



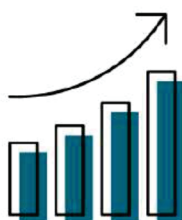
# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an act of Parliament)



## READY REFERENCER 2021 & 2022

A quick insight on various professional aspects of Practitioners



An initiative by: Committee for Members in Practice  
(CMP) of ICAI



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

# **READY REFERENCER 2021 & 2022**

**A Quick Insight on  
Various Professional Aspects of Practitioners**

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# INCOME TAX

## TAX STRUCTURE

IND/HUF/AOP/BOI (AY)--->	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
BASIC EXEMPTION	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	<b>2,50,000</b>	<b>2,50,000</b>
Upto 5,00,000	10%	10%	10%	5%	5%	5%	<b>5%</b>	<b>5%</b>
Next 3,00,000	20%	20%	20%	20%	20%	20%	<b>20%</b>	<b>20%</b>
Next 2,00,000	20%	20%	20%	20%	20%	20%	<b>20%</b>	<b>20%</b>
Above 10,00,000	30%	30%	30%	30%	30%	30%	<b>30%</b>	<b>30%</b>
<b>Surcharge [if net income exceeds Rs. 1 Crore]</b>	10%	12%	15%	10% (if net income > 50 lakh but < 1Cr) 15% (if net income > 1 Cr)	10% (if net income > 50 lakh but < 1Cr) 15% (if net income > 1 Cr)	<b>Refer below 'Table-Surcharge'</b>	<b>Refer below 'Table-Surcharge'</b>	<b>Refer below 'Table-Surcharge'</b>
Education Cess & SHE Cess	3%	3%	3%	3%	Abolished	Abolished	<b>Abolished</b>	<b>Abolished</b>
Health & Education Cess	-	-	-	-	4%	4%	<b>4%</b>	<b>4%</b>
<i>Basic Exemption:</i>								
Very Senior Citizen (80yrs & above)	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	<b>5,00,000</b>	<b>5,00,000</b>
Senior Citizen (60 yrs or more)	2,50,000	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000	<b>3,00,000</b>	<b>3,00,000</b>
Resident Woman below 60 yrs	2,00,000	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	<b>2,50,000</b>	<b>2,50,000</b>

### Notes :

#### 1. Table-Surcharge (AY 2020-21, 2021-22 & AY 2022-23)

Net Total Income	Surcharge
> 50 lakh but upto 1Cr	10% (Effective tax rate – 34.32%)
> 1Cr but upto 2Cr	15% (Effective tax rate – 35.88%)
> 2Cr but upto 5Cr *	25% (Effective tax rate – 39%)
> 5Cr *	37% (Effective tax rate – 42.744%)

\* surcharge on income taxable under sections 111A and 112A and dividend income would be restricted to 15%.

#### 2. Optional Tax Regime for Individual & HUF – Section 115BAC

Total Income	Tax Rate (new regime)	Tax Rate (old regime)
Upto 2,50,000	Nil	Nil
2,50,001 to 5,00,000	5%	5%
5,00,001 to 7,50,000	10%	20%
7,50,001 to 10,00,000	15%	20%
10,00,001 to 12,50,000	20%	30%
12,50,001 to 15,00,000	25%	30%
Above 15,00,000	30%	30%

(a) The new scheme is applicable w.e.f AY 21-22 and is optional. The assesses shall opt for being covered by the new scheme in the prescribed manner :

- Where such individual or HUF does not have business income, the option is to be exercised for every year along with the filing of the return of income under section 139(1) for the year.
- Where such individual or HUF has business income, the option is to be exercised on or before the due date of filing the return of income and such option once exercised shall apply for that previous year and to all subsequent years.



- (b) If the assessee having business income has opted to be governed by the new scheme, then, subsequently, he can opt out only once and thereafter, he will never be eligible to opt for the new scheme again except when he ceases to have any business income.
- (c) The above concessional tax rates can be opted after foregoing certain exemptions / deductions such as :
- Leave Travel Concession, House rent Allowance, Standard and other deductions (including profession tax) from salary – section 16, Chapter VI A deductions (except contribution to NPS u/s 80CCD(2) and deduction in respect of employment of new employees u/s 80JJAA).
  - Exemptions/deductions u/s 10(5), 10(13A), 10(14), 10(17), 10(32), 10AA, 32(1)(ia), 32AD, 33AB, 33ABA, 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(2AA), 35AD, 35CCC, 57(ia).
  - Carried forward loss or depreciation from any earlier AY (related to above mentioned sections) is not allowed.
  - Additional depreciation is not allowed.
  - Loss under section "Income from House Property" is not allowed to be set off against income under any other heads.
- (d) There is no separate higher threshold for senior and very senior citizens in the optional scheme.

### 3. Rebate u/s 87A for Resident Individuals :

Particulars	For A.Y 2021-22	For A.Y 2022-23
Total Income	Upto 5,00,000	Upto 5,00,000
Rebate	Amount of tax or 12500 whichever is lower	Amount of tax or 12500 whichever is lower

FIRM / LLP (AY)--->	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Rate	30%	30%	30%	30%	30%	30%	<b>30%</b>	<b>30%</b>
Surcharge (if net income exceeds Rs.1 Crore)	10%	12%	12%	12%	12%	12%	<b>12%</b>	<b>12%</b>
Alternate Minimum Tax(AMT) (% of Book Profit) (As per sec 115JC)	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	<b>18.5%</b>	<b>18.5%</b>
Education Cess & SHE Cess	3%	3%	3%	3%	Abolished	Abolished	<b>Abolished</b>	<b>Abolished</b>
Health & Education Cess	-	-	-	-	4%	4%	<b>4%</b>	<b>4%</b>

#### Note:

As Per Section 115JC, where the regular tax of any person other than a company is less than the AMT on adjusted total income, Such person other than a company shall be liable to pay AMT. Adjusted total income shall be the total income increased by –

Deduction claimed, if any, under any section other than section 80P included in chapter VIA under heading C (Sec 80H to Sec. 80TT) ;

- Deduction claimed if any u/s 10AA and
- Deduction claimed, if any, under section 35 AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35 AD was allowed in respect of the assets on which the deduction under that section is claimed.

Applicability of AMT in case of every tax payer other than company w.e.f. FY 2012-13 and immunity from AMT to an Ind, HUF, AOP, BOI or an artificial juridical person if adj. total income is Rs. 20 lakh or less.



DOMESTIC COMPANY (AY)--->	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Rate <i>(AY 2021-22- Where total turnover/ gross receipt during the PY 2018-19 does not exceed Rs. 400 crore- Tax 25%)</i> <i>(AY 2022-23- Where total turnover/ gross receipt during the py 2019-20 does not exceed Rs. 400 crore- Tax 25%)</i>	30%	30%	30/29%	30/25%	30/25%	30/25%	<b>30/25%</b>	<b>30/25%</b>
If company opted for Sec 115BA (Note 1)	N.A	N.A	25%	25%	25%	25%	<b>25%</b>	<b>25%</b>
If company opted for Sec <b>115BAA</b> (Note 2)	N.A	N.A	N.A	N.A	N.A	22%	<b>22%</b>	<b>22%</b>
If company opted for section <b>115BAB</b> (Note 3)	N.A	N.A	N.A	N.A	N.A	15%	<b>15%</b>	<b>15%</b>
Surcharge								
Total income exceeding Rs. 1 Cr. but upto Rs. 10 Cr.	5%	7%	7%	7%	7%	7%	<b>7%</b>	<b>7%</b>
Total income exceeding Rs. 10 Cr.	10%	12%	12%	12%	12%	12%	<b>12%</b>	<b>12%</b>
Minimum Alternate Tax(% of Book Profit)(Sec 115JB)	18.5%	18.5%	18.5%	18.5%	18.5%	15%	<b>15%</b>	<b>15%</b>
C/F of MAT Credit	10years	10years	10years	15 years	15 years	15 years	<b>15 years</b>	<b>15 years</b>
Dividend Tax U/s 115-O (on gross amount)	15%	15%	15%	15%	15%*	15%*	<b>N.A.</b>	<b>N.A.</b>
Education Cess & SHE Cess	3%	3%	3%	3%	Abolished	Abolished	<b>Abolished</b>	<b>Abolished</b>
Health & Education Cess	-	-	-	-	4%	4%	<b>4%</b>	<b>4%</b>

\*On or after April 1, 2018, Loans and Advances given by company which is deemed as dividend u/s 2(22)(e) shall be taxed as :

-30% (without grossing up) + (12% surcharge on tax and 4% HEC on surcharge and tax)

-Such dividend shall be exempt in the hands of recipient u/s 10(34)

### Important Amendment :

**W.e.f., Assessment Year 2021-22, the domestic company isn't required to pay dividend distribution tax on any amount declared, distributed or paid by such company by way of dividend.**

**Dividends received from domestic companies are taxable in the hands of shareholders.**

**Note 1 : Section 115BA** - A domestic company which is registered on or after March 1, 2016 and engaged in the business of manufacture or production of any article or thing and research in relation to (or distribution of) such article or thing manufactured or produced by it and also It is not claiming any deduction u/s 10AA, 32AC, 32AD, 33AB, 33ABA, 35(1)(ii)/(iia)/(iii)/35(2AA)/(2AB), 35AC, 35AD, 35CCC, 35CCD, section 80H to 80TT (Other than 80JJAA) or additional depreciation, can opt section 115BA on or before the due date of return by filing Form 10-IB online. Company cannot claim any brought forward losses (if such loss is related to the deductions specified above).

**Note 2 : Section 115BAA** - Total income of a company is taxable at the rate of **22%** (from A.Y 2020-21), if the following conditions are satisfied:

- Company is not claiming any deduction u/s 10AA or 32(1)(iia) or 32AD or 33AB or 33ABA or 35(1)(ii)/(iia)/(iii)/35(2AA)/(2AB) or 35AD or 35CCC or 35CCD or section 80H to 80TT (Other than 80JJAA). However w.e.f A.Y 2021-22, for the words "section 80H to 80TT (Other than 80JJAA)", "Chapter VIA (except Section 80JJAA, 80LA or Section 80M)" shall be substituted.
- Company is not claiming any brought forward losses (if such loss is related to the deductions specified in above point).
- Provisions of MAT are not applicable on such companies after exercising of option. company cannot claim the MAT credit (if any available at the time of exercising of section 115BAA).

