



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

Hyderabad Branch (SIRC)

E- Newsletter

www.hydicai.org

Volume Issues / January, 2024

hyderabad@icai.org



Lighting of Lamp for Seminar on e-Verification Scheme 2021 seen Chief Guest: Smt. Sunita Bainsla, IRS, Principal Director General of Income Tax(I&CI) New Delhi Guest of Honour: Smt. Mitali Madhusmita, IRS, Principal Chief Commissioner of Income Tax, Hyderabad seen Regional Council Members, Managing Committee Members of ICAI & office bearers of FTCCI Hyderabad on 26.12.2023



FELICITATION & HONOURING CEREMONY OF PAST COUNCIL MEMBERS, AND OFFICE BEARERS OF HYDERABAD BRANCH OF SIRC OF ICAI – 29.12.2023

Chairman Communiqué



Dear Professional Colleagues,

Wish you all a Happy, Healthy, Wealthy and Cheerful New Year 2024!!!

“May everyone be happy; may everyone be stress free, may everyone see Goodness and Auspiciousness in everything, may none be unhappy or distressed and peace prevail everywhere”

Hope you all are ready with your New Year resolutions. As true patriots, I wish along with all your resolutions you should also have one unique and special resolution to make this country great, because the contribution of intellectuals like us is necessary for any great things has to happen to this country, as we assist the government in effective collection of taxes, which in turn will be used for the development of the country. Let us march towards the goal of making this country a superpower. We strive to be ourselves in the right direction, then all other things fall in place automatically and the country would achieve the goal.

For our profession we have two new years’, one is the calendar year and the other is of course the financial year. The calendar year has already started, and I hope you have come out with new year resolutions, by introspecting yourself, overcoming with your previous year shortcomings to make better than the previous, excel in your chosen fields and rejoice your achievement, whatever we do it should bring happiness to us and our surroundings.

The memorable events of December for Members:

We had a line up event in this month Started with Sub Regional Conference was Organized by SIRC of ICAI which was Hosted by Hyderabad Branch of SIRC of ICAI Jointly with Karimnagar Branch of SIRC of ICAI & Warangal Branch of SIRC of ICAI. We had seminar on Code of Ethics & Auditing Standards, Exports & Imports, Seminar on GSTR 9 & GSTR 9C (Annual Returns), START UP, Issues in Taxation of Salaries, Code of Ethics & Standards on Auditing, the program on E-Verification Scheme-2021 was graced by Smt. Sunita Bainsla, IRS Principal Director General of Income Tax (I&CI), New Delhi. Further other program held for the month was on Excel in Chat GPT & Chat GPT in Excel and finally we had a felicitation on the occasion of 75years of ICAI, Felicitation Programme to Past President, Past Central Council Members, Past Regional Council Members, Past Chairmen and Past Office Bearers of Hyderabad Branch. This month we had an overwhelming response for the all the programs and members appreciated the topics and speakers.

Students:

The events commenced with SICASA DAY CELEBRATIONS with Present and past SICASA Committee members and present and past Volunteers, Student Speaker Forum-1 Gift City Gujarat, Student's Cultural Fest on RHYTHM – Sounds of Magic, this program had a very good response from students and event was well appreciated, National Talent Search Competition Branch Level on DASHBOARD VISUALISATION Competition & SKETCHING Competition was conducted and Virtual Interact Session on Aiming for AIR.

On behalf all the Managing Committee Members of Hyderabad Branch of SIRC of ICAI once again wish all a Happy and prosperous New Year 2024, Pongal/Makara Sankranti/Bihu/Lohri.

Thanking You,



CA. Satish Kumar Mylavarapu
Chairman
hyderabad@icai.org

Recent Judicial Pronouncement in GST CA Satish Saraf & CA Venkat Prasad P

1. ITC of recipient cannot be denied on the ground that the supplier has not paid tax.

Supreme Court of India - PETITION(S) FOR SPECIAL LEAVE TO APPEAL (C) NO(S).27827-27828/2023 - The Assistant Commissioner of State Tax, Ballygunjge Charge & Ors Vs. Suncraft Energy Private Limited & Ors

Held: We have heard learned senior counsel appearing for the petitioners. Having regard to the facts and circumstances of this case(s) and the extent of demand being on the lower side, we are not inclined to interfere in these matters in exercise of our powers under Article 136 of the Constitution of India. The Special Leave Petitions are dismissed, accordingly.

