053	CA. Kumar A P	Chennai
020116	CA. Krishnan M K	Vellore
020231	CA. Gowrissankar P M R	Tiruchirapalli
020288	CA. Ananthasayanam S V V	Madurai
020503	CA. Sridharan N	Chennai
020504	CA. Ramachandran V	Palakkad
020802	CA. Shah Manilal P	Kalaburagi
020903	CA. Mathews Cherian M	Bengaluru
021031	CA. Venkateswar K	Karimnagar
021172	CA. Jayaprakash G P	Gudiyattam
021172	CA. Jayaprakash G P	Gudiyattam
021609	CA. Balakrishnan C	Madurai
021702	CA. Nagaraju K	Hyderabad
021705	CA. Narasimha Prasad G	Kadapa
021730	CA. Latkan P K	Belagavi
021745	CA. Chougule M D	Belagavi
021761	CA. Srinivasulu C	Nellore
021781	CA. Rangarajan R	Chennai
022110	CA. Arun Kumar Chillal	Kalaburagi
022167	CA. Krishnan V C	Chennai
022255	CA. Kotrabasappa Shidramappa Chetty	Gadag
022307	CA. Sriraman P	Chennai
022318	CA. Barve Rajendra Laxman	Belagavi
022434	CA. Subramanyan S K	Chennai
022481	CA. Venkateswarlu J	Hyderabad
022516	CA. Gopal N V	Dubai
022554	CA. Venugopal Reddy A G	Anantapur
022558	CA. Mohan P	Thalassery
022567	CA. Sadanandaiah V	Hindupur
022573	CA. Vaidyanathan N	Mysuru
022841	CA. Natanagopal S	Madurai
023024	CA. Gutta Purnachandra Rao	Hyderabad
023137	CA. Gnanoba K R	Bengaluru
023231	CA. Shankar Kuppuswamy Krishnamurthy	Tiruchirapalli
023355	CA. Sudhakara Rao I	Nellore
023404	CA. Palaniappan T	Villupuram

Member-ship No	Name	Place
023481	CA. Suresh R	Puducherry
023643	CA. Hegde Subrahmanya G	Sirsi
023683	CA. Vijayan P S	Palakkad
023757	CA. Adinavar H N	Hubballi
023904	CA. Sudhaker I	Hyderabad
023927	CA. Khaja Khader Khan	Nellore
023958	CA. Brahmananda Reddy M R	Kakinada
024090	CA. Visweswara Rao M	Kadapa
024166	CA. Wali Gurappa Laxman	Belagavi
024257	CA. Kannan R	Coimbatore
024268	CA. Sadasivan R	Chennai
024307	CA. Prakash V	Anantapur
024331	CA. Madhusudan Mantri	Hyderabad
024344	CA. Nagaraju K	Hyderabad
024474	CA. Robert Rodrigues	Aurangabad (Mh)
024541	CA. Ananthanarayana Pai K	Udupi
024541	CA. Ananthanarayana Pai K	Udupi
024547	CA. Muralidharan S	Karaikudi
024552	CA. Ramamoorthy S	Madurai
024804	CA. James Verghese	Thiruvananthapuram
025009	CA. Narayan B S	Hyderabad
025108	CA. Bremnathan D	Puducherry
025109	CA. Ishwar S Kinagi	Kalaburagi
025228	CA. Koormala Siddaiah	Hyderabad
025415	CA. Velu R	Chennai
025507	CA. Ravi S K	Chennai
025662	CA. Kuriachan V P	Chennai
026244	CA. Patil Manickrao S	Margao Goa
026366	CA. Panna Raj S	Bengaluru
026523	CA. Kasiviswanathan A S	Madurai
026601	CA. Chandra Sekhar Reddy K	Hindupur
026603	CA. Rajendra Mehar P	Hyderabad
026683	CA. Raghunadha Reddy P	Chennai
026770	CA. Meda Nagaraj	Anantapur
026772	CA. Ashok Gurappa Mudnur	Belagavi
026923	CA. Ravi Sarma V	Kakinada
026928	CA. Venkatram E K	Tiruchirapalli
027018	CA. Srinivas V	Secunderabad
027051	CA. Ranganatha Murali V	Bengaluru

Member-ship No	Name	Place
027103	CA. Venkataramana Reddy M	Bengaluru
027214	CA. Kumarendra Chowdary Bollinenikesavulu	Chittoor
027288	CA. Hiremath Shantesh I	Kalaburagi
027334	CA. Rajendran R	Tiruchirapalli
027336	CA. Balakrishnan M	Bahrain
027432	CA. Narender Rao B	Hyderabad
027518	CA. Anil S Mandolkar	Belagavi
027639	CA. Suryanarayana Rao Ch	Nellore
027704	CA. Shantharama Nayak	Mangaluru
027866	CA. Gangadhara Gupta R	Anantapur
027907	CA. Raveendra Reddy Adduru	Hyderabad
027949	CA. Vijaya Kumar B N	Davangere
028015	CA. Satish M Mehta	Belagavi
028134	CA. Erra Srinivas Harimohan	Kakinada
028531	CA. Ravi R	Chennai
028539	CA. Dayaker G	Miryalaguda
028564	CA. Mallikarjun Neelappa Tapashetti	Bagalkot
028605	CA. Bharamappa Paris Janagouda	Belagavi
028669	CA. Rajeswara Rao Padarathi	Hyderabad
029060	CA. Keshava Narsha Ballakuraya	Mangaluru
029167	CA. Parameswara Rao Arava	Rajamahendravaram
029193	CA. Govardhana Reddy P	Hyderabad
029195	CA. Mannava Divakara Sarma	Guntur
029433	CA. Venkatesh S T	Madurai
029496	CA. Ravi J	Bengaluru
029552	CA. Miriyala Niranjan	Hyderabad
029590	CA. Raghu G A	Chennai
029595	CA. Murugesan S	Sivakasi
029642	CA. Gnana Michael Amarar Jothi A	Vallioor
029664	CA. Pullugundla Lalitha	Nellore
029667	CA. Thiruvengadam M	Chennai
030305	CA. Gujar Mohan Ramchandra	Pune
030401	CA. Tanksale Rajaram Govind	Satara
030794	CA. K Palanisamy	Navi Mumbai

Member-ship No	Name	Place
030843	CA. Karnik Arvind Balkrishna	Thane
031169	CA. Choksey Rashmikant Ishwarlal	Mumbai
031176	CA. Ladda Suresh Papalalji	Beed
031369	CA. Agrawal Balkisan Motilal	Akola
032001	CA. Jhaveri Kamalesh Uttamchand	Mumbai
032232	CA. Shankarlal Ramanand Taparia	Mumbai
032384	CA. Agarwal Pawan Kumar	Mumbai
032997	CA. Vijaykumar Madanlal Nawandhar	Sangli
033307	CA. Bharat Ishwarlal Gosalia	Mumbai
033498	CA. Dubal Harsukhlal Ramniklal	Dar Es Salaam
033520	CA. Lakhani Atul Anantbhai	Junagadh
034442	CA. Dhamne Shashikant Shravan	Chalisgaon
034488	CA. Shah Tejpal Chandrakant	Sangli
034925	CA. Manek Shailesh Liladhar	Mumbai
035109	CA. Mate Prakash Tukaram	Pune
035515	CA. Ramesh Subramanian Iyer	Mumbai
035517	CA. Thakkar Deepak Harishchandra	Mumbai
035520	CA. Jambusaria Nihar Niranjan	Mumbai
035994	CA. Gidwani Anoop Gulab	Hong Kong
036004	CA. Purohit Harishkumar Bhaishankar	Ahmedabad
036393	CA. Bedmutha Ashok Shobhachand	Aurangabad (Mh)
037083	CA. Jatania Subhash Babulal	Mumbai
037487	CA. Kenkre Santosh Ravindranath	Panaji Goa
037722	CA. Kulkarni Ashok Neelkantharao	Margao Goa
038955	CA. Shah Manish Dhirajlal	Mumbai
040060	CA. Vasani Bharat Premji	Mumbai