**Note 3 : Section 115BAB** - Total income of a company is taxable at the rate of **15%** (from A.Y 2020-21), if the following conditions are satisfied:



- Company (not covered in section 115BA and 115BAA) is registered on or after October 1, 2019 and commenced manufacturing on or before 31st March, 2023.
- Company is not formed by splitting up or reconstruction of a business already in existence.
- Company does not use any machinery or plant previously used for any purpose.
- Company does not use any building previously used as a hotel or a convention center, as the case may be.
- Company is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to (or distribution of) such article or thing manufactured or produced by it. Business of manufacture or production shall not include business of -Development of computer software; Mining ; Conversion of marble blocks or similar items into slabs; Bottling of gas into cylinder; Printing of books or production of cinematographic film; or Any other notified by Central Govt.
- Company is not claiming any deduction u/s 10AA or 32(1)(iia) or 32AD or 33AB or 33ABA or 35(1)(ii)/(iia)/(iii)/35(2AA)/(2AB) or 35AD or 35CCC or 35CCD or section 80H to 80TT (Other than 80JJAA). However w.e.f A.Y 2021-22, for the words "section 80H to 80TT (Other than 80JJAA), " Chapter VIA (except Section 80JJAA or Section 80M)" shall be substituted.
- Company is not claiming any brought forward losses (if such loss is related to the deductions specified in above point).
- Provisions of MAT are not applicable on such companies after exercising of option. company cannot claim the MAT credit (if any available at the time of exercising of section 115BAA).

**Note 4 : Section 115BAD** – Total Income of Resident Co-operative Societies is taxable @ 22% (from AY 21-22) subject to following conditions :

- Assessee is not claiming any deduction u/s 10AA or 32(1)(iia) or 32AD or 33AB or 33ABA or 35(1)(ii)/(iia)/(iii) or 35(2AA) or 35AD or 35CCC or any deduction u/c VI-A (Other than 80JJAA & 80LA).
- The total income of Co-operative Society is calculated without adjusting brought forward loss & depreciation from earlier year (if such loss & Depreciation pertains to any deduction under the aforesaid sections)
- Where there is depreciation allowance in respect of a block of asset which has not been given full effect to prior to AY21-22, corresponding adjustment shall be made to the WDV of such block of assets as on 1.04.20 in the prescribed manner, if option for Section 115BAD is exercised for PY 20-21 relevant to AY 21-22.

Tax on Special rates of tax income (like Sec 112A, 112, 111A) : Taxable at such special rates plus surcharge @10% & HEC@4%

Co-operative Society which opt for Section 115BAD shall not be required to pay AMT.

**Note 5 :** In case of domestic company whose income is chargeable to tax u/s 115BAA or 115BAB or 115BAD, a surcharge of 10% shall be levied irrespective of total income.

Tax on Capital Gain (AY) ->	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Long term Capital Gain Tax								
Except on sale of equity oriented fund units/ Equity Shares**	20%	20%	20%	20%	20%	20%	20%	20%
On sale of equity oriented funds units/ equity share (on which	Exempt u/s 10(38)	Exempt u/s 10(38)	Exempt u/s 10(38)	Exempt u/s 10(38)	10% over and above Rs. 1,00,000	10% over and above Rs. 1,00,000	10% over and above Rs. 1,00,000	10% over and above Rs. 1,00,000
Short term Capital gain Tax								
When securities transaction tax is not applicable	The short-term capital gain is added to your income tax return and the taxpayer is taxed according to his income tax slab.							
When securities transaction tax is applicable (Sec 111A)	15%	15%	15%	15%	15%	15%	15%	15%
Surcharge								
-Ind/HUF/AOP/BOI	10% (if net income > 1 Cr.)	12% (if net income > 1 Cr.)	15% (if net income > 1 Cr.)	10% (if net income > 50Lakh but < 1Cr) and 15% (if income >1 Cr)	10% (if net income > 50 Lakh but < 1Cr) and 15% (if net income >1 Cr)	10% (if net income > 50 Lakh but < 1Cr) and 15% (if net income >1 Cr)	10% (if net income > 50 Lakh but < 1Cr) and 15% (if net income >1 Cr)	10% (if net income > 50 Lakh but < 1 Cr) and 15% (if net income >1 Cr)



				net income >1 Cr)				
-Firm (if net income exceeds 1 Cr.)	NA	NA	12%	12%	12%	12%	<b>12%</b>	<b>12%</b>
-Others								
(Total income exceeding Rs. 1Crore but upto Rs. 10 Cr.)	5%	7%	7%	7%	7%	7%	7%	7%
(Total income exceeding Rs. 10 Cr.)	10%	12%	12%	12%	12%	12%	12%	12%
Education Cess & SHE Cess	3%	3%	3%	3%	Abolished	Abolished	<b>Abolished</b>	<b>Abolished</b>
Health & Education Cess	-	-	-	-	4%	4%	<b>4%</b>	<b>4%</b>

\*\* Tax on LTCG can be taken as 10% + Surcharge + Cess in case of transfer of listed shares/ securities without indexation benefit.

**Note :**

1. Increase in the rate of tax on long term capital gains from 10% to 20% on transfer of units of Mutual Funds other than equity oriented funds.
2. The provision of section 112 as per Finance Act, 2014 has been amended so as to allow the concessional rate of tax of 10% on LTCG to listed securities (other than unit) and zero coupon bonds.
3. Dividend Distribution Tax to be levied on gross amount of dividends. Method of computing is clarified by Memorandum Explaining the provisions in the Finance (No. 2) Bill, 2014.
4. Surcharge in other cases (including section 115-O, 115-QA, 115R or 115TA or 115TD) shall be levied at the rate of 12%.

**Major Amendments :**

**1. From 1st April, 2021 taxpayers would not be allowed to take depreciation on goodwill as the same has been excluded from the block of assets which means even the goodwill which has been paid for will not be allowed for depreciation under the amendments of Sec 32 and Sec 55 of Income Tax Act, 1961.**

**2. Earlier term "Liable to Tax" was not defined in the Act. It is now provided that the term 'liable to tax' in relation to a person means that there is a liability of tax on that person under any law in force in any country and shall include a case where subsequent to imposition of tax liability, an exemption has been provided. (Section 2(29A))**

<b>SALARY INCOME</b>	
<b>Fully taxable-</b> Basic Salary; Dearness Allowance; Bonus, Fee or Commission	
<b>Allowances:</b>	
Children Education Allowance	Exempt u/s 10(14) - Rs. 100/- Per Month Per Child up to 2 Children
Hostel expenditure allowance	Exempt u/s 10(14) - Rs. 300/- Per Month Per Child up to 2 Children
House Rent Allowance (Sec 10(13A) and Rule 2A)	Least of the following is exempt from tax: <ol style="list-style-type: none"> <li>50% of (Salary+ DA + Commission (if forming part of salary for HRA calculations) for Delhi, Mumbai, Kolkata&amp; Chennai/ 40% for other Cities.</li> <li>Rent paid minus 10% of Salary</li> <li>House Rent allowance received by the employee</li> </ol>
Valuation of Unfurnished Rent free Accommodation owned by employer [Rule 3(1) for other than govt. employee]	Population exceeding 25 lakh – 15% of salary (Basic + DA + Bonus + Commission + fee + all taxable allowance)



	<p>Population exceeding 10 lakh but less than 25 lakh – 10% of salary (Basic + DA + Bonus + Commission + fee + all taxable allowance)</p> <p>Any other – 7.5% of Salary (Basic + DA + Bonus + Commission + fee + all taxable allowance)</p>
Leave Travel Concession or Assistance(LTC/LTA) Sec 10(5)	<p>The exemption shall be allowed subject to the following:</p> <p>I. Where journey is performed by air Maximum upto air economy fare of the National Carrier by the shortest route.</p> <p>II. Where places of origin of journey and destination are connected by rail and journey is performed by any mode of transport other than air Maximum upto air conditioned first class rail fare by the shortest route.</p> <p>III. Where places of origin of journey and destination or part thereof are not connected by rail and the journey is performed between such places.</p> <p>IV. Where a recognized public transport system exists - Maximum upto 1st Class or deluxe class fare by the shortest route.</p> <p>V. Where no recognized public transport system exists - Maximum upto air conditioned first class rail fare by shortest route.</p>
Motor Car / Other Conveyance [sec 17(2)(viii) read with rule 3(2)]	Refer note below.
Services of a domestic servant including sweeper, gardener, watchmen or personal attendant	Taxable value of perquisite shall be salary paid or payable by the employer for such services less any amount recovered from the employee.
Supply of gas, electricity or water for household purposes	<p>Taxable value of perquisites:</p> <ol style="list-style-type: none"> <li>1. Manufacturing cost per unit incurred by the employer., if provided from resources owned by the employer;</li> <li>2. Amount paid by the employer, if purchased by the employer from outside agency</li> </ol> <p>Note:</p> <ol style="list-style-type: none"> <li>i. Any amount recovered from the employee shall be deducted from the taxable value of perquisite.</li> <li>ii. Taxable in case of specified employees only</li> </ol> <p>Specified Employee</p> <ol style="list-style-type: none"> <li>1) A director-employee</li> <li>2) An employee who has substantial interest (i.e. beneficial owner of equity shares carrying 20% or more voting power) in the employer-company</li> <li>3) An employee whose monetary income* under the salary exceeds Rs. 50,000</li> </ol> <p>*Monetary Income means Income chargeable under the salary but excluding perquisite value of all non-monetary perquisites</p>
Sec 16(iii) : Deduction of any sum paid on account of tax on employment	





Sec 16(ia) : Standard deduction of Rs. 40,000 is allowed in respect of salary income to all employees in lieu of transport allowance of Rs. 1600 per month and medical expenditure reimbursement of Rs. 15,000 p.a. (w.e.f 01.04.2018).

Sec 16(ia) : Standard deduction of Rs. 50,000 is allowed in respect of salary income to all employees in lieu of transport allowance of Rs. 1600 per month and medical expenditure reimbursement of Rs. 15,000 p.a. (w.e.f 01.04.2019).

**1.W.e.f. AY 2021-22, NPS+SAF+ PF anything in excess of 7.5 lac contributed by Employer will be taxable as perquisites in hands of employee**

**2. Restriction on exemption of interest on Provident Fund in certain cases – Sections 10(11) and 10(12)-**

**A new proviso is inserted to sections 10(11) and 10(12) to provide that the exemption would not apply to the accrued interest to the extent it relates to the contribution of an amount exceeding ₹2,50,000 in any previous year in that fund, on or after 1 April 2021. This amendment is applicable with effect from Assessment Year**

**2022-23. However, if the contribution by such person is in a fund where there is no contribution by the employer, then for the amount '2,50,000' '5,00,000' shall be substituted.**

<b>Note:</b>			
<b>Motor Car (taxable only in case of specified employees except when car owned by the employee is used by him or members of his household wholly for personal purposes and for which reimbursement is made by the employer)</b>			
S. No.	Circumstances	Engine Capacity upto 1600 cc (value of perquisite)	Engine Capacity above 1600 cc (value of perquisite)
1	Motor Car is owned or hired by the employer		
1.1	Where maintenances and running expenses including remuneration of the chauffeur are met or reimbursed by the employer.		
1.1-A	If car is used wholly and exclusively in the performance of official duties.	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents
1.1-B	If car is used exclusively for the personal purposes of the employee or any member of his household.	Actual amount of expenditure incurred by the employer on the running and maintenance of motor car including remuneration paid by the employer to the chauffeur and increased by the amount representing normal wear and tear of the motor car at 10% p.a. of the cost of vehicle less any amount charged from the employee for such use is taxable	
1.1-C	The motor car is used partly in the performance of duties and partly for personal purposes of the employee or any member of his household.	Rs. 1,800 per month (plus Rs. 900 per month, if chauffeur is also provided to run the motor car)	Rs. 2,400 per month (plus Rs. 900 per month, if chauffeur is also provided to run the motor car)
		Nothing is deductible in respect of any amount recovered from the employee.	



