

The Institute of Chartered Accountants of India



VASAI BRANCH OF WIRC NEWSLETTER

www.vasai-icai.org

January 2020



26
January
Happy
Republic Day

Happy
Makar
Sankranti



CHAIRMAN'S COMMUNICATION

"Take up one idea. Make that one idea your life - think of it, dream of it, and live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success."

Swami Vivekananda

Branch had conducted Two Days Mega Members Conference. CA. Dheeraj Kumar Khandelwal (Central Council Member) inaugurated the conference. Glimpses of Speakers enlighten the knowledge of different area of Chartered Accountancy Professions to more than 300 participants.

Vasai Branch had organized "The Turf Cricket Tournament" named as Vasai Branch Premier League 2019 on 8th December, 2019 where in all 8 teams took part. Also organized event on Lets Make India Healthy - Chartered Accountant Bootcamp & Physical Activity on 1st December, 2019 in association with FIT India and Mira Bhayander Runners.

Branch has successfully completed 203rd batch of Certificate Course on Forensic Accounting and Fraud Detection at Bhayander. We are very much thankful to Committee of Digital Accounting & Assurance Board for giving us opportunity to conduct said course. Branch also successfully completed 389th Batch of Certificate Course on Concurrent Audit of Banks under the guidance of Internal Audit Standard Board, ICAI.

Branch had conducted Seminar on Investor Awareness organized by WIRC of ICAI on 28th December, 2019.

With the vision to further cheer the students & to appraise in examination, branch has conducted CA Students Festival - 2019 with the gathering of 390 students, Regional Half Day Seminar on GST jointly with WIRC and WICASA with gathering of 150 students and Sports Competition both Indoor and Outdoor Games with gathering of 150 students. Two Career Counseling sessions at Saraswati Vidyalaya and Sardar Vallabhai Patel, Bhayander in the month of December.

Branch also joined in Mega International Youth Fest - Umang 2020 - Anti Addiction Campaign organized by ISKON on 4th January, 2020 wherein more than 6000 students attended the event. Dr. Vivek Bindra Founder CEO BadaBusiness.com, an international motivational speaker with his most vulnerable talk left a strong impact and influenced the young minds captivating them to think on morality.

Forthcoming

This year too branch has launch "Vasai Branch Ki Pathshala - 2.0 which covers 14 events and 45 CPE Hrs from January to December 2020. Members are request to enroll the same and take maximum knowledge on different areas.

Branch also schedule Mira Bhayander Chartered Run 2020 on 16th February at Bhayander. There is special discount for CA and their family members. Members are requested to join in large numbers.

Positivity is enshrined in the smile that we may have accepting a challenging task. Accepting a challenge we may not be sure of answers explaining what, where, when, who, why and how aspects of the challenge, but gracefully accept it and make a small beginning. Soon we realise things fall in place and how simple it is to complete the task and emerge winner. Chartered Accountants with their acumen are in position to plan and strategise and achieve many tasks that otherwise look impossible. We need to come forward and give a try. For if we do not try with the positivity, how can we achieve? As it is said - "Keep your face always toward the sunshine - and shadows will fall behind you."

I heartily conclude my message with greetings for the Republic Day, Makarsankranti, and Pongal, to all of you.

CA. Xavier Rajan

Chairman - Vasai Branch of WIRC

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The Institute of Chartered Accountant of India



Vasai Branch of WIRC of ICAI

Announces

VASAI BRANCH KI PATHSHALA- 2.0

(From Januray to December 2020)



Upgrade yourself with Vasai Branch ki Pathshala on various subjects

No. of Programs - 14

Total CPE Hrs - 45

Registration Fees	Rs. 2,100 (Inclusive of GST) for all 14 events. Cheque to be drawn in favor of "Vasai Branch of WIRC of ICAI" sent to Branch Office
Online Regt.	http://utility.vasai-icai.org/scevent.aspx?companyid=887&serverip=1

Note: - Specific details & topics on Vasai Branch Ki Pathshala subject shall be shared before 20 days of event.

Program Chairman:-

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(Chairman, Vasai Branch of WIRC)

Your's in Profession:-

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Title: UMANG 2020

Mega International Youth Fest - Anti-Addiction Campaign

UMANG 2020, Mega International Youth Fest - Anti-Addiction Campaign held in Mira Road left enthralled the youth who came from various prime colleges from Mumbai.

