



EIRC e NEWSLETTER – VOLUME 49 ISSUE 2 15th APRIL 2023
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Eastern India Regional Council's
Insight Connection



শুভ নববর্ষ ১৪৩০ Shuvo Nabobarsho 1430

Message from Chairman, EIRC



Dear Professional Colleagues,

I would like to extend my warm wishes for a joyous Poila Boishakh, Rongali Bihu, Pana Sankranti, Baisakhi, Ugadi, Puthandu & Vishu. May the new year usher in abundance and happiness in our lives.

Over the past two months, we have invested significant efforts in enhancing our services for both members and students. While I am confident that you have been benefiting from these improvements, I believe that there is still room for further enhancement. Your feedback is crucial in helping us achieve this goal.

I would like to extend my sincere thanks to all the members who have responded to our invitation to become volunteers and contribute to adding more value for our members and students. Your eagerness to help is highly valued. Furthermore, I would also like to express my appreciation to those who have shown interest in the post-qualification courses offered by ICAI. We have taken the necessary steps by sending requests to the respective H.O. Committees to commence batches for the courses you have requested as soon as possible in our region.

We are committed to providing opportunities for professional development and growth to our members, and we look forward to supporting you in achieving your goals.

YouTube Channel

We consistently upload videos of the virtual seminars we organise on our YouTube Channel (Eastern India Regional Council of ICAI). You can benefit from these videos by watching the ones that interest you at your convenience to enhance your knowledge. The link to our YouTube Channel videos is <https://www.youtube.com/@easternindiaregionalcouncil6358/videos>.

Changes in CPE

Several changes have been brought in by the Central Council in the various aspects of the Continuing Professional Education over the last one month including the abolition of the concept of Block Period of Three Years. The important notifications/guidelines in this regard have been detailed in this Newsletter. Please take note of the same and plan your CPE Calendar Year accordingly.

Implementation of Know your Member (KYM)

The Head Office has introduced a new Form 'ICAI Know Your Member' (KYM). KYM is a newly developed Form in which member is required to provide certain information, on an annual basis, online through Self Service Portal login mandatorily before paying annual membership fees. Details in this regard has been shared in this Newsletter. Please take note of the same and fill the form at the earliest.

Updation of Member's Profile at Self Service Portal with GSTIN

Announcement in this regard has been shared in this Newsletter. Members are requested to update their profile on the SSP portal with GSTIN of CA Firm/LLP, in which such member is a Proprietor/Individual, Partner or a Paid Assistant, to enable the system to capture the said information in the tax invoice. It may be noted that only one name of the CA firm/LLP and its GSTIN can be included in the tax invoice. Please read the announcement and complete the procedure at your earliest to avail the GST Credit on Membership Fees wherever applicable.

Meeting with Past Leaders of the Profession

On March 16th, 2023, EIRC hosted a gathering of distinguished leaders from the Eastern Region, including the Immediate Past President of ICAI, numerous former Chairpersons of EIRC, and former Council Members. The purpose of this meeting was to share our plans for the upcoming year and to solicit feedback from these esteemed individuals to enhance our efforts in promoting the welfare of our members and students.

Meeting with Leaders of Study Circles of EIRC

On March 22nd, 2023, EIRC held a meeting with the Leaders of the Study Circles under its purview. The primary objective of the meeting was to elicit feedback from the Study Circles and provide them with information about our plans going forward. The Study Circles submitted numerous valuable suggestions, which EIRC subsequently conveyed to the CPE Committee of ICAI. Additionally, EIRC encouraged the Study Circles to conduct more workshops and training programs to enhance the skills and capabilities of members and their firms. This meeting proved to be highly productive.

Visit to Bhubaneswar & Cuttack Branches

The EIRC branches in Bhubaneswar and Cuttack recently organised a felicitation program for EIRC members during their Bank Audit Seminar on March 25th, 2023. It was an incredible experience to address the enthusiastic and committed members and students of these branches, and the seminars were a resounding success.

On March 26th, 2023, the EICASA of Cuttack Branch organised a Cyclothon, which offered EIRC members the chance to interact with the students of the branch, motivate them towards their goal of becoming world-class professionals, and participate in the event with joy. It was a great opportunity to engage with the students and contribute to their growth.

One Day Training Programme for Peer Reviewers

One Day Training for Peer Reviewers was organised by us on 30th March 2023 at Kolkata under the aegis of the Peer Review Board of ICAI. The programme was presided by CA. (Dr.) Debashis Mitra, Immediate Past President, CA. (Dr.) Anuj Goyal, Chairman, Peer Review Board, CA. Sushil Kr. Goyal, Council Member, ICAI. The training programme aimed to equip Chartered Accountants with the knowledge and skills necessary to become effective peer reviewers and to ensure the quality of audits.

Full Day Seminar on Bank Audit

On April 1st, 2023, EIRC jointly with Vitta Salahkar CA CPE Study Circle of EIRC of ICAI, conducted a full-day seminar on Bank Audit. The seminar focused on essential areas of Bank Audit, with special emphasis on leveraging tools to enhance the efficiency and effectiveness of the audit process. The event was attended by over a hundred members.

Half Day CPE Seminar on AQMM & DCMM

On April 12th, 2023, a half-day physical CPE seminar on Audit Quality Maturity Model (AQMM) and Digital Competency Maturity Model (DCMM) was conducted. The program focused on upskilling Chartered Accountancy firms using the AQMM and DCMM designed by ICAI for this purpose. The seminar aimed to equip attendees with valuable insights and tools to enhance their professional capabilities.

Virtual CPE Programmes

From 27th to 29th March 2023, we conducted a three-day virtual conference on Audit Quality and Standards on Auditing. Esteemed speakers from various parts of the country who are experts in the field of Auditing deliberated on the topic, and the program was attended by over one thousand participants, making it a resounding success.

On 31st March 2023, EIRC arranged a virtual conference on Audit Trail, as it has been made mandatory for companies from 1st April 2023. The conference featured distinguished faculty members who discussed the subject and demonstrated how various accounting software can be used to implement the concept.

Non-CPE Virtual Seminar

Due to the decision of the Central Council of ICAI, we are no longer permitted to conduct Virtual CPE Seminars from 1st April 2023 onwards. Nonetheless, we understand the importance of virtual seminars for the benefit of our members, and have decided to hold such seminars without awarding any CPE Hours.

On 11th April 2023, we organised a Non-CPE Seminar on Handling Recent Service Tax Notices, featuring CA. Sushil Kumar Goyal, Chairman, GST & IDTC, ICAI, as the faculty for the program.

Forthcoming Programmes

We have lined up several programs in the upcoming days to fulfill our vision, and you can stay updated on them by visiting our website <https://eirc-icai.org/>. We have recently revamped the website to enhance its user-friendliness when registering for events. If you haven't created a profile on our website, I urge you to do so to enjoy our seamless services.

Concluding Remarks

My commitment to serving our esteemed members and students runs deep. I understand the challenges they face in their professional lives and want to assure them that I will work tirelessly to



address their needs. With the support of our dedicated team at EIRC and the contributions of our members, I am confident that we can achieve remarkable success together.

We are eager to enhance the experience of our members and students while maintaining the dignity of our profession and upholding the high standards of the ICAI. Therefore, I kindly request your feedback once again to help us achieve these goals and ensure that the flag of ICAI continues to soar.

“I think it’s very important to have a feedback loop, where you’re constantly thinking about what you’ve done and how you could be doing it better.” – **Elon Musk**

Thank you for your continued trust and support.

Jai Hind, Jai ICAI

CA. Debayan Patra
Chairman, EIRC (2023 – 24)

Kolkata,
15th April, 2023

Message from Chairman, EICASA



My Dear Beloved CA Students,

Wishing everyone a happy and prosperous Bengali New Year! As we welcome Poila Boishakh, the beginning of the Bengali calendar, let's take a moment to celebrate our traditions and culture.

"The difference between ordinary and extraordinary is that little extra." - Jimmy Johnson

At EICASA, we strive to uphold these values and always go that extra mile to support our students.

Looking ahead to the May exams, we are confident that our students will come up with amazing results. As always, EICASA stands ready to support and guide our students as they take this important step in their academic and professional journeys. In the last month, EICASA conducted **3 Full day Revision Classes for its students**. The first class, which focused on **Direct Tax**, was conducted by **CA Brindavan Giri** on March 25th followed by **CA Avinash Sancheti's Advanced Accounting class** on April 1st. The final revision class, **covering EIS & SM** was conducted by **CA Sanjay Khemka** on April 2nd. These classes received an overwhelming response from the attendees.

EICASA lays great emphasis on the holistic well-being of our students including providing with regular academic support. We also organized a **Half-day Workshop on "Journey from Anxiety to Happiness"** on 9th April featuring **Revered BK Asmita from Prajapita Brahmakumari**, who shared invaluable insights on how to remain calm and composed during overcoming adversities. Furthermore, we were also honoured to have **CA. Arijit Chakraborty** who lectured on **Reboot, Recharge and Reinvent** and demonstrated practical physical exercises. Lastly, I would also like to thank **CA Sumit Binani, Past Chairman, EIRC** for being the keynote speaker for that day.

At EICASA, we believe in giving back to the community, and our initiatives reflect this ethos. **Our year-long Tree Plantation Drive**, designed to promote sustainability and environmental consciousness, has been a triumph. **On March 26th, April 2nd, and April 9th of 2023, we carried out three plantation drives**. One of the drives took place at Mayur Bricks Factory in Dhulagarh, while the other two were conducted at East Calcutta District Sports Council. A total of **225 trees** were planted.

On April 9th, 2023, EICASA also teamed up with the Kothari Medical Centre Blood Centre to host a **Blood Donation Drive** at ICAI Bhawan, located on Russell Street. The event saw a positive turnout from donors.



Few of the upcoming events are:

1. A Session on “**How to avoid WhatsApp, Email and Social Media Clutter?**” on 21st of April, 2023.
2. Workshop on “**Improving Audit Quality using – Excel, Data Analytics, Audit Tools and Audit Documentation**” on 22nd of April, 2023.
3. **3-day Workshop on English Communication Skills** 5th - 7th May, 2023.
4. **Outdoor Sports Meet** on 28th May 2023.
5. **CA Students’ National Conference** on 24th June 2023 & 25th June 2023 at Science City Main Auditorium.