1.2	Where maintenances and running expenses are met by the employee.		
1.2-A	If car is used wholly and exclusively in the performance of official duties.	Not a perquisite, hence, not taxable	Not a perquisite, hence, not taxable
1.2-B	If car is used exclusively for the personal purposes of the employee or any member of his household	Expenditure incurred by the employer (i.e. hire charges, if car is on rent or normal wear and tear at 10% of actual cost of the car) <i>plus</i> salary of chauffeur if paid or payable by the employer <i>minus</i> amount recovered from the employee.	
1.2-C	The motor car is used partly in the performance of duties and partly for personal purposes of the employee or any member of his household	Rs. 600 per month ( <i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)	Rs. 900 per month ( <i>plus</i> Rs. 900 per month, if chauffeur is also provided to run the motor car)
		Nothing is deductible in respect of any amount recovered from the employee.	
2	Motor Car is owned by the employee		
2.1	Where maintenances and running expenses including remuneration of the chauffeur are met or reimbursed by the employer.		
2.1-A	The reimbursement is for the use of the vehicle wholly and exclusively for official purposes	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents
2.1-B	The reimbursement is for the use of the vehicle exclusively for the personal purposes of the employee or any member of his household	Actual expenditure incurred by the employer <i>minus</i> amount recovered from the employee	
2.1-C	The reimbursement is for the use of the vehicle partly for official purposes and partly for personal purposes of the employee or any member of his household.	Actual expenditure incurred by the employer <i>minus</i> Rs. 1800 per month and Rs. 900 per month if chauffer is also provided <i>minus</i> amount recovered from employee.	Actual expenditure incurred by the employer <i>minus</i> Rs. 2400 per month and Rs. 900 per month if chauffer is also provided <i>minus</i> amount recovered from employee.
3	Where the employee owns any other automotive conveyance and actual running and maintenance charges are met or reimbursed by the employer		
3.1	Reimbursement for the use of the vehicle wholly and exclusively for official purposes;	Fully exempt subject to maintenance of specified documents	Fully exempt subject to maintenance of specified documents
3.2	Reimbursement for the use of vehicle partly for official purposes and partly for personal purposes of the employee.	Actual expenditure incurred by the employer <i>minus</i> Rs. 900 per month <i>minus</i> amount recovered from employee	Not Applicable



**4. Specified Employee**

The following employees are deemed as specified employees:

- 1) A director-employee
- 2) An employee who has substantial interest (i.e. beneficial owner of equity shares carrying 20% or more voting power) in the employer-company
- 3) An employee whose monetary income\* under the salary exceeds Rs. 50,000

\*Monetary Income means Income chargeable under the salary but excluding perquisite value of all non-monetary perquisites

Section No.	Particulars	Exemption Amount
10(10AA)	Encashment of unutilized earned leave at the time of retirement of government employee	Fully Exempt
10(10AA)	Encashment of unutilized earned leave at the time of retirement of other employee	Least of the following shall be exempt from tax: a) Amount actually received b) Unutilized earned leave* X Average monthly salary c) 10 months Average Salary** d) Rs. 3,00,000 *While computing unutilized earned leave, earned leave entitlements cannot exceed 30 days for each year of service rendered to the current employer **Average salary = Average Salary*** of last 10 months immediately preceding the retirement ***Salary = Basic Pay + Dearness Allowance (to the extent it forms part of retirement benefits)+ turnover based commission
10(10B)	Retrenchment Compensation received by a workman under the Industrial Dispute Act, 1947(Subject to certain conditions).	Least of the following shall be exempt from tax: a) an amount calculated as per section 25F(b) of the Industrial Disputes Act, 1947; b) Rs. 5,00,000; or c) Amount actually received Note: i. Relief under Section 89(1) is available ii. 15 days average pay for each completed year of continuous service or any part thereof in excess of 6 months is to be adopted under section 25F(b) of the Industrial Disputes Act, 1947.
10(10)(i)	Gratuity received by Government Employees (Other than employees of statutory corporations)	Fully Exempt
10(10)(ii)	Death -cum-Retirement Gratuity received by other employees who are covered under Gratuity Act, 1972 (other than Government employee) (Subject to certain conditions).	Least of following amount is exempt from tax: 1. (*15/26) X Last drawn salary** X completed year of service or part thereof in excess of 6 months. 2. Rs. 20,00,000 3. Gratuity actually received *7 days in case of employee of seasonal establishment b) Salary at the time of retirement X No. of months of services left for retirement; or 2) Rs. 5,00,000
10(11)	Employee's Provident Fund	For taxability of contribution made to various employee's provident fund and interest arising thereon see Note 3 .
10(12A)/ 10(12B)	National Pension System	Any payment from the National Pension System Trust to an assessee on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed 60% of the total amount payable to him at the time of such closure or his opting out of the scheme. Note: Partial withdrawal from the NPS shall be exempt to the extent of 25% of amount of contributions made by the employee.

**HOUSE PROPERTY INCOME**

Gross Annual Value – Municipal Tax paid by landlord = Net Annual Value

Deduction u/s 24 :

- i) Standard deduction u/s 24(a) – 30% of Net Annual Value
- ii) Interest on borrowed capital u/s 24(b) – Deduction is available on accrual basis
  - a) Interest payment for self-occupied house for acquisition or construction upto Rs. 2,00,000/- (Upto A.Y. 2014-15, the limit was Rs. 1,50,000/-)
  - b) Interest on payment for re-construction, repairs or renewals upto Rs. 30,000/-

**\*Two houses can be considered as self occupied from A.Y.2020-2021**

Note:

Gross Annual Value means :

- (a). The sum for which the property might reasonably be expected to let from year to year; or
- (b). Where the property or any part thereof is let and the actual rent received or receivable is in excess of the sum referred to in clause (a), the amount so receivable; or
- (c). Where the property or any part thereof is let and was vacant during the whole or any part of the previous year and thereof the actual rent received or receivable in respect thereof is less than the sum referred to in clause (a), the amount so receivable.

**INCOME FROM BUSINESS & PROFESSION****Sec 44AB- Income Tax Audit**

Category of Person	Threshold
Carrying on business (not opting for presumptive taxation scheme*)	Total sales, turnover or gross receipts exceed Rs 1 crore in the FY. <i>As per Finance Act, 2021, the limit of Rs. 1 crore has been increased to Rs.10 crore [As per Finance Act, 2020 – Rs.5 crore; if aggregate of all receipts including sales/ Turnover/ gross receipts during financials year in cash does not exceed 5% of the total receipts; and aggregate of all payments including expenses incurred during financials year in cash does not exceed 5% of the total payments.]</i>
Carrying on business eligible for presumptive taxation under Section 44AE, 44BB or 44BBB	Claims profits or gains lower than the prescribed limit under presumptive taxation scheme
Carrying on business eligible for presumptive taxation under Section 44AD	Declares taxable income below the limits prescribed under the presumptive tax scheme and has income exceeding the basic threshold limit
Carrying on business which is declaring profits as per presumptive taxation scheme under Section 44AD	If the total sales, turnover or gross receipts does not exceed Rs 2 crore in the financial year, then tax audit will not apply to such businesses.
Carrying on profession	Total gross receipts exceed Rs 50 lakh in the FY
In case of loss from carrying on of business and not opting for presumptive taxation scheme	Total sales, turnover or gross receipts exceed Rs 1 crore



**Note:** The due date for filing of Audit report is 1 month prior to the due date of filing the ITR u/s 139(1).

Deemed Profits & Gains				
Sr. No	Section	Business	Eligible Assessee	Minimum Deemed Profit/ Gain
1	44AD	Any Business (excluding the business of plying, hiring or leasing goods carriages referred to in Sec 44AE) having max. gross turnover/ gross receipts Rs. 2 Cr. (Rs 1 Cr. till A.Y 2016-17)	Individual/ HUF/ Firm with resident status only (Not applicable on LLPs)	Till 31.03.17- Min 8% of such gross turnover or gross receipts W.e.f. 01.04.17- Min 8% of such gross turnover or gross receipts and Min 6% if payment received by A/c payee Cheque/DD or by electronic clearing system  (Profit Lower than 8% can be claimed, but in that case Audit u/s 44AB is compulsory)
2	44ADA (W.e.f. AY 2017-18)	Upto AY 2020-21- Any resident Assessee engaged in profession as per Sec 44AA(1) whose total gross receipt do not exceed Rs 50 lakh in a previous year  W.e.f. AY 2021-22- Resident Ind/ Pship Firm engaged in profession as per Sec 44AA(1) whose total gross receipt do not exceed Rs 50 lakh in a previous year	Any resident Assessee  Individual/partnership firm except LLP	W.e.f. 01.04.17- Min 50% of the total gross receipt on account of such profession. Compulsory maintenance of books of account and audit u/s 44AB is mandatory if assessee claims that his profit & loss is lower than the min. deemed profit/gain specified under this section.
3	44AE	Business of plying, hiring or leasing good carriages	Assessee who owns not more than 10 good carriages at any time during the previous year	<b>Till 31.03.14:</b> For HGV - Rs. 5000/- pm or part of a month during which the heavy vehicle is owned by the assessee in the previous year. For vehicle other than HGV - Rs.4500/- pm or part of a month during which the goods carriage is owned by the assessee in the previous year.  <b>Till 31.03.18:</b> Rs. 7,500 pm or part of month for all types of goods carriage without any distinction between HGV and vehicle other than HGV or an amount claimed to have been actually earned from the vehicle, whichever is higher.



				<p><b>Effective from 01.04.2019 :</b></p> <p>For HGV, income will be computed at the rate of Rs. 1,000 per ton of gross vehicle weight for every month or part of a month during which the heavy goods vehicle is owned by taxpayer.</p> <p>In case of vehicles other than heavy goods vehicle, income will be computed at the rate of 7,500 for every month or part of a month during which the goods carriage is owned by taxpayer. Part of the month would be considered as full month.</p>
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## CAPITAL GAINS

Deduction u/s 80C to 80U not allowed on STCG (u/s111A) and any LTCG.

**W.e.f AY 2018-19**, Immovable property being, land or building or both, to be considered as Short term if held for a period not more than 24 months. Hence Long term, if held for a period exceeding 24 months instead of 36 months.