Benevolence

Member-ship No	Name	Place
041002	CA. Shah Jaydeep Narendra	Nagpur
041002	CA. Shah Jaydeep Narendra	Nagpur
041282	CA. Kiran Kantilal Dhruve	Mumbai
041343	CA. Upendra Vasant Bodas	Pune
041540	CA. Jain Narendra Kumar Ambalal	Mumbai
041548	CA. Kapadia Shreyas Shirishbhai	Vapi
042795	CA. Jeetendra Ganeshlal Bhatia Udeshi	Dubai
042966	CA. Kamat Govind Vithal	Margao Goa
043062	CA. Srivastava Rakesh	Mumbai
043544	CA. Sarawate Kedar Kamalakar	Kolhapur
044676	CA. Hemant Umiyashankar Vyas	Mumbai
044777	CA. Himmat Mal Singhvi	Mumbai
045594	CA. Vineet Anand Malhotra	San Francisco
045643	CA. Somaya Navin	Dubai
045733	CA. Navada Ramachandra Narayana	Mumbai
046041	CA. Sharma Virendra Madanmohan	Dubai
046418	CA. Vora Mahesh Nanalal	Bhuj
046489	CA. Patil Dhananjay Sadashiv	Kolhapur
046731	CA. Sarmalkar Damodar Yeshwant	Margao Goa
046827	CA. Desai Sandeep Rajendra	Mumbai
046989	CA. Akolkar Rajendra Vasant	Kolhapur
047176	CA. Jajoo Gopal Mangilalji	Aurangabad (Mh)
047502	CA. Sanjay Waman Narvekar	Ratnagiri
047600	CA. Satish Singh	Mumbai
047690	CA. Chhajed Prafulla Premeukh	Mumbai
047838	CA. Mahendra Digamber Parab	Mumbai
047981	CA. Bhandari Sunil Kumar	Mumbai

Member-ship No	Name	Place
047993	CA. Patil Pravin Sadashivrao	Nanded
048199	CA. Rajesh Vithal Kirloskar	Pune
048331	CA. Dipakbhai Veljibhai Bakrania	Morbi
048466	CA. Bipin Rasiklal Shaha	Ratnagiri
048770	CA. Khade Abhijit Ramesh	Pune
048970	CA. Palkar Dattatray Shridhar	Sangli
049440	CA. Pramod Budhamal Nahar	Pune
049641	CA. Ravani Rajiv Ishwarlal	Ahmedabad
050576	CA. Som Nath Dan	Kolkata
051046	CA. Joshi Kiron Kumar	Shillong
051315	CA. Khaitan Jayanti Prasad	Kolkata
051609	CA. Agarwala Gopal Das	Rourkela
052051	CA. Balasubramaniam S	Pune
052438	CA. Ravindra Pratap Singh	Kolkata
052510	CA. Shah Chandra Sekhar	Sambalpur
052587	CA. Gouri Shankar Nayak	Kolkata
052787	CA. Asitabha Roy	New Delhi
053159	CA. Kakkad Sunil	Sambalpur
053262	CA. Epari Krishna Mohan	Dubai
053527	CA. Jaichand Kuljit Rai	Dibrugarh
053649	CA. Debashis Mitra	Guwahati
054234	CA. Ranadhir Pal	Shillong
054312	CA. Om Prakash Chandak	Guwahati
054595	CA. Padhy Amara Kanta	Brahmapur
054670	CA. Subodh Kumar Agrawal	Kolkata
054889	CA. Tapan Kumar Mandal	Midnapore
055272	CA. Keshan Manoj Kumar	Kolkata

Member-ship No	Name	Place
055340	CA. Rath Dipak	Talcher
055435	CA. Pulipaka Venkata Siva Prasad Kumar	Visakha-patnam
055640	CA. Tapas Ranjan Chattopadhyay	Berhampore
055710	CA. Khageswar Pradhan	Rourkela
055762	CA. Jhunjhunwala Rajesh Kumar	Cuttack
055789	CA. Khandelwal Jagdish	Jamshedpur
055867	CA. Anindo Mukherjee	Singapore
055996	CA. Santosh Kumar Agrawalla	Bhubaneswar
056387	CA. Kamal Kumar Agarwal	Siliguri
056409	CA. Ravi Kumar Patwa	Silchar
056683	CA. Durga Prasad Mohanty	Jagdalpur
056684	CA. Agarwal Manoj Kumar	Navi Mumbai
056738	CA. Lath Nabin Kumar	Bargarh
056766	CA. Rao Gudla Srinivas	Jeypore
057057	CA. Agarwalla Basant Kumar	Dibrugarh
057066	CA. Agrawal Sanjay Kumar	Bilaspur (Ch)
057307	CA. Sharma Sunil	Guwahati
057336	CA. Jain Anil	Silchar
057408	CA. Roy Susanta Kumar	Shillong
057843	CA. Agarwal Ramesh Kumar	Siliguri
057889	CA. Binay Kumar Singhania	Kolkata
058008	CA. Ramesh Kumar Chandgothia	Vapi
058784	CA. Pravash Kumar Guru	Balangir
059032	CA. Sahu Lalatendu	Cuttack
059198	CA. Sudip Kumar Pramanik	Kolkata
059206	CA. Debapratim Das	Shillong
060515	CA. Anand Goyal	Siliguri
061391	CA. Amit Jalan	Kolkata
061530	CA. Pankaj Agarwal	Rourkela
061651	CA. Yogesh Kumar Agarwal	Siliguri
062676	CA. Birendra Kumar Gupta	Aurangabad (Bihar)
062764	CA. Agarwala Manoj	Abu Dhabi

Member-ship No	Name	Place
062962	CA. Rajesh Varanasi	Dubai
063128	CA. Harish Chandra Bhanja	Digha
063460	CA. Dhiraj Kumar Jain	Guwahati
063463	CA. Amit Sharma	Shillong
063662	CA. Rout Prakash Kumar	Bengaluru
063905	CA. Manoj Kumar Agrawal	Kantabanji
064622	CA. Kiran Joshi	Singapore
065449	CA. Jagabandhu Patra	Bhubaneswar
065831	CA. Sunil Kumar Jain	Tinsukia
066155	CA. Umesh Kumar Gupta	Cuttack
066520	CA. Tapadwiti Nayak	Bhubaneswar
066720	CA. Anil Sharma	Rajgangpur
066959	CA. Mayank Somani	Dergaon
066995	CA. Vikash Gupta	Kolkata
067054	CA. Avijit Dutta	Siliguri
067544	CA. Kamal Mour	Guwahati
068839	CA. Payel Podder	Agartala
070112	CA. Venugopalan V	Thrissur
070158	CA. Jai Deep Singh Rathore	Jaipur
070418	CA. Bazari Rajeev Kumar	Kota
070499	CA. Gupta Badri Prasad	Haldwani
070610	CA. Alladeen Khan	Sikar
070657	CA. Goyal Ashok Kumar	Noida
070708	CA. Gupta Rajesh Kumar	Mathura
070774	CA. Saklani Akhil Narain	Dehradun
070792	CA. Muket Behari Gupta	Alwar
070851	CA. Asha Ram	Ghaziabad
070882	CA. Sahgal Rakesh Kumar	Muzaffarnagar
070891	CA. Gupta Sanjay	Saharanpur
070899	CA. Agarwal Shyam Lal	Jaipur
070964	CA. Bhargava Sunil Kumar	Jaipur
070985	CA. Garg Mal Chand	Kishangarh
071024	CA. Jain Vinod Kumar	Bhopal
071111	CA. Agarwal Chand Mal	Kishangarh
071450	CA. Bazari Sanjeev Kumar	Kota
071690	CA. Shah Arvind	Udaipur
071694	CA. Maheshwari Anil Kumar	Gurgaon

