



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

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Gandhidham Branch of WIRC of ICAI E-Newsletter

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Chairman's Communique

My Dear Professional Colleagues,

We just entered into the month of October, 2022. We all were busy in audits assignments and working very hard to fulfill our prime duty as an auditor. We all have worked extensively and for long office hours to complete our audit assignments, this attitude displayed by us reflects our dedication, discipline, and commitments for the work during the audit season which is a festival of learning for us.

We are working towards excellence and I am sure that we have been determined to give our best to all the stakeholders. We are committed to work for the country and we are contributing extensively towards nation



Building under the guidance of our visionary President CA. (Dr.) Debasis Mitra sir and Vice - President CA. Aniket Talati Sir.

World Congress of Accountants is organized after every 4 years and it is started in 1904. After many years, ICAI has got an opportunity to host WCOA. So I request each and every member of our Gandhidham Branch that kindly join for upcoming grand event from 18th to 21st November, 2022 at Mumbai.

Lastly Happy Diwali and Happy new year to all the members and students of Gandhidham Branch of WIRC of ICAI. Be safe while bursting the cracker and have safe Diwali.

Hope that team Gandhidham Branch of WIRC of ICAI has worked as per the expectations of members and I look forward to this continuing in the coming months. See you all in the upcoming monthly meetings, special programs and events.

With Regards

CA Sanjay Chotara

Chairman – Gandhidham Branch of WIRC of ICAI

Editorial Message

Dear members,

We all would have been free from filing of tax audit reports we would have utilise this festive season to rejuvenate and refresh ourselves.

The month of October brings festive season with itself. Dussehra symbolizes victory of good over evil while Diwali symbolizes moving from darkness into light. It is time when the heat is slowly reducing and the atmosphere is slowly becoming colder.

The festive season brought lots of gifts in the month of October 2022.

A big news for Gandhidham is that project to develop a continued terminal at Tuna Tekra was approved by the cabinet. The estimated cost of ₹4,243.64 crore will be on the part of the concessionaire and an estimated cost of common user facilities of ₹296.20 Crore will be on the part of the concessioning authority towards development of common user facilities.

Another major development important for Gandhidham is that the president of India Smt. Droupadi Murmu also visited Gandhidham in the month of October and laid the foundation stone of four important Projects worth more than Rs.280 crore of Deendayal Port Authority, Kandla at Gujarat.

These Projects will enhance Port Infrastructure along with boosting its Logistics performance as well as the overall Economic Growth for its entire hinterland. These projects will also improve the cargo handling capacity of the port along with further improvement in the turnaround time of the Ships and faster evacuation of the cargo.

The project of Construction of New Dome Shaped Godowns inside Cargo Jetty Area with Project Cost of Rs. 69.51 crore will have extended working height, resulting in more cargo handling, further suitable for unloading the bulk cargo through hydraulic system by Trucks / Transport vehicles of fifth generation.

The Upgradation of Plots & Storm Water Drains in 66 Hectare Area inside Cargo Jetty Area with Project Cost of Rs. 80 crore will upgrade the Plots/ Storage Area including utility services like Concrete Roads, Storm Water Drains network, pipe conduit for electrical cables, Paving and labour amenity, facilities like drinking water, toilets, and rest-shelters for workers.

The Upgradation of Plots, Roads and Storm Water Drains in another 40 Hectare Area inside Cargo Jetty Area with Project Cost of Rs. 47 Crore will increase the handling & storage capacity inside Custom Bonded Area and help in boosting Import / Export of Dry Cargo with capacity of 8.8 lakhs MT.

Also, in the month of October 2022, Smt. Maltiben Maheshwari, MLA-Gandhidham performed Pooja on occasion of commencement of work of “Construction of Ring Road (Periphery Road) from Adipur to KASEZ”. In line with many developmental projects on hand, this 7.5 KM Two-Lane road at an estimated cost of Rs. 6.25 crore will reduce the congestion and distance and connect the traffic of Bhuj, Anjar & Adipur to Kandla.