Result: Calcutta High Court judgment in the instant case stands good, wherein it was held that the Input Tax Credit (ITC) of the purchasing dealer cannot be denied by the department on the ground that the supplying dealer has not remitted the tax collected.

2. Involuntary deposit of tax during search under Section 67 of CGST Act, 2017

Delhi High Court - W.P.(C) 14572/2022 - Sapphire Intrex Limited Vs. Union of India & Ors.

Held: Since the deposit made by the petitioner has been held to be involuntary and the respondents are directed to forthwith process the petitioner's claim for refund, this court does not consider it apposite to adjudicate other issues raised by the petitioner. It is also clarified that the respondents are not precluded from taking any other necessary steps in accordance with law.

3. Cancellation of Registration & Principles of Natural Justice.

Delhi High Court - W.P.(C) 16016/2023 - Pratima Tyagi vs Commissioner of GST and Anr.

The petitioner's registration was cancelled by the department with retrospective effect from 01-07-2017 and the petitioner challenged an order dated 03.02.2021. The court observed that that the impugned order is not sustainable as it is not informed by reason. The impugned order has also been passed in violation of the principles of natural justice as the petitioner was not afforded any opportunity of being heard. Although, the SCN called upon the petitioner to appear for personal hearing, it did not specify the date, time or venue of the personal hearing.

Held: The Hon'ble High Court directed that the impugned order cancelling the petitioner's GST registration would take effect from 11.11.2019 and not from 01.07.2017. This order would not preclude the respondents from taking any action or steps in accordance with the law, if it is found that the petitioner has defaulted in her statutory obligations.

4. Search in contravention of provisions of Law.

ALLAHABAD HIGH COURT - WRIT TAX NO. - 1378 OF 2022 - Gaurav Saurav Traders and Contractors vs. State of U.P. and others.

Search under the provisions of Section 67(1) of CGST Act, 2017 were conducted by the Department on 02-09-2022, the petitioner challenged the action of search and seizure. The court observed that a perusal of the documents, reveal that the authorization for search under the Form GST INS -01 was issued on 31.08.2022. However, the reasons for carrying out the search were provided subsequently which he has signed on September 1, 2022. This is a clear case of putting the cart before the horse wherein the officer concerned has authorized the search and seizure without even looking into the reasons for the

authorization of the same. In the present case, the said procedure had not been followed, and accordingly, the entire authorization is vitiated.

Held: The Hon'ble High Court quashed the entire search and seizure that has been carried out based on an illegal authorization and directed the Authorities to release all goods and documents that they may have detained or confiscated within a period of 15 days.

5. Constitutional validity of Section 16(4) of CGST Act, 2017.

CHHATTISGARH HIGH COURT - WRIT PETITION (T) NO.191 OF 2022 - Jain Brothers Vs. Union of India

The petitioner challenged the constitutional validity of Section 16(4) of CGST Act, 2017. This subsection imposes restriction on time limit to avail the Input Tax Credit.

Held: We are of the considered opinion that the provision contained in Section 16(4) of the CGST Act is violative of neither Article 14 of the Constitution nor Articles 19(1)(g) & 300A of the Constitution, however, the ground under Article 19(1)(g) is not available to the petitioner, as the petitioner, in the instant case, is not a citizen and therefore Article 19(1)(g) is not available to the petitioner herein.

Concludingly, the petitioner has failed to make out a case to question the constitutional validity of Section 16(4) of the CGST Act as it is a constitutionally valid piece of legislation. We hereby decline to entertain the writ petition. However, the petitioner is free to pursue the show cause notice issued to him on 20-5-2022. We have not commented upon the correctness of the said notice and the competent authority would consider the objection of the petitioner, if filed in accordance with law, expeditiously.