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Member-ship No	Name	Place
071791	CA. Agarwal Pawan Kumar	Gonda
071897	CA. Chaturvedi Manohar Lal	Mathura
072364	CA. Singhal Manoj	Aligarh
072407	CA. Mukesh Kumar	Agra
072423	CA. Jain Rajendra	Jodhpur
072526	CA. Rajeev Kumar	Meerut
072574	CA. Garg Yogesh Kumar	Saharanpur
072607	CA. Jain Ravindra Kumar	Agra
072621	CA. Dhody Rakesh Kumar	Bhilai
072694	CA. Agrawal Deen Dayal	Kota
072853	CA. Deshlahra Prasan Kumar	Raipur
072919	CA. Agarwal Bishwanath	Jamshedpur
072990	CA. Gupta Satish Kumar	Jaipur
073086	CA. Khurdia Kamal Kumar	Udaipur
073102	CA. Tayal Deepak	Agra
073368	CA. Sharma Ashish	Kota
073608	CA. Agarwal Jyoti Kumar	Bijnor
073998	CA. Satsangee Sahib Piara	Agra
074330	CA. Rathi Ravindra	Jabalpur
074350	CA. Goenka Sanjay	Patna
074364	CA. Sogani Kamal Kumar	Jaipur
074569	CA. Gupta Sanjeev	Ajmer
074601	CA. Poddar Satish Chandra	Jabalpur
074601	CA. Poddar Satish Chandra	Jabalpur
074655	CA. Nigam Manoj	Varanasi
074799	CA. Arora Kuldeep Kumar	Mathura
074948	CA. Ghiya Vimlesh Kumar	Udaipur
075015	CA. Kataria Ashok	Udaipur
075297	CA. Maheshwari Ravi	Dehradun
075413	CA. Panwar Suresh Chander	Abu Dhabi
075486	CA. Satish Kumar	Patna
075854	CA. Rama Kant Gupta	Jamshedpur
075899	CA. Tulsyan Sushil Kumar	Patna
075990	CA. Manoj Kumar Jain	New Delhi

Member-ship No	Name	Place
076007	CA. Gupta Santosh Kumar	Kanpur
076247	CA. Misra Piyush Kumar	Lucknow
076499	CA. Pathak Mradul	Agra
076697	CA. Maheshwari Amitabh	Indirapuram
076748	CA. Sat Prakash	Phagwara
076942	CA. Mittal Sanjay	Nagaur
077135	CA. Bansal Mukesh	Ghaziabad
077188	CA. Vijay Soni	Jodhpur
077293	CA. Agrawal Atul	Noida
077294	CA. Suhalka Rajesh	Udaipur
077325	CA. Gupta Bhupesh	Pilkhua
077627	CA. Agrawal Rakesh	Agra
077688	CA. Singhal Sanjay	Pilkhua
077754	CA. Garg Murli Dhar	Indore
077863	CA. Jain Dinesh Kumar	Kota
077872	CA. Bansal Sushil	Madanganj Kishangarh
077882	CA. Rohatgi Anshul	Alwar
077928	CA. Singh Sameer Kumar	Bilaspur (Ch)
078229	CA. Bansal Jitendra	Gwalior
078324	CA. Jain Suman Prakash	Pali Marwar
078333	CA. Sharma Rakesh	Beawar
078780	CA. Vijaywargiya Rohit	Gwalior
078841	CA. Agrawal Nitin Kumar	Indore
078963	CA. Agrawal Rajnish	Dehradun
079039	CA. Ghosh Subhash Chandra	Patna
079137	CA. Pradeep Pal	Bhilai
079211	CA. Soni Atul Kumar	Bilaspur (Ch)
079293	CA. Bhandari Mahendra	Mumbai
079390	CA. Gupta Arun Kumar	Hardwar
079452	CA. Mittal Manish	Indore
079455	CA. Ram Niwas Sharma	Jaipur
079518	CA. Vimal Kumar	Vaishali (Bh)
079535	CA. Bansal Amit	Agra
079547	CA. Gagarani Sanjay	Dubai
079558	CA. Somani Devendra Kumar	Udaipur

Member-ship No	Name	Place
079585	CA. Agarwal Anil Kumar	Jamshedpur
079602	CA. Agrawal Ravi	Mathura
079611	CA. Mundhra Ashok Kumar	Deshnoke
079816	CA. Jain Sandeep	Gwalior
080034	CA. Gupta Vijay Kumar	Jammu Tawi
080053	CA. Gupta Ram Paul	Jalandhar
080280	CA. Varjindar Kumar	Jammu Tawi
080493	CA. Malik Suresh	New Delhi
080558	CA. Shri Nath Gupta	Vadodara
080737	CA. Priti Saraf Paul	Hisar
081092	CA. Khurana Rajesh Kumar	Gurgaon
081633	CA. Kalyanakrishnan R	Abu Dhabi
081658	CA. Sharma Anil	New Delhi
081946	CA. Vinod Kumar	New Delhi
083245	CA. Bhargava Uma Kant	Delhi
083246	CA. Sarbjit Kumar	Ludhiana
083482	CA. Mahajan Deepak Kumar	Delhi
083649	CA. Manoj Kumar Gupta	New Delhi
083929	CA. Bansal Rattan	Kaithal
083983	CA. Anil Kumar Lodha	Jaipur
084176	CA. Manoj Kumar	Delhi
084303	CA. Prem Nath	New Delhi
084567	CA. Prem Kumar	Moga
084610	CA. Malhotra Suresh Kumar	Jammu Tawi
084634	CA. Verma Anil Kumar	Faridabad
084837	CA. Sethi Vinay Kumar	New Delhi
085222	CA. Agrawal Vijay Kumar	Aligarh
085397	CA. Gupta Shiv Kumar	Chandigarh
085672	CA. Kalia Anil Kumar	Chandigarh
085882	CA. Mongia Om Parkash	Ambala
086090	CA. Tandon Naresh Kumar	Gurgaon
086148	CA. Shashi Kamal	Ghaziabad
086445	CA. Khare Ashutosh	New Delhi
086556	CA. Jain Anil	Agra
086645	CA. Ajay Mohan Arora	New Delhi
086677	CA. Rajinder Mohan	Ferozepur
086728	CA. Gupta Ravi	New Delhi
086750	CA. Agarwal Sandeep	Firozabad

Member-ship No	Name	Place
086836	CA. Agrawal Bajrang Lal	Delhi
086865	CA. Hari Ram Agarwala	New Delhi
087201	CA. Tandon Sandeep Kumar	New Delhi
087357	CA. Satinder Kumar Saini	New Delhi
087414	CA. Agrawal Brij Mohan	Noida
087547	CA. Gupta Chandra Bhan	Noida
087638	CA. Rai Deepak	New Delhi
087670	CA. Emendra Paul Singh	Meerut
087732	CA. Gursanjit Singh Ahuja	Noida
087882	CA. Aggarwal Vineet	Chandigarh
087915	CA. Ajay Kumar Katyal	Ambala
087943	CA. Thakur Yogesh	Moga
088357	CA. Sood Rajeev	Shimla
088380	CA. Gupta Anil Kumar	Delhi
088447	CA. Jain Rajesh Kumar	Ludhiana
088538	CA. Srivastava Shailendra Swarup	Ballia
088721	CA. Bhatia Vineet	Panchkula
089019	CA. Sharma Sunil Kumar	Panchkula
089275	CA. Inder Raj Chanauria	Kullu
089419	CA. Sandeep Kumar	Rohtak
089604	CA. Ashwani Bajaj	Delhi
089701	CA. Vijay Sood	Ludhiana
089795	CA. Sanjay Agrawal	New Delhi
089918	CA. Pandey Mahesh Chandra	Pithoragarh
090263	CA. Naveen Singal	Gurgaon
090423	CA. Harish Kumar Arora	Delhi
090680	CA. Chander Mohan	Calgary (Alberta - Canada)
090739	CA. Viney Goel	Karnal
090850	CA. Gupta Pramod Kumar	Alwar
090991	CA. Ashok Kumar	Rohtak
091412	CA. Handa Shiv Kumar	New Delhi
091519	CA. Satish Kumar	Muktsar
091584	CA. Pawan Kumar Agrawal	New Delhi
091935	CA. Jatinder Vansil	Amritsar
091939	CA. Gupta Deepak	Delhi
092044	CA. Manglik Anita	Bur Dubai