The Gandhidham Branch of WIRC will be conducting Skill Development Programme in November for undergraduate students which will be helping the undergrads for developing basic knowledge base that will further help them in their endeavors and also it will make them eligible for articleship training.

With such small and big progresses, the month of October 2022 will be remembered by the people of Gandhidham.

The editorial team wishes you best of health and quality time with your family this festive season.

Editorial Board of Gandhidham Branch of WIRC of ICAI

ICAI Update

UDIN Directorate

The Institute of Chartered Accountants of India

10th October, 2022

Updation of UDINs at e-filing Portal

In pursuance of CBDT's announcement, whereby the last date for updating the UDIN for the forms filed during 1st April 2021 to 31 March 2022, has been extended till 30th November, 2022, as available at <https://www.incometax.gov.in/iec/foportal//latest-news#bc241ff6-066d-4796-a3b4-3bb7146a1d1f>, members are advised to validate their pending forms by linking them with appropriate UDINs.

For any clarification, please write us at udin@icai.in.

UDIN Directorate, ICAI

Ethical Standards Board
The Institute of Chartered Accountants of India
22nd October, 2022

Advisory

Sub.: Use of designation "Chartered Accountant" or prefix "CA" by members while expressing views on professional/non-professional matters publicly including on social media

1. A Firm of Chartered Accountants ("Firm") may have an account on Social Networking website(s), wherein it may mention its name and other contents in accordance with the Advertisement Guidelines, 2008 issued by the Institute, appearing in Volume-II of Code of Ethics.
2. A member in practice may have an account on Social Networking website(s), wherein he may represent himself as a proprietor or partner in a Firm. The contents of the said website shall be in accordance with the Advertisement Guidelines, 2008 issued by the Institute.
3. A Firm or a member may give link of his website or webpage, as the case may be, on the social networking site.
4. A member, whether in practice or in service, may be maintaining an account on social networking website(s) in his personal capacity. Besides contents of personal nature, following contents, pertaining indirectly to the member's professional domain may also be mentioned on such website(s):
 - Videos of educational nature may be uploaded on the internet by members, subject to compliance with the relevant provisions of Code of Ethics
 - The member may post such contents on website which help the profession grow in the perception of the world, and contributes towards enhancement of its reputation, using expert knowledge in the respective specialization to enrich discussions, help solve problems, and promote learning and idea-sharing.

It is clarified that the members can use the prefix "CA" with his name on such social networking website(s).

5. Members are expected to exercise professional discretion and utmost dignity while using the designation of "chartered accountant" or prefix "CA" on his personal account on the social networking website(s) for posting contents/comments of the nature which do not fall under s.no. 4 mentioned above.

As a member of the esteemed Institute, it is not appropriate to post contents/comments on social networking website(s) using words/caricatures which are derogatory or not in conformity with dignity of the profession or result in negative portrayal of the profession. Therefore, it is advised to strictly avoid posting such contents/comments with the designation of "chartered accountant" or prefix "CA".

In this regard, members should keep in mind the provisions of Clause (2) of Part-IV of First Schedule to The Chartered Accountants Act, 1949 relating to professional misconduct of a member resulting from their action, whether or not related to professional work, bringing disrepute to the profession.

CA. (Dr.) Jai Kumar Batra
Secretary, ICAI



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

**Ethical Standards Board
The Institute of Chartered Accountants of India
29th September, 2022**

ANNOUNCEMENT

Re. : Applicable date of certain deferred provisions of Volume-I of Code of Ethics, 2019.