Dr. Vivek Bindra Founder CEO BadaBusiness.com, an international motivational speaker with his most vulnerable talk left a strong impact and influenced the young minds captivating them to think on morality. This unbeatable speaker has won the minds of young hearts and impressed them to looking forward to hear more from him more and more. The rock band of 'The Madhavas' tapped not only the feet but heartbeats of the young crowd in hundreds with hands rising up in tune with the 'Hare Krishna' melodies. This event was supported with great cultural activities like Sankirtan by small children and the senior devotees of the organization along with Contemporary dances that left lasting impressions on the young minds.

The principle organizers of this event Shriman Vanmali Das of ISKCON Mira Road has expressed his fulfillment to the expected response from the crowd and assures to bring forth more in support to the voice of this generation and lays down several such programs in future in support to the Anti-Addiction Campaign.

UMANG 2020 has been able to connect with more than 6000 youth at this special event by serving dinner prasadam to all and indeed this has opened up this New Year to build positive resolution of the Youth today. This event was jointly run with Vasai Branch of WIRC of ICAI. Mr. Deepak Bansal CA was a pioneer in forging this relationship.

The pioneer efforts of Shrimaan Janamashtmi Das from New Zealand and Shrimaan Dwarkanath Das has taken a right step towards the youth in great support and coordination of the core team members like Pitvarna Nimai Das, Raghunandan Ram Das, Revti Pati das, Nidra Vijay Das, Tarun Krishna Das, Partha Hari Das, Akash Tiwari Founder Aarus Foundation, Bhavin, Meet, Mangesh, Akhilesh, Prabhat, Bhim, Albina and all others who have worked tirelessly to make this event a great success.

Today parents, education institutions and society at large looks forward for spiritual organizations to take a lead of this kind like The ISKCONs to enable the budding minds to move in direction of hope, indeed setting higher goals to make their careers successful.

"Life can take you higher than your Addiction."

CSR: A new style of improving image of Corporates



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Businesses are responsible for making money – it is set agenda with top most priority. They need to make profits to pay their workers and to continue to fund making more of their product for society. However, an often-overlooked responsibility of businesses is their

social and cultural impact.

The debate in society about the ethical and social aspects of business has forced companies to react to the social and ethical pressure of the public.

CSR is more important now than ever before, especially in the era of globalization and the internet. Consumers not only welcome corporations to take a stand, but are expecting it. According to a

2018 study by Global Strategy Group, 77 percent of Americans believe that corporations have a responsibility to take action on important issues.

India has become first country to implement the CSR Act. Now, the businesses are required to spend a portion of their profit for the social benefits.

As per UNESCO, CSR incorporates two elements.

1. Sufficient focus by the enterprise on its contribution to public prosperity in the longer run
2. The relationship with its stakeholders and society at large

The first element stresses that the enterprise can be viewed as a value creating entity. The long-term value creation does not only relate to economic value, but concerns value creation in three dimensions which will address major questions of concern to academics and managers alike:



- 1) What is included in CSR?
- 2) What are the social issues the organisation must address? and
- 3) What is the organisation's philosophy or mode of social responsiveness?

Corporate social responsibility (CSR) is the idea that businesses should be conscientious of their impact on the communities they serve and be actively seeking to benefit society at large.

The question is, are these efforts to be socially responsible always in good faith? Or are they just trying to improve the public's image of the company to make even more money?

As companies are working towards achieving the Sustainable Development Goals (SDGs), clarity around motivation and disclosure of both progress and setbacks are fundamental to collective success.

Following activities has been permitted under CSR:

- Eradicating extreme hunger and poverty
- Promotion of education
- Promoting gender equality and empowering women
- Reducing child mortality
- Improving maternal health
- Combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases
- Ensuring environmental sustainability,
- Employment enhancing vocational skills, social business projects
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development, and
- Relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed.

With CSR, CSR team also gets involved, so there need following

- Management
- Responsibility
- Sustainability of program
- CSR reporting

CSR with Transparency:

Transparency to beneficiaries is vital to program success. Ultimately, the goal of any health and development program is to empower vulnerable populations who—whether due to political, social or economic conditions—have not had the opportunity or resources to make deeply personal decisions about their health. To fulfil this goal, development programs can be strengthened by building local ownership and ensuring local participation in the design of goals and methods for implementing the program. Trust is engendered by providing information, training staff in a culturally appropriate manner and sharing program goals with the community. In this way, companies and NGOs involved in development can ensure that the services provided match the needs of beneficiaries and that local people feel as if they have a stake in improving the program long-term. Participation by local populations at every stage of the program—from design to implementation—is the surest way to ensure positive outcomes.