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Member-ship No	Name	Place
092107	CA. Khosla Pavan K	New Delhi
092380	CA. Chhapolia Sunil Kumar	Patna
092867	CA. Bhupinder Singh	Ambala
093310	CA. Jindal Sanjeev Kumar	Meerut
093666	CA. Ramu K	Dubai
094208	CA. Harish Gupta	Gurgaon
094292	CA. Rohtash Mohan	New Delhi
094334	CA. Vijay Kumar Agarwal	New Delhi
094340	CA. Manoj Kumar	New Delhi
094367	CA. Arora Sunil	Amritsar
094380	CA. Aggarwal Naveen	New Delhi
094456	CA. Anshu Gupta	Delhi
094894	CA. Sharma Ravinder Kumar	Jammu Tawi
095388	CA. Matta Rajesh Kumar	Delhi
095435	CA. Gupta Puneet	Mohali
095566	CA. Ashok Kumar	Gurgaon
095745	CA. Meher Gautam	Doha
095872	CA. Mehra Rajat	Shimla
096033	CA. Gupta Sudeep	Jammu Tawi
096134	CA. Atul Nandwani	Chandigarh
096207	CA. Kaur Mandeep	Delhi
096238	CA. Garg Manish	New Delhi
096347	CA. Goel Anurag	New Delhi
096708	CA. Sehgal Sanjay	New Delhi
096751	CA. Rakesh Kumar	Rohtak
096895	CA. Singh Jasminder	Ludhiana
097083	CA. Rajesh Baldi	Bijainagar
097097	CA. Sriram R	Safat
097132	CA. Sushma Mogla	Jalandhar
097490	CA. Jain Piyush	Rishikesh
097526	CA. Gosain Yogesh	Gurgaon
097693	CA. Khullar Rajeev	Mohali
097888	CA. Dinesh Kumar	New Delhi
098258	CA. Sharma Rajesh	Delhi
098316	CA. Amit Mittal	Chandigarh
098433	CA. Sahi Manish Kumar	New Delhi
098477	CA. Goel Beenu	Chandigarh
098908	CA. Jain Ashish	Ludhiana
099192	CA. Arora Jitesh	Jammu Tawi

Member-ship No	Name	Place
099486	CA. Ashish Gupta	Gurgaon
099498	CA. Gupta Ajay Kumar	Jammu Tawi
099638	CA. Manish Kumar	Sikandrabad
099872	CA. Sourav Mehta	Jammu Tawi
099926	CA. Sund Amit	Ludhiana
100131	CA. Gyanendrakumar Sunderlal Tripathi	Pune
101375	CA. Pawan Kumar Khandelwal	Ahmedabad
101659	CA. Sandip Raghunath Khochare	Dapoli
102062	CA. Drushti Rahul Desai	Mumbai
102154	CA. Rajendra Bhogilal Shah	Gandhidham
102583	CA. Ajay Bhalchandra Rajurkar	Ahmednagar
103922	CA. Pandya Deepak Shivshanker	Mumbai
104106	CA. Kedar Gajanan Phatak	Sangli
104234	CA. Lalit Laxminarayan Bajaj	Bhayandar
104470	CA. Rajen Bhagwanbhai Harani	Pune
104605	CA. Umesh Ramnarayan Sharma	Aurangabad (Mh)
104790	CA. Suhas Dashrath Gardi	Pune
105222	CA. Sachin Shashikant Sastakar	Pune
105591	CA. Dheeraj Kumar Khandelwal	Mumbai
105929	CA. Narendra Vallabhdas Khoda	Veraval
107260	CA. Sanjay Yashwant Raut	Alibaug
107659	CA. Anil Rajaram Chikodi	Kolhapur
108266	CA. Rajendra Shriram Joshi	Lonavla
108895	CA. Vishal Padamshi Lalka	Gandhidham
108994	CA. Govind Hariram Gindodia	Dhule
109264	CA. Brijesh Rajanikant Shah	Anand
109770	CA. Rajnish Suwalka	Bhilwara
110741	CA. Chintan Nareshkumar Patel	Ahmedabad

Member-ship No	Name	Place
110802	CA. Rajkumar Indarchand Kothari	Aurangabad (Mh)
110809	CA. Deepak Vinodchandra Suba	Mumbai
110870	CA. Vipul Maganbhai Somaia	Mumbai
111002	CA. Umesh Ramchandra Lovalekar	Ratnagiri
111462	CA. Rameshbhai Parasmaji Jain	Ahmedabad
112768	CA. Rajiv Ramesh Thakur	Abu Dhabi
112912	CA. Neelakanth Vishnu Marathe	Sindhudurga
113027	CA. Nikhil Govindrao Gramle	Aurangabad (Mh)
113656	CA. Hirenkumar Ashvinbhai Pandya	Ahmedabad
113973	CA. Ruchir Jayantbhai Desai	Vapi
114157	CA. Gopal Krishna Garg	Mumbai
114209	CA. Sumitr Surana	Goalpara
114341	CA. Anita Devidas Sachdev	Vadodara
115094	CA. Bhavinkumar Chhaganlal Kantaria	Pune
115460	CA. Ajay Motilal Nardhani	Dubai
117276	CA. Presh Tarachand Sawita Dodhiya	Mumbai
117323	CA. Pralhad Jagadish Mandhana	Pune
118210	CA. Anupam Dinkar Bhusari	Nagpur
118309	CA. Kailash Mulchandbhai Malkani	Tokyo
118511	CA. Pramod Kumar Ostwal	Ahmedabad
118756	CA. Siddhartha Prakash Sharma	Bengaluru
119740	CA. Sirish Patra	Pune
119967	CA. Kartik Arunbhai Varaiya	Gandhidham
121101	CA. Madhavi Kaushik	Bhopal
122495	CA. Alkesh Zumberlalji Rawka	Aurangabad (Mh)
122698	CA. Charu Mukesh Ved	Nashik
122790	CA. Samir Bharat Raja	Pune

Member-ship No	Name	Place
123097	CA. Bhavesh Mavjibhai Vasoya	Rajkot
123647	CA. Hitesh Haribhai Atkotiya	Rajkot
123758	CA. Harshal Kishor Khedulkar	Nagpur
124276	CA. Nikhil Ashok Joshi	Dubai
124277	CA. Sachin Jayprakash Yeola	Pune
124392	CA. Rajashri Sachin Gujar	Mahad
125295	CA. Sachin Kantilal Bafna	Pune
125559	CA. Ashokkumar Kishanbhai Jani	Ahmedabad
125789	CA. Tarachand Geharilal Jain	Mumbai
126802	CA. Bhagvan Madhukar Kshirsagar	Pune
127294	CA. Jyotish Natvarlal Shelat	Mumbai
128577	CA. Ankur Yogendra Vakharia	Satara
129855	CA. Anish Sushilkumar Modi	Thane
130013	CA. Kishore Kumar	Navi Mumbai
131313	CA. Trupti Gajanan Chavan	Kalwa
131365	CA. Nilesh Chandrakant Gandhi	Morbi
131830	CA. Hemantkumar Shyamsundar Bahedia	Mumbai
133401	CA. Virendra Vijay Dhuri	Mumbai
133964	CA. Avadhut Ramesh Pharande	Pune
135746	CA. Shyam Sundar Sultan Singh Purohit	Umbargaon
137018	CA. Sanket Deepak Shah	Pune
137245	CA. Jay Mahendra Rambhia	Mumbai
137277	CA. Shradhha Sushant Sirsakar	Pune
138665	CA. Shrikant Pandharinath Thorat	Pune
138808	CA. Gourang Sudhir Shah	Vadodara
140406	CA. Bhaveshkumar Jayantilal Thakkar	Anand
141168	CA. Kapil Nareshkumar Sanghvi	Jamnagar
142894	CA. Pavan Kumar Bajaj	Degana