I encourage all students to register for this **National Conference of CA Students** and take advantage of this great opportunity. QR for registration can be found in next page.

As we are experiencing record-breaking heat in Kolkata, I urge all students to take care of themselves before their exams. It is important to stay hydrated, wear light clothing, and avoid direct exposure to the sun during the hottest parts of the day. I wish all students to be able to perform their best in their exams and taking care of health is an essential part of achieving that goal.

With a heavy heart, I offer my sincere condolences to all the students who have lost a beloved teacher, Mohit Agarwal, and to his family during this difficult time. He was not only a teacher but also a mentor, a role model, and a friend to many. He will always be remembered fondly by all of us and his passion for teaching will be deeply missed.

CA. Sanjib Sanghi, Chairman, EICASA (2023 – 24)
&
Vice Chairman, EIRC (2023 – 24)

EICASA PAST AND UPCOMING EVENTS SNAPSHOT

Past Events



Revision Class on Direct Tax by CA. Brindavan Giri for Intermediate Held on 25th March, 2023



Revision Class on Adv. A/c by CA. Avinash Sancheti for Intermediate Held on 1st April, 2023



Revision Class on EIS & SM by CA. Sanjay Khemka for Intermediate Held on 2nd April, 2023



Blood Donation Camp at ICAI Bhawan Russell Street Premises Held on 9th April, 2023



Workshop on "Anxiety to Happiness" by Revered B K Asmita & CA. Arijit Chakraborty on 9th April, 2023



Forthcoming Events

A session on "How to avoid WhatsApp, Email and Social Media Clutter?" on 21st of April, 2023

Workshop on "Improving Audit Quality using – Excel, Audit Tools and Audit Documentation" on 22nd of April, 2023.

3-day Workshop on English Communication Skills - 5th - 7th May, 2023

Outdoor Sports Meet at BA-CA Ground on 28th May 2023

Most Awaited Event of EICASA - **Students' National Conference 2023** on 24th June 2023 & 25th June 2023 at Science City Main Auditorium, Kolkata.



Scan the QR Code to Register!

For all EICASA events register at <https://bosactivities.icai.org>

Important ICAI Announcements

Announcement	Link
Granting 4 Structured CPE hours in online mode through Digital Learning Hub and compliance of CPE hrs requirement Calendar year wise from calendar year 2023 onwards.- (12-04-2023)	https://www.icai.org/post/granting-4-structured-cpe-hours-in-online-mode-through-dlh
ICAI Awards for Excellence in Financial Reporting 2022-23 organised by Research Committee (Last Date : October 15, 2023) - (12-04-2023)	https://www.icai.org/post/icai-awards-for-excellence-in-financial-reporting-2022-23
Acceptance of certain assignments by the Concurrent Auditor of Bank Branches - (09-04-2023)	https://www.icai.org/post/acceptance-of-certain-assignments-by-the-concurrent-auditor-of-bank-branches
Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents - (06-04-2023)	https://resource.cdn.icai.org/73533aasb59362.pdf
Postponement of Chartered Accountants Examination scheduled to be held on 10th May, 2023 (Wednesday) at the Examinations Centres in the State of Karnataka - (01-04-2023)	https://www.icai.org/post/icai-exam-01042023
Updation of Member's Profile at Self Service Portal with GSTIN - (01-04-2023)	https://www.icai.org/post/updation-of-member-profile-at-self-service-portal-with-gstin
Auditing and Assurance Standards Board - Online Panel of Experts for addressing Bank Branch Audit related queries - (31-03-2023)	https://www.icai.org/post/aasb-online-panel-of-experts-for-addressing-bank-branch-audit-related-queries
Restraint order against Institute of Cost Accountants of India - (28-03-2023)	https://www.icai.org/post/restraint-order-against-institute-of-cost-accountants-of-india
Implementation of Know your Member (KYM) Form - (23-03-2023)	https://www.icai.org/post/implementation-of-kym-form
Guidance Note on Audit of Banks (2023 Edition) - (16-03-2023)	https://www.icai.org/post/guidance-note-on-audit-of-banks-2023-edition
Implementation Guide to SA 580, Written Representations - (07-03-2023)	https://resource.cdn.icai.org/73178aasb59027.pdf



Important ICAI Notifications

Granting of 4 Structured CPE hours in online mode through Digital Learning Hub and compliance of CPE Hours requirements Calendar year wise from calendar year 2023 onwards.

- A. It has been decided that CPE hours requirements are to be fulfilled by the members on Calendar Year Basis (from 1st January till 31st December every year) only and the block/rolling period concept of three years is done away with. The same is applicable from Calendar Year 2023 onwards. Therefore, the members are required to complete their CPE hours requirements on the calendar yearly basis from the year 2023 onwards in accordance with the CPE hours requirements available at the <https://resource.cdn.icai.org/73566cpe59376.pdf>

Penal provisions/actions as applicable and decided by the Council will be announced separately for information of all the members and for taking action against those members who fail to comply with the CPE hours requirements issued under the directions of the Council.

- B. To have mandatory 2 Structured CPE Hours each on topics of “Standards on Auditing” and “Code of Ethics” (total 4 Structured CPE Hours) during every Calendar year through **DLH/Physical mode** (applicable from Calendar Year 2020 onwards) for the Categories of members who are required to complete minimum 20 Structured CPE Hours in a Calendar year (COP Holder). This may be completed at any time during the year through **DLH/Physical mode**.
- C. Out of 20 Structured CPE Hours which is mandatorily to be completed by the members below 60 years and holding COP, in each Calendar year starting from 2023 (including mandatory CPE hours on “Code of Ethics” and “Standards on Auditing” as mentioned in above point B), 4 Structured CPE Hours can be completed in virtual mode through Digital Learning Hub (DLH) till any further modification as virtual CPE meetings (VCMs) are being discontinued from 1st April, 2023. Members may further note that who have already earned 4 or less Structured CPE hours in online mode (through VCM/DLH) till 31st March, 2023, will get credit on actual basis subject to maximum of 4 Structured CPE hours for the Calendar year 2023.
- Further, Members may also note that structured CPE hours obtained in online mode (through VCM (till March 31, 2023)/DLH) over and above as allowed above shall continue to be counted as Unstructured CPE Hours for compliance purpose. However, total Structured CPE hours obtained in physical mode (apart from online mode as allowed) shall continue to be counted as Structured CPE Hours. ICAI Digital Learning Hub may be accessed at <https://eservices.icai.org/>.

This is further to inform that the updated status of CPE hours’ credits of respective member is available on CPE Portal under member’s login as per the attendance uploaded by the CPE POUs as on date. For viewing the status, members may login with their existing password or default credentials are as under:-



User ID: Six Digit Membership Number

Default password: cpe+6 digit membership number

Members are requested to adhere to above guidelines while meeting their CPE hours requirement compliance.

Acceptance of certain assignments by the Concurrent Auditor of Bank Branches

The members have sought guidance from the Institute on the matter of acceptance of certain assignments by the Concurrent Auditor of Bank Branches.

In this regard, the matters are clarified hereunder: -

Long form Audit Report (LFAR)

Members may take note of the following FAQ under “FAQs relating to professional ethics of members pertaining to Bank Assignments” appearing at the website of the ICAI at <https://resource.cdn.icai.org/59065esb48189.pdf> :-

- Q. 13 Whether the Concurrent Auditor of a Branch of a Bank can undertake the assignment of LFAR of the same Branch?
- A. The concurrent Auditor of a Branch can undertake the assignment of LFAR only with respect to Branches which are not subject to Statutory Audit. With respect to Branches which are subject to Statutory Audit, the LFAR assignment shall be undertaken by the Statutory Auditor.

Miscellaneous Certification

The concurrent auditor/Internal Auditor may undertake the assignment of certification for a Bank branch only if the certificates are addressed to the Bank's management i.e not addressed to the statutory auditor/a regulator/ without being addressed to anyone in particular.

Certification of audited financial statements

The Concurrent Auditor/ Internal Auditor can neither perform Statutory Audit of the financial statements of a Bank Branch , nor certify them as audited financial statements.

The members are required to take note of the above and comply accordingly.

Implementation of Know your Member (KYM) Form

The ICAI has launched “**Know Your Member (KYM)**” Form which is to be filed annually through Self-Service Portal (SSP) of the ICAI.

The procedure to submit the KYM Form is as under:

Login In Self Service Portal ---> Member Functions ---> KYM Form

Once the KYM form is opened but not successfully submitted, the same will be available in the Pending / Submitted/ Ask for correction application option in the Member Module under Member Functions

with the following path:

Login In Self Service Portal ---> Click on Member Functions ---> Click on Pending / Submitted/ Ask for correction Pending ---> KYM Form

Members are required to submit it mandatorily.

For FAQs please click here.

In case of any difficulty please contact **cromemfee@icai.in** or ICAI Call Sahayataa 9997599975

Restraint order against Institute of Cost Accountants of India

In a civil suit filed by the Institute of Chartered Accountants of India (ICAI) for the infringement of its Trademark ‘ICAI’, the Hon’ble High Court of Delhi vide judgment dated 21.03.2023 has restrained the Institute of Cost Accountants of India from using ‘ICAI’ as an acronym for its Institution or for the services provided by it. The Hon’ble High Court has further directed that the Institute of Cost Accountants of India shall also take steps to ensure that the acronym ‘ICAI’ is removed from all physical and virtual media/websites where the Institute of Cost Accountants of India has its presence including all websites on the Internet as well as its social media platforms within 3 months. The High Court has observed that there is a clear prima facie case of infringement by the usage of ‘ICAI’ acronym by the Institute of Cost Accountants of India and the facts of the case clearly fall under Section 29(2)(c) read with Section 29(3) of the Trademarks Act, 1999 involving infringement of registered Trademark and accordingly, the prayer of the Institute of Chartered Accountants of India for interlocutory injunction was granted by the Hon’ble High Court.