CSR with end solution for health:

Companies should have clarity to accomplish the goal it sets under CSR.

For example, driving a health camp in different villages will not succeed if the patient's treatment is not assured to cure it completely and also simultaneously identifying the root cause for major common health problems to provide the solution either specific or in general.

Recently, in Uttar Pradesh, a major common health problem (encephalitis) are said to be controlled completely is a big achievement and has set an example.

Businesses should be wary of how their core values impact their business strategies and how the public views them, for their sake and our own.





Money Laundering Practices in Indian Markets



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What is Money Laundering?

Money laundering simply means conversion of black money (Dirty Money) into white money (Clean Money) where the black money may not become white legally but appear to have become

so. The process of Money Laundering is also known as Jama Kharchi in India. Some of the prevalent practical methods are discussed here.

1. Creditors:

Mr. BlackMoney who have crores of black money and wants to use it in his business then he uses modus operandi to straightaway buy Raw Material, Capital Goods or some other service in black money and show them in his books of accounts as credit purchase. The catch here is that the actual payment has already been made in the Black Money. The above process give rise to the fictitious creditors in the books of accounts.

2. Donations to Political Parties:

Black Money corporation decided to donate Rs. 1 crore to Political party. It saves tax to the extent of 25.17% (including cess) which comes out to be 25.17 lac rupees. When political party receive such donation of Rs. 1 cr, it again does not have to pay any tax over it. In this way government loses Rs. 25.17 lacs as taxes. Now the political party who have black money returns the black money to the Black Money Corporation after charging their commission. In this way Company got a deduction of Rs. 25.17 lacs, political party got white money to spend on their campaign.

3. Assignment of FD's

Mr. Blackmoney has Rs. 1 crore of blackmoney which he wants to convert into whitemoney for use in his business.

Mr. Blackmoney approaches to Mr. bank manager who is working at Take and Give Bank. Mr. Bank manager also knows that one of the customer Mr. whitemoney has got sufficient money invested in the form of FD in his bank branch. Mr. Bank Manager convinces Mr. whitemoney to assign his FD of Rs. 1 cr in the favour of Mr. Blackmoney. The FD gets assigned in the name of Mr. Blackmoney. Now Mr. Whitemoney receives Rs. 1 crore in the form of Black money from Mr. Blackmoney.

Once the FD is assigned in favour of Mr. Black Money, Mr. Bank manager gets a loan of Around 90 lacs sanctioned to him from his Take and Give Bank after marking lien on the Fixed deposit assigned him. In this way Mr. Blackmoney got low cost borrowing, avoided processing fee from bank and also, he will get interest as allowable expense for his business. Mr. Whitemoney also got some more monetary benefits due to this whole process.

4. Overstating and laundering through fictitious sales

Mr. Whitemoney lends Rs. 20 lacs to ABC Construction company, at an interest Rate of 15% p.a. They do not want to show it as a loan transaction. This amount of Rs. 20 lacs are shown as sales by XYZ company and an apartment of Rs. 2 crores are booked in the name of Mr. Whitemoney, showing Rs. 20 Lacs as booking Amount. Now Mr. whitemoney is secured against his loan. Due to this whole transaction, ABC Construction increases sales in its books of accounts without recording the actual loan. Due to this when ABC Construction company actually go to any bank for a loan, then they can negotiate better terms as against sales.

Mr. Whitemoney is paid interest amount in black money and subsequently booking gets cancelled. The apartment comes back to ABC Construction Company and Mr. Whitemoney received back his principal amount.





Goods and Service Tax on Free Supplies & Free Samples



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A taxable event under GST is supply of goods or services for which GST is leviable. Section 7 of CGST Act deals with the term supply and the it states:

"All forms of supply of goods or services or both such as sale, transfer, barter,

exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business".

As there is no consideration paid by a person for a free or sample product, it would not be treated as supply under Goods and Service Tax (GST).

Further, Schedule I contains activities to be treated as supply even if made without consideration. The provisions of schedule I are reproduced hereunder:

Activities treated as supply even If made without consideration

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business: Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
3. Supply of goods –
 - (a) By a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
 - (b) By an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
4. Import of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

From Schedule I reproduced above, it can be noted that supply of free sample does not fall under the category of activities to be treated as supply even if made without consideration. hence, free sample cannot be classified as

business asset where input tax credit has been availed. The transaction of free or sample products does not qualify as supply. Thus taxable event will not arise and hence GST is not applicable on the same.

Input Tax Credit for Free and Sample Products Section 16 (1) of CGST Act

Every registered person under GST is eligible to avail input tax credit on any supply of goods and services that can be used in the course or furtherance of business.

