



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

**Hyderabad Branch (SIRC)**

*E-Newsletter*

[www.hydicai.org](http://www.hydicai.org)

Volume / Issues / November, 2023

[hyderabad@icai.org](mailto:hyderabad@icai.org)

*Happy  
Diwali*



**Members participated enthusiastically for the Sports Carnival Held on 21.10.2023**

## Chairman Communiqué



Dear Members,

Warm greetings to all of you! May the warmth and brightness of the festival's lights shine on you and your family throughout the year. Wishing you and your family a very Happy Diwali and a joyous Guru Nanak Jayanti!

I am pleased to share some recent activities and updates from the Hyderabad Branch of SIRC of ICAI:

- **Swachhata hi Seva:** On October 1, 2023, our Hyderabad Branch organized a Swachhata hi Seva event, emphasizing the importance of cleanliness and community service.
- **Dandiya Celebration:** We celebrated Navaratri on October 18, 2023, with a lively Dandiya event where many members and their families enthusiastically participated.
- **Sports Carnival:** A sports carnival was organized on October 21, 2023, at BSPORTY - Fitness and Sports Centre in Hitech City. Members participated in indoor and outdoor activities such as box cricket, chess and carroms. We also awarded the winners and runners of the various sports activities held.
- **Exam Schedule:** ICAI has released the schedule for the upcoming November & December exams. Details are available on the ICAI website. We, at the Hyderabad Branch are always supportive of students and we have extended the timings of the students' reading room to benefit them. We wish all the students appearing in the November & December 2023 exams the best of luck.
- **Seminar for Students:** The Hyderabad Branch in collaboration with SICASA - Hyderabad, hosted a One Day Revisionary Session on Direct Taxes and Indirect Taxes for CA Final students appearing in the November 2023 exams. Many thanks to the speakers for sharing their expertise and benefiting the students.
- **Mock Test for CA Foundation Students:** The first series of mock tests for CA foundation students is scheduled in the last week of November. We also request members to encourage students to take advantage of this opportunity to build confidence. The schedule is available on the Hyderabad Branch's website.

- **CPE Hours Mandate:** ICAI has mandated the completion of structured CPE (Continuous Professional Education) hours for various categories of members by December 31, 2023. We urge our members to make use of this opportunity and ensure they meet the prescribed CPE requirements.

Lastly, I would like to draw your attention to the first-ever "Global Professional Accountants Convention" (GloPAC) organized by ICAI, with the theme "Connecting the Globe, Creating Value." This convention will take place from November 24-26, 2023, at the Mahatma Mandir Convention Centre in Gandhinagar, Gujarat, India.

A humble request to members to contribute generously towards CABF, Your valuable contribution can help members and dependednts at the time of financial stress.

Remember, "Success is not final, failure is not fatal: it is the courage to continue that counts."

Wishing you all the very best in your professional endeavors.

Warm regards,

Thanking You



**CA. Satish Kumar Mylavarapu**  
Chairman  
[hyderabad@icai.org](mailto:hyderabad@icai.org)

## Forthcoming Programmes

### Recent Changes under GST

CPE:-2Hrs  
Date:-08.11.2023  
Fee:-100/-+GST  
Speaker:-CA. Venkat Prasad P  
Venue:-Branch Premises

### Networking Guidelines, Corporate Form of Practice & Multi-Disciplinary Partnership

CPE:-3Hrs  
Date:-09.11.2023  
Fee:-200/-+GST  
Speakers:-CA. Dayaniwas Sharma  
CA. Uttam Patel  
Venue:-Branch Premises

### Seminar on International Taxation

CPE:-6Hrs  
18.11.2023  
Eminent Speakers

### 2K Run

Tree Plantation & Tax Literacy  
Date:-25.11.2023

### Code of Ethics

CPE:-2Hrs  
Date:-29.11.2023  
Eminent Speakers



**For further details**

**please visit**

<https://hydica.org/event/list>

**Exposure Draft on Accounting Standards for Limited Liability Partnerships**

In India, there are three sets of Accounting Standards in place, i.e., Companies (Accounting Standards) Rules, 2021, and Companies (Indian Accounting Standards) Rules 2015, prescribed by Central Government for companies and Accounting Standards issued by ICAI for entities other than companies. Presently, Accounting Standards issued by the ICAI and criteria prescribed by the ICAI for applicability of Accounting Standards to non-company entities are applicable to LLPs for the preparation and presentation of their financial statements.