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Member-ship No	Name	Place
143328	CA. Hardikkumar Jagdishbhai Patel	Anand
145848	CA. Swati Rajendra Jain	Nagpur
146142	CA. Moiz Enayatoli Lokhandwala	Mumbai
146851	CA. Aditya Kulkarni	Margao Goa
148661	CA. Bandish Jayesh Hemani	Navi Mumbai
148868	CA. Omkar Suresh Kulkarni	Satara
151194	CA. Kavita Subhash Goyal	Ahmedabad
151620	CA. Sarang Chandrakant Chobhe	Akola
154074	CA. Nirmal Jain	Mumbai
157411	CA. Abhinandan Vijay Gargade	Mumbai
159682	CA. Kartikey Laxmanprasad Kandoi	Mumbai
161139	CA. Darshan Pravinchandra Gadhiya	Dubai
162441	CA. Ankit Rathi	Bhayandar
163019	CA. Kalpesh Savjibhai Devda	Morbi
168373	CA. Karan Abhaykumar Jain	Mumbai
180722	CA. Ghanshyam Lalji Rabadiya	Bhuj
180879	CA. Deepak Babani	Ahmedabad
186016	CA. Mitul Chetanbhai Patel	Ahmedabad
192292	CA. Prachi Prakash Kudav	Mumbai
200025	CA. Kantipudi Veera Venkata Satyanarayana	Kakinada
200278	CA. Murali Krishna Gandrakota	Narasaraopet
200347	CA. Rami Reddy Ch	Hyderabad
200632	CA. Neelakantheswar Rao Varanasi	Visakha-patnam
200632	CA. Neelakantheswar Rao Varanasi	Visakha-patnam
200647	CA. Ravindher R	Chennai
200673	CA. Chinniah Venkatraman C B	Madurai
200882	CA. Sreekumar Jayanthan Nair	Thiruvananthapuram

Member-ship No	Name	Place
200891	CA. Kuldip R Chauhan	Chennai
200990	CA. Yeligar Udayaravi Channabasappa	Dharwad
201050	CA. Madhusudhanan T	Madurai
201087	CA. Veerappan Kr	Karaikudi
201121	CA. Murugesan S	Rajapalayam
201134	CA. Anantha Krishnan V	Salem
201147	CA. Patil Vijayeendra Alias Shrikant Gurumadhav Patil	Belagavi
201200	CA. Sri Hari Nageswara Sastry Jandhyala	Hyderabad
201429	CA. Ghali Sivalingayya Siddayya	Vijayapura
201626	CA. Srinivasa Rao Ch	Nellore
201795	CA. Gurudev Adivappa Desai	Kalaburagi
201795	CA. Gurudev Adivappa Desai	Kalaburagi
201861	CA. Sreedhar K	Anantapur
201863	CA. Venkataswamy R J	Anantapur
201889	CA. Indra Kumar Solanki	Bengaluru
202314	CA. Jamuna Prasad P	Hyderabad
202354	CA. Huilgol Manoj Waman	Belagavi
202379	CA. Ravi Rao M	Hebri
202420	CA. Gangavarapu Venkata Ramana	Vijayawada
202484	CA. Venugopalan C	Thrissur
202551	CA. Mathad Jyoti Gururaj	Belagavi
202594	CA. Chandra Sekaran J	Al Khobar
202595	CA. Srithar R	Coimbatore
202683	CA. Sridhar N	Gurgaon
202972	CA. Ravichandran M S	Puducherry
203199	CA. Giridhar Kamath	Mangaluru
203212	CA. Vimala V	Madurai
203577	CA. Narayana P	Nellore
203715	CA. Shaik Buda Saheb	Hyderabad
203772	CA. Bala Rama Prakash C	Erode
204044	CA. Satyanarayana N	Hyderabad
204111	CA. Ananthavel P	Madurai
204280	CA. Joshi Raghavendra Ramacharya	Gadag

Member-ship No	Name	Place
204484	CA. Pavan Kumar Thummalapalli	Kakinada
204685	CA. Ammunje Venkatesh Nayak	Udupi
204845	CA. Venkatesh Babu D S	Hindupur
205011	CA. Damodaran Jayasankar	Kanch- eepuram
205030	CA. Goutam Kumar S	Chennai
205143	CA. Venkata Prabhakara Rao D	Nellore
205203	CA. Rajesh Condoor	Ongole
205224	CA. Joemon E J	Thrissur
205426	CA. Ramu S M	Tirupur
205488	CA. Sunil T K	Dar Es Salaam
206034	CA. Manoharan G M	Tirupur
206235	CA. Samir Chandrakant Anavekar	Belagavi
206493	CA. Udayakumar G	Safat
206523	CA. Venkateswarlu Ravulapalli	Hyderabad
206541	CA. Chanaveer Dundappa Mungurwadi	Hubballi
206609	CA. Dhanesh Bhat U	Abu Dhabi
207037	CA. Kiran Kumar A	Anantapur
207277	CA. Dhananjayan S	Tirupur
207289	CA. Vijayadurai B	Sivakasi
207371	CA. Mantri Madan	Hyderabad
207493	CA. Venkata Ramana Kumar Potaraju	Hyderabad
207633	CA. Satish K R	Palakkad
207719	CA. Ramesh R	Adilabad
207869	CA. Rajesh Kumar M	Villupuram
207921	CA. Nagam Devi Kumar	Kakinada
207931	CA. Srigouri Mantrala	Hyderabad
208130	CA. Gowri Venkateswara Rao Kotni	Visakha- patnam
208237	CA. Kirit L Ladhadd	Kalaburagi
208319	CA. Ashok Kumar Jain Bohra	Visakha- patnam
208727	CA. Anand B Pallod	Kalaburagi
208729	CA. Raja Gopal Movva	Hyderabad
208976	CA. Gurusamy C	Sivakasi

Member-ship No	Name	Place
209012	CA. Anthoniraj A	Sivakasi
209018	CA. Antoney Selvan D	Tirunelveli
209230	CA. Chandra Sekhar Babu Murukuti	Nellore
209324	CA. Mallikarjuna Thalvayapati	Srikalahasti
209407	CA. Gouri Suresh Kokane	Belagavi
209410	CA. Venkata Lakshmi Sontha	Ballari
209496	CA. Santhosh Kumar S	Coimbatore
209612	CA. Kamalesh Rao P	Mangaluru
209854	CA. Varahalu Chetty Palukuri	Visakha- patnam
210217	CA. Sai Kumar G	Kollam
210644	CA. Alluraiah Solleti	Hyderabad
210649	CA. Venkata Krishna Rao P	Sompeta
211095	CA. Jaideep S Trasi	Bengaluru
211180	CA. Hathibelgal Radha Swamy	Guntakal
211331	CA. Sivaramakrishna Namburi	Guntur
211339	CA. Shwetha Prabhu	Bengaluru
211364	CA. Umesh Lakshminarayana Bhat	Kochi
211566	CA. Sai Venkata Subba Rao Devata	Palakol
211656	CA. Varadarajan M	Chennai
211715	CA. Mohammed Altaf Baligar	Kalaburagi
212041	CA. Nanda Gopal Mukkala	Kavali
212048	CA. Sahajananda Reddy T	Nellore
212760	CA. Santhosh Reddy M	Karimnagar
212843	CA. Lakshmi Sankari S	Kattan- kolathur
212845	CA. Raviprakash K M	Kuala Lumpur
212935	CA. Nagaraja	Bengaluru
213181	CA. Ramaprasad M P	Mysuru
213538	CA. Pragallapati Anuradha Krishna	Kakinada
213559	CA. Sunil Jugraj Lodha	Yadagiri
213660	CA. Agatha Jacob	Tirunelveli
213925	CA. Praveen S Krishnan	Bengaluru
213948	CA. Suresh Kumar M	Coimbatore