Specific exemptions to the above general principle is provided under section 17 (5) of CGST Act

Section 17 (5) specifically states in point (h) that goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample is not eligible for input tax credit.

Thus, according to above provisions of section 17 (5) (h), input tax credit is not available for free sample. If input tax credit has been availed than the taxpayer, then the taxpayer must reverse input tax credit pertaining to goods which are to be disposed of by way of free sample.

Further, it also essential to bring to your attention the CBIC's Sectoral FAQ (available on CBIC website where following has been provided:

Question – What are the requirements for clearance of physician samples distributed free of cost?

Answer – In case of clearance of physician samples distributed free of cost, the ITC availed on the said samples has to be reversed in view of the provisions under Section 17(5)(h) of the CGST Act, 2017. No tax is payable on clearance of physician samples distributed free of cost as the value of supply is zero and no credit has been availed.

Hence according to section 17(5) of the CGST Act, input tax credit will not be available for goods given as gifts or free samples. Thus, if the taxpayer avails the input tax credit on account of a purchase of goods, and later gives these goods as free samples, then he will have to reverse the input tax credit so availed.

Conclusion

In case of free and sample products, GST is not applicable as it doesn't fall under the definition of supply. Also, input tax credit pertaining to goods which has been disposed of by way of free sample is not available under GST.



Statements to be Annexed With the Application for Refund



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Statement 1	<p>It has to be annexed with form GST RFD-01 if the refund is claimed due to the tax rate being higher on the inputs used then the tax rate on the sales. Details of the tax paid on the output under different heads like CGST, SGST, UTGST and IGST would be mentioned in the details to be provided for outward supplies. There will be two separate tables for the inward and outward supplies. Details regarding the tax paid on inputs and the total ITC available under above mentioned different heads would appear in the statement.</p> <p>For Example: SDMA Private Limited signed a contract for providing technical consultancy services to Amit Consultants for a sum of Rs 10 lakh. SDMA Private Limited had a tax liability for the above service provided of Rs 80,000 due to the 18% tax charged under GST based on the contract with SDMA private limited. SDMA Private Limited paid tax on inputs at the rate of 28% and the ITC available was Rs 2,00,000. Glow Private Limited can claim the refund of Rs 20,000 for the excess tax paid on inputs.</p> <p>Amit Consultants can claim the refund for the excess tax paid on the inputs than the final tax liability on output, by filing form GST RFD-01 annexed with statement 1 and certificate signed by a chartered accountant or cost accountant.</p>
Statement 2	<p>It has to be annexed in the case of an application for refund filed for the tax paid on exports. Shipping bill details like port code and date and export general manifest (EGM) details are mandatory to be mentioned in the table under statement 2. Reference number and date mentioned in the bank reconciliation certificate (BRC) or foreign inward remittance certificate (FICR) has to be shared in the table under the statement 2.</p>
Statement 3	<p>A similar statement with similar details has to be annexed along with form GST RFD-01 in the case where the exports were made without making the tax payment.</p>
Statement 4	<p>A statement has to be annexed by the applicant in the case of supply of good or services to a SEZ unit/SEZ developer. Following are the details to be provided in the table:</p> <ol style="list-style-type: none">1. The point of supply if it is different from the place of the recipient2. Whether the reverse charge is applicable on the supply or not3. The date on when the supply was received by SEZ unit/SEZ developer (mandatory in case of goods)4. Whether supply is a deemed export or not5. Reference number and date of filing the application for removal of excisable goods for export (mandatory in case of goods)6. Details of the payment received for the supply made to SEZ unit/SEZ developer (mandatory in case of services)7. GSTIN of the e-commerce operator (if applicable)
Statement 5	<p>It is to be attached in the case of goods supplied from an export-oriented unit or in the case of the goods being treated as deemed exports.</p> <p>Following details are required in statement 5:</p> <ol style="list-style-type: none">1. GSTIN of the supplier2. Taxable value, HSN/SAC, and quantity of the goods supplied