6. Rectification of wrong claim of Input Tax Credit.

KERALA HIGH COURT - WP (C) NO. 41219 OF 2023 - Chukkath Krishnan Praveen VS. State of Kerala & Others

The petitioner sought issuance of a Writ of mandamus directing respondents to permit the petitioner to rectify the mistake in Form GSTR-3B by accounting ITC as IGST instead of SGST and CGST credit. The Counsel for the petitioner submitted that the petitioner committed some errors in submitting the returns in GSTR-3B, on the basis of which the assessment order has been passed. The petitioner has made a representation on 21.10.2023 for rectifying the mistakes.

Held: The High Court directed the 3rd respondent to consider representation as a rectification application and pass necessary orders in accordance with the law, within a period of two months.

7. Refund of tax paid during search by department.

DELHI HIGH COURT - W.P.(C) 158/2023 - Neeraj Paper Marketing Ltd. Vs. Special Commissioner, Department of Trade and Taxes, GNCTD & Ors.

The petitioner sought directions to the respondents to refund the amount which was deposited by the petitioner during inspection/search. The petitioner challenged the proceedings for collection amount by compelling the transfer of the said amount from the petitioner's Electronic Credit Ledger (ECL). The court observed that whilst the petitioner has accepted that there was a mismatch in its return regarding the ITC, he did not acknowledge that the ITC was incorrectly availed. Admittedly, the respondents have not ascertained any and no notice has been issued to the petitioner. The payments have been made at 11:49 PM and at 12:38 PM during the search operations. Therefore, the payments made by it were not voluntary payments but under compelling circumstances.

Held: The Hon'ble High Court directed the respondents to refund the amount deposited by the petitioner by making a payment in cash along with interest at the rate of 6% per annum from 13.12.2022 till the date of payment. The respondents are also directed to refund an amount of Rs. 4,50,000/- by reversing the debit from the petitioner's ECL.

Note: The readers are advised to go through full judgements of various courts stated in this article, before taking any decision. Source: www.taxlok.com

MEMBERS ANNOUNCEMENT

Continuing Professional Education Committee The Institute of Chartered Accountants of India

Exposure Draft on proposed Consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards

The Continuing Professional Education (CPE) Committee of ICAI has been at the forefront to provide sufficient opportunities that are essential for Chartered Accountants to equip themselves with the changes occurring due to globalization and increasing business & professional complexities. To enable Chartered Accountants to remain in tandem with evolving requirements of business and economy, the ICAI actively endeavours to provide prompt education and training to its members, relevant in current professional scenario.

Continuous and consistent professional learning holds immense significance in today's ever changing and competitive environment. It helps members in development of their professional base, skills, and expertise etc. beyond their educational qualification. It also allows them to explore new opportunities in professional field/working area.

Continuing Professional Education is a very important medium through which professionals can improve their skills and broaden their knowledge, and also develop inter-personal qualities to carry out their professional responsibilities strenuously. The Continuing Professional Education Committee (CPEC) of ICAI has always been working with a constructive thought process and proactively empowers members through training and programmes with a very comprehensive CPE calendar.

Further, point 6.2 & 8.2 of Statement on Continuing Professional Education state that:

6.2 “all members of the Institute are required to meet the CPE credit hours requirement(s) as specified by the Council from time to time” and

8.2 “The Council may, however, take any other action in accordance with the provisions of the Chartered Accountants Act 1949 and The Chartered Accountants Regulations, 1988 and modifications made thereunder from time to time.”

Therefore, as decided by the Council at its 426th meeting, members are requested to give their inputs/suggestions on the Exposure draft on the proposed guidelines “Consequential Provisions for non-compliance with CPE hours requirement on yearly basis” from Calendar year 2024 onwards and to be operational w.e.f. 1/1/2025 for non-compliances arising from Calendar year 2024.

In the Exposure draft, the base year/start year for applicability of consequential provision for non-compliance of CPE hours is taken as 2024. Similarly, in onward year(s) for non-compliance of CPE hrs requirement similar consequential provisions would be applicable.