Benevolence

Member-ship No	Name	Place
214137	CA. Vishwanatha A	Mysuru
214239	CA. Madhu Sudhana J	Tadipatri
214562	CA. Srinivas Vaddi	Hyderabad
214657	CA. Madhu M S	Bengaluru
214778	CA. Sankar P	Nellore
214912	CA. Kiran Kumar Vanama	Nalgonda
215023	CA. Pulle Mallikharjuna Sastry	Kakinada
215204	CA. Prabhu Shantayya Mathapati	Belagavi
215336	CA. Nitin Jain	Mumbai
215380	CA. Raja Sekhar K	Ballari
215484	CA. Venkata Subramanian N	Chennai
215506	CA. Saradha Ashok	Salem
215617	CA. Paramasivam P	Karur
215625	CA. Dungar Chand U Jain	Madurai
217066	CA. Veeranna Mallikarjun Murgod	Belagavi
217076	CA. Chaitanya N	Shivamogga
217258	CA. Krishna Kumar G	Thiruvananthapuram
217409	CA. Amogh Srikant Dharwadkar	Kalaburagi
217956	CA. Pradeep Kumar B A	Anantapur
218282	CA. Indukuri Venkata Satya Suryanarayana Raju	Bengaluru
218396	CA. Subramanian A K	Tirunelveli
218773	CA. Rajkumar Shankarappa Bhadrannavar	Banahatti
218814	CA. Srinivasa Rao Jonnalagadda	Guntur
218958	CA. Saravanan G	Pollachi
218984	CA. Harish T S	Palakkad
219153	CA. Purushottam Reddy K	Ballari
219179	CA. Sritha Shireen Gaddam	Vijayawada
219439	CA. Phani Kumar M A	Anantapur
220407	CA. Rama Raghava Rao P V	Nellore
220640	CA. Jagannath Vasant Tambe	Hubballi
220850	CA. Koduru Sreehari Reddy	Nellore
220915	CA. Prabhu Senthil R S	Tirupur

Member-ship No	Name	Place
221049	CA. Yogesh Kulkarni	Belagavi
221129	CA. Sethuramamurugan J	Rajapalayam
221233	CA. Datla Sree Rama Raju	Hyderabad
221241	CA. Aanand P	Chennai
222375	CA. Vamsi Krishna I	Nellore
222815	CA. Adake Rahul Vithal	Belagavi
222943	CA. Satya Murthy Nagella	Hyderabad
223854	CA. Jayakumar Nemu Patil	Belagavi
224017	CA. Deepalekshmi	Kochi
224176	CA. Mohammed Azharudeen M	Thanjavur
224207	CA. Vijay Singh	Hyderabad
224219	CA. Makarand Manohar Apte	Kalaburagi
224288	CA. Mahadevagouda Mudigoudar	Belagavi
225769	CA. Shruti Sharma	Kozhikode
225815	CA. Murugesan K	Tirupur
226786	CA. Malakajappa Rajendrapa Biradar	Kalaburagi
226937	CA. Malepati Lokesh	Kadapa
227417	CA. Pavan Kumar Paruchuri	Guntur
228408	CA. Venkatramana Pusala	Bengaluru
228430	CA. Sreeram B	Bengaluru
228800	CA. Vamsi Rajesh Ajarapu	Visakha-patnam
228938	CA. Guru Prakash V	Bengaluru
229160	CA. Abhay Pai	Belagavi
229584	CA. Madiwalappa Sangappa Tigadi	Bailhongal
229790	CA. Manohara Sai Rama Prakash D	Hyderabad
230298	CA. Anitha C	Chennai
230394	CA. Chinta V N S Raghunandan	Guntur
230413	CA. Prashant Bijaspur	Kalaburagi
230727	CA. Sujeeth Kumar Jain K	Nellore
231860	CA. Rahul Agarwal	Secunderabad
231921	CA. Venkata Raghun Ram Varanasi	Visakha-patnam
232361	CA. Parkavi R	Salem
232613	CA. Pushparaj S N	Ootacamund
232770	CA. Suman Gadamsetti	Kakinada

Member-ship No	Name	Place
234630	CA. Subbarami Reddy Oruganti	Hyderabad
234784	CA. Selvam R	Tiruchirapalli
234843	CA. Jai Kumar Shah	Bengaluru
236284	CA. Sivakumar V	Coimbatore
236776	CA. Ashok Kumar A	Chennai
238666	CA. Ramu D	Secunderabad
239356	CA. Satish Kumar J	Hyderabad
239735	CA. Mehta Yash Satish	Belagavi
239745	CA. Mehta Tejas Satish	Belagavi
241368	CA. Roy Sudeep D Souza	Karkala
242869	CA. Suraparaju V S N Sasidhar Rao	Nellore
244392	CA. Jyothison J	Kollam
245347	CA. Poornima Reddy Gorakati	Dharmavaram
246389	CA. Merin Ann Mathews	Perumbavoor
249407	CA. Maxine Michelle G	Tirunelveli
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401081	CA. Pawan Agrawal	Rourkela
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401323	CA. Rajesh Gupta	Dehradun

Member-ship No	Name	Place
401370	CA. Pawar Vivek Kumar	Hardwar
401728	CA. Prateek Kaushik	Bhopal
401845	CA. Mukesh Laddha	Gandhinagar
402071	CA. Umesh Garg	Dubai
402453	CA. Mohan Lal Kukreja	Agra
402641	CA. Ankit Mittal	Muzaffarnagar
403009	CA. Varshney Sheelendra Kumar	Aligarh
403205	CA. Gupta Vishal	Kota
403585	CA. Bhalla Rajeev Kumar	Kanpur
404128	CA. Gupta Prafull Kumar	Ramganj Mandi
404376	CA. Agrawal Rahul	Gorakhpur
404418	CA. Sharma Abhishek	Jaipur
404550	CA. Agarwal Sanjay	Beawar
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404643	CA. Gulechha Kapil	Dubai
404669	CA. Goyal Himanshu	Jaipur
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405193	CA. Madhur Gupta	Jaipur
405820	CA. Aashish P Bhandari	Abu Dhabi
405976	CA. Mohit Kumar	Lucknow
406189	CA. Rajan	Rishikesh
406272	CA. Dinesh Kachhawah	Pali Marwar
406847	CA. Sachinder Garg	Ghaziabad
407117	CA. Anil Kumar Jha	Bokaro Steel City
407466	CA. Som Dutta Raghu	Varanasi
407506	CA. Vivek Kumar Jain	Gwalior
407553	CA. Ravi Kumar Singh	Varanasi
408036	CA. Tanveer Hasan Khan	Jabalpur
409081	CA. Vivek Kumar Pandey	Hardwar
409431	CA. Shailesh Kumar Agrawal	Janjgeer Champa
409475	CA. Rajat Goyal	Agra
409551	CA. Varun Tandon	Jhansi
409619	CA. Amit Kumar Munat	Nashik
411639	CA. Deepak Kumar	Ghaziabad
412536	CA. Nitin Agarwal	Agra
412628	CA. Arpit Bhargava	Jaipur
412672	CA. Hemant Gupta	Roorkee

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Member-ship No	Name	Place
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416813	CA. Vijay Sher Verma	Lucknow
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419018	CA. Vipin Gupta	Noida
419364	CA. Gaurav Gupta	Alwar
420019	CA. Ashish Agrawal	Alwar
421576	CA. Abhilash Jain	Udaipur
421726	CA. Satya Narayan Agrawal	Jaipur
425231	CA. Sanjeev Kumar Kashyap	Bazpur
425535	CA. Nitesh Uttwani	Dubai
426543	CA. Deepak Ajmera	Jaipur
427034	CA. Rajan Bardia	Raipur
427496	CA. Sanjay Nag	Kanpur
430149	CA. Mahak Mahnot	Kishangarh
432559	CA. Arti Aggarwal	Jaipur
500150	CA. Gupta Raj Kumar	Chandigarh
500228	CA. Khera Sanjeev Kumar	New Delhi
500518	CA. Garg Neeraj	Delhi
500980	CA. Kakkar Anil	Zirakpur
500992	CA. Jha Pradeep Kumar	New Delhi
501244	CA. Chhabra Viney	Gurgaon
501572	CA. Madan Amit	New Delhi
502341	CA. Goyal Bijender Kumar	Faridabad
502417	CA. Jamwal Vinay	Jammu Tawi
502458	CA. Doger Sachin	Shimla
502617	CA. Lalit Garg	Ambala
502944	CA. Pawan Kumar Jindal	Sonepat
503416	CA. Chopra Bhawna	Dubai
503836	CA. Praveen Garg	New Delhi
504307	CA. Lalit Kumar Gupta	Jammu Tawi
505058	CA. Bansal Nipan	Ludhiana
505122	CA. Shalender Kumar	Faridabad
505323	CA. Ajay Kumar	Mohali
505671	CA. Agarwal Ankur	Sriganganagar
505929	CA. Gaur Amit	Panchkula
506340	CA. Chander Shekhar	Baddi