	3. Only an unregistered dealer has to mention "STATE" from which goods are supplied 4. Details of CGST and SGST charged or IGST charged and cess charged has to be mentioned separately 5. In case of interstate supply of goods, point of supply has to be mentioned 6. Tax charged is eligible for ITC on inputs/capital goods/input services has to be mentioned in the statement 7. The amount of ITC available under different heads CGST, SGST, UTGST, IGST, and cess 8. Tax amount mentioned on the credit/debit note 9. Net ITC on the goods/service on which invoice is raised
Statement 6	This statement is filed in the case of refund claimed due to an interstate supply of goods and services being later considered as intrastate or vice-versa. Following details have to be shared in the statement: 1. GSTIN or name in case of the supply of goods to a consumer 2. Date and taxable value mentioned in the invoice 3. Tax paid under the different heads like CGST, SGST, UTGST, IGST and cess as mentioned in the invoice and for the reversal as well 4. Place of supply has to be mentioned only if it is different from the place of the recipient of goods or services

A proactive tool – Agency Specialised Monitoring



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With the increasing pace of distressed assets in Indian economy and the piling up of bad loans in the banking system, where the banking frauds have shot up to 74% amounting to Rs. 71,543 crores in the FY 2018-19 as compared to Rs. 41,167 crores in the FY 2017-18. Therefore the

RBI along with the Central government has come up with various reforms to prevent such frauds by introducing the concept of Agency Specialised Monitoring (ASM) in the late 2018s with respect to the post follow up activities of sanctioning of loans.

What is Agency Specialised Monitoring ?

The ASM will be an independent agency consisting of a team of professionals which will be appointed by the Banker or the Consortium of banker for monitoring of the end use of various facilities sanctioned, including purchase/invoices, actual production vis-à-vis projections, high value transactions/ payments as regards beneficiaries and purpose, cash inflow/ outflow. The summary of the exhaustive scope of work to be undertaken by the ASM has been captured in the later sections of this article. As of now, lenders have already empaneled 83 ASMs.

Exposure limit for appointment of ASM

The ASM shall be appointed for loan exposure i.e. Fund Based (FB) + Non-Fund Based (NFB) exceeds Rs. 250 crores. It is to be noted

that such appointment of ASM will be made for Standard Accounts and not for the Non performing Accounts (NPA)

The scope of Work for ASM shall include

- Ø Concurrent Review and Monitoring Procedures (for Working Capital)
- Ø Concurrent Review and Monitoring Procedures (for Term Loan); preferably deployed in when there is delay in implementation-ASMs for large accounts should be engaged in order to ensure proper monitoring of project implementation as per schedule and utilization of funds.
- Ø Concurrent cash monitoring which includes the following:
 - Ø Cash Inflow Monitoring
 - Ø Cash Outflow Monitoring
- Ø Fund Flow Analysis
- Ø Non-Cash Parameters

With the onset of the appointment of ASM, banks will be able to determine whether the borrower has utilized the various facilities availed for the purpose as agreed upon, determination of the actual operational receipts and operational expenditure vis a vis the progress made. Such measure being a pre NPA follow up will lead to reduction in the banking frauds in the years to come. Needless to say, the concept of ASM have opened new avenues for Chartered Accountants





Revised Part-B of Code of Ethics, 2019



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As we are aware, ICAI Code of Ethics, 2009 was aligned with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics 2005 for the first time in 2009. This edition of the Code was divided into two parts – A and B, Part-A representing provisions of IESBA Code

of Ethics as suitably incorporated after modification, and Part – B representing the domestic provisions of India governing the Chartered Accountants.

Further, Part-A of Code of Ethics was revised in Council in 2018 on the basis of IESBA Code of Ethics, 2018 edition. Since 2009, manifold changes have taken place from domestic view point, including changes in:-

- Chartered Accountants Act, 1949, Chartered Accountants Regulations, 1988,
- Council Guidelines;
- Council decisions;
- Clarifications of Ethical Standards Board and other committees,
- Revised Auditing and Accounting Standards;
- New Companies Act (2013);
- Revised Part-A of Code of Ethics (2019);
- New regulatory requirements and new disciplinary cases.

On the basis of the above developments and other contemporary requirements, recommendations of Ethical Standards Board were finalized on revision of Part-B of Code of Ethics, 2009, which were considered at the 386th (adjourned) Meeting of Council held on 5th and 6th November, 2019.

In terms of the decisions of Council taken at the said Meeting, the Exposure draft has been finalized, and may be assessed on the website of the Institute at <https://www.icai.org/> A brief summary of broad changes being brought in the Code as compared to Part-B of existing ICAI Code of Ethics, 2009 edition is enclosed.

Part-B – Broad changes in the Code

- i. Code of Ethics based on IESBA Code (Part-A); and Code of Ethics based on domestic provisions (Part-B) to be separate publications (Volume-I and II respectively).
- ii. Changes in section 2 and 25 due to Chartered Accountants (Amendment) Act, 2012
- iii. Numbering of all provisions on the basis of Chapter number.