In this regard, the Continuing Professional Education (CPE) Committee invites comments/ views on the following Exposure Draft with the last date for submission of being January 2, 2024. Comments will be helpful if they contain a clear rationale and, where applicable, provide input(s).

The downloadable version of the Exposure Draft is available at:
<https://resource.cdn.icaai.org/77841cpe62495.pdf>

Comments should be submitted using one of the following methods, so as to be received not later than January 2, 2024:

- 1 Electronically Click on Google form link - <https://forms.gle/QxqVAXd3zQMAXQteA> to submit comment online (Preferred method)
- 2 Email cpeadmin@icaai.in with subject line “Comment on consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards”
- 3 Postal Secretary, CPE Committee of ICAI,
Hostel Block, 2nd Floor,
The Institute of Chartered Accountants of India,
ICAI Bhawan, A-29, Sector-62, Noida 201309

Further clarifications on the Exposure Draft may be sought by e-mail to cpeadmin@icaai.in.

Accounting Standards Board
The Institute of Chartered Accountants of India

Exposure Draft on Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB) of IFRS Foundation. The IASB, before issuing the new/amendments to IFRS Standards, issues consultative documents [such as Discussion Paper (DP), Exposure Draft (ED) etc] seeking public comments from across the globe. The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself invites comments on the consultative documents issued by the IASB. Recently, the IASB has issued the following Exposure Draft for public comments:

Exposure Draft on Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS 1

In view of challenges in classifying complex financial instruments that combine some characteristics of both debts—financial liabilities—and ordinary shares—equity instruments, the proposals in the Exposure Draft include:

1. Clarification of the underlying classification principles of IAS 32 to help companies distinguish between financial liabilities and equity;
2. Disclosures to further explain complexities around instruments that have both financial liability and equity characteristics; and
3. Presentation requirements for amounts—including profit and total comprehensive income—attributable to ordinary shareholders separately from amounts attributable to other holders of equity instruments.

The above-mentioned Exposure Draft issued by the IASB is open for public comments with last date as February 10, 2024. The downloadable version is available at: <https://resource.cdn.icai.org/77633asb62410.pdf>.

Comments on the abovementioned Exposure Draft may be submitted through any of the following modes:

- 1 Electronically Click on <http://www.icai.org/comments/asb/> to submit comment online (Preferred method)
- 2 Email Comments can be sent to: commentsasb@icai.in
- 3 Postal Secretary, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002

Further clarifications on this Exposure Draft may be sought by e-mail to asb@icai.in

Auditing and Assurance Standards Board
The Institute of Chartered Accountants of India

Exposure Draft of Guidance Note on Audit of Banks (2024 Edition)

The Auditing and Assurance Standards Board (AASB) of ICAI under the authority of the Council of ICAI brings out the revised edition of “Guidance Note on Audit of Banks” every year to provide detailed guidance to auditors on statutory audit of banks and bank branches. AASB is in the process of bringing out the Guidance Note on Audit of Banks (2024 Edition).

In this regard, AASB has issued the Exposure Draft of the Guidance Note on Audit of Banks (2024 Edition) for public comments. The Exposure Draft is available at the link: <https://resource.cdn.icai.org/77603aasb101223.pdf>

Invitation to comment

AASB invites comments from various stakeholders on the Exposure Draft.

How to submit Comments

Comments on the Exposure Draft may be submitted through any of the following modes.

2	Email	aasb@icai.in
3	Postal	Secretary, Auditing and Assurance Standards Board The Institute of Chartered Accountants of India ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi- 110002

Last date for submitting comments on the Exposure Draft is 31st December 2023.

Examination Department
The Institute of Chartered Accountants of India

Clarifications on the requirement for completion of Advanced ICITSS and the Advanced IT Test thereunder, with reference to eligibility to appear in CA Final examination, under CA Regulations 31(v).