As the members are aware, the revised 12th edition of Code of Ethics had come into effect from 1st July, 2020. It is accessible on www.icai.org at the following links: -

Code of Ethics Volume – I

<https://resource.cdn.icai.org/55133CodeofEthics-2019.pdf>

Code of Ethics Volume – II

<https://resource.cdn.icai.org/60018code-of-ethics-2020vol2.pdf>

Code of Ethics Volume –III (Case Laws Referencer)

<https://resource.cdn.icai.org/59111esb48239.pdf>

It may further be recalled that the applicability of following provisions of Volume-I of Code of Ethics, 2019 was deferred due to situations prevailing due to Covid and to ensure effective adoption and implementation by the membership at large (Ref. Announcement dt. 31.03.2022 <https://bit.ly/3d6YETG>): -

1. Responding to Non-Compliance with Laws and Regulations (NOCLAR)
[Sections 260 and 360]
2. Fees - Relative Size
[Paragraphs 410.3 to R410.6]
3. Tax Services to Audit Clients
[Subsection 604]

The Council at its 413th meeting held in August, 2022 decided the above-mentioned deferred provisions contained in Volume-I of Code of Ethics, 2019 which have been deferred from 1st July, 2020 till 30th September, 2022 will be made applicable **from 1st October 2022 with certain amendments.**

The significant amendments are as under: -

S. No.	Existing provision	Revised provision
Fees - Relative Size [Paragraphs 410.3 to R410.6]		
1.	Disclosure is required where for two consecutive years, the gross annual professional fees from audit client represent more than 15% of the total fees of the firm.	Differentiated disclosure requirements:- For non Public Interest Entities (PIE)- Disclosure is required where for two

		consecutive years, the gross annual professional fees from an audit client represent more than 40% of the total fees of the firm. For public interest entities- Disclosure is required where for two consecutive years, the gross annual professional fees from an audit client represent more than 20% of the total fees of the firm.
2.	Exemption from applicability of the provision where total Fees received by Firm does not exceed 5 lacs of rupees.	Exemption from applicability of the provision where total Fees received by Firm does not exceed 20 lacs of rupees.
3.	Exemption from the applicability of the provision in the case of audit of government Companies, public undertakings, nationalised banks, public financial institutions or where appointments of auditors are made by the Government.	In addition to these categories, 'Regulators' has been added.
4.	Disclosure to Those Charge with Governance of audit client	Disclosure to the Institute
5.	Pre-Issuance review or Post issuance Review: Action to be taken to address the threat created due to fees dependency as aforesaid.	Repealed
Tax Services to Audit Clients [Subsection 604]		
6.	In case of Assistance in the resolution of Tax disputes, the term "Court" is explained as under: - "What constitutes a "Court" depends on how tax proceedings are heard in India"	In case of Assistance in the resolution of Tax disputes, the term "Court" is explained as under: - "For the purpose of this subsection, "Court" does not include a Tribunal".
Responding to Non-Compliance with Laws and Regulations (NOCLAR) applicable to Professional Accountants in service (Section 260)		
7.	Applicable to all employees of listed entities	Applicable to Senior Professional Accountants in service, being employees of listed entities.
8.	Senior professional accountants in service ("senior professional accountants") are directors, officers or senior employees able to exert significant influence over, and make decisions regarding, the acquisition, deployment and control of the employing organization's human, financial, technological, physical and intangible resources.	No Change. It is further explained that the senior professional accountants refer to key managerial personnel.

Responding to Non-Compliance with Laws and Regulations (NOCLAR) applicable to Professional Accountants in public practice (Section 360)

9.	Applicable to Audit engagement of all listed entities	Applicable to Audit engagements of entities the shares of which are listed on recognized stock exchange(s) in India and have net worth of 250 crores of rupees or more. The applicability of Section 360 will subsequently be extended to all listed entities, at the date to be notified later.
10.	The term "Audit Engagement" defined in Glossary as applicable to entire Code: - "A reasonable assurance engagement in which a professional accountant in public practice expresses an opinion whether financial statements are prepared, in all material respects (or give a true and fair view or are presented fairly, in all material respects), in accordance with an applicable financial reporting framework, such as an engagement conducted in accordance with Standards on Auditing. This includes a Statutory Audit, which is an audit required by legislation or other regulation"	No change in definition with respect to rest of the Volume-I of Code of Ethics. "For the purpose of Section-360 "Audit" or "Audit engagement" shall mean a reasonable assurance engagement in which a professional accountant in public practice expresses an opinion whether financial statements give a true and fair view in accordance with an applicable financial reporting framework".
11.	Measures to be taken in case of imminent breach.	Repealed