- iv. Changes due to revised requirements of Part-A of Code of Ethics (2019), especially in commentary to Section 2(2), Clauses (8) of Part-I of First Schedule, and (1) of Part-I Second Schedule to Chartered Accountants Act, 1949, as also under Self-Regulatory measures.
- v. Changes due to new Companies Act, 2013, especially under Clause (9) of Part-I of First schedule to The Chartered Accountants Act, 1949.
- vi. Revised Auditing and Accounting Standards – corresponding changes in Chapter 1 of the Code of Ethics, Commentary under Clause (8) of Part-I of First Schedule, Clause (2) Part-I of Second Schedule, Clause (8) of Part -I of Second Schedule, Clause (3) of Part-I of Second Schedule, Clause(9) of Part-I of Second Schedule, and elsewhere.
- vii. Disciplinary Case laws from 2009 till 2019 with commentary to sections and clauses to two schedules being incorporated separately as “Case Laws Referencer”.
- viii. References of amended Chartered Accountants Regulations, 1988.
- ix. New clarifications and decision of Courts in commentary u/s 7.
- x. New additions in Guidelines for Management Consultancy and other services.
- xi. New clarifications and changes in commentary to Clauses (6) and (7) of Part-I of First Schedule, based on new exemptions and prohibitions of advertisement and solicitation, including, but not limited to:-
 - a. Listing on Aggregator based websites not permissible;
 - b. Commentary on tenders to include Notification and further developments on tenders;
 - c. Further elaboration on the purview of “Minimum Fees” in Tenders;
 - d. Directory Guidelines revised.
- xii. Advertisement Guidelines to include Website Guidelines.
- xiii. Affiliation with a Network registered with ICAI may be mentioned in an advertisement.
- xiv. Passport style to be the criterion instead of passport size photograph.
- xv. “Social Networking Sites” included in the definition of “write-up”.
- xvi. Networks other than those registered with ICAI not permissible.
- xvii. For size of sign board, appropriate visibility and illumination to be additional criteria.
- xviii. New valid proofs of delivery under Clause (8) of Part-I of First Schedule.



- xix. New Appendices – List of auditing and Accounting Standards applicable of date, Guidelines for Corporate Form of Practice, CA Logo Guidelines, for Corporate Form of practice, Notification on UDIN and Disciplinary Flow charts
- xx. A statutory auditor of a Company cannot be its internal auditor applicable to all entities.
- xxi. Further elaboration of definition of Director Simplicitor.
- xxii. Guidelines on HUF for business incorporated.
- xxiii. New Services decided under Regulation 192.
- xxiv. Revised situations of conflict of interest under Clause (4) of Part-I of Second Schedule based on new Companies Act.
- xxv. Changes in the chapters VI and VIII of Council General Guidelines in limit of Tax audits and Company audits respectively.
- xxvi. Other situations of conflict of interest based on council decisions under Clause (4).
- xxvii. Under commentary to Clause (9) of part-I of Second schedule, new compliances for Generally Accepted Audit Procedure.
- xxviii. Chapter IV of Council General Guidelines, 2008 being repealed due to duplicity with definition of “relative” as appearing under Appendix.
- xxix. Limit of indebtedness revised to Rs. 1 lakh in case not mentioned in Statute in Chapter X of Council General Guidelines, 2008.
- xxx. Objective of ESB be aligned as per IESBA and Terms of Reference of ESB to include formulation of ethical standards and to review the terms of reference at every two years.
- xxxi. Online transfer of Fees of Rs. 1000/- be allowed for filing a complaint of unjustified removal of auditors, and requirement of filing papers in hard form dispensed with.
- xxxii. For Council / Regional council members -Last highest position held in ICAI (as an elected representative) on his visiting card, provided it is without ICAI emblem and the visiting card is of individual member only, and not of CA Firm, wherein he may be the partner (382nd (Adjourned) meeting on 15th and 16th April, 2019)



Income Tax Update - Section 271DB read with section 269SU



CA Namita Agrawal

E-mail : namag0303@gmail.com

A very Happy New Year to all readers!

We all are well known of ‘S. 269SU (Acceptance of payment through prescribed electronic modes)’ inserted by Finance Act, 2019 effective from 01.11.2019. The provision of section is applicable to -

- persons carrying business and
- having total sales/gross receipts/ turnover in excess of Rs. 50 crore during the immediately preceding previous year

As per s. 269SU such person shall provide facility for accepting payment through prescribed electronic modes, in addition to the existing payment facilities.