Member-ship No	Name	Place
506392	CA. Chander Mohan Goel	Chandigarh
506700	CA. Puneet Sakhuja	Noida
506756	CA. Amitoz Singh Kamboj	Chandigarh
506975	CA. Sailesh Agarwal	Rourkela
507076	CA. Anupam Manchanda	London
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508535	CA. Naveen Garg	Gurgaon
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509205	CA. Anil Sharma	Jammu Tawi
509537	CA. Sunil Kumar Sakral	Delhi
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510783	CA. Amit Jain	Noida
511281	CA. Sapnaa Kkatyal	Delhi
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512515	CA. Vipin Sharma	Faridabad
512765	CA. Sanjay Kumar Singla	Panchkula
513059	CA. Harsh Kumar Joon	Gurgaon
513066	CA. Rahul Agrawal	Delhi
513605	CA. Rahul Gupta	Jammu Tawi
513645	CA. Harpreet Singh	Ambala
513880	CA. Sachin Sethi	Delhi
514779	CA. Vipin Kumar Sharma	Kurukshetra
516834	CA. Sunny Singh	Noida
517481	CA. Gurleen Kaur	Chandigarh
517593	CA. Rajiv Dagar	Gurgaon
519885	CA. Sakshi Agarwal	Delhi
520058	CA. Sumandeep	New Delhi
520120	CA. Usha Garg	New Delhi
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522848	CA. Laltesh Yadav	Greater Noida
523052	CA. Chirag Aggarwal	New Delhi
525784	CA. Rishi Prakash	Gurgaon
527540	CA. Deepak Bhardwaj	Una
528475	CA. Atul Kumar	Ranchi
528484	CA. Raman Kumar	Kullu
528768	CA. Girish Yadav	Gurgaon
529144	CA. Yogesh Khandelwal	New Delhi
529187	CA. Nitin Kataria	Gurgaon
529917	CA. Ratan Kumar Ratnakar	Delhi
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533615	CA. Munish Goyal	Mohali
538719	CA. Nikhil Gupta	New Delhi
544034	CA. Chirag Sehgal	New Delhi
546878	CA. Manish Sancheti	Delhi
551189	CA. Vidhu Arora	New Delhi

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005391S	Jacob & George	Kannur
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014547C	V K G & Company	Jaipur
026578N	SANKALP & Associates	Gurgaon
103142W/ W100292	G B C A & Associates LLP	Mumbai
127544W/ W100376	KARMA & Co LLP	Ahmedabad
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011078N/ N500064	A P R A & Associates LLP	Delhi
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006396S	Rao & Manoj Associates	Visakhapatnam
009492S	J Raj & Co	Chennai
000629N	Lunawat & Co	New Delhi
005313C	S P A R K & Associates	Indore
010912N	C J S Nanda & Associates	New Delhi
014054N	Sajjan Jindal & Co	New Delhi
019899N	S S R & Co	Rohtak
109931W	Sharad Shah & Co	Pune
119223W/ W100021	K C P L & Associates LLP	Mumbai

Firms Contributing ₹ 25,000 and above

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000352C	Shiv Om & Co	Moradabad
014052S	Mandhata & Associates	Kakinada
101606W	D G S M & Co	Ahmedabad
108519W	T Ramarao & Co	Mumbai
120030W	Dinesh S Agarwal & Associates	Mumbai

143773W	H D N K & Associates	Kheda
011506C	Priya Choudhary & Associates	Bhilwara
016750N	Goyal Parul & Co	Dehradun
008204S	Vasanth & Co	Bengaluru
008204S	Vasanth & Co	Bengaluru
007368S	P A Reddy & Co	Nellore
007814N	Kumar Vijay Gupta & Co	New Delhi
304040E	V N Purohit & Co	Kolkata
322473E	R K P Associates	Silchar

Firms Contributing ₹ 10,000 and Above

Firm No.	Firm Name	Place
001357S	Johney & Co	Kochi
001473S	P R Krishna & Associates	Suryapet
004191S	Sunanda & Sheshadri	Bengaluru
004313S	Swamy & Co	Vellore
005383S	Boda Ramam & Co	Kakinada
005629C/ C400002	Sharda & Sharda Llp	Haldwani
007505S	M Padmanabhan & Co	Chennai
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002377C	Vinod Kumar Gupta & Associates	Agra
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031837N	Pankaj Manvi & Associates	Panchkula
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509191C	Vipin Om & Associates	Dehradun
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000257N	G S A & Associates	New Delhi
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008113C	A A A M & Co	Noida
011106N	Rajiv Goel & Associates	Ambala
012715S	Avanti Patil & Associates	Kalaburagi
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116499W	M R Hundiwalla & Co	Aurangabad (Mh)
127443W	Mahorkar Khandelwal Mantri Nune & Co	Aurangabad (Mh)
002377C	Vinod Kumar Gupta & Associates	Agra

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Student Registration Number	Date of Birth	City
CRO0195489	Mr Saurabh Sharma	Delhi
CRO0577449	Mr Subham Gupta	Raipur
CRO0683297	Mr Nishant Mohanlal Sharma	Dungarpur
SRO0143047	Mr Badrinarayanan R	Bengaluru
SRO0192669	Mr Reddy Nallamilli S N	East Godavari
WRO0538836	Ms Riddhi Prakash Shah	Mumbai

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Mr Anupam Kumar Paliwal	Shikohabad
Ghatkopar Cpe Study Circle	Mumbai
Other Contributions Received (₹ 25,000 and Above)	
Professional Softec Pvt Ltd	Jaipur

ICAI in Media : Glimpses of March and April 2020

Business Today

Sitharaman addresses CAs to promote Vivad se Vishwas scheme

Sitharaman said March 31 is the date given to pay dues without any additional penalty, whereas between March 31 and June 30 the dues can be paid with additional penalty of 10 per cent

PTI, Last Updated: March 17, 2020 | 07:40 IST

Finance Minister Nirmala Sitharaman on Monday reached out to the Chartered Account (CA) community to promote the Vivad se Vishwas scheme aimed at resolution of direct tax disputes. The scheme aims to settle and see a finalisation of 4.83 lakh direct tax cases, with revenue worth Rs 9.32 lakh crore locked up in them, pending at various appellate forums such as the Commissioner (Appeals), ITAT, high courts and the Supreme Court.

Addressing CAs at an event here, Sitharaman said they should work hard to make the scheme successful.

The government has a lot on its plate due to the coronavirus outbreak and "it would be just helpful if you could move quickly in these just 15 days so that the financial year ends with decent settlement of dispute and settlement of claims", she added.

Sitharaman said March 31 is the date given to pay dues without any additional penalty, whereas between March 31 and June 30 the dues can be paid with additional penalty of 10 per cent.

Further, where arrears relate to disputed interest or penalty only, then 25 per cent of the disputed penalty or interest shall have to be paid if the payment is made by March 31, beyond which the same shall be enhanced to 30 per cent.

The scheme would remain open till June 30 this year.

She also expressed hope that the Direct Tax Vivad Se Vishwas Bill 2020 to get assent from the President on Monday.

Following the assent, the ministry will issue a notification.

THE TIMES OF INDIA

ICAI CA Exam 2020: Important notification released for students undergoing training

TOI-Online | March 27, 2020, 12.12 PM IST

In the time when the entire country is under complete lockdown in view of the ongoing coronavirus outbreak, the Institute of Chartered Accountants of India, ICAI, has released an important notification for those candidates who are already registered and undergoing article training.

The ICAI said that the lockdown in the country has resulted in closure of offices and bare minimum articleship training work being made feasible through online means. The Institute said that until further orders, such restrictions are going to continue till 14th April 2020.

"Those who are already registered and undergoing article training, are hereby informed that the period of absence arising out of said lockdown due to COVID -19 pandemic shall not be counted for the purposes of deduction of any leaves, meaning thereby that such period shall be counted as being on articleship training for the period aforesaid. Accordingly, the students who are already undergoing article training and are appearing for May 2020 and subsequent examinations need not worry on this count for loss of any period not served during the above lockdown," reads ICAI notification.