**W.e.f AY 2018-19**, the base year for indexation has been shifted from 1981 to 2001 for Computation of Capital Gains

**W.e.f. AY 2021-22**, For indexation of property value, Stamp Duty Value of 01-04-2001 is to be considered & not FMV as on 01-04-2001

**W.e.f. AY 2021-22**, Section 50C provides for a variation of 10% (earlier 5%) for Stamp duty Value and Sale Price.

### Capital Gains Exemption Chart (Section wise)

Capital Gain Exemption	Who can claim exemption	Eligible assets sold	Assets to be acquired for	Time limit for acquiring the new assets	Exemption Amount	Whether deposit in "Capital gains account scheme" is applicable
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<b>u/s 54</b>	Individual/HUF (for Long term Capital Gain)	Residential House Property	One residential house property OR Two residential house properties Note: With effect from AY 2020-21, a taxpayer has an option to make investment in two residential house properties in India. This option can be exercised by the taxpayer only once in his lifetime provided the amount of long-term capital gain does not exceed Rs. 2 crores.	Purchase : 1 year before or within 2 years after Construction: within 3 year transfer	Investment in the new assets or capital gain, whichever is lower	Yes	
<b>u/s 54B</b>	Individual/HUF (for Long term Capital Gain)	Agriculture land used by taxpayer or by his parents or HUF for agriculture purposes in last 2 years before its transfer	Another Agricultural land (Urban or Rural)	Within 2 yrs of transfer	Investment in agricultural land or capital gain, whichever is lower	Yes	
<b>u/s 54D</b>	Any Person (for short term or long-term Capital Gain)	Compulsory acquisition of land or building forming part of industrial undertaking (which was used for industrial purposes for at least 2 years before its acquisition).	Land or building for shifting or reestablishing said industrial undertaking	Within 3 years from date of receipt of compensation	Investment in the new assets or capital gain, whichever is lower	Yes	
<b>u/s 54EC</b>	Any Person (for Long term Capital Gain)	Any long-term capital asset being Land or Building or Both	NHAI bonds or REC bonds, redeemable after 5 years (Investment cannot exceed Rs. 50 lacs)	Within 6 months from the date of transfer	Investment in new assets or capital gains, whichever is lower, however, subject to Rs. 50 lakhs.	No	
<b>u/s 54EE</b>	Any Person (for Long term Capital Gain)	Transfer of Long term Capital Assets	Units of such fund as may be notified by Central Government to finance start-ups (Investment cannot exceed Rs. 50 lacs)	Within 6 months after the date of transfer of original asset	Investment in new assets or capital gains, whichever is lower, however, subject to Rs. 50 lakhs.	No	
<b>u/s 54F</b>	Individual/HUF (for Long term Capital Gain)	Any long term asset (other than a residential house property) provided on date of transfer taxpayer does not own more than one residential house property (except the new house)	One Residential house property	Purchase : 1 year before or within 2 years after, or if Construction : within 3 year of transfer	Investment in the new assets/ Net Sale consideration X capital gain	Yes	
<b>u/s 54G B</b>	Individual/HUF (for Long term Capital Gain)	Residential property (house or a plot of land) Note: Provisions of this section shall not apply to any transfer of residential property made after March 31, 2017. However, in case of an investment in eligible start-up, the residential property can be transferred up to March 31, 2019. Note: w.e.f. Assessment Year 2020-21, the sunset date for transfer of original capital asset (residential property) for investment in eligible start-ups is extended from March 31, 2019 to March 31, 2021 and the condition of minimum holding of 50% of share capital or voting rights in the start-up is relaxed to 25%.	Subscription in equity shares of an eligible company. Note: 1. W.e.f. April 1, 2017, eligible start-up is also included in definition of eligible company 2. The eligible company should utilize the amount of subscription for purchase of new assets (i.e., plant and machinery except vehicle, office appliances, computer or computer software etc.). However, In the case of eligible startup, the new asset shall include computers or computer software.	Investment by the assessee- Before the due date for furnishing of return under Sec. 139(1). Investment by the company - within 1 year from date of subscription	Total amount-invested in new asset / Amount of Net Consideration X Total Capital Gain	Yes	

**Provisions relating to assets acquired in Forex by a Non Resident :****a) First Proviso to Section 48:**

In case of a Non Resident Assessee (*including Foreign Company*) who has assets, in form of Shares or debentures of Indian company & such assets were acquired in foreign currency by way of purchase or re-investment, the Capital Gain arising on transfer of such assets

shall be calculated in foreign currency and then converted into Indian Currency.

The assessee should be NR in the year of Sale & Indexation benefit shall not be available.

**b) Fifth Proviso to Section 48:**

In case of *Non Resident* assessee - Any gain arising on Rupee Appreciation against foreign currency at the time of Redemption of RDB (Rupee Denominated Bond) of Indian Company, shall be ignored for the purpose of computation of Full value of Consideration.

- For computation of Capital Gain First Proviso to Section 48 applies.
- Exemption is not available if RDB is transferred before Maturity
- Exemption is available to any person who holds the bonds, that is even a secondary holder also.
- If there is any loss due to Rupee Depreciation, then it shall be allowed as Capital Loss & can be Set-off and carry forwarded.

**Provisions relating to reconstitution :****1. Conversion of Sole Proprietary Concern into a company -**

Transfer of Capital Asset will not be regarded as Transfer if **ALL** of the following conditions are satisfied:

- All the assets & liabilities become the assets & liabilities of the company.
- The Sole Proprietor becomes the shareholder in the Co. & Voting power in the Co. is not less than 50% & such shareholding is continued for a period of minimum 5 years from date of conversion.
- The Sole Proprietor should receive only shares from the company

**2. Conversion of Partnership Firm into a company -**

Transfer of Capital Asset will not be regarded as Transfer if **ALL** of the following conditions are satisfied:

- All the assets & liabilities become the assets & liabilities of the company.
- All the Partners become the Shareholder of the Company
- All the Partners become shareholder in the same proportion in which their capital account stood in the books of firm on the Date of such succession.
- Aggregate shareholding of such partner of the firm in the company in Not less than 50% of the total voting power of the company & such shareholding is continued for a period of minimum 5 years from date of conversion.
- The partner should receive only shares of the company.

**3. Conversion of Private Company or Unlisted Public Company into Limited Liability Partnership -**

Transfer of Capital Asset will not be regarded as Transfer if **ALL** of the following conditions are satisfied:

- All the assets & liabilities become the assets & liabilities of the LLP.
- All the shareholders of the company become Partners of the LLP and their Capital contribution & profit-sharing ratio in the LLP are in the same proportion as their shareholding in the co. on the date of conversion.
- The shareholders of the company do not receive any other consideration/ benefit from the LLP other than capital contribution & profit-sharing in LLP, whether directly or indirectly.
- The aggregate profit-sharing ratio of the shareholder in the co. in such LLP shall not be less than 50% at any time during the period of 5 years from date of conversion.
- The total Sales/ turnover/ gross receipt of the co. in any of the 3 previous years immediately preceeding in which the conversion took places does not exceeds Rs. 60 Lakhs
- No amount is paid either directly or indirectly to any partner out of the balance of accumulated profit standing in the accounts of the co. on the date of conversion for a period of 3 years from the date of conversion.
- The total value of the assets appearing in the books of account of the company in any of the 3 PY & preceeding the PY in which the conversion takes place does not exceed Rs 5 Cr.

**INCOME FROM OTHER SOURCES**

Any income which is not chargeable to tax under any other heads of income and which is not to be excluded from the total income shall be chargeable to tax as residuary income under the head "Income from Other Sources".

Deductions allowed u/s 57	<ul style="list-style-type: none"> <li>Interest on security, any reasonable sum paid by way of commission or remuneration to a banker or any other person for the purpose of realising such Interest on behalf of the assessee.</li> <li>Dividend or Income from UTI/MF, only Interest expense allowed upto 20% of such dividend or income from UTI/MF.</li> <li>Any other Expenditure (not being in the nature of Capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning such income.</li> <li>Amount received under Family Pension – a deduction of sum equal to thirty-three and one third percent of such income or 15000, whichever is less</li> <li>Interest on compensation or enhanced compensation which is Taxable under "Income from Other Source" <b>Deduction</b> of 50% of such interest (subject to certain conditions) shall be allowed and no deduction shall be allowed under any other clause.</li> </ul>		
Dividend Income	<ul style="list-style-type: none"> <li>Up to Assessment Year 2020-21, if a shareholder gets dividend from a domestic company then he shall not be liable to pay any tax on such dividend as it is exempt from tax under section 10(34) of the Act. However, in such cases, the domestic company is liable to pay a Dividend Distribution Tax (DDT) under section 115-O.</li> <li>W.e.f., Assessment Year 2021-22, the domestic company isn't required to pay dividend distribution tax on any amount declared, distributed or paid by such company by way of dividend.</li> <li>Dividend received from domestic company is taxable in the hands of shareholders</li> <li>The proviso to section 57 restricts the deduction for interest expense against gross dividend income (before allowing deduction u/s 57) and the maximum amount of interest expenses that can be allowed as a deduction in a previous year is limited to 20% of the dividend income included in the total income.</li> </ul>		
Gift [Sec 56(2)(x)]*	<b>Nature of Receipt</b> - Any sum of Money without consideration  -Immovable Property (Being land or building or both)  -Movable Property	<b>Criteria</b> -Aggregate sum received > Rs. 50,000/-  -Without consideration and Stamp duty Value > Rs. 50,000/-  -With Consideration and Stamp duty value exceeds 105% ( <b>From AY 2021-22, 110%</b> ) of consideration and Stamp duty value less consideration > Rs. 50,000/-  -Without consideration and FMV > Rs. 50,000/-	<b>Treated as Income</b> -Whole amount  -Whole of stamp duty value  -Stamp duty value less actual consideration received  -Whole of FMV





		-With consideration and FMV less Consideration > Rs. 50,000/-	-Such excess amount
Advance against transfer of Capital asset [Sec 56 (2)(ix)]		If (a) such sum is forfeited and; (b) the negotiations do not result in transfer of capital asset.	Whole advance amount
Consideration for issue of Shares by closely held public company		consideration for issue of shares which exceed the fair market value of such shares	the aggregate consideration received for such shares as reduced by its fair market value shall be chargeable to tax.

\*Exempted, If received from relatives, under will/inheritance, on marriage, on death, from local authority, from trust or institution Reg. u/s 12AA/12A, Institution u/s 10(23C) by specified transaction u/s 47 etc. Meaning of relative – Spouse of the individual/Brother or sister of the individual/Brother or sister of the spouse of the individual/Brother or Sister of either of the parents of the individual/any lineal ascendant or descendent of the individual/any lineal ascendant or descendent of spouse of the individual/spouse of the person aforesaid. (Relative also includes any member of HUF, in case of HUF w.e.f. 1.10.09).