The detailed provisions (with amendments) pertaining to Responding to Non-Compliance with Laws and Regulations (Sections 260 and 360), Fees-Relative Size (Paragraphs 410.3 to R410.6) and Tax Services to the Audit Clients (Subsection 604) contained in Volume I of Code of Ethics, 2019 may be accessed at <https://resource.cdn.icai.org/71660esb57664.pdf>

CA. (Dr.) Jai Kumar Batra
Secretary, ICAI

Law Updates

• Direct Tax

1) The Central Board of Direct Taxes vide Circular No 18 of 2022 dated 13.09.2022 gives additional guidelines to remove difficulties regarding TDS on business benefits and perquisites as per the provisions of Section 194R of the Income-tax Act, 1961, which came into effect from 1st July, 2022.

The Board has issued various clarifications. These are explained in a summarized manner.

No tax is required to be deducted under section 194R in respect of benefits provided to its borrowers by waiver of loan or advance by way of one-time settlement.

Where tax is deducted as per the provisions of section 194C or section 194J of the Act on reimbursement of expenses, no tax is further required to be deducted under section 194R

No tax is required to be deducted under the provisions of section 194R in the case of the issue of bonus shares or rights shares. However, the Circular has restricted this exclusion only in the case of a company in which the public is substantially interested. On a plain reading, it implies that tax is required to be deducted by a company in which the public is not substantially interested in the issue of bonus shares or rights shares to its shareholders.

2) The Central Board of Direct Taxes, vide notification no – NOTIFICATION G.S.R. 647(E) [NO. 101/2022/F.NO. 370142/37/2022-TPL], DATED 22-8-2022 in exercise of the powers conferred by Section 115TD (2), read with section 295, of the Income-tax Act gives the Income-tax (Twenty Eighth Amendment) Rules, 2022. It amends Rule 17 CB of the Income-tax Rules, 1962.

Rule 17CB is amended to include specified persons in place of ‘trusts or institutions’ in order to incorporate the amendments introduced by the Finance Act, 2022 in section 115TD of the Income-tax Act. Further, an Explanation has been added to define the meaning of ‘specified person’. The explanation in the Rule refers to the definition of ‘specified person’ as assigned to it in clause (iia) of the Explanation to section 115TD.

3) The Central Board of Direct Taxes vide notification no - NOTIFICATION G.S.R. 636(E) [NO. 100/2022/F.NO. 370142/35/2022-TPL], DATED 18-8-2022, in exercise of the powers conferred by Section 295 (2)(h) Of Income Tax Act gives the Income-tax (27th Amendment) Rules, 2022. It amends Rule 128 (9) of Income Tax Rules. It extend the time limit for furnishing of Form No. 67 to claim credit of taxes paid in a foreign country, known as Foreign Tax Credit(FTC).

It provides that Form No. 67 can now be furnished electronically on or before the end of the assessment year relevant to the previous year in which the income has been offered to tax or assessed to tax in India and the return of income is furnished under section 139 of the Income-tax Act, 1961. Further, FTC can be claimed for filing belated returns under section 139(4) as well as updated returns under section 139(8A) of the Act.

This amendment in Rule 128 is effective from 01-04-2022 and shall apply to all the claims of foreign tax credit (FTC) in Form No. 67 furnished during the financial year 2022-2023.

- **GST**

1) CBIC vide Circular No. 180/12/2022 dated 9th September, 2022 has issued following guidelines for filling/revising TRANS-1/TRANS 2 in view of decision of Hon'ble Supreme Court in the case of Union of India vs. FILCO TRADE CENTRE PVT. LTD.

Upcoming Events

- Virtual Meeting on Code of Ethics on 1st November 2022
- Virtual meeting on “**Anti-money Laundering Law and it's Interplay with Income Tax, benami and Black money laws**” on Saturday 5th November 2022.

Branch Address : - Ground Floor, Plot No. 12, Rankers House, Sector - 1, Gandhidham – 370201

Phone – 02836-230305 | Email – gandhidham@icai.org | Website - gandhidham-icai.org

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