Full text of the Judgment of the High Court can be accessed at the link given below:

<https://resource.cdn.icai.org/73445lagal59268.pdf>

**Committees of EIRC for the year 2023 - 24**

	Committee	Chairman	Vice Chairman	RC Member	RC Member	CC Member
Standing						
1	Executive	CA. Debayan Patra	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
2	Students	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
3	Professional Development	CA. Ravi Kr. Patwa	CA. Debayan Patra	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
4	Public Relations	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
5	Career Counselling	CA. Mayur Agrawal	CA. Debayan Patra	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Sushil Kr. Goyal
6	Continuing Professional Education (CPE)	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. (Dr.) Debashis Mitra
Non Standing						
7	Editorial	CA. Debayan Patra	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
8	Library	CA. Vishnu Kr. Tulsyan	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
9	Members in Industry & Business	CA. Debayan Patra	CA. Mayur Agrawal	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. (Dr.) Debashis Mitra
10	Research	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Sushil Kr. Goyal
11	Direct Taxes	CA. Ravi Kr. Patwa	CA. Debayan Patra	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. (Dr.) Debashis Mitra
12	GST & Indirect Taxes	CA. Vishnu Kr. Tulsyan	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
13	Accounting Standards for Local Bodies	CA. Mayur Agrawal	CA. Debayan Patra	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. (Dr.) Debashis Mitra
14	Financial Markets & Investors' Protection	CA. Mayur Agrawal	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. (Dr.) Debashis Mitra
15	Public and Government Financial Management	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra

16	Corporate Laws and Corporate Governance	CA. Mayur Agrawal	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. (Dr.) Debashis Mitra
17	Capacity Building of CA Firms and SMPs	CA. Vishnu Kr. Tulsyan	CA. Debayan Patra	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
18	Information Technology	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Sushil Kr. Goyal
19	Exposure Drafts	CA. Debayan Patra	CA. Mayur Agrawal	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Sushil Kr. Goyal
20	Branch Co-ordination	CA. Sanjib Sanghi	CA. Debayan Patra	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
21	Study Circles Co-ordination	CA. Mayur Agrawal	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. (Dr.) Debashis Mitra
22	MCS Co-ordination	CA. Mayur Agrawal	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Sushil Kr. Goyal
23	Members Grievance	CA. Vishnu Kr. Tulsyan	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
24	Internal Audit & Management Accounting Committee	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
25	Insolvency & Bankruptcy Code	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
26	Women & Young Members Empowerment	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. Sushil Kr. Goyal
27	MSME & Start-up	CA. Sanjib Sanghi	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
28	Members in Entrepreneurship & Public Service	CA. Debayan Patra	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Sushil Kr. Goyal
29	Economic, Commercial Laws & Economic Advisory	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. Sushil Kr. Goyal
30	Development of International Trade, Services & WTO	CA. Ravi Kr. Patwa	CA. Mayur Agrawal	CA. Sanjib Sanghi	CA. Vishnu Kr. Tulsyan	CA. (Dr.) Debashis Mitra
31	Management Accounting	CA. Vishnu Kr. Tulsyan	CA. Ravi Kr. Patwa	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. (Dr.) Debashis Mitra
32	Strategy, Perspective Planning & Monitoring Committee	CA. Ravi Kr. Patwa	CA. Vishnu Kr. Tulsyan	CA. Sanjib Sanghi	CA. Mayur Agrawal	CA. Sushil Kr. Goyal



Tax and Regulatory Updates: major developments over the month of March 2023

Tax Updates

Income-tax

- **COMMITTEE TO RECOMMEND PROCEDURE FOR CONDUCT OF INTERNAL AUDIT AND HANDLING INTERNAL AUDIT AND REVENUE AUDIT OBJECTIONS IN FACELESS ASSESSMENT ENVIRONMENT**

A Committee with designated members constituted to recommend revised standard operation procedures (“SOP”) for conduct of internal audit and handling internal audit and revenue audit objections. This decision has been made due to the fact that with the introduction of faceless assessment since 13th August, 2020, the process of audit and dealing with internal audit and revenue audit objections needs overhauling with revised roles for decision on acceptance/ non-acceptance of audit objections, remedial action for accepted objections and explanation of erring officials.

The Committee shall submit its report by 13-4-2023.

(Office Memorandum, dt 6th March 2023)

- **Direct Tax Collections of F.Y. 2022-23 up to 10-3-2023**
 - Gross collections are at Rs. 16.68 lakh crore (22.58% higher than the corresponding period of last year)
 - Direct Tax collection, net of refunds, stands at Rs. 13.73 lakh crore (16.78% higher than the net collections for the corresponding period of last year).
 - growth rate for CIT is 18.08% while that for PIT (including STT) is 27.57% (in terms of gross revenue collections).
 - Net growth in CIT collections is 13.62% and that in PIT collections is 20.73% (PIT only)/ 20.06% (PIT including STT).
 - Refunds amounting to Rs. 2.95 lakh crore have been issued during 1st April, 2022 to 10th March, 2023, (59.44% higher than refunds issued during the same period in the preceding year)

(Press Release, dt 11th March 2023)



- **E-Verification scheme of CBDT is another initiative facilitating voluntary compliance**

To encourage voluntary tax compliance and facilitate a transparent and non-intrusive tax administration, e-Verification Scheme, 2021 was introduced.

On a pilot basis, in about 68,000 cases, information of financial transactions pertaining to FY 2019-20 has been taken up for e-Verification. been initially shared So far, e-Verification has been completed by the designated Directorate in approximately 35,000 cases and remaining are under verification.

(Press Release, dt 13th March 2023)

- **Latest initiatives by Ministry of Finance**

In a continuous and ongoing endeavour to improve the e-filing portal and simplify the compliance burden, a number of steps are being taken:

TIN 2.0

- Roll out of online tax payment system (TIN 2.0) on which till now 19 banks have onboarded.
- This portal has made available new payment modes to taxpayers for payment of taxes.
- This has led to faster credit of taxes paid.
- Facility for co-browsing has been enabled on the portal for providing help to the taxpayers by the helpdesk team in respect of issues related to portal.

Common Income Tax Return ("CTR")

- CTR been proposed as a common return form for all persons except Trusts.
- It aims to bring ease of filing returns and reduce the time for filing the ITR by individuals and non-business-type taxpayers considerably.
- It will also facilitate the proper reconciliation of third-party data available with the Income-tax Department vis a vis the data to be reported in the ITR to reduce the compliance burden on the taxpayers.

Grievance Redressal Mechanism

- Existing mechanisms: e-Nivaran module on e-filing portal; High Pitched Assessment committees in each Pr. CCIT charge; Tax Payer Charter Cells (TPCC) in each Pr. CCIT charge; CPGRAM on the DARPG portal.
- Strengthening the grievance redressal mechanism is an ongoing and continuous process. With enhanced monitoring and reducing the response time to the various



grievances filed by taxpayer, an impetus has been given in the various grievance redressal mechanisms.

(Press Release, dt 20th March 2023)

- **Powers, Functions and Jurisdiction of Income-Tax Authorities to facilitate conduct of e-Appeal Proceedings**

The Central Board of Direct Taxes (“CBDT”) hereby authorises the specified Principal Chief Commissioners of Income-tax, having their Headquarters at specified places (as mentioned in the prescribed schedule), to issue orders in writing for the exercise of powers and performance of functions by the specified Income-tax authorities, who are subordinate to them in respect of such territorial areas or of such persons or classes of persons or of such incomes or classes of income or of such cases or classes of cases as may be specified in such order. However, no such orders shall be issued so as to interfere with the discretion of the Commissioner of Income Tax (Appeals) in the exercise of appellate functions.

(Notification S.O. 1329(E) [NO. 14/2023/F. NO. 279/MISC./66/2014-ITJ(PT.)], dt 21st March 2023)

- **Roll Out Of 'AIS for Taxpayer' Mobile App**

The Income Tax Department has launched a Mobile app, namely, 'AIS for Taxpayer' to facilitate taxpayers to view their information as available in the Annual Information Statement (AIS) / Taxpayer Information Summary (TIS). 'AIS for Taxpayer' is a mobile application provided free of cost by the Income Tax Department, and is available on Google Play & App Store. It is aimed to provide a comprehensive view of the AIS/TIS to the taxpayer which displays the information collected from various sources pertaining to the taxpayer.

(Press Release, dt 22nd March 2023)

- **Clarification on use of Data Analytics, Big Data and Artificial Intelligence/Machine Learning in tax administration**

It was affirmed by the Government that it has been using Data Analytics, Big Data and Artificial Intelligence/Machine Learning in tax administration to make it more effective, free of official discretion, business and taxpayers friendly.

(Press Release, dt 27th March 2023)



- **Direct Tax deducted at source from transfer of Virtual Digital Assets for FY 2022-23**

Crypto assets are currently unregulated in India, however, transactions in cryptocurrencies are subjected to provisions of various laws like the Prevention of Money Laundering Act, 2002 and Income-Tax Act, 1961.

In this regard, under section 194S of the Income-tax Act, 1961, tax is deducted at source on payments made upon transfer of Virtual digital Assets (VDA). Tax deducted at source under section 194S aggregates to Rs. 157.9 crore upto 20-3-2023 for FY 2022-23.

(Press Release, dt 28th March 2023)

- **Last Date for linking of PAN-Aadhaar extended**

Under the provisions of the Income-tax Act, 1961 (the 'Act') every person who has been allotted a PAN as on 1st July, 2017 and is eligible to obtain Aadhaar Number, is required to intimate his Aadhaar to the prescribed authority on or before 31st March, 2023, on payment of a prescribed fee. Failure to do so shall attract certain repercussions under the Act w.e.f. 1st April, 2023.

To give more time to the taxpayers, the date for intimating Aadhaar to the prescribed authority for the purpose of linking PAN and Aadhaar has now been extended to 30th June, 2023.

(Press Release, dt 28th March 2023)

- **Partial Relaxation with respect to electronic submission of Form 10F by select category of Taxpayers in accordance with DGIT (Systems) Notification No. 3 of 2022**

Non-resident (NR) taxpayers who were not having PAN and not required to have PAN as per relevant provisions of the Income-tax Act, 1961, read with Income-tax Rules, 1962, were exempted from mandatory electronic filing of Form 10F (in line with Notification 3 of 2022) till 31st March, 2023 by the competent authority.

In view of the continued practical challenges and to mitigate the genuine hardship being faced by such category of taxpayers, it has been decided by the competent authority to extend the above mentioned partial relaxation further till 30th September, 2023. For the sake of clarity, it is reiterated that such category of taxpayers may make statutory compliance of filing Form 10F till 30th September, 2023 in manual form as was being done prior to issuance of the DGIT(Systems) Notification No. 3 of 2022.