On 30th December, 2019 vide ‘Notification No.105/2019’ CBDT has inserted **New Rule 119AA- Modes of payment for the purpose of section 269SU**. This rule shall come into force w.e.f 01st January, 2020. The new Rule 119AA provides following additional electronic modes of payment facility:

- (i) Debit Card powered by RuPay;
- (ii) Unified Payments Interface (UPI) (BHIM-UPI); and
- (iii) Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code)

With this new Rule 119AA, s. 271DB comes alive. The non-compliance with s. 269SU will attract penalty provision u/s. 271DB, which was also inserted in alignment with s. 269SU and was also effective from 01.11.2019. The provisions of s. 271DB is bit harsh as it levies per day penalty of Rs. 5000/- for each day of such non-compliance of payment facility as per s. 269SU. Such penalty is imposable by joint Commissioner and can be waived off only if there were good and sufficient reasons for such failure.

Keeping in mind the execution of additional payment facility was notified on 30.12.2019 and it will take time to get operationalize, the CBDT has also issued Circular No. 3212019 dated 30th December, 2019. This circular gives us clarifications regarding modes of payment and penal provision u/s. 271DB.

- In respect of prescribed electronic modes u/s. 269SU, it has been clarified that no charge shall be levied by the banker or system provider on payer making payment or on beneficiary receiving payment
- It has been clarified that the penal provision u/s. 271DB shall not be levied upto 31st January, 2020 if such specified person (s. 269SU) installs and operationalize the payment facilities, but penalty shall be imposed on or after 01st February, 2020 for violation of s. 269SU u/s.271DB

Keep yourself and your client update with this new provision in the new year. The above notification and circular is available on income tax website for your reference.





Mega Members Conference held on 21st & 22nd Dec 2019 at Shree Maheswari Bhawan, Bhayander (West)



Group photo taken at Inaugural Session in the presence of CA. Dheeraj Khandelwal (CCM), CA. Singhal Sanjeev Kumar (CCM), CA. Vimal Agarwal (RCM & Branch Nominee), Managing Committee Members- CA. Xavier Rajan (Chairman), CA. Amit Agarwal (Secretary), CA. Sorabh Agrawal (Treasurer), CA. Lokesh Kothari (Chairman – Vasai WICASA), CA. Vijendra Jain (Committee Member), CA. Abhishek Tiwari (Committee Member), Past Chairmen of Vasai Branch - CA. Pramod Dhamankar, CA. Kishor Vaishnav & CA. Umesh Mestry and CA. K. B. Kothari (Past Committee Member)

Group photo taken in the presence CA. Suni Patodia (Past Chairman – WIRC of ICAI), CA. Lalit Bajaj (RCM & Branch Nominee), CA. Vimal Agarwal (RCM & Branch Nominee), Speakers - CA. Anjani Kumar Sharma, Mr. Naresh Biyani, CA. Satyajit Ghoshal, CA. Digambar Pednekar, CA. Sumeet Doshi (Past Chairman- Vasai Branch), Managing Committee Members- CA. Xavier Rajan (Chairman), CA. Ankit Rath (Vice Chairman), CA. Amit Agarwal (Secretary), CA. Sorabh Agrawal (Treasurer), CA. Lokesh Kothari (Chairman – Vasai WICASA), CA. Vijendra Jain (Committee Member) and CA. Abhishek Tiwari (Committee Member)



CA. Uttam Prakash Agarwal (Past President – ICAI), CA. Vimal Agarwal (RCM & Branch Nominee) along with Managing Committee Members- CA. Xavier Rajan (Chairman), CA. Ankit Rath (Vice Chairman), CA. Amit Agarwal (Secretary), CA. Sorabh Agrawal (Treasurer), CA. Lokesh Kothari (Chairman – Vasai WICASA), CA. Vijendra Jain (Committee Member) and CA. Abhishek Tiwari (Committee Member)



Mega Members Conference held on 21st & 22nd Dec 2019 at Shree Maheswari Bhawan, Bhayander (West)



CA. Xavier Rajan (Chairman - Vasai Branch of WIRC) presenting sapling to CA. Dheeraj Khandelwal (CCM)



CA. Abhishek Tiwari (Committee Member - Vasai Branch of WIRC) presenting memento to CA. Singhal Sanjeev Kumar (CCM)



CA. Lokesh Kothari (WICASA Chairman) & CA. Vijendra Jain (Committee Member - Vasai Branch of WIRC) presenting memento to CA. S. Venkataramani (Speaker)