Adding further, the ICAI said, "Further, to ease out situation at both the ends, matters related to timing and manner of payment of stipend in the intervening period arising out of the lockdown, may be mutually decided between the principal and the article assistant."

Business Standard

Auditors have to be vigilant in assessing default probability: ICAI Prez amid Covid-19 crisis

Press Trust of India | New Delhi, Last Updated at March 29, 2020 18:02 IST

Auditors will have to be more vigilant in assessing the probability of default of loans after three months, according to ICAI President Atul Kumar Gupta.

ICAI, the apex body of chartered accountants, has also come out with a detailed advisory on financial reporting in the wake of coronavirus outbreak.

The advisory on 'Impact of Coronavirus on Financial Reporting and the Auditors Consideration' highlights various areas which require particular attention while preparing financial statements for 2019-20.

Members of Institute of Chartered Accountants of India (ICAI) carry out audit works, including bank branch audits.

The deadline for bank branch audits has been further extended to June 30. It was earlier extended till April 20, according to Gupta.

Besides, the Reserve Bank has announced a three-month moratorium on all payments, including retail and corporate loans, as part of measures to mitigate the burden of debt servicing brought about by disruptions due to coronavirus pandemic.

Against this backdrop, Gupta told PTI said that auditors have to be more vigilant in order to assess whether an account would really be a non-performing asset (NPA) or not.

"For instance, somebody has no money and is not paying in April, still you have to say it is not an NPA," he said.

An auditor would have to make a judgement in terms of assessing the "probability of default".

As per the Reserve Bank, there would be moratorium on various instalments, including payments falling due from March 1 to May 31 such as the principal and/or interest components, bullet repayments, equated-monthly instalments, and credit card dues.

The repayment schedule for such loans as also the residual tenor, would be shifted across the board by three months after the moratorium period.

Interest will continue to accrue on the outstanding portion of the term loans during the moratorium period.

Under the current circumstances, ICAI, in its advisory, said auditors must recognise that the manner in which they conducted the audits in the past may need significant modification to address the challenges and uncertainties arising out of the COVID-19 impact.

Auditors should exercise a very high degree of skepticism and be prepared to call out where the company's narrative that the board presents is not specific, the advisory said.

"... we are only drawing the attention of preparers to some of the important requirements of Ind AS and AS, and this is not meant to be exhaustive and may differ based on specific facts, circumstances and business of respective preparers," it added.

Ind AS refers to Indian Accounting Standards.

ICAI has around three lakh members.

hindustantimes

Covid-19: ICAI allows Class 12 students appearing for board exams to provisionally register for Foundation course

This decision has been taken as a one time measure and a notice regarding this has been uploaded on the ICAI's official website.

Akhilesh Nagari, Hindustan Times, New Delhi, EDUCATION Updated: April 07, 2020

The Institute of Chartered Accountants of India (ICAI) has announced that Class 12th students who have been allotted either admit card and/or appeared in one or more papers of Class 12 examinations will be able to provisionally register themselves for the CA foundation courses. This decision has been taken as a one time measure and a notice regarding this has been uploaded on the ICAI's official website.

According to the [notification](#), the decision has been taken in view of the COVID-19 outbreak, due to which CBSE, state board and ICSE have postponed the class 12th board examinations that were scheduled to be held from March 19, 2020, onwards.

"In view of above, such candidates who are not able to register themselves in the Foundation due to non-appearance in all papers of class 12th Examination, the Competent Authority has decided to relax the eligibility criteria for registering in Foundation Course, as a one-time measure," reads the notice.

ICAI will be conducting the CA Foundation courses exam on June 27, 29 and July 1, 3, 2020, at various centres.

Candidate may provisionally register in the Foundation Course on or before 30th June 2020 if he has been either allotted the admit card and/or appeared in one or more papers in the months of February/March 2020 in the Senior Secondary (10+2) Examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government or the State Government as equivalent thereto for the purpose of admission to graduation course and; appear in November 2020 Foundation examination after passing the Senior Secondary (10+2) examination conducted by an examining body as mentioned above," the Director of the institute has said in a notification.

ICAI in Media

दैनिक जागरण

New Delhi, April 11, 2020

कोरोना से लड़ने को आइसीएआइ देगी 21 करोड़ रुपये

नई दिल्ली: इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट्स ऑफ इंडिया (आइसीएआइ) ने कोरोना से लड़ने को पीएम-केयर्स और प्रधानमंत्री राष्ट्रीय राहत कोष (पीएमएनआरएफ) में कुल 21 करोड़ रुपये के योगदान का वादा किया है। इसके तहत संस्था ने साझीदारों और कर्मचारियों-छात्रों के योगदान के तहत छह करोड़ रुपये में से 1.72 करोड़ की रकम पीएमएनआरएफ में जमा करा दी है। शेष 4.28 करोड़ की रकम संस्था 20 अप्रैल तक पीएम-केयर्स फंड में जमा कराएगी। इसके अलावा आइसीएआइ ने पीएम-केयर्स फंड में 15 करोड़ रुपये योगदान देने का वादा किया है। (वि)

THE HINDU

ICAI Stands with Government to fight against COVID 19

New Delhi, April 14, 2020

ICAI Stands with Government to fight against COVID 19

ICAI endeavours to collect Rs 6 crores through voluntary contributions, out of which Rs 1.72 crores has been deposited in PMNRF on March 31, 2020 as first contribution by ICAI Membership, students and Officials. The balance Rs 4.28 crores will be deposited in the newly constituted PM CARES Fund by April 20, 2020.

Further, responding to the clarion call made by the Hon'ble Prime Minister and also pursuant to the appeal made by Ministry of Corporate Affairs, the Central Council of ICAI has decided to additionally contribute Rs. 15 crore from ICAI towards the PM CARES Fund.

Thus, the total direct financial contribution of ICAI will be Rs 21 crores in addition to the financial and community support extended by ICAI member and student community at individual level.

hindustantimes

ICAI live revision classes for CA inter and final students from April 22

The live revision classes will be free of costs and would be available to all the students. The classes will be conducted from 7 to 9 am in the morning, and 7 to 9 pm in the evening.

Akhilesh Nagari, Hindustan Times, EDUCATION, New Delhi, Updated: April 20, 2020

The Institute of Chartered Accountants of India (ICAI) will start virtual live revision classes for students appearing for the forthcoming CA inter and Final examinations to be held in June. A notice regarding this decision has been uploaded on the institute's official website (www.icai.org). The facility is being provided so that the students can attend the classes from home during the lockdown period.

As per the notification, the online classes will start from April 22 and will provide a strong impetus in the learning efforts of the students and enable them to revise their syllabi sitting at their homes for intermediate and final levels of the CA course.

The live revision classes will be free of costs and would be available for all of the students. The classes will be conducted from 7 to 9 am in the morning, and 7 to 9 pm in the evening.

"The classes are being offered directly to the students on their mobile phones, laptops, etc. Besides, the subject-related sessions, there will be special and motivational sessions by eminent speakers- like CA Girish Ahuja, Padma Shree CA T N Manoharan and CA Amarjeet Chopra. The honourable Central Council Members will also be summarizing and sharing their thoughts at the beginning of each session in their respective areas of expertise. Question Answer Sessions will also be conducted for each subject by BOS Faculty after completion of the Live Revision Classes," reads the official notification.

Here's the direct link to the virtual revision classes <http://ecpl.live/icai/bos/openclasses/>





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(Set up by an Act of Parliament)



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The Institute of Chartered Accountants of India

Precautionary Measures Taken To Prevent Covid-19 Protect Yourself And Those Around You



Wash your hands
regularly with
soap and water



Make use of
alcohol-based
hand rub



Avoid
touching
your face



Maintain Social distance
of at least '6 feet'
between you and others



See a doctor
if you
feel unwell



While visiting a doctor
wear a mask/cloth to cover
your mouth and nose



Stop
shaking
hands



Take special care
of the elderly



Don't
share personal
items



Clean and
disinfect surfaces
on regular basis



Wash fresh groceries
and maintain
a good hygiene



Stay home
and avoid
unnecessary travel



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