Section 34A of the Limited Liability Partnership Act, 2008 prescribes that the Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013, prescribe the standards of accounting as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.

In this regard, the Accounting Standards Board of Institute of Chartered Accountants of India invites comments on the following Exposure Draft **with the last date for submission of being November 27, 2023**. Comments will be most helpful if they contain a clear rationale and, where applicable, provide suggestion(s).

- **Exposure Draft on Accounting Standards for Limited Liability Partnerships (LLPs)**

The downloadable version of the Exposure Draft is available at:  
<https://resource.cdn.icai.org/76835asb61909.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](mailto: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 the Exposure Draft may be sought by e-mail to [asb@icai.in](mailto:asb@icai.in).

**Examination Department  
The Institute of Chartered Accountants of India  
2nd November 2023**

**Observations of the candidates on the question papers of CA examinations- November - 2023**

It is hereby informed that candidates can bring to the notice of the Examination Department, their observations, if any, on the question papers relating to Final and Intermediate Examinations being held in November 2023 by e-mail at [\*\*examfeedback@icai.in\*\*](mailto:examfeedback@icai.in) or by way of a letter, sent by Speed Post, at the following address, to reach us latest by 25th November 2023.

The Director (Exams)  
The Institute of Chartered Accountants of India  
ICAI Bhawan  
Indraprastha Marg  
New Delhi 110 002.

Please note that only those observations of students will be taken up for consideration who provide their following details i.e., Name of the Student, Registration Number, Roll Number, email-id and Mobile Number.

**ICAI EXAMINATION DEPARTMENT**



**Exposure Draft of Lack of Exchangeability - Amendments to Ind AS 21**

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB). In this regard, it may be noted that IFRS Standards are being issued/revised by the IASB from time to time. As a part of convergence with IFRS Standards, Ind AS may be issued/revised corresponding to the IFRS Standards. Accordingly, whenever any amendments are made or new IFRS Standard by the IASB, the Accounting Standards Board (ASB) of the ICAI considers amendments for inclusion in corresponding Ind AS.

In this regard, the Accounting Standards Board has issued the following Exposure Draft for public comments with the **last date of comments being December 1, 2023**:

- [Lack of Exchangeability - Amendments to Ind AS 21](#)

The downloadable version of the Exposure Draft is available at:



<https://resource.cdn.icai.org/76933asb61951.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](mailto:commentsasb@icai.in)
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The Institute of Chartered Accountants of India,  
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Indraprastha Marg, New Delhi 110 002


Further clarifications on the Exposure Draft may be sought by e-mail to [asb@icai.in](mailto:asb@icai.in).

**Appeal to the Members**



## Hyderabad Branch of SIRC of The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



**Chartered Accountant  
Benevolent Fund (CABF) benefit  
for CA Member & their dependant**

**Ex-gratia Financial  
Assistance**  
[death due to reason other  
than ailment]  
from CABF

**Grant for Monthly  
Financial Assistance  
from CABF**

**Financial Assistance  
from CABF  
for Medical  
Treatment**

**FOR THE MEMBERS BY THE MEMBERS**  
Every Drop Counts  
Let's Join Hands to Help Our Professional brethren

**Members may contribute online to CABF at the link :**  
<https://cabf.icai.org/lifeMember>  
<https://cabf.icai.org/OrdinaryMember>  
<https://cabf.icai.org/voluntaryMember>

We request you to make the payment in the following link generously to CABF:

<https://cabf.icai.org/lifeMember>

Contributions can also be made directly as below:

**Name:** The Chartered Accountants' Benevolent Fund

**PAN No. :** AAAAC0065G

**Name of the Bank:** Axis Bank, Swasthya Vihar - New Delhi

**A/c No. :** 913010046844303

**IFSC code:** UTIB00000055



## Appeals, Survey, Search and Seizure Update

Compiled By: Hari Agarwal, FCA & Vivek Agarwal, FCA

### **1. No penalty for not getting books of account audit if penalty for no maintenance of books was imposed**

**Santosh jain v. Income-tax Officer [2023] 155 taxmann.com 58 (Raipur - Trib.)**

Section 271B, read with sections 44AA, 44AB and 271A, of the Income-tax Act, 1961 - Penalty for failure to get accounts audited (Scope of provision) - Assessment years 1993-94 to 1995-96 -