### CARRY FORWARD & SET- OFF OF LOSSES:

Carry Forward & Set-off of Losses:	Set-off during the year			Carry forward & set -off		
	Same Head	Another Head	Against	C/F	Years	Against Profits from
1. House Property	Yes	Yes, but restricted to Rs. 2 Lks for any A.Y	Any income	Yes	8 years	Same head
2.Speculation Business	Yes	No	From speculation Profits	Yes	4 years	Same/ another Speculation business
Unabsorbed Depreciation / Cap Exp on Scientific Research/ Family Planning	Yes	Yes	Any income	Yes	No limit	Any income
Non- speculative Business or Profession	Yes	Yes	Any income (Other than Salary)	Yes	8 years	Same head
3.Long Term Capital Losses	Yes	No	LTCG	Yes	8 years	LTCG
Short Term Capital Losses	Yes	No	STCG/LTCG	Yes	8 years	STCG/LT
4.Owning / Maintaining race horses	Yes	No	Same income	Yes	4 years	Same income
5.Income from other sources (which is exempt)	Yes	No	NA	No	NA	NA
6.Specified Business u/s 35AD	Yes	No	Specified Business-Profits	Yes	No Limit	Any Specified Business



**Note:**

1. As per Section 80, Business Loss or Capital Loss or Loss from owing and maintaining Race horses or Loss of Specified Business *cannot* be carried forward if return is filed after due date u/s 139(1). However, House Property losses & Unabsorbed Depreciation can be carried forward under such circumstances.

2. The condition stipulated u/s 80 applies only for the year in which loss is incurred.

**3. Claim of Losses in case of change in Ownership:**

Case	Accumulated Business Loss*	Can be Carried Forward by	Time Limit
Amalgamation (Sec 2(1B))	Amalgamating Company	Amalgamated Company	Fresh period of 8 Years
Demerger (Sec 2(19AA))	Demerged Company	Resulting Company	Remaining period of 8 Years
Conversion of Firm/Proprietary into Company	Firm/Proprietary Concern	Successor Company	Fresh period of 8 Years
Conversion of Unlisted Company into LLP	Unlisted Company	LLP	Fresh period of 8 Years

\* Only Business loss (except speculative loss) can be carried forward by the successor. Unabsorbed depreciation can be carried forward by Amalgamated Co/ Resulting Co/ Successor Co/ LLP for Unlimited period.

**CHAPTER VI-A DEDUCTIONS**

Particulars (AY)	U/S	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
LIC/NSC/PF/Tuition fee/ULIP/ELSS MF/Bank FDR (5yrs)/H.Loan Repayment/EPF/Stamp duty on Residential Housing Loan Sukanya Samridhi Scheme	80C	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000
Pension Fund	80CCC	1,00,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000	1,50,000
Mediclaime ( Payment by any mode other than cash) [For very Sr. citizen]	80D	15,000* 20,000*	25,000* 30,000*	25,000* 30,000*	25,000* 30,000*	25,000* 50,000*	25,000* 50,000*	25,000* 50,000*	25,000* 50,000*
*Additional deduction for any payment of Mediclaime for parents Rs.25, 000/(For non-senior citizen parents) Rs. 50,000 (For senior citizen parents). #Preventive health check –up of self, spouse, dependent children upto Rs. 5,000/- included in above limit. (Payment may be made by cash) The limit of Rs. 50,000 shall be aggregate of medical insurance / preventive health check-up / medical expenditures.									
Maintenance of Dependent -with Disability -with severe disability	80DD	50,000 1,00,000	75,000 1,25,000	75,000 1,25,000	75,000 1,25,000	75,000 1,25,000	75,000 1,25,000	75,000 1,25,000	75,000 1,25,000
Medical Treatment of Dependent /senior citizen/ Very Senior Citizen	80DDB	40,000 60,000	40,000 60,000 80,000	40,000 60,000 80,000	40,000 60,000 80,000	40,000 1,00,000	40,000 1,00,000	40,000 1,00,000	40,000 1,00,000
Interest on Loan on Higher Education	80E	The amount of interest paid during the previous year upto 8AY or until the interest referred is paid full, whichever is earlier.							



Interest on loan for Residential House Property	80EE	Upto Rs.50,000/- subject to specified conditions (w.e.f AY 2017-18) (The limit is over & above Rs.2 lakh u/s24)
Donation	80G	50% /100% of Donation or 10% of adjusted GTI, whichever is lower (No deduction if donation in cash exceeds of Rs. 2,000 w.e.f. A.Y. 2018-19)
Rent paid	80GG	Lower of (i) Rent paid- 10% of Adjusted Total Income, (ii) 25% of the Adjusted Total Income (iii) Rs.5,000/- per month
Investment in Equity saving scheme	80CCG	50% of total investment subject to max of Rs. 25,000. (Deduction U/s 80CCG will discontinue from AY 2018-19 for those who have not availed its benefit earlier.)
Person with Disability	80U	Rs 75,000/- in case of a person with disability and Rs. 1,25,000/- in case of a person with severe disability.
Interest on Deposit in Saving Bank A/c	80TTA	Upto Rs. 10,000/- shall be allowed to individual & HUF.(w.e.f. AY 2019-20, this section is not applicable to senior citizens claiming deduction u/s 80 TTB)
Interest on Deposits	80TTB	Applicable to senior citizens. Upto Rs. 50,000 shall be allowed to resident individuals.
Dividend	80M	<i>The deduction available to domestic companies shall be lower of the following :</i> 1)Amount of dividend received from domestic companies; or, 2)Amount of dividend distributed one month prior to the due date of filing return

**Note:**

U/s 80C, 80CCC & 80CCD [i.e. employee & employer or any other individual assessee contribution towards notified Pension Scheme (NPS)] cannot exceed Rs.1 lakh (applicable for the A.Y. 2006-07 to 2014-15) and from A.Y. 2015-16 the deduction U/s 80C, 80CCC & 80CCD(1) [i.e. contribution by employee (or any other individual) towards NPS cannot exceed Rs.1.5 lakh, an additional deduction of Rs 50,000 is available for contribution to NPS u/s 80CCD(1B).

**ADVANCE INCOME TAX : (IF LIABILITY = OR > 10000)**

Due Date	Assessee [other than Computing Business / Professional Income as per 44AD(1)/44ADA(1)]	Assessee [Computing Business / Professional Income as per 44AD(1)/44ADA(1)]	Specified percentage for Interest u/s 234C
By 15th June	Upto 15%	-	Upto 12%
By 15th Sept	Upto 45%	-	Upto 36%
By 15th Dec	Upto 75%	-	Upto 75%
By 15th March	100%	100%	100%

**Exception :** Resident Senior Citizen not having Business Income will not be required to pay Advance Tax.

**INTEREST ON INCOME TAX & FEE**

Filing of return after due date or if return is not furnished (Section 234A)	Int. @ 1% pm or part of the month from the end of the due date for filing of return till the date of furnishing the return or date of completion of assessment u/s 144 (if return not furnished)
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Defaults in payment of Advance Tax (Section 234B)	Int. @1% pm or part of the month from the 1st day of April following such financial year to the date of determination of total income under section 143(1) or till the date on which the self-assessment tax is paid, whichever is earlier. But where a regular assessment is completed u/s 143(3), then interest charged to the date of such regular assessment. Interest is payable if Advance Tax paid by the assessee during the previous year is less than 90% of the assessed tax.
Deferment in payment of advance Tax (Section 234C)	Int. @ 1% pm or part of the month on the deficit amount as applicable. Interest is payable if Advance Tax paid on due date is less than specified percentage (See table of Advance Income Tax)
Interest on excess Refund granted (Section 234D)	If refund is granted u/s 143(1) & later on completion of assessment, if either no refund is found due or the amount refunded is excess, then the excess refund will have to be paid back by the person along with Interest @ 0.5% per month or part of the month on such excess refund from Date of granting refund till date of completion of Assessment.
Fees for Default in Furnishing TDS/TCS Statements (Section 234E)	For delayed filing of quarterly statement, assessee shall be liable to a mandatory Fees of Rs.200 per day during which default continues. The fees cannot exceed the amount of TDS deductible.
Fees for Default in furnishing Return of Income (Section 234F)	Where a person, who is required to furnish Return of Income under Sec 139, fails to do so within the prescribed time limit under section 139(1), he shall pay by way of Fees a sum equal to :- Return furnished upto 31 <sup>st</sup> December of AY – Rs 5000/- Return furnished after 31 <sup>st</sup> December of AY – Rs 10000/- However, if the total income of the person does not exceed Rs 5Lakh, the Fees payable shall not exceed Rs. 1000/-.

**Note: Interest on shortfall in payment of advance tax on Dividend income - Section 234C(1)**

It is amended to provide that no interest under section 234C(1) would be payable in respect of short fall in advance tax on any dividend income, other than dividend specified in section 2(22)(e), earned by any assessee, if the whole of advance tax payable on such dividend is paid as a part of remaining instalments of advance tax on or before 31st March of the financial year, as the case may be. This amendment is applicable with effect from Assessment Year 2021-22.

PENALTIES	
Section	Clause
270A	Penalty for under-reporting and misreporting of Income- 50% of tax payable on under-reported income & 200% of tax payable in case of misreporting of income.
271(1)(b)	Failure to comply with notice u/s 115WD(2), 115WE(2), 142(1) & 143(2) or with a direction issued under section 142(2A)-Rs. 10,000/- for each failure.
271(1)(c)	Concealment of particulars of Income or furnishing of inaccurate particulars of income – 100% to 300% of amount of tax sought to be evaded
271AAC	Where the income determined includes any income referred to in section 68/69/69A/69B/69C/69D for any previous year - penalty, in addition to tax payable u/s 115BBE under a sum computed at the rate of 10% of the tax payable under clause (i) of sub-section (1) of section 115BBE:
271AAD (effective	<i>If during any proceeding under this Act it is found that there is a False Entry or Omission of any entry in the books of accounts maintained by any person &amp; that entry is relevant for computing</i>



from 01.04.20)	Total Income of such person – Penalty of sum equal to aggregate amount of False entry or omitted entry shall be levied.
271B	Failure to get accounts audited u/s 44AB – 0.5% of the turnover or Rs. 1,50,000/- whichever is less
271C	Failure to deduct tax at source, as per the provisions of Chapter XVII-B or pay tax under sub section (2) of section 115-O or the second proviso to section 194B shall pay penalty of a sum equal to the amount of tax which has not been deducted or paid.
271D	Takes or accepts any loan or Deposit or specified sum in contravention of section 269SS – Penalty equal to amount of loan or deposit or specified sum so taken or accepted.
271DA	W.e.f. 1st April 2017, receiving an amount of RS. 2 Lakh or more otherwise than by an account payee cheque/draft/use of electronic clearing system through a Bank Account in contravention to provisions of section 269ST-100% of the amount of such receipt.
271F	Failure to furnish return of income before the end of relevant AY – 5,000/- (Applicable up to AY 2017-18).
271J	W.e.f 1st April 2017, Furnishing Incorrect Information in reports or certificates by Chartered Accountant Merchant Banker or Registered Valuer – Rs. 10,000 for each report/Certificate.
271E	Repays any loan or deposit or specified advance in contravention of section 269T –Penalty equal to amount of deposit or specified advance which is repaid.
271H	Failure to furnish TDS/TCS Statement or furnishing incorrect information in the statement – not less than a sum of Rs. 10,000/- but may extended to one lakh.
272A (1) (c)	Failure to comply with summons issued u/s 131(1) – Rs. 10,000/- for each default.
272A (1)(d)	Fails to comply with a notice under sub-section (1) of section 142 or sub-section (2) of section 143 or fails to comply with a direction issued under sub-section (2A) of section 142,- Rs. 10,000/- for each default.