CA. Lalit Bajaj (RCM & Branch Nominee) presenting sapling to CA. Suni Patodia (Past Chairman - WIRC of ICAI)



CA. Shweta Jain (Past Chairperson, Vasai Branch of WIRC) presenting sapling to CA. Anjani Kumar Sharma (Moderator)



CA. Amit Agarwal (Secretary - Vasai Branch of WIRC) presenting sapling to CA. Satyajit Ghoshal (Speaker)



CA. Sorabh Agrawal (Treasurer- Vasai Branch of WIRC) presenting sapling to Mr. Naresh Biyani (Speaker)



CA. Ankit Rathi (Vice Chairman - Vasai Branch of WIRC) presenting memento to CA. Sumeet Doshi (Past Chairman, Vasai Branch of WIRC)



CA. Vijendra Jain (Committee Member - Vasai Branch of WIRC) presenting memento to CA. Digambar Pednekar (Speaker)



CA. Xavier Rajan (Chairman - Vasai Branch of WIRC) & CA. Ankit Rathi (Vice Chairman - Vasai Branch of WIRC) presenting memento to Mr. Rajiv Chelladurai (Speaker)



CA. Pramod Dhamankar (Past Chairman, Vasai Branch of WIRC) presenting sapling to CA. Bhupendra Shah (Speaker)



CA. Nitesh Kothari (Past Chairman, Vasai Branch of WIRC) presenting sapling to Mrs. Mauli Khichadia (Speaker)



Mega Members Conference held on 21st & 22nd Dec 2019 at Shree Maheswari Bhawan, Bhayander (West)



All Managing Committee Members and CA. Shweta Jain (Past Chairperson, Vasai Branch of WIRC) presenting memento to CA. Chetan Dalal (Speaker)



All Managing Committee Members and CA. Vimal Agarwal (RCM & Branch Nominee) presenting memento to CA. Uttam Prakash Agarwal (Past President – ICAI)

Regional Half Day Seminar on GST Annual Filing and Annual Audit Seminar held on 29th Dec 2019 at Branch Premises, Bhayander (West)



(L-R). Ms. Preeti Nahar (Coordinator), Ms. Prachi Shah (Secretary – Vasai WICASA), CA. Lokesh Kothari (Chairman – Vasai WICASA), CA. Anuj Pradhan (Speaker), Mr. Dhawal Pithadiya (Coordinator) at the dais



CA. Anuj Pradhan
(Speaker)



Participants



Vasai Branch Premier League held on 8th Dec 2019 at Trick Shot Soccer and Cricket Turf Bhayandar Flyover, Chandan Shanti, Bhayander (West)



Career Counseling at Sardar Vallabhai Patel, Mira Road (East) held on 13th Dec 2019



Career Counseling at The Saraswati Vidyalaya at Bhayandar (East) held on 6th Dec 2019





January 2020

Sports Competition held on 8th Dec 2019 at Trick Shot Soccer and Cricket Turf Bhayandar Flyover, Chandan Shanti, Bhayander (West)





CA Students Festival held on 15th Dec 2019 at Shree Maheswari Bhawan, Bhayander (West)





January 2020

Event on Lets Make India Healthy held on 1st Dec 2019 at Vardhaman Fantasy, Mira Bhayandar Road, Mira Road (East)



Seminar on Investor Awareness held on 28th Dec 2019 at Branch Premises, Bhayander (West)



(L-R):- CA. Lokesh Kothari (WICASA Chairman), CA. Amit Agarwal (Secretary - Vasai Branch of WIRC), CA. Lalit Bajaj (RCM & Branch Nominee), CA. Manish Hingar (Speaker), CA. Sorabh Agrawal (Treasurer- Vasai Branch of WIRC) & CA. Abhishek Tiwari (Committee Member - Vasai Branch of WIRC) at the dais



(L-R):- CA. Vijendra Jain (Committee Member - Vasai Branch of WIRC), CA. Sorabh Agrawal (Treasurer- Vasai Branch of WIRC), CA. Lokesh Kothari (WICASA Chairman), CA. Lalit Bajaj (RCM & Branch Nominee), Mr. Kishor Bagri (Speaker), CA. Amit Agarwal (Secretary - Vasai Branch of WIRC) & CA. Abhishek Tiwari (Committee Member - Vasai Branch of WIRC) at the session



CA. Manish Hingar



Mr. Kishor Bagri



Participants



Mega International Youth Fest - Anti-Addiction Campaign held on 4th Jan 2020 at ISKCON Mira Road



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The Institute of Chartered Accountants of India,
Vasai Branch of WIRC

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