In terms of Regulation 29D(1)(iii) and 51E/72E of the CA Regulations 1988, students registered under the New Scheme of Education and Training (implemented with effect from 1st July 2023) are required to complete the Advanced Integrated Course on Information Technology and Soft Skills (Advanced ICITSS) successfully for being eligible to appear in the Final (New) examination to be held under the syllabus approved by the Council under Regulation 31(v) of the CA Regulations 1988, the first examination of which is to be held in May, 2024.

Advanced ICITSS is a combination of Management & Communication Skills and Advanced IT Course, which is effective from 1st July, 2023 with the implementation of New Scheme of Education and Training.

Candidates are required to undergo the Advanced ICITSS-Advanced IT test, conducted by the Exam Dept. of ICAI, after completing the Advanced Information Technology component of the above-mentioned course.

Further, it is hereby clarified that students who have undergone only one, i.e. either GMCS/GMCS-II/MCS or Advanced ITT under the Final (Old) course, have to undergo the remaining component, i.e. Advanced ICITSS (Adv. IT) or Advanced ICITSS(MCS). They are not required to undergo Advanced ICITSS (Advanced IT and MCS) in its entirety.

It is further clarified that following is the position in respect of different categories of students who are required to undergo Advanced ICITSS and pass the Advanced IT test thereunder, with reference to their eligibility to appear in Final examination.

Final (New) Examination to be held under the syllabus approved by the Council under Regulation 31(v) of the CA Regulations, 1988.

S.no	Category	Remarks	When to complete
1	Registered in Final (New) Course (registration for which commenced from 1st July, 2023)	Should complete Advanced ICITSS (i.e. Advanced IT and MCS) and pass the Advanced IT test thereunder	Before appearing in Final (New) Examination
2	Converted from Final (Old) Course (i.e. students registered in Final (Old) Course before 1st July 2017 under the syllabus approved by the Council U/R	Should complete Advanced ICITSS (i.e. Advanced IT and MCS whichever component has not been completed earlier) and pass	Before appearing in Final (New) Examination

	31(ii) of the CA Regulations) to Final (New) Course - Not appeared in Final (Old) exam earlier	the Advanced IT test thereunder, upon conversion to the Final (New) Course.	
3	Converted from Final (Old) Course (i.e. students registered in Final(Old) Course before 1st July, 2017 under the syllabus approved by the Council U/R 31(ii) of the CA Regulations) to Final (New) Course-Appeared in Final (Old) exam earlier	Should complete Advanced ICITSS (i.e. Advanced IT and MCS whichever component has not been completed earlier) and pass the Advanced IT test thereunder, upon conversion to the Final(New) Course.	Either before or after appearing in Final (New) Exam but in any case before applying for membership

Students are required to take note of the above and act accordingly.

For more details on the Advanced ICITSS-Advanced IT- Test, Candidates are advised to go through the announcement dated 20-11-2023 (<https://resource.cdn.icai.org/77205exam62133.pdf>).

For any clarifications on Advanced ICITSS-Advanced IT Test, candidates may write to the Exam Dept. at advanceditt_examhelpline@icai.in or call any of Help Desk numbers given below:
0120 -3054851 / 3054835

(S.K Garg)
Director (Exams)

**Professional Development Committee
The Institute of Chartered Accountants of India**

Empanelment of Chartered Accountant firms/LLPs for the year 2024-2025

Online Applications are invited from Chartered Accountant firms/LLPs who desire to be empanelled with the office of the Comptroller and Auditor General of India for the year 2024-2025 for considering for appointment as auditors of Companies as per Sections 139(5) and 139(7) of the Companies Act 2013 and of Statutory Corporations/Autonomous Bodies as per the provisions of their respective Acts.

Online application form along with detailed instructions in this regard will be available on the website care.cag.gov.in/Authorised/Default.aspx from 05 January 2024 to 15 February 2024. The applicant firms/LLPs will have to fill/update the data showing the status of their firm as on 01 January 2024. After filling/updating the data, the firms/LLPs will be required to generate online acknowledgement letter for the year. If the firms/LLPs fail to generate online acknowledgment letter, their application would not be considered for empanelment. The firms/LLPs will be required to submit a printout of the acknowledgement letter generated online and also hard copies of the documents in support of their online application to this office by 28 February 2024.