(Circular F. No. Dgit(S)-Adg(S)-3/E-Filing Notification/Forms/2023/13420, dt 28th March 2023)

- **Rule 114AAA of Income-tax Rules 1962 and clarification with respect to relaxation of provisions of Rule 114AAA prescribing the manner of making PAN inoperative - Supersession of Circular No. 7 Of 2022 [F.No.370142/14/2022-Tpl], Dated 30-3-2022**

Income-tax (Fourth Amendment) Rules, 2023 introduced prescribing the manner of making PAN inoperative and the consequences that shall ensue. It has been clarified that a person who has failed to intimate the Aadhaar number in accordance with section 139AA of the Income-tax Act, 1961 (the Act) read with rule 114AAA shall face prescribed consequences as a result of his PAN becoming inoperative from 1st July, 2023 and which shall continue till the PAN becomes operative. A fee of one thousand rupees will continue to apply to make the PAN operative by intimating the Aadhaar number.

The consequences of PAN becoming inoperative shall not be applicable to those persons who have been provided exemption from intimating Aadhaar number under the provisions of sub-section (3) of section 139AA of the Act.

(Notification G.S.R. 227(E) [NO. 15/2023/F.NO. 370142/14/2022-TPL and Circular No. 3 OF 2023 [F.NO. 370142/14/2022- TPL]), dt 28th March 2023)

- **Filling application in Form 15C or 15D**

The CBDT notifies procedures, format and standards for filling an application in Form 15C and Form 15 for grant of no deduction of income tax under section 195(3) of the Income-tax Act 1961 through TRACES.

(Notification No. 01/2023, dt 29th March 2023)

- **CBDT Signs 95 Advance Pricing Agreements in FY 2022-23**

CBDT has entered into a record 95 Advance Pricing Agreements (APAs) in FY 2022-23 with Indian taxpayers, recording the highest ever APA signings in any financial year since the launch of the APA programme. This includes 63 Unilateral APAs (UAPAs) and 32 Bilateral APAs (BAPAs). With this, the total number of APAs since inception of the APA programme has gone up to 516, comprising 420 UAPAs and 96 BAPAs.

(Press Release, dt 28th March 2023)

- **Revision of Interest Rates for Small Saving Schemes**

Interest rate for various saving schemes which inter alia include various time deposits, 5 year recurring deposit, Senior Citizen Saving Scheme, National Saving Certificate, Kisan Vikas



Yojna and Sukanya Sammriddhi Account Scheme, revised for the first quarter of 2023 (from April 2023 to June 2023).

(Notification F.No 1/4/2019-NS, dt 31st March 2023.)

- **Notification of Mahila Samman Saving Certificate by Government.**

In exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873, the Central Government hereby notifies the Mahila Samman Savings Certificate, 2023.

The scheme offers interest of 7.5% p.a for a two year deposit for a minimum deposit of Rs. 1,000 and maximum deposit of Rs. 2,00,000

(G.S.R.237(E)Notification F. No. 1/3/2023-NS, dt 31st March 2023)

- **Documentational Requirement while opening saving bank account**

In accordance to the Government Savings Promotion General (Amendment) Rules, 2023, an individual shall also submit to the Accounts Office, the following identity documents containing proof of identity and address for the purpose of opening an account, namely:

- Aadhaar Number,
- PAN or Form 60 s defined in the Income Tax Rules,1962, as maybe applicable.
- Any other document as may be considered necessary by the Accounts Office including those related to the nature of business and financial status of the depositor.,

(G.S.R.238(E), Notification F. No. 1/3/2023-NS, dt 31st March 2023)

- **Increasing maximum limit for depositing money under the National Savings (Monthly Income Account) Scheme, 2019**

In accordance to the National Savings (Monthly Income Account) (Amendment) Scheme, 2023.The maximum deposit limit for the monthly savings scheme is enhanced from Rs.4.5 lakh to Rs.9 lakh for a single account and from Rs.9 lakh to Rs.15 lakh for a joint account.

(G.S.R.239(E), Notification F. No. 1/3/2023-NS, dt 31st March 2023)

- **Increasing maximum limit for depositing money under the Senior Citizens' Savings Scheme, 2019,**

In accordance to the Senior Citizens' Savings (Amendment) Scheme, 2023, maximum deposit for senior citizen saving scheme has been enhanced from Rs 15 lakhs to Rs 30 lakhs

(G.S.R.240(E), Notification F. No. 1/3/2023-NS, dt 31st March 2023)



- **GST Revenue collections for month of February 2023**

- The gross GST revenue collected in the month of February, 2023 was Rs. 1,49,577 crores (of which CGST was Rs. 27,662 crores; SGST was Rs. 34,915 crore IGST was Rs. 75,069 crore and Cess was Rs. 11,931 crores).
- The revenues for the month of February 2023 were 12% higher than the GST revenues in the same month last year.
- During the month revenues from import of goods were 6% higher and the revenues from domestic transaction (including import of services) were 15% higher than the revenues from these sources during the same month last year

(Press Release, dt 1st March 2023)

- **Clarification regarding GST Rate and classification of 'Rab' based on the recommendation of the GST Council**

Based on the recommendation of the GST council in its 49th meeting, held on 18th February, 2023, with effect from the 1st March, 2023, 5% GST rate has been notified on Rab, when sold in pre- packaged and labelled, and Nil GST, when sold in other than pre- packaged and labelled.

In view of the prevailing divergent interpretations and genuine doubts regarding the applicability of GST rate on Rab, the issue for past period is hereby regularized on "as is" basis.

(Circular No. 191/03/2023- GST [F.NO. CBIC-190354/21/2023-TO(TRU-II)- CBEC], dt 27th March 2023)

- **Waiver of Late Fee payable for all registered persons who failed to furnish return in Form GSTR-4 by due date**

The amount of late fee payable under section 47 of the Central Goods and Services Tax Act, 2017 shall stand waived which is in excess of two hundred and fifty rupees and shall stand fully waived where the total amount of central tax payable in the said return is nil, for the registered persons who fail to furnish the return in FORM GSTR-4 for the quarters from July, 2017 to March 2019 or for the Financial years from 2019-20 to 2021-22 by the due date but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023.

(Notification No. 2/2023–Central Tax [G.S.R. 245(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)



- **Specified Persons to follow special procedure for revocation of cancellation of Registration**

- Special procedure for revocation of cancellation of registration. canceled on or before the 31-12-2022.
- To be applied within 30-06-2023.
- Revocation to be filed only after filing all returns along with payment of tax, upto the effective date of cancellation of registration.
- No further extension of time period for filing application.

(Notification No. 3/2023–Central Tax [G.S.R. 246(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)

- **CGST (Amendment) Rules, 2023**

- Deemed to have come into force from the 26th December, 2022.
- The amended sub-rule 4A explains authentication of Aadhaar during registration and biometric-based Aadhaar authentication and taking photograph of the applicant with regard to application in FORM GST REG-01.
- Biometric-based Aadhaar authentication and taking photograph of the applicant along with the verification of the original copy of the documents to be uploaded with the application in FORM GST REG-01 through one of the notified Facilitation Centres is applicable only to the state of Gujarat.

(Notification No. 4/2023 – CENTRAL TAX [G.S.R. 247(E)/F.NO. CBIC-20013/1/2023-GST] and Notification No. 5/2023- CENTRAL TAX [G.S.R. 248(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)

- **Deeming withdrawal of Best Judgement Assessment Order in respect of Specified Registered Persons**

Special procedures to be followed by non-filers of returns (where return was to be filed in thirty days of service of assessment order on or before 28th February 2023) for the assessment order to be deemed to be withdrawn if

- Returns furnished on or before 30-06-2023.
- Return to be accompanied by payment of interest due under sub-section (1) of section 50 of the said Act and the late fee payable under section 47 of the said Act, irrespective of whether or not an appeal had been filed against such assessment order under section 107 of the said Act or whether or not the appeal, if any, filed against the said assessment order has been decided.



(Notification No. 6/2023 – Central Tax [G.S.R. 249(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)

• **Waiver of Late Fee for furnishing Annual Return for financial year 2022-23 onwards in respect of specified classes of registered persons who fails to furnish Return by Due Date**

Central Government, on the recommendations of the Council, hereby waives the amount of late fee referred to in section 47 of the Central Goods and Services Act 2017 in respect of the return to be furnished under section 44 of the said Act for the financial year 2022-23 onwards, which is in excess of amount as specified in Column (3) of the Table below, for the classes of registered persons mentioned in the corresponding entry in Column (2) of the Table below, who fails to furnish the return by the due date, namely:-

Serial Number	Class of registered persons	Amount
(1)	(2)	(3)
1	Registered persons having an aggregate turnover of up to five crore rupees in the relevant financial year.	Twenty-five rupees per day, subject to a maximum of an amount calculated at 0.02 per cent. of turnover in the State or Union territory.
2	Registered persons having an aggregate turnover of more than five crores rupees and up to twenty crore rupees in the relevant financial year.	Fifty rupees per day, subject to a maximum of an amount calculated at 0.02 per cent, of turnover in the State or Union territory.

It is provided that for the registered persons who fail to furnish the return under section 44 of the said Act by the due date for any of the financial years 2017-18, 2018-19, 2019-20, 2020-21 or 2021-22, but furnish the said return between the period from the 1st day of April, 2023 to the 30th day of June, 2023, the total amount of late fee under section 47 of the said Act payable in respect of the said return, shall stand waived which is in excess of ten thousand rupees.

(Notification No. 7/2023 – Central Tax [G.S.R. 250(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)



- **Waiver of Late Fee in excess of Rupees Five Hundred for failure to furnish final return in Form GSTR-10**

GSTR 10 if not filed within due date, Late fees restricted to Rs. 1,000/- if GSTR-10 is filed between 01-04- 2023 to 30-06-2023.

(Notification No. 8/2023 – Central Tax [S.O.1563(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)

- **Extension of Time Limit for issuance of Order u/s 73(9)**

The Government, on the recommendations of the Council, hereby, extends the time limit specified under sub-section (10) of section 73 for issuance of order under sub-section (9) of section 73 of the said Act, for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised, relating to the period as specified below, namely:-

- for the financial year 2017-18, up to the 31st day of December, 2023;
- for the financial year 2018-19, up to the 31st day of March, 2024;
- for the financial year 2019-20, up to the 30th day of June, 2024.