**TDS CHART**

Nature of Payment made to Resident	Limit w.e.f. 01.07.10	Limit for A.Y. 2018-19	Limit for A.Y. 2019-20	Limit for A.Y. 2020-21	Limit for A.Y. 2021-22	Limit for A.Y. 2022-23	TDS Rate (SC & Cess Nil)
<b>Tax is deducted only if amount is Taxable in hands of Receiver.</b> <b>TDS requirement arises at the time of Payment or crediting the account of Payee, whichever is earlier.</b> <b>However , in the following cases TDS deducted only at the time of Payment – Salary, EPF Payment, Winning Income, Maturity of Life Insurance Policy, Compensation on Compulsory acquisition of Property.</b>							
192	Salary	Slab Rate (including Surcharge & HEC) Employer shall consider details of Other Income & Deduction of employee if furnished by Employee. Employer shall not consider any loss except loss under the head income from House Property.					
193^	Interest on securities	2,500	2,500	2,500	2,500	2,500	10%
194	Dividend other than the dividend as referred to in Section 115-O	N.A	N.A	N.A	N.A	5,000	10%
194A	Interest other than interest on securities*	5,000*	Banking Rs. 10,000/- Others Rs. 5,000/-	Banking Rs. 50,000/- for Senior Citizens & Rs. 10,000/- for others. Other than Banking Rs. 5,000/-	Banking Rs. 50,000/- for Senior Citizens & Rs. 40,000/- for others. Other than Banking Rs. 10,000/-	Banking Rs. 50,000/- for Senior Citizens & Rs. 40,000/- for others. Other than Banking Rs. 10,000/-	10%



194B	Winning from lottery and crossword puzzles including card games and other games	10,000	10,000	10,000	10,000	10,000	10,000	30%
194B B	Winning from horse races	5,000	10,000	10,000	10,000	10,000	10,000	30%
194C	Payment to contractor/ Sub contractor [Note 1 & 2(a)]							
	Payment/ Credit to an Individual/ HUF	30,000**	30,000**	30,000**	30,000**	30,000**	30,000**	1%
	Payment/ Credit to any person other than an Individual/ HUF	30,000**	30,000**	30,000**	30,000**	30,000**	30,000**	2%
194D	Insurance Commission to Resident	20,000	15,000	15,000	15,000	15,000	15,000	Ind- 5% Co.- 10%
194D A	Life Insurance Policy	-	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	5%
194E	Payment to NR sportsmen/Association/ Entertainer	Tax deducted @ 20% plus Cess Payment for Participation is any game in India, Advertisement, Contribution of any article in Newspaper, Performance in India.						
194G	Commission on sale of lottery tickets	5,000	15,000	15,000	15,000	15,000	15,000	5%
194H	Commission or Brokerage	5,000	15,000	15,000	15,000	15,000	15,000	5%
194I	Rent:							
	Plant & Machinery	1,80,000	1,80,000	1,80,000	2,40,000	2,40,000	2,40,000	2%
	Land/Building/Furniture & Fitting	1,80,000	1,80,000	1,80,000	2,40,000	2,40,000	2,40,000	10%
194IB	Rent for Land & Building (By certain Individual & HUF) (w.e.f 1 June' 2017)	N.A	50,000pm (or part of month)	50,000pm (or part of month)	50,000pm (or part of month)	50,000pm (or part of month)	50,000pm (or part of month)	5%
194J	Fee for professional or Technical services (Note 2(a) & 2(b))	30,000	30,000	30,000	30,000	30,000	30,000	2%/10 %
194K	Income in respect of Units of UTI or MF	N.A	N.A	N.A	N.A	5000	5000	10%
194L A	TDS on compensation for compulsory acquisition of immovable Property	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	10%
194L B	TDS on Interest on Infrastructure Debt Fund	Tax is deducted @ 5% on payment made by Infrastructure Debt Fund to NR or Foreign Co.						
194M	Payment of commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C, 194H, or 194J.	N.A	N.A	N.A	50,00,000	50,00,000	50,00,000	5%
194N	Cash Withdrawal in excess of 1Cr from Bank, Co-operative Bank or Post office	N.A	N.A	N.A	N.A	TDS is applicable only if payer (i.e. bank, co-operative bank or post office) paying sum or aggregate of sum in CASH in		2%



						<p>excess of 1Cr in PY from one or more accounts maintained by the payee.</p> <p>If payee has not filed the return of income for all of the 3AY's relevant to the 3PY's, for which the time limit to file the Return u/s 139(1) has expired, immediately preceding the PY in which the payment of the sum is made to him, the TDS deducted as follows :</p> <p>Amount withdrawn more than Rs 20Lakhs but upto Rs 1Cr – 2%</p> <p>Amount withdrawn more than 1 Cr – 5%</p>	
194O	Applicable for E - Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform. (applicable wef 01.10.20)	<p>E-commerce operator shall be liable to deduct tax @1% of gross value at the time of credit of amount of sale or services or both to the account of e-commerce participant or at the time of payment whichever is earlier.</p> <p>However in case of e-commerce participant being an individual or HUF, no deduction is required to be made if the value of sale or service or both does not exceed Rs.5,00,000.</p> <p>E-commerce operator is one who sells goods or services on digital platform like amazon. E-commerce participant is the brand/owner of such goods and services who sells their products and services through e-commerce operator. For e.g. Adidas is e-commerce participant who sells its product through amazon who is e-commerce operator.</p>					
194Q	Purchase of goods (applicable w.e.f 01.07.2021)	<p>Deduction of TDS by person responsible for paying any sum to any resident for purchase of goods @ 0.1%.</p> <p>The Threshold Limit of Rs.50,00,000 is applicable when total sales or gross receipts or turnover from the business carried on exceeds Rs. 10 Crores during the financial year immediately preceding the financial year in which the purchase of goods is carried out.</p> <p>Tax shall be deducted on the amount over and above Rs.50,00,000/- which means if purchase amount is Rs.60,00,000/- TDS shall be deducted @0.1% on Rs. 10,00,000/- only and not Rs.60,00,000/-.</p> <p>However if such purchase is liable to TDS/TCS {except Section 206C(1H)} under any other section of TDS/TCS then no TDS shall be deducted under this Section.</p>					
194P	TDS on Senior Citizen above 75 Years (Applicable from AY 2021-22)	<p>Relaxation for senior citizen from filing ITR (Subject to Tax Deduction under Section 194P)- A senior citizen of the age of 75 year or above is not required to file the return of income, if the following conditions are satisfied:</p> <ol style="list-style-type: none"> <li>1. The senior citizen is resident in India and of the age of 75 or more during the previous year;</li> <li>2. He has only pension income and may also have interest income from the same bank in which he is receiving his pension income;</li> <li>3. He shall be required to furnish a declaration to the specified bank.</li> </ol>					
195	Sum payable to NR or Foreign Company	<p>TDS @ DTAA or Rate in Force</p> <p>Nature of Payment:</p> <ul style="list-style-type: none"> <li>• Interest</li> <li>• Any other Sum which is chargeable to tax in India (except Salary u/s 192, 194B, 194BB, 194E, 194LB, 194LBA)</li> </ul>					

Threshold limit for interest paid on debentures is Rs. 5,000. Threshold limit for interest on 7.75% GOI Savings (Taxable) Bonds 2018 is Rs. 10,000.

\*For Banks/Post office threshold limit is Rs. 10,000/- w.e.f 1.7.2007 and Rs. 50,000/- in case of Senior Citizens w.e.f. 01.04.2018.

\*\* Rs. 30,000/- in a single payment or Rs. 1,00,000/- in the aggregate during the financial year (Rs 75,000/- upto 31.5.2016). Contract – Transporter not covered under 44AE- Aggregate payment- 75,000/-

**If the recipient does not furnish his PAN to the deductor, TDS will be @ 20%.**

**Note:**

1. If recipient is a transporter contractor (owning ten or less goods carriages at any time during the previous year and furnishes a declaration to that effect –applicable w.e.f. 1.6.2015) (any person) and he or it furnishes his PAN to the deductor, tax is not deductible. (w.e.f. 01/10/2009) (PAN intimated to IT Dept.)
2. (a) Tax is deductible on the entire consideration excluding service tax but including GST or such indirect taxes(if any).  
(b) W.e.f June 1, 2017, tax shall be deducted at the rate of 2% in case of payee who is engaged only in the business of operation of call center.
3. If a person failing to deduct or after deducting fails to deposit tax, he is liable to pay simple interest @ 1/1.5% for every month or part thereof from the date of failing to deduct or date of deducting till the date of depositing the same with the government.
4. In case deductor is not having PAN of deductee, then TDS will be deducted at a higher rate of 20%.

TCS Chart		
Section	Goods & Services liable to TCS	TCS Rate (%)
206C(1)(6CA)	Alcoholic liquor for human consumption	1%
206C(1)(6CB)	Timber obtained under Forest lease	2.5%
206C(1)(6CC)	Timber obtained by any mode other than under a forest lease	2.5%
206C(1)(6CD)	Any other forest produce not being timber or tendu leaves	2.5%
206C(1)(6CE)	Scrap	1%
206C(1)(6CI)	Tendu Leaves	5%
206C(1)(6CJ)	Minerals, being coal or lignite or iron ore	1%
206C(1C)	Parking Lot, Toll Plaza, Mining & Quarrying	2%
206C(1F)	Motor Vehicle (any mode of payment) <i>(Seller, who receives any amount as consideration for sale of a motor vehicle of the value exceeding 10 lakh Rupees)</i>	1%
206C(1H)(6CR)	Sale of Goods (for seller whose turnover exceeds Rs.10,00,00,000/-) <i>Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding 50 lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G)</i>	0.1% (TCS in case of Non-Furnishing of PAN/Aadhar 1%)

**New Sections :-****Section – 206AB (Effective from 01.07.21)**

Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIB, other than section 192, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely:

1. at twice the rate specified in the relevant provision of the Act or
2. at twice the rate or rates in force or
3. at the rate of five per cent

**Section – 206CCA (Effective from 01.07.21)**

Notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, the tax shall be collected at the higher of the following two rates, namely:

- at twice the rate specified in the relevant provision of the Act; or
- at the rate of five per cent.