Assessing Officer imposed penalties upon assessee under section 271A for failure to maintain his books of account as required under section 44AA and under section 271B for failure to get his books of account audited as per provisions of section 44AB -

Whether when assessee had been penalized under section 271A for not maintaining his books of account, he could not have further been saddled with penalty under section 271B for failure of getting such books of account, which were not maintained, audited - Held, yes -

Whether thus, penalty imposed upon assessee under section 271B deserved to be quashed - Held, yes [Paras 11 and 12] [In favour of assessee]

### **2. AO needs evidence to label share sale as bogus proving assessee converted unaccounted funds through fictitious loss**

**PCIT v. Champalal Gopiram Agarwal - [2023] 155 taxmann.com 66 (Gujarat)**

Assessing Officer (AO) received information from DDIT (Inv) that assessee had entered into trading of penny stock of two companies and claimed bogus loss. As a result, a notice under section 148 was issued upon the assessee.

Later, AO passed an order and made an addition to an account of alleged bogus loss on the sale of shares. On appeal, the Commissioner (Appeals) partly allowed the appeal of the assessee. However, ITAT deleted the addition.

Aggrieved-AO filed the instant appeal before the High Court.

The High Court held that the Tribunal found that assessee had discharged the initial burden cast upon it under provisions of section 68. Shares of companies were purchased online, payments were made through banking channels, and shares were dematerialized. Additionally, the shares were transferred from the dematerialized account and received consideration through legitimate banking channels.

AO did not have any independent source or evidence to show an agreement between the assessee and any other party to convert unaccounted money by taking the fictitious loss. The decision of AO was unsupported by any material on record, and the finding was purely on an assumption basis. Thus, no substantial question of law arose from the order of the Tribunal, and the same was to be upheld.

### 3. Assessment order passed without a DIN number is non-est in the eyes of law

Ankit Jain v. Deputy Commissioner of Income-tax, Central Circle-7

[2023] 155 taxmann.com 321 (Delhi - Trib.)

Section 143 of the Income-tax Act, 1961 - Assessment - Additions to income (Order without DIN) - Assessment year 2016-17 -

Whether CBDT circular No. 19/2019 dated 14-8-2019 has made it mandatory that all orders of Department should have DIN number indicated on face of order and orders passed without DIN number in violation of said circular are non-est in eyes of law - Held, yes -

Whether an assessment order without DIN number and without any mention regarding non generation of DIN number in body of assessment order is not a curable defect which can be removed or rectified by way of subsequent generation of DIN number - Held, yes -

Whether therefore, where Assessing Officer passed assessment order manually without generating any DIN number, impugned assessment order being passed without complying with binding CBDT circular No. 19/2019 dated 14-8-2019 was non-est in eyes of law - Held, yes [Paras 5 and 6] [In favour of assessee]

### 4. Section 269SS does not apply to a cash loan obtained by a company from its director: ITAT

Thamira Green Farm (P.) Ltd. v. Additional Commissioner of Income-tax - [2023] 155 taxmann.com 320 (Chennai - Trib.)

Assessee-company received loans in cash from its director to purchase lands in its name. Assessing Officer (AO) issued a notice seeking an explanation for receipt of a loan over Rs. 20,000 otherwise than by Account payee Cheque/Bank Draft in contravention of provisions of section 269SS.

In response, the assessee contended that it did not have any bank account at the given time, and the land sellers were residing in remote places and insisted on cash payments. However, AO considered invoking section 269SS and continued to levy penalty under section 271D.

On appeal, the CIT(A) sustained the penalty levied by the AO. Aggrieved by the order, the assessee filed an appeal to the Chennai Tribunal.

The Tribunal held that section 273B deals with reasonable cause. If there is a reasonable cause in accepting loans in violation of provisions of section 269SS, then such transactions need to be taken out of the rigorous of section 271D. The assessee's explanation needs to be considered to consider whether there is a reasonable cause in violation of relevant provisions. If the assessee's explanation is bonafide and reasonable, then said explanation needs to be considered in light of reasonable cause as provided under section 273B.

In the instant case, based on the assessee's explanation, there appeared to be a reasonable cause for accepting a loan from the director in contravention of provisions of section 269SS for two reasons. Firstly, the entire amount of the loan was utilized to acquire capital assets for the business of the company. Secondly, the assessee and the director both had disclosed transactions in their books of accounts for the relevant previous year. Further, the director explained the loan source given to the assessee.