(Notification No. 9/2023- Central Tax [S.O.1564(E)/F. NO. CBIC-20013/1/2023-GST], dt 31st March 2023)

Major Regulatory Updates:

Corporate Law, SEBI, Insolvency Law and ICAI:

- **MCA establishes a Centre for Processing Accelerated Corporate Exit (C-PACE)**

- Ministry of Corporate affairs (“MCA”) establishes a Centre for Processing Accelerated Corporate Exit (C-PACE) C-PACE is expected to expedite the voluntary winding-up of bankrupt companies to less than six months from the mandatory two years.
- The C-PACE shall be located at the Indian Institute of Corporate Affairs (IICA), Plot Nos. 6, 7, 8, Sector 5, IMT Manesar, District Gurgaon (Haryana), Pin Code - 122050.
- In Union Budget 2023-23, FM had proposed to establish the Centre for Processing Accelerated Corporate Exit (C-PACE) for speedy winding-up of companies and it is going to get implemented effective from April 1, 2023.

(Notification S.O. 1269(E) [F. NO. A-42/21/2022-AD.II-MCA], dt 17th March 2023)

- **SEBI Master Circular for Foreign Venture Capital Investors (FVCIs)**

- Firm commitment from their investors for a contribution of at least USD 1 million at the time of submission of applications seeking registration as FVCI.

- The quarterly report on venture capital activity to be submitted by FVCIs within seven days after the end of each calendar quarter in the prescribed format.
- The report must be posted online on the portal created by SEBI for filings connected to FVCIs in order to simplify Online system to be used for application for registration, reporting and filing.

- **SEBI prescribes time limits for Foreign Portfolio Investors (“FPIs”) to disclose information to Board and Depository Participants (“DPs”)**

SEBI (“Board”) releases amended Securities and Exchange Board of India (Foreign Portfolio Investors) (Amendment) Regulations, 2023, containing the following amendments:

- If there is any material change in the direct or indirect in FPIs structure or ownership or control, FPIs are required to inform the Board and designated depository participants (DPs) within 7 working days.
- FPIs must maintain accurate details of their investor group with DPs.
- DPs are obligated to inform to the Board, depositories and stock exchanges within 2 working days if any penalty, pending litigation or proceedings, findings of or investigations have been initiated.
- In case any information or particulars previously submitted to the Board by DPs are found to be materially false or misleading, it must be informed to the Board within 2 working days.

(Notification No. SEBI/LAD-NRO/GN/2023/12, dt 14th March 2023)

- **The Insolvency and Bankruptcy Board of India (“IBBI”) revises format for serving copy of application to Board**

- Application for corporate insolvency resolution process (“CIRP”) to be filed first with the Board and the Board shall forward the same to Information Utility (“IU”) who shall inform the other creditors of the Corporate Debtor (CD) and issue notice to applicant to file information of default as per IU regulations.
- It is a pre requirement for getting the case admitted by Adjudicating Authority.

(Circular No. IBBI/LAD/58/2023, dt 4th March, 2023)

- **Various implementation and technical guides released by the Institute of Chartered Accountants of India (“ICAI”)**

- “Implementation Guide to Standard on Auditing (SA) 580, Written Representations” brought out by the Auditing and Assurance Standards Board (AASB) of ICAI

Implementation Guide contains detailed guidance on various aspects of SA 580 in a Question-Answer format and contains Introduction and Overview, Implementation Guidance, Illustrative Checklist and Appendices. It will enable auditors to comply with requirements of SA 580 effectively.

(ICAI Announcement dt 7th March 2023)

- Guidance Note on Audit of Banks (2023 Edition) *(ICAI Announcement dt 16th March 2023)*
- Guidance Note on Transfer of Capital Reserve-Exposure draft: Invitation for comments by 20th April, 2023. *(ICAI Announcement dt 21st March 2023)*

- “Implementation Guide on Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014” issued by Auditing and Assurance Standards Board (AASB) of ICAI

It may be noted that a new requirement for companies has been prescribed under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requiring companies, which use accounting software for maintaining their books of account, to use only such accounting software which has audit trail feature. This requirement for companies was initially made applicable for financial year commencing on or after April 1, 2021.

However, its applicability has been deferred two times and this requirement is finally applicable from April 1, 2023.

The implementation guide enables the auditor to comply with the prescribed reporting requirements.

(ICAI Announcement dt 28th March 2023)

Compendium of latest case laws

Income-tax

Supreme Court Decisions

- **Van Oord Acz India (P.) Ltd v. Commissioner of Income-tax-VI, New Delhi, Civil Appeal NO(S). 5088 AND 5089 OF 2011 SLP (C) NO. 10479 OF 2012, March 23, 2023**

Decision:

- In view of the fact that it has been specifically found that the assessee in the present case (company in India) is held to be not liable to deduct the tax at source, and thus no interference of the Court is called for against the impugned judgment and order passed by the High Court. However, the question of law, if any, on interpretation of Section 195 is kept open.



- Where assessee is held not liable to deduct TDS, assessee cannot be treated as assessee in default if payee foreign co. is held liable to tax in reassessment.

Reference: [2023] 149 taxmann.com 38 (SC)[23-03-2023]

- **Assistant Commissioner of Income-tax, Circle-8 v. Vodafone Essar Gujrat Ltd., Special Leave Petition (Civil) Diary No(S). 7912 OF 2023 March 29, 2023**

Brief Facts:

- Assessee-company was in business of providing cellular telecommunication services and was established in year 1997-98
- During assessment year 2001-02, there was a change in shareholding of assessee-company, as a result of which provisions of section 79 were made applicable and accumulated losses from assessment years 1997-98 to 2001-02 lapsed.
- Assessee-company being a telecommunication service provider was eligible for 100 per cent deduction under section 80-IA and made a claim for deduction under section 80-IA for first time for assessment year 2005-06.
- Assessing Officer disallowed deduction on basis that there would not be any positive profit available for deduction after considering losses prior to assessment year 2001-02 to be set off against income of current year because for purpose of calculation of deduction under section 80-IA read with section 80-IA(5), provisions of section 79 could not be applied.
- High Court by impugned order held that since by virtue of section 79 business loss of assessee prior to year 2001-02 had already lapsed, same could not be notionally carried forward and set off against profit and gains of assessee's business for year under consideration in computing quantum of deduction under section 80-IA(1).

Decision:

- It was held that special leave petition against said impugned order was to be dismissed, however, issue of eligibility of claim, set off of losses for subsequent assessment years was to be kept open.

Reference: [2023] 149 taxmann.com 1 (SC)[29-03-2023]

High Court Decisions

- **Laura Entwistle v. Union of India, Writ Petition No. 8518 of 2009, March 8, 2023**

Brief Facts:

- Assesseees were trustees of American School of Bombay Education Trust (ASB) set up solely for purpose of education and not for purpose of profit.
- During relevant assessment years, ASB was supported by South Asia International and Educational Services Foundation (SAIESF), a non-profit organisation set up wholly and exclusively for charitable and educational purposes and subject to scrutiny by US Government and Internal Revenue Services of US.



- SAIESF would incur various expenses in support of ASB, i.e. school material and freight, salaries of teachers and administrators, education grants, etc and surplus (if any) was repatriated to assessee-trustees in India, which was thereafter invested by assessees in accordance with provisions of section 11(5) of the Income-tax Act 1961.
- ASB's application claiming exemption under section 10(23C)(vi) was rejected by revenue on grounds that (i) part of income was received by SAIESF directly, (ii) it was not possible to verify expenses incurred by SAIESF and (iii) funds repatriated by SAIESF were not invested in accordance with section 11(5).

Decision:

- Income earned and expenditure incurred outside India by any person or entity does not concern Income Tax Department inasmuch as Income tax Act is not attracted. Thus, money earned and expenses made by SAIESF in USA should not have any effect on the Income Tax Department in India.
- There was no requirement to conduct transnational verification of transactions and examine law and practices of other countries to complete an assessment, merely because entity outside country was transferring its surplus or even a portion thereof to an entity in India.
- It was held that ASB existed to provide education and not for profit, exemption claimed under section 10(23C)(vi) could not have been denied.

Reference: [2023] 148 taxmann.com 251 (Bombay)[08-03-2023]

- **Commissioner of Income-tax, Kolkata-IV v. Century Plyboards (I) Ltd., ITA/83/2010, March 14, 2023**

- CBDT's Circular 6/2016, dated 29-2-2016 clarifies that in respect of listed shares and securities held for a period of more than 12 months immediately preceding the date of its transfer if the assessee desires to treat the income arising from transfer thereof as capital gains, the same shall not be put to dispute by the assessing officer.
- It is further stated that once such stand is taken by the assessee in a particular assessment year, it shall remain applicable in subsequent assessment years also and the taxpayers shall not be allowed to adopt a different/contrary stand in this regard in subsequent years.
- Reading the circular in its entirety will show that on account of dispute which had arisen while interpreting the directions issued by the courts and tribunal the Board thought fit to issue appropriate instructions to the field formation. Therefore, it is to be understood that the circular would be retrospective in operation and would apply to assessment years prior to issue of the Circular also.

Reference: [2023] 148 taxmann.com 301 (Calcutta)[14-03-2023]

Tribunal decision

- **Bengal Peerless Housing Development Company Ltd. v. Deputy Commissioner of Income-tax, IT Appeal No. 317 (Kol.) OF 2022 [Assessment Year 2019-20] March 1, 2023**

Brief Facts:

- Assessee was engaged in business of real estate - In relevant assessment year, assessee incurred marketing and sales expenditure with respect to development of real estate project.
- On appeal to Commissioner (Appeals), assessee filed additional ground claiming deduction of marketing and sales expenses.
- However, Commissioner (Appeals) held that assessee had not claimed these expenses in his return of income and there was no disallowance made by Assessing Officer, thus, question of allowing same would not arise.
- It was noted that assessee adopted revenue recognition policy prescribed under Ind AS 115 based on satisfaction of performance obligation 'over time' which was satisfied when possession of real estate unit was given to customer. Also all costs were accumulated during course of its completion and same were charged against revenue when control of completed unit was transferred to customer to satisfy criteria of matching concept of accounting.