“Specified person” means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. (It shall not include Non-Resident who does not have Permanent Establishment in India)

#### Time Limit for submission of Form 15G/15H: Sec. 197A (2)

Deductor is required to submit to the CCIT & Principal CCIT/CIT as well (To whom AO having jurisdiction to assess the payer is subordinate) one copy of form 15G/15H within 7 days of the month next following the month in which such form is furnished to him. In Form 15G/15H, PAN has to be furnished; otherwise no certificate will be granted by Assessing Officer. In case of Form 15H, the age of senior citizen is 60 yrs w.e.f. 1.07.2012

#### OTHER PROVISIONS :

##### INTEREST

Interest for late payment of demand u/s 156 -Int. @ 1% pm or part of the month from the end of 30 days of service of Demand Notice

Rate of Interest	Period of which interest payable (Per month or part thereof)
1%	From the date on which tax was deductible to the date on which tax is actually Deducted
1.5%	From the date on which tax was actually deducted to the date on which tax is actually paid

#### TIME LIMIT UNDER VARIOUS SECTIONS UNDER INCOME TAX ACT, 1961 :

Section	Compliance	Time/Due Date
139 (1)*	Return of Income Company required to furnish report u/s 92E	30th Nov of the AY
	Other companies	31 <sup>st</sup> Oct of the AY
	Non Corporate assessee where account to be audited or working partner of a firm whose accounts to be audited	31 <sup>st</sup> Oct of the AY
	A person other than a company, referred to in first proviso of section 139(1)	31 <sup>st</sup> Oct of the AY
	Any other case	31 <sup>st</sup> July of the AY
139 (3)	Loss Return – no loss c/f if return filed after due date except HP loss/ Dep. Loss	As per time allowed u/s 139 (1)
139 (4)	Belated return	Upto AY 2021-22: Before the end of the relevant AY or before completion of assessment, whichever is earlier.





		W.e.f. AY 2021-22: Before 31 <sup>st</sup> December of the relevant AY or before completion of assessment, whichever is earlier.
139 (5)	Revised return – No return can be revised until unless original return filed u/s 139(1) or u/s 139(4)	<p><i>Upto AY 2017-18:</i> 1 year from the end of the relevant AY or before completion of assessment, whichever is earlier.</p> <p><i>W.e.f AY 2018-19:</i> Before the end of the relevant AY or before the completion of assessment, whichever is earlier.</p> <p><i>W.e.f. AY 2021-22:</i> Before 31<sup>st</sup> December of the relevant AY or before completion of assessment, whichever is earlier.</p>
143 (2)	Service of notice of scrutiny Assessment	6 month from the end of the FY in which return is furnished
147	Reassessment where assessment made u/s 143(3) or 147	4 yrs from the end of relevant AY
149 (1)	Issue notice u/s 148 – if escaped income is <ul style="list-style-type: none"> <li>i) Less than one lakh</li> <li>ii) Rs. One lakh or more</li> <li>iii) in relation to assets located outside India (w.e.f 1.7.12)</li> </ul>	<p>4yrs from the end of relevant AY</p> <p>6 yrs from the end of relevant AY</p> <p>16 yrs from the end of relevant AY</p>
154(1)	Rectification- mistake apparent from record	4 yrs from end of the FY in which order sought to be amended was passed
249 (2)	Filing appeal to CIT(A)	30 days from (a) the date of payment of tax or (b) service of Demand notice or (c) the date on which intimation sought to be appealed against is served
253	Filing appeal to ITAT : 253(1), (2)  253(1)(b)	<p>60 days from the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or Commissioner</p> <p>30 days from the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or commissioner.</p>
264 (3)	Revision Petition to PCIT or CIT	1 year from the date on which order was communicated to the assessee or the date on which he otherwise came to know of it, whichever is earlier.

\* Mandatorily filing of return in case of

1. Company/firm/LLP even nil income
2. Person being a resident other than not ordinarily resident in India being



(a) holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity) located outside India or has signing authority in any account located outside India; or

(b) a beneficiary of any asset (including any financial interest in any entity) located outside India where, income, if any, arising from such asset is includible in the income.

The scope of Section 80AC has been extended (w.e.f A.Y. 2018-19) to provide that the benefit of deduction under entire class of deductions under the heading "C – Deductions in respect of certain incomes" in Chapter VIA shall not be allowed unless the return of income is filed by the due date.

### APPEALS FEES

Income	CIT(A) u/s 249	ITAT u/s 253	Income	CIT(A) u/s 249	ITAT u/s 253
Assessed Income <=1 Lac/(loss)	Rs. 250	Rs. 500	Assessed Income > 2Lakh	Rs. 1,000	1% of assessed income or Max. Rs. 10,000
Assessed Income >1 Lac<= 2 Lac	Rs. 500	Rs. 1,500	Any other matter	Rs. 250	Rs. 500

### IMPORTANT PRESCRIBED FORMS UNDER INCOME TAX ACT, 1961

Particulars	Return of Income Form No	Challan	Challan no
1. For resident individuals having total income <= Rs.50 lakh from: Salaries, one house property, other sources (Interest etc.), and agricultural income upto Rs.5 thousand (Sahaj)	ITR-1	1. Income Tax	280
2. For Individuals and HUFs not having income from profits and gains of business or profession	ITR-2	2. TDS/TCS Tax Challan	281
3. For individuals and HUFs having income from profits and gains of business or profession	ITR-3	3. Misc Direct Taxes	282
4. For Resident Individuals, HUFs and Firms (other than LLP) having total income <= Rs.50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE	ITR-4	4. For depositing banking cash Transaction Tax and FBT	283
5. For persons other than- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7	ITR-5	5. Payment of Equalisation Levy	285
6. For Companies other than companies claiming exemption under section 11	ITR-6	Link: <a href="https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnonstds.jsp">https://onlineservices.tin.egov-nsdl.com/etaxnew/tdsnonstds.jsp</a>	



7. For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only Link : <a href="https://incometax.gov.in">https://incometax.gov.in</a>	ITR-7		
<b>Other Form</b> 1. PAN Application 2. PAN Application (NRI) 3. TAN Application 4. STT Payment evidence 5. Annual Tax Statement  Link: <a href="http://www.incometaxindia.gov.in">www.incometaxindia.gov.in</a>	<b>Form No.</b> 49A 49AA 49B 10DB/10DC 26AS	<b>Appeal</b> 1. To CIT (Appeals)-Online 2. To DRP 3. To ITAT – 3 copies 4. Memorandum of cross objection to ITAT – 3 copies	<b>Form No.</b> 35 35A 36 36A
		<b>Charitable &amp; Religious Trusts</b> 1. Application for Registration. u/s 12A 2. Application for grant of approval/ continuance u/s 80G(5)(vi)	10A 10G 3 copies

## COMPLIANCE CALENDER

Date	Particulars
7th of every month	TDS/TCS payment for the preceding month (30th April with respect to TDS for the month of March)
30th day of every month	TDS payment for the preceding month in the case of TDS u/s 194-IA and 194-IB (30th April with respect to TDS for the month of March)
15/06, 15/09, 15/12, 15/03	Advance Income Tax- Instalments for the year
15/07, 15/10, 15/01, 15/05	TCS Quarterly Return in 27EQ (In electronic Form)

## INCOME COMPUTATION AND DISCLOSURE STANDARDS

As per Section 145(2) the Central Board of Direct Taxes notifies time to time Income Computation & Disclosure Standards to be followed by any class of assessee or in respect of any class of income.

Applicability	<ul style="list-style-type: none"> <li>• ICDS shall apply to the assessment year 2017-18 and subsequent assessment years.</li> <li>• Applicable to all assessees other than an individual or a Hindu undivided family who is not required to get his accounts audited under section 44AB of the Income Tax Act.</li> <li>• Applicable to those assessees who follow the mercantile system of accounting.</li> <li>• ICDS is applicable for the purposes of computation of income chargeable to income-tax under the head "Profits and gains of business or profession" or "Income from other sources".</li> <li>• Assessee need not to maintain separate books of account for the purpose of ICDS.</li> <li>• Applicability to assessees covered by presumptive taxation u/s 44AD, 44ADA and 44AE etc, if assessee is required to get his/its accounts audited under section 44AB or for other taxpayer there is no specific exclusion from ICDS for such presumptive tax cases.</li> <li>• Provisions of Act to prevail in case of conflict with ICDS.</li> </ul>
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**CBDT notifies following ICDS –**

<b>ICDS</b>	<b>Comparable Accounting Standards</b>
Accounting policies (ICDS I)	Disclosure of Accounting Policies (AS 1)
Valuation of inventories (ICDS II)	Valuation of Inventories (AS 2)
Construction contracts (ICDS III)	Construction Contracts (AS 7)
Revenue recognition (ICDS IV)	Revenue Recognition (AS 9)
Tangible fixed assets (ICDS V)	Accounting for Fixed Assets (AS 10)
Effects of changes in foreign exchange rates (ICDS VI)	The Effects of Changes in Foreign Exchange Rates (AS 11)
Government grants (ICDS VII)	Accounting for Government Grants (AS 12)
Securities (ICDS VIII)	Accounting for Investments (AS 13)
Borrowing costs (ICDS IX)	Borrowing Costs (AS 16)
Provisions, contingent liabilities and contingent assets (ICDS X)	Provisions, Contingent Liabilities and Contingent Assets (AS 29)