**Professional Development Committee
The Institute of Chartered Accountants of India**

Clarification regarding Guidelines issued by RBI for Appointment of SCAs/SAs of Commercial Banks (Excluding RRBs), UCBs and NBFCs (including HFCs)

As members are aware, the RBI has issued a Circular dated April 27, 2021, in respect of “Guidelines for the Appointment of SCAs and SAs of Commercial Banks (Excluding RRBs), UCBs, and NBFCs (including HFCs)”. We have received a communication from RBI wherein it is informed that the RBI and the banks have been receiving queries from the Chartered Accountants/Chartered Accountants firms seeking clarification as to whether concurrent audit assignments would also fall under the framework of point no. 6.4 while assessing and establishing the independence of auditors.

Point no 6.4 states as follows:

6.4 The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SCAs/SAs for the Entities or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SCAs/SAs. However, during the tenure as SCA/SA, an audit firm may provide such services to the concerned Entities which may not normally result in a conflict of interest, and Entities may take their own decision in this regard, in consultation with the Board/ACB/LMC.”

RBI has clarified that the Concurrent audit assignments would also fall under the framework of above-mentioned Para 6.4 of Circular dated April 27, 2021.

Members are requested to kindly note the same and ensure compliance of the same.

Centre for Audit Quality Directorate
The Institute of Chartered Accountants of India

Commencement of 1st Physical Batch of the Certificate Course on "Executive Master Program-New Age Auditors"

In recognition of the evolving landscape and complexities, it is imperative for auditors to adapt to new paradigms the Centre for Audit Quality Directorate of the Institute of Chartered Accountants of India has taken a significant step forward and launched the Certificate Course "Executive Master Program - New Age Auditors". To provide a comprehensive learning experience tailored for the digital age in audit and assurance and striking the perfect balance between assurance practices and emerging new age technologies, this course is now launched in Physical mode. The course's primary aim is to equip participants with the skills necessary to navigate and excel in the ever-changing global service market.

The course aims to:

Disseminate in-depth knowledge about advanced auditing methodologies.

Provide training in data analysis, Robotic Process Automation, Cloud Computing, Blockchain Technology, Cyber Security, Internal Financial Controls, AI and Big data.

Provide strategies to effectively address critical issues prevalent in the current audit environment.

Foster an environment that encourages innovation, critical thinking and adaptation to technological advancements, thereby preparing auditors for the demands of the modern business landscape.

Support participants in enhancing their professional development, enabling them to become proficient, ethical and resourceful auditors capable of addressing multifaceted challenges.

Apart from the extensive theoretical aspects, this course prioritizes practical, hands-on learning experiences. Through immersive case studies and practical scenarios, participants will hone their expertise, ensuring they are well-equipped to navigate intricate auditing challenges with confidence and competence.

The course is scheduled for its first batch at Vadodara. The registration will be on first come first serve basis. For any query, contact us via e-mail at caq@icai.in or call at 0120-3045911.

GLIMPSES OF SUB REGIONAL CONFERENCE – 1st & 2nd December 2023





GLIMPSES OF SICASA DAY – 1.12.2023



GLIMPSES OF STUDENTS FEST RHYTHM Sounds of Magic – 9.12.2023



SEMINAR ON CODE OF ETHICS & STANDARDS ON AUDITING on 12.12.2023



GLIMPSES OF SEMINAR ON START UPS – 16.12.2023





SEMINAR ON PATH TO BUILD ANALYTICS & AUTOMATION PRACTICE FOR CAs – 20.12.2023



RESOURCE PERSON: CA. SARAN KUMAR U

SEMINAR ON CODE OF ETHICS AUDITING STANDARDS - 23.12.2023



SEMINAR ON E-VERIFICATION SCHEME 2021 - 26.12.2023









GLIMPSES OF FELICITATION & HONOURING CEREMONY on 29.12.2023













Welcome January 2024