Decisions:

- It was held that claim of deduction made by assessee towards marketing and sales expenses would not be allowable in relevant year, however, since these expenses were accumulated in work-in-progress as per Ind AS 115, revenue recognition policy and matching concept of accounting principle, same would be allowed in year in which performance obligation was satisfied.
- During assessment, Assessing Officer made adjustment resulting in upward adjustment in book profits. It was held that upward adjustment was with respect to amount which represented amount withdrawn from reserve/provision which stood credited in profit and loss account for year and was reduced while computing book profit since it had already been offered to tax in earlier years, adjustment was to be deleted.

Reference: [2023] 148 taxmann.com 265 (Kolkata - Trib.) [01-03-2023]

Goods and Service Tax ("GST")

High Court Decisions

- **Deepa Traders v. Principal Chief Commissioner of GST & Central Excise, W.P.NO.12382 OF 2020 March 9, 2023**

- Supply details were correctly supplied in GSTR-3 and tax duly remitted.
- However, some of invoice wise details omitted to be reported in Form GSTR-1
- IGST inadvertently remitted under heads SGST and CGST.
- Error brought to notice later by petitioner's customers.
- Errors committed being clearly inadvertent, rectification was to be permitted.
- Department was directed to do needful to enable uploading of rectified GSTR-1.

Reference: [2023] 149 taxmann.com 45 (Madras)

- **Balaji Exim v. Commissioner, CGST, W.P.(C) NOS. 10407 & 10423 OF 2022 March 10, 2023**

- Refund applications was rejected on mere apprehension that its supplier issued fake invoices without any cogent material.
- Petitioner established that goods had been exported; invoices in respect of which ITC was claimed, raised by registered dealer; and petitioner had paid invoices, which include taxes.
- Allegations of any fake credit availed by supplier could not be a ground for rejecting petitioner's refund applications unless it was established that petitioner not received goods or paid for them.
- Thus, applications for refund could not be denied.

Reference: [2023] 149 taxmann.com 44 (Delhi)

- **Ernst & Young Ltd. v. Additional Commissioner, Central Goods and Services Tax Appeals-IT*, W.P.(C) NO. 8600 OF 2022 MARCH 23, 2023**

- Intermediary means a broker, agent or any other person who 'arranges or facilitates supply of goods or services or both or securities between two or more persons'.
- In instant case, petitioner provided professional/legal services to overseas entity.
- Refund of input tax credit (ITC) was rejected on ground that such services qualify as intermediary services as it was provided on behalf of group companies.
- Writ petition was filed against appellate order confirming such original order.
- It was held that letter issued by RBI permitting petitioner to be buying or selling agent in India would not render every services provided by them as a buying or selling agent. Petitioner was providing services to overseas entity and not involved in arranging or facilitating services.
- Even if it is assumed that petitioner had rendered services on behalf of overseas entity, still it would not amount as intermediary services as it had neither arranged nor facilitated supply between overseas entity and third party.
- It was held that such services were not in nature of intermediary services and thus writ petition was allowed.
- In this case, invoice was raised on overseas entity and consideration in foreign exchange was received.
- Place of supply is outside India as service recipient entity was located outside India and thus the said services were considered as export of services under service tax regime and refund of ITC was granted to petitioner after disputed period.
- It was held that such services rendered were not intermediary and were export of services. In this regard, original authority was directed to process refund application. Impugned orders were liable to be set aside.

Reference: [2023] 148 taxmann.com 461 (Delhi)[23-03-2023]



Reference:

- <https://www.taxmann.com/research/direct-tax-laws/caselaws>
- <https://www.taxmann.com/research/gst/caselaws>

[Compiled by **CA. Arupa Banik** Email-ID: a19banik@gmail.com]

Disclaimer: The views expressed are solely of the author. EIRC of ICAI doesn't hold any responsibility of the views expressed by the author in her article.

SOCIAL STOCK EXCHANGE

INTRODUCTION:

During March 2020 when the nation announced the lockdown to curb the novel coronavirus, Hon'ble Prime Minister Narendra Modi called on non-government organisations (NGOs) to help the government – by providing basic necessities to the underprivileged, supplying medical and protective gear and assisting with awareness campaigns on social distancing. NGOs, across the country, took on the challenge. Several communities benefitted through these organisations. NGOs, in the first week of May 2020, delivered services to the poor as well as health and community workers.

Recently in the year November 2021, Hon'ble Health Minister Mansukh Mandaviya lauded the work of NGOs and civil society organisations during the Covid crisis.

So far the Social Enterprises like Not for Profit organisations raise the funds mostly by way of Donations inside the country and through Foreign Contributions for implementing their Objectives. Therefore the Social Enterprises felt difficult in raising the fund for social cause and doing the social activities.

Hon'ble Finance Minister Smt. Nirmala Sitharaman as part of the Budget speech for FY 2019-20 proposed the idea of an electronic fund-raising platform “Social Stock Exchange”, under the regulatory ambit of SEBI for listing social enterprises and voluntary organizations working for the realization of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund.

Social Stock Exchanges in other countries

The concept of Social Stock Exchange (“SSE”) came into existence in the year 2003 when the first Social Stock Exchange was introduced and launched in Brazil. Thereafter, many other countries viz. South Africa (in the year 2006), Portugal (in the year 2009), Canada (in the year 2013), Singapore (in the year 2013), United Kingdom (in the year 2013) and Jamaica (in the year 2019) also launched Social Stock Exchanges.

Social Stock Exchange and its Regulations:

Securities and exchange Board of India (SEBI) on 25th of July 2021 has notified the following regulations with respect to Social Stock exchange for its regulation and its functioning.

1. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2022
3. Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2022

SEBI Circulars:

1. Detailed Frame work issued by SEBI for Social Stock Exchange

SEBI through its circular No.: SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated 19/09/2022 has issued the detailed Frame work for Social Stock Exchange.

2. SEBI issued Circular No.: SEBI/HO/MRD/MRD-RAC-2/P/CIR/2022/141 dated 13th October 2022 for Constituting the Social Stock Exchange Governing Council(SGC)

Social Stock Exchange:-

What is mean by social stock exchange

“Social Stock Exchange” means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register Not for Profit Organizations and/or list the securities issued by Not for Profit Organizations in accordance with provisions of these regulations.

The Social Stock Exchange (SSE) is a platform which shall allow social enterprises, be it Not For Profit Organization or For Profit Social Enterprise to raise funds. Additionally, not for profit organization may choose to merely register with SSE and not raise funds.

The Non-Profit Organisations (NPOs) includes trust, society, NGOs or Section 8 Company registered/incorporated under the Companies Act, 2013 and For Profit Social Enterprise (FPEs) includes corporates. The social intent must be the first and primary objective of all social enterprises that plan to list their securities on SSE.

Objectives of the Social Stock Exchange:

Regulated platform that brings together social enterprises and donors.

Facilitate funding and growth of social enterprises.

Enabling mechanism to ensure robust standards of Social Impact and financial reporting.

Which Stock exchanges the Social Enterprises can Register and List their Securities?

At present both in Bombay stock exchange Social stock exchange and National Stock exchange(SSE) the Eligible Social Enterprises can register and List their Securities.

How many Social Enterprises have Registered with NSE and BSE as on date?

As per the details available in the website of www.Bsesocialstockexchange.com

The following 7 NPOs were registered with BSE Social Stock Exchange

List of Registered Entities with BSE SSE

Sr. No.	BSE SSE Registration No.	Entity Name
1	BSESSE0001NP2223	Opportunity Foundation Trust
2	BSESSE0002NP2223	Vatsalya Trust
3	BSESSE0003NP2223	Missing Link Trust
4	BSESSE0004NP2223	Development Management Foundation
5	BSESSE0005NP2223	Lighthouse Communities Foundation
6	BSESSE0006NP2223	SGBS Unnati Foundation
7	BSESSE0007NP2223	United Way Mumbai

And the following 4 NPOs is registered with NSE social Stock exchange

<https://www.nseindia.com/list-registered-ngos>

Name of the NPO	Date of Registration with SSE
Gramalaya Trust	05-Apr-2023
SGBS Unnati Foundation	05-Apr-2023
Masoom Trust	05-Apr-2023
Opportunity Foundation Trust	05-Apr-2023

Benefits of Registration/Listing in Social Stock Exchange:

Following are the Benefits of Listing in social stock exchange

Improved market access –

An SSE will facilitate a common and a structured meeting ground between Social Enterprises and investors/donors with inbuilt regulation for providing sanctity and accountability of finances.

Synergy between investors and investee in social aims –

In view of flexibility of investments and capital that would be available on an SSE, the canvas of choice would be much wider allowing investors and investees with similar missions and visions to connect seamlessly

Performance based philanthropy –

Performance of the enterprises listed on an SSE would be monitored thus it will instill a culture of performance (Social return) driven philanthropy.

Zero Listing and Admission cost –

SSE saves cost for both issuer and investor/donor by charging negligible fees for registration and listing.

Additional avenue for Social Enterprises –

Central and State governments till date have the biggest onus of achieving sustainable development goals. SSE will provide an alternate avenue for raising funds thereby encouraging new and existing social enterprises.

Social Enterprise:

“Social Enterprise” means either a Not for Profit Organization or a For Profit Social Enterprise which has a Social Intent and meets the eligibility criteria specified by SEBI .

In order to establish the primacy of its social intent, such Social Enterprise shall meet the following eligibility criteria:-

- (a) the Social Enterprise shall be indulged in at least one of the following activities:
 - (i) eradicating hunger, poverty, malnutrition and inequality;
 - (ii) promoting health care including mental healthcare, sanitation and making available safe drinking water;
 - (iii) promoting education, employability and livelihoods;
 - (iv) promoting gender equality, empowerment of women and LGBTQIA+ communities;
 - (v) ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation;
 - (vi) protection of national heritage, art and culture;
 - (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
 - (viii) supporting incubators of Social Enterprises;
 - (ix) supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building;
 - (x) promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector;

- (xi) slum area development, affordable housing and other interventions to build sustainable and resilient cities;
- (xii) disaster management, including relief, rehabilitation and reconstruction activities;
- (xiii) promotion of financial inclusion;
- (xiv) facilitating access to land and property assets for disadvantaged communities;
- (xv) bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection;
- (xvi) promoting welfare of migrants and displaced persons;
- (xvii) any other area as identified by the Board or Government of India from time to time.