Since, all these paramount's were satisfied, the genuineness of the transactions was not in doubt. Moreover, it was a case of loan between the director and the company. Although the company and its director were separate legal entities, they cannot be considered separate for these transactions. If there are transactions

between the company and director, then said transactions inter-se cannot be considered as loans or deposits within the meaning of section 269SS. This principle was also supported by the decision of the Delhi High Court in the case of CIT v. M/s. Muthoot Financiers in ITA No. 336/2002, dated 3-2-2015.

Therefore, it was opined that the transactions between the assessee and director were in the nature of current account transactions, which did not come under the purview of loan and deposit as per section 269SS. Accordingly, the penalty levied under section 271D was deleted.

#### **5. HC nullifies sec. 142(1) notice due to inadequate response time, citing breach of natural justice principles**

Doreswamaiah Sureshababu v. National Faceless Assessment Centre , Addl./Jt./Dy./Asstt.CIT/ITO [2023] 155 taxmann.com 13 (Karnataka)

Section 142, read with section 144, of the Income-tax Act, 1961 - Assessment - Inquiry before assessment (Principles of natural justice) - Assessment year 2017-18 -

Assessee received a notice under section 142(1) with a short response time, which they argued violated Standard Operating Procedure (SOP) - As assessee could not respond, another notice under section 144 with a similar violation of SOP was issued - Assessee submitted that notices were addressed to an email ID which did not belong to him and his email ID had been updated and same had been confirmed by Department - Thus, there being violation of principles of natural justice, notice at first instance was required to be set aside -

Whether SOP provides that a response time of 15 days may be given to assessee for compliance with notice under section 142(1) from date of issue of notice and that time may be reduced to 7 days for subsequent notices - Held, yes -

Whether since in instant case notice under section 142(1) was issued on 10-3-2022, with a date for response as 14-3-2022, which was even below 7 days as mandated and notice under section 142(1) had not been sent to updated email ID, notice under section 142(1) was to be set aside on sole ground of violation of principles of natural justice - Held, yes -

Whether further, all consequential orders were also to be set aside - Held, yes [Paras 6 to 9] [Matter remanded]



## GALLERY

### *GLIMPSES SWACHH HI SEVA Held on to 1<sup>st</sup> October 2023*





*GLIMPSES OF DANDIYA CELEBRATIONS' HELD ON 18.10.2023*











## GLIMPSES OF SPORT CARNIVAL FOR MEMBERS HELD ON 21.10.2023

[CRICKET / CAROMS / CHESS] AT BSPORTY – FITNESS AND SPORTS CENTER HITECH CITY









## GLIMPSES OF CAREER COUNSELLING AT AV COLLEGE HELD ON 5.10.2023







Hyderabad Branch of SIRC of  
The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)



**Celebrating 75 years of Trust**

# **ICAI FAMILY WEEK**

**Celebrating Togetherness**

**Celebrations at Firms, Offices & Companies**



**We request members to share the photos of family day celebrations at your firms/office/company. Upload pics in the following link by 5pm on or before 15th November, 2023:**

**<https://bit.ly/3sbNXGZ>**

**Please share it in the following link:- <https://bit.ly/3sbNXGZ>**

## **Dos and Don'ts to Follow During Diwali**



**Strictly avoid using matches and lighters for bursting crackers for Diwali as they have open flames that can be dangerous. Never ignite aerial fireworks like rockets if there is any overhead obstruction present like trees and wires. Never ever leave a lit match, incense stick or sparkler near unused crackers**

### **Do's**

- Buy firecrackers from licensed shops only and don't forget to check the manufacturing date
- Read instructions on cracker packets
- Keep water and sand buckets ready for any unanticipated accident
- Keep children away from firecrackers
- Keep crackers away from sources of fire like matchbox, candles and diyas
- Wear cotton clothes and shoes. Avoid nylon or synthetic clothes while bursting crackers
- Keep first-aid box ready and rush to nearby hospital in case of injuries

### **Don'ts**

- Don't burst crackers indoor
- Don't cover crackers with tin container or glass bottles for sound effect
- Don't put firecrackers in your pocket
- Don't fiddle with an unburst cracker
- Don't burst crackers near stray animals, on road or near hospitals

---X---