(b) the Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of central or state governments;

(c) the Social Enterprise shall have at least 67% of its activities, qualifying as eligible activities to the target population, to be established through one or more of the following:

- (i) at least 67% of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population;
- (ii) at least 67% of the immediately preceding 3-year average of expenditure has been incurred for providing eligible activities to members of the target population;
- (iii) members of the target population to whom the eligible activities have been provided constitute at least 67% of the immediately preceding 3-year average of the total customer base and/or total number of beneficiaries.

Which Organisations does not qualify as Social Enterprises:

The corporate foundations, political or religious organizations or activities, professional or trade associations, infrastructure and housing finance Companies, except affordable housing, shall not be eligible to be identified as a Social Enterprise.

What is mean by “For Profit Social Enterprise”

“For Profit Social Enterprise” means a company or a body corporate operating for profit, which is a Social Enterprise for the purposes of these regulations and does not include a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);

What is mean by “Not for Profit Organization”

“Not for Profit Organization” means a Social Enterprise which is any of the following entities:

- (i) a charitable trust registered under the Indian Trusts Act, 1882 (2 of 1882);
- (ii) a charitable trust registered under the public trust statute of the relevant state;

- (iii) a charitable society registered under the Societies Registration Act, 1860 (21 of 1860);
- (iv) a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);
- (v) any other entity as may be specified by the SEBI.

Registration requirements with Social Stock Exchange-Relating to Not for Profit Enterprise

Not for Profit Organization shall mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange.

Provided that a Not for Profit Organization may choose to register on a Social Stock Exchange and not raise funds through it.

It means the Not for Profit organisations (NPOs) can raise the funds on Private issuance of their instruments as specified by the SEBI.

Mandatory Criteria for NPO Registration in SSE

It is to be noted that in addition to the legal requirements, the mandatory qualifying criteria for registration shall include a set of minimum size as indicated by funds received/deployed. This is to ensure that the NPO wishing to register has an adequate track-record of operations.

Broad Parameter	Indicator	Details
Entity is registered as an NPO	Registration certificate valid at least for next 12 months at the time of seeking registration with SSE	Entities must be registered in India as one of the below: a. a charitable trusts registered under the public trust statue of the relevant state; b. a charitable trust registered under the Societies Registration Act,1860 c. a charitable trust registered under the Indian Trusts Act, 1882 d. a Company incorporated under Section 8 of the Companies Act, 2013.
Ownership and control	Governing document (MOA & AOA/ Trust Deed/ Bye-laws/ Constitution)	Disclose if NPO is owned and/or controlled by government or private.
Exemption under Income Tax Act	Registration certificate under Section	Registration certificate under Section 12A/12AA/12B to

	12A/12AA/12AB under Income Tax Act 1961	be valid for at least the next 12 months. Does not have a notice or ongoing scrutiny by Income Tax.
Registration with Income Tax as an NPO	IT PAN	Valid IT PAN
Age of the NPO	Registration certificate	Minimum 3 years
Tax deduction under Income Tax Act, 1961	Valid 80G registration under Income-Tax Act, 1961	Entity to ensure whether tax deduction is available or not to investors.
Minimum Flow of Funds		
Annual Spending in the past financial year	Receipts or Payments from Audited accounts/ Fund Flow Statement	Must be at least Rs. 50 lakhs
Funding in the past financial year	Receipts from Audited accounts/ Fund Flow Statement	Must be at least Rs. 10 lakhs

Fund raising Instruments by NPOs:

The NPOs can raise fund by issuing following instruments:-

- (i) issuance of Zero Coupon Zero Principal Instruments to institutional investors and/or non-institutional investors in accordance with the applicable provisions of the SEBI(ICDR) Regulations 2009
- (ii) donations through Mutual Fund schemes as specified by the Board;
- (iii) any other means as specified by the Board from time to time.

For Profit Social Enterprise

A For Profit Social Enterprise may raise funds through:

- (i) issuance of equity shares on the main board, SME platform or innovators growth platform or equity shares issued to an Alternative Investment Fund including a Social Impact Fund;
- (ii) issuance of debt securities;
- (iii) any other means as specified by the Board from time to time.

securities issued by For Profit Social Enterprises shall be listed and traded under the applicable segment of the stock exchange with an identifier stating that the scrip is that of a For Profit Social Enterprise

Zero Coupon Zero Principal Instruments:-

Zero Coupon Zero Principal Instruments can be issued only by the Not for Profit organisation and list them on such Social Stock Exchange.

The Zero Coupon Zero Principal Instrument is issued only for a specified project or activity which falls under the list specified by SEBI .

The zero coupon Zero Principal Instruments will be issued only to Institutional and Non-Institutional investors.

The minimum issue size is Rs. 1 crore and

Minimum Application size shall be rupees Two Lakhs.

Minimum Subscription required to be achieved is 75% of the funds proposed to be raised through issuance of Zero Coupon Zero Principal Instruments.

For the Public issue of the Zero Coupon Zero Principal Instruments, the NPOs should file the draft fund raising documents with Social stock exchange alongwith the required fees seeking inprinciple approval for lisiting.

After that, the draft fund raising document shall be made available on the website of the Social Stock Exchange and the Not for Profit Organization for a period of at least 21 days for public comments.

The Social Stock Exchange shall provide its observation on the draft fund raising document to the Not for Profit Organization, within 30 days from the filing of the draft fund raising document or receipt of clarification, if any, sought by the Social Stock Exchange from Not for Profit Organization, whichever is later. The Not for Profit Organization shall incorporate the observations of the Social Stock Exchange in draft fund raising document and file the final fund raising document with the Social Stock Exchange prior to opening the issue.

Private issuance of Zero Coupon Zero Principal Instruments

The Not for Profit Organization registered on a Social Stock Exchange, may also make private issuance of Zero Coupon Zero Principal Instruments to Social Impact Fund(s) registered under the applicable provisions of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012.

How long this Zero Coupon Zero Principal Instruments will be listed in Social Stock Exchange:

The listing of Zero Coupon Zero Principal Instruments of a Not for Profit Organization on the Social Stock Exchange shall terminate in the following events:

- (a) The object for which the funds were raised has been achieved and a certificate to this effect is submitted to the Social Stock Exchange; or
- (b) The tenure to achieve the object for which the funds were raised as provided in the fund raising document has expired.

Annual disclosure and Reporting Requirements to Social Stock Exchange by the Social Enterprises as per SEBI(LODR) Regulations 2015

Disclosures by For Profit Social Enterprise- Regulation No.91B.

For Profit Social Enterprise whose designated securities are listed on the Stock Exchange(s) shall comply with the disclosure requirements contained in these regulations with respect to issuers whose specified securities are listed on the Main Board or the SME Exchange or the Innovators Growth Platform, as the case may be.

Disclosures by a Not for Profit Organization- Regulation No.91C.

A Not for Profit Organization registered on the Social Stock Exchange(s), including a Not for Profit Organization whose designated securities are listed on the Social Stock Exchange(s), shall be required to make annual disclosures to the Social Stock exchange(s) on matters specified by the Board, within 60 days from the end of the financial year or within such period as may be specified by the Board.

Social Impact Assessment Reporting

Disclosures by a Social Enterprise in respect of social impact under Regulation No.91E

A Social Enterprise, which is either registered with or has raised funds through a Social Stock Exchange or a Stock Exchange, as the case may be, shall be required to submit an annual impact report to the Social Stock Exchange or the Stock Exchange in the format specified by the Board from time to time.

(2) The annual impact report shall be audited by a Social Audit Firm employing Social Auditor.

Statement of utilisation of funds Regulation No.91F

A listed Not for Profit Organization shall submit to the Social Stock Exchange(s) the following statement in respect of utilisation of the funds raised, on a quarterly basis:-

- (a) category-wise amount of monies raised;
- (b) category-wise amount of monies utilised;
- (c) balance amount remaining unutilised.

The unutilised amount shall be kept in a separate bank account and shall not be co-mingled with other funds.

Who is a Social Auditor?

“Social Auditor” means an individual registered with a self-regulatory organization under the Institute of Chartered Accountants of India or such other agency, as may be specified by the Board, who has qualified a certification program conducted by National Institute of Securities Market and holds a valid certificate;

What is mean by Social Audit?

"Social Auditing is a process that enables an organization to assess and demonstrate its social, economic, and environmental benefits and limitations. It measures the extent to which an organization lives up to the shared values and objectives it has committed. Social auditing assesses the impact of an organization's non-financial objectives through systematically and regularly monitoring its performance and the views of its stakeholders.

Is there any Standards for doing the social audit?

Yes , the Institute of Chartered Accountants of India and Institute of Company Secretaries of India has issued the Social Audit Standards which is required to be followed by the Social Auditor while carrying the assignment of Social Audit.

Social Audit in other Legislations:

The National Rural Employment Guarantee Act 2005

In India, the concept of monitoring and evaluation of social development activity and performance audit of flagship social development programs has been active for national social development initiatives like National Rural Health Mission, Sarva Shiksha Abhiyana, Pradhan Mantri Gram Sadak Yojaka etc. Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was launched in 2006. It is pegged as the most ambitious anti-poverty program, which guarantees 100 days of unskilled manual labour for adult members in rural households.

The Gram Sabha is expected to monitor the NREGA and conduct Social Audits under section 17 of the NREGA Act of all NREGA projects implemented in the Gram Panchayat.

Companies Act 2013:

With the introduction of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020 - social impact assessment came into the purview of compliance In the said Rules, in rule 8, after sub-rule (2), following sub-rule is inserted, namely:-

“(3) A company having the obligation of spending average CSR amount of Rs 10 Crores or more in the three immediately preceding financial years in pursuance of sub-section 5 of Section 135 of the Act, shall undertake impact assessment for their CSR projects or programmes, and shall disclose details of the same in its Annual Report on CSR”.

Conclusion:

Social Stock Exchange (SSE) will help NPO to commercialize their financing so that they can scale up operations and break their dependency on grant funding and it will create separate marketplace for impact investment. This will be great avenue for Corporate social responsibilities. SSE has huge potential to infuse funds for social development, growth, innovation, and creation of sustainable ecosystem.

SSE would promote transparency in fund raising process for the NPO and it would also enhance the level of corporate governance standards in these organizations. This would also create more unique opportunities for professionals who acquire the skills required to do a social audit.

[Compiled by **CA Sumit Binani** Email - sumit.binani@gmail.com
and **CS G Sriram** Email - sriramvishnu@hotmail.com]

Disclaimer: The views expressed are solely that of the authors. EIRC of ICAI doesn't hold any responsibility of the views expressed by the authors in their article.

Contact Details of the Regional Council Members



The Institute of Chartered Accountants of India
TEAM EIRC 2023-24

CA Ranjeet Kumar Agarwal
Vice President, ICAI

CA Debayan Patra
Chairman
9903956968 / 9331016968
patra.debayan@gmail.com

CA Sanjib Sanghi
Vice Chairman
98314340000
sanjib@ssanghico.com

CA Vishnu Kumar Tulsyan
Secretary
9831054180
tulsyanvk@gmail.com

CA Mayur Agrawal
Treasurer
9903349773
acamayur@gmail.com

CA Ravi Kumar Patwa
Regional Council Member
(Immediate Past Chairman, EIRC)
9435071192 ravipatwa@hotmail.com

CA (Dr.) Debasish Mitra
Central Council Member 2022 - 25
(Immediate Past President, ICAI)

CA Sushil Kumar Goyal
Central Council Member 2022-25



The Institute of chartered Accountants of india
Eastern India Regional Council

&

All Study Circles of EIRC

organises

রবীন্দ্র নজরুল সন্ধ্যা

EIRC Auditorium
Russell Street, Kolkata

Friday
19th May 2023

5.30 PM
Onwards



Programme followed by **Dinner**

EIRC Album

Interactive Meet with Past Leaders on 16th March 2023

			
CA. Debayan Patra, Chairman, EIRC	CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI	CA. Sanjib Sanghi, Vice Chairman, EIRC	CA. Mayur Agrawal, Treasurer, EIRC
			
CA. Ravi Kr. Patwa, Immediate Past Chairman, EIRC	CA. K P Sengupta. Past Chairman, EIRC	CA. K P Khandelwal, Past Council Member, ICAI	CA. Abhijit Bandyopadhyay, Past Council Member, ICAI
			
CA. P D Rungta, Past Chairman, EIRC	CA. Vikash Jain, Past Chairman, EIRC	CA. Santosh Kumar Jain, Past Chairman, EIRC	CA. Prasun Kr. Bhattacharyya, Past Chairman, EIRC
			
CA. Anirban Datta, Past Chairman, EIRC	CA. Sonu Jain, Past Chairperson, EIRC	(L – R) : CA. Mayur Agrawal, Treasurer, EIRC, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Debayan Patra, Chairman, EIRC, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Ravi Kr. Patwa, Immediate Past Chairman, EIRC	

Interactive Meet with Leaders of Study Circles on 22nd March 2023

			
<p>(L – R) : CA. Mayur Agrawal, Treasurer, EIRC, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Debayan Patra, Chairman, EIRC, CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Ravi Kr. Patwa, Immediate Past Chairman, EIRC</p>	<p>CA. Debayan Patra, Chairman, EIRC</p>	<p>CA. Sanjib Sanghi, Vice Chairman, EIRC</p>	<p>CA. Vishnu K. Tulsyan, Secretary, EIRC</p>
			
<p>CA. Mayur Agrawal, Treasurer, EIRC</p>	<p>CA. Ravi Kr. Patwa, Immediate Past Chairman, EIRC</p>	<p>Central Kolkata CA Study Circle of EIRC</p>	<p>Accountants Library CA Study Circle of EIRC</p>
			
<p>South Kolkata CA Study Circle of EIRC</p>	<p>IOCL CPE Study Circle for MII of EIRC</p>	<p>VIP Road CA Study Circle of EIRC</p>	<p>ACAE CA Study Circle of EIRC</p>
			
<p>B B D Bag CA Study Circle of EIRC</p>	<p>Salt Lake City CA Study Circle of EIRC</p>	<p>Chowringhee Square OPA CA Study Circle of EIRC</p>	<p>Vitta Salahkar CA Study Circle of EIRC</p>

			
DTPA CA Study Circle of EIRC	Madhya Kolkata CA Study Circle of EIRC	Views Exchange CA Study Circle of EIRC	Bhowanipore CPE Study Circle for MII of EIRC

One Day Training Programme for Peer Reviewers on 30th March 2023

	
--	---

(L – R) : CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Sushil Kumar Goyal, Council Member, ICAI, CA. (Dr.) Anuj Goyal, Chairman, Peer Review Board, ICAI, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Mayur Agrawal, Treasurer, EIRC, CA. Debayan Patra, Chairman, EIRC

(L – R) : CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Sushil Kumar Goyal, Council Member, ICAI, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Debayan Patra, Chairman, EIRC, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Mayur Agrawal, Treasurer, EIRC, CA. (Dr.) Anuj Goyal, Chairman, Peer Review Board, ICAI





			
---	---	--	---

CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI

CA. (Dr.) Anuj Goyal, Chairman, Peer Review Board, ICAI

CA. Sushil Kumar Goyal, Council Member, ICAI

CA. Debayan Patra, Chairman, EIRC





			
---	---	--	---

CA. Sanjib Sanghi, Vice Chairman, EIRC

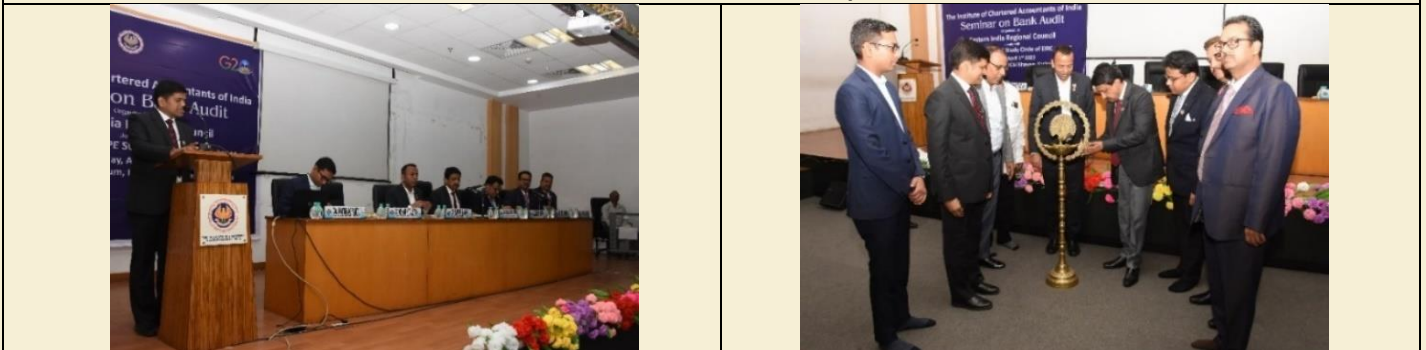
CA. Vishnu K. Tulsyan, Secretary, EIRC

CA. Mayur Agrawal, Treasurer, EIRC

CA. Vivek Agarwal

			
CA. Sonu Jain, Past Chairperson, EIRC	CA. Himanshu Agarwal	CA. Ankit Maheshwari	CA. Suman Chaudhury

Seminar on Bank Audit on 1st April 2023





(L – R) – CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Mayur Agrawal, Treasurer, EIRC, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Debayan Patra, Chairman, EIRC, CA. Virat Sharma, CA. Chimpu Lal Agarwal

Lighting the Inaugural Lamp – (L – R) – CA. Mayur Agrawal, Treasurer, EIRC, CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Bishnu Basia, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Debayan Patra, Chairman, EIRC, CA. Chimpu Lal Agarwal, CA. Virat Sharma

			
CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI	CA. Debayan Patra, Chairman, EIRC	CA. Sanjib Sanghi, Vice Chairman, EIRC	CA. Vishnu K. Tulsyan, Secretary, EIRC

			
CA. Mayur Agrawal, Treasurer, EIRC	CA. Premnath D.	CA. Niranjn Vijay Joshi	CA. Virat Sharma

		
<p>CA. Bishnu Basia</p>	<p>CA. Chimpu Lal Agarwal</p>	<p>(L – R) : CA. Virat Sharma, CA. Sandeep Sawaria, CA. Biman Dutta, CA. Premnath D. Mr. Sanat Kr. Satapathy, Zonal Manager, BOI, CA. Chimpu Lal Agarwal</p>

Workshop on Bank Branch Audit 2023 organised by Cuttack Branch on 25th March 2023

			
---	---	--	---

Seminar on Bank Branch Audit organised by Bhubaneswar Branch on 25th March 2023

Cyclothon organised by EICASA of Cuttack Branch of EIRC on 26th March 2023

			
--	---	--	---

Interactive Meeting with the Staff of Kolkata Office on 14th April 2023 at ICAI Bhawan, Kasba



(L – R) CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Debayan Patra, Chairman, EIRC, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, CA. Ranjeet Kumar Agarwal, Hon’ble Vice President, ICAI, CA. Sushil Kr. Goyal, Council Member, ICAI, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Mayur Agrawal, Treasurer, EIRC

CA. Debayan Patra, Chairman, EIRC

CA. Sushil Kr. Goyal, Council Member, ICAI



CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI

CA. Ranjeet Kr. Agarwal, Hon’ble Vice President, ICAI

(L – R) CA. Vishnu K. Tulsyan, Secretary, EIRC, CA. Debayan Patra, Chairman, EIRC, CA. Sushil Kr. Goyal, Council Member, ICAI, CA. (Dr.) Debashis Mitra, Immediate Past President, ICAI, Ms. Anindita Kundu, DCO Head, Kolkata Office of ICAI, Mr. Amit Paul, EIRC Head, EIRC Office of ICAI, CA. Ranjeet Kr. Agarwal, Hon’ble Vice President, ICAI, CA. Sanjib Sanghi, Vice Chairman, EIRC, CA. Mayur Agrawal, Treasurer, EIRC

EDITORIAL BOARD

CA Debayan Patra, Editor & Chairman, EIRC
CA. Mayur Agrawal, Member & Treasurer, EIRC

CA Sanjib Sanghi, Jt. Editor & Vice Chairman, EIRC
CA. (Dr.) Debashis Mitra, Member & Immediate Past President, ICAI

CA. Vishnu K Tulsyan , Member & Secretary, EIRC