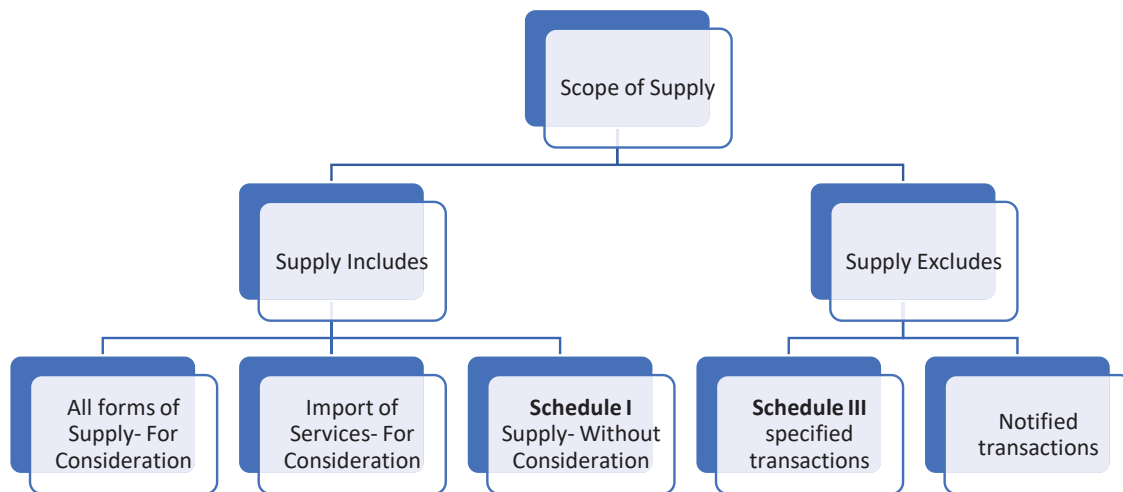


## GOODS AND SERVICES TAX

### Taxable Event in GST:-

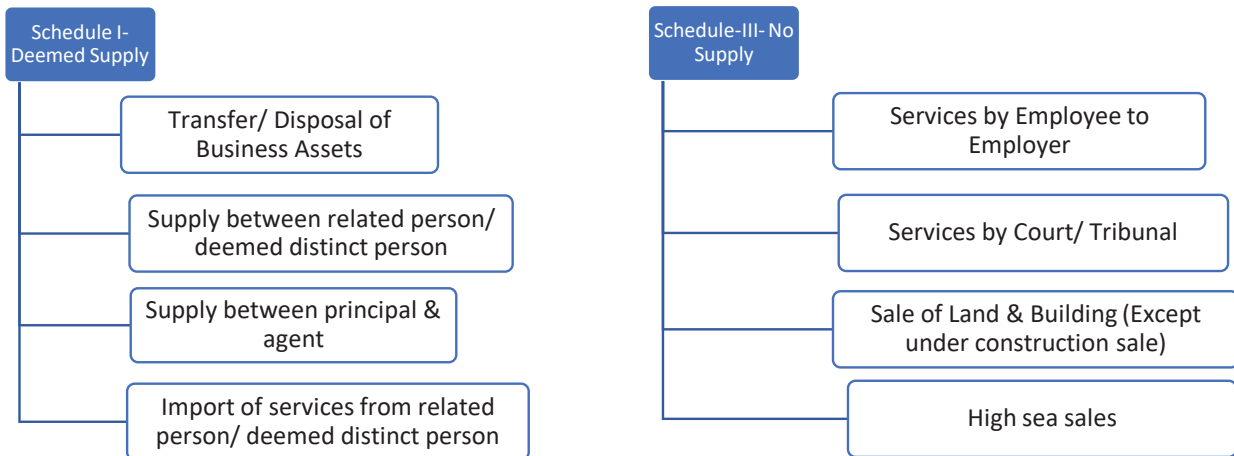
GST is a tax on supply of Goods/ Services. Unlike previous tax regime where there was different events for different tax structure i.e. manufacturing for central excise, sale for state vat, provisioning of services for service tax, in GST regime, there is a single taxable event i.e. supply of goods or services or both for levy of GST.

### Scope of Supply (Section-7 of CGST Act)-

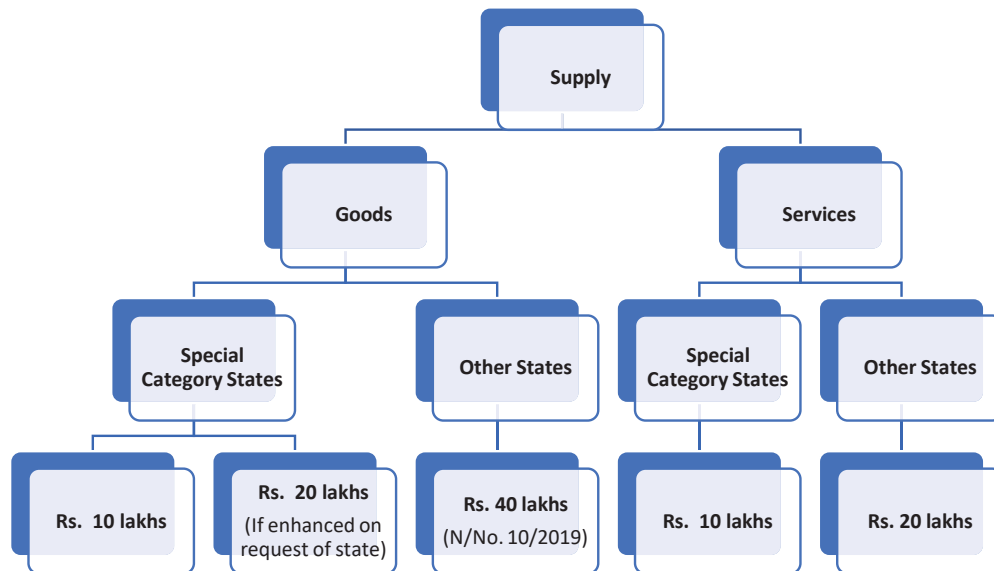


### Notes :

- (1) Finance Act, 2021 added clause (aa) to the definition of supply retrospectively from 1<sup>st</sup> July 2017 clarifying that the association of persons (AOPs) and its members are two distinct person and activities or transaction between them will deemed to be supply.
- (2) Activities prescribed in **Schedule-I** of CGST Act deemed as Supply even if made without consideration.
- (3) **Schedule-II** of CGST Act has to be referred to determine whether a particular supply is a supply of goods or supply of services.
- (4) **Schedule-III** of CGST Act prescribes certain activities or transactions which shall be treated neither as supply of goods nor a supply of services.
- (5) **Section-9 of CGST Act** is the charging section which provides for levy of GST on supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption.
- (6) Currently supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel is outside the purview of GST.

**Registration under GST :**

Person liable for registration if aggregate turnover exceeds threshold limit (Section-22)

**Notes-**

- (1) Aggregate Turnover= Taxable Supplies (Excl. Inward supplies under Reverse Charge) + Exempt Supplies + Exports (Goods /+Services) + Inter State Supplies (Same PAN) - Central, State, Union Territory, Integrated Taxes & Cess (to be calculated on all India basis)
- (2) Notification No. 10/2019- CT dated 7th March 2019, exempted a person engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs. 40 lakh from obtaining registration (w.e.f. 1st April 2019)
- (3) Special Category States are Manipur, Mizoram, Nagaland, and Tripura.
- (4) The above enhanced threshold of Rs. 40 lacs for obtaining registration has following exceptions:
  - (a) persons required to take compulsory registration under section 24 of the Central Goods and Services Tax Act ("the CGST Act")
  - (b) persons engaged in making supplies of the following goods:

Sl.	Tariff item, sub heading, heading or Chapter	Description
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.



2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

- (c) persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.
- (5) A person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, for the purpose of section 22(1) of the CGST Act ( registration)
- (6) Section-24 of CGST Act, prescribes certain category of persons who are required to have compulsory registration under GST.
- (7) Section-23 of CGST Act, prescribes certain category of persons who are not liable for registration under GST.
- (8) Section-25 of CGST Act, provides the procedure for obtaining registration under GST.
- (9) Registration in GST is PAN based and State based and thus separate registration is required in each state.
- (10) A person who has obtained or is required to obtain more than one registration, whether in one State or more than one State in respect of each such registration is treated as a distinct persons.
- (11) Section-27 of CGST Act, provides certain special provisions relating to casual taxable person and non-resident taxable person.

### Category of persons required Compulsory Registration (Irrespective of any threshold limit)

#### Persons making any inter-State taxable supply except following-

- Exception (i)- Persons making inter-State supplies of taxable services and having an aggregate turnover, less than Rs. 20 lakhs (Rs. 10 lakhs in Special Category States of Manipur, Mizoram, Nagaland and Tripura)
- Exception (ii)- Job workers below the annual threshold limit of Rs. 20 lakh making inter-State supply of services to a registered person subject to certain conditions.

#### Casual taxable persons making taxable supply

- casual taxable person is a person who occasionally undertakes supply transactions

#### Non-resident taxable persons making taxable supply

- occasionally undertakes transactions having no fixed place in India

#### persons who are required to pay tax under reverse charge (RCM)

- Section-9(3) & 9(4) specifies certain category of supply falling under RCM.
- Notification No. 4/2017-CT (Rate) prescribes RCM on specified supplies of goods
- Notification No. 13/2017-CT (Rate) prescribes RCM on specified supplies of services

#### Agent of Suppliers

- persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise

#### E-commerce operators as under-

- Every E-commerce operator (Eg. Flipkart, Amazon) required to collect TCS
- An aggregator supplying services under his brand name- section 9(5)
- Persons supplying through E-commerce operator who is required to collect TCS ) except those having aggregate turnover of Rs. 20 lakhs (Rs. 10 lakh for "special category States)

**Category of Person not liable for registration in certain circumstances**

Person engaged exclusively in non-taxable supplies

Person engaged exclusively in exempted supplies

an agriculturist supplying produce out of cultivation of land

Notified category of Persons

- Persons engaged in exclusive supply of goods, whose aggregate turnover does not exceed Rs. 40 lakh, subject to certain conditions.
- Person making taxable supplies where recipient is liable to pay GST under RCM.

**Procedure of obtaining registration in GST:**

- Application for registration is to be made within 30 days from the date when assessee becomes liable for registration.
- In case of Casual Taxable Person/ Non-resident – application for registration is to be made at least 5 days prior to commencement of business.
- every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located
- A person, though not liable to be registered may obtain voluntary registration.
- PAN is compulsory for obtaining registration in GST.
- A non-resident taxable person can obtain registration on the basis of other prescribed documents.
- In case of TDS deductor, registration can be obtained on the basis of TAN in lieu of PAN.

**Failure to obtain registration:**

Failure to take registration attracts Penalty of Rs. 10,000/- or an amount equivalent to the tax evaded, whichever is higher.

**Amendment/ Cancellation/ Suspension of registration in GST:**Amendment  
of GST Reg.

- Amendment in GST registration is required in case of any change in registration particulars.
- Amendment application in Form GST REG-14 to be made within 15 days of such change.

Cancellation  
of GST Reg.

- Application for Cancellation of GST registration can be made in case of discontinuance/ transfer of business, change in the constitution.
- Application to be made in Form GST REG-16 within 30 days of occurrence of event warranting the cancellation.

Suspension  
of GST Reg.

- Registration is to be suspended on making application for cancellation of GST registration.
- No taxable supply can be made during the period of suspension.
- No return is required to be furnished for the period of suspension.



**Notes :**

- (1) Registration may also be cancelled suo-moto by the proper officer on following grounds:
  - a) In case of contravention of any provisions of the Act/ rules
  - b) In case of non-furnishing of return by composition taxpayers for 3 consecutive tax periods
  - c) In case of non-furnishing of return by other taxpayers for 6 consecutive months
  - d) In case of voluntary registration, non-commencement of business within 6 months
  - e) Where registration has been obtained by means of fraud, wilful misstatement or suppression of facts.
- (2) During pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration.
- (3) Cancellation of registration will not affect the liability to pay tax and other dues for any period prior to the date of cancellation.

**Composition Scheme for small taxpayers :****Eligibility to opt for Composition Scheme**

- Where 'aggregate turnover' does not exceed the prescribed threshold limit in the preceding financial year, will be eligible to opt for composition scheme.
- Threshold limit for Composition Scheme:
  - Rs. 75 Lacs for State of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand
  - Rs. 1.5 Crore for other States

**Rate of tax for Composition scheme**

- For Manufacturers- 1% (0.50% CGST & 0.50% SGST)
- Food/restaurant services- 5% (2.50% CGST & 2.50% SGST)
- Other suppliers- 1% (0.50% CGST & 0.50% SGST)

**Procedure for opting Composition Scheme**

- It can be opted at the time of registration in Part B of Form **GST REG-01**.
- A registered person can opt by filing an intimation in Form **GST CMP-02**.
- In case of existing taxpayers, it can be opted before the beginning of the financial year

**Special Procedures to be followed by Composition Scheme taxpayers:**

- To effect supplies, Composition taxpayer has to issue "Bill of Supply" (instead of tax invoice)
- Bill of Supply containing declaration- "Composition taxable person, not eligible to collect tax on supplies to be issued."

**Notes :**

- (1) Aggregate turnover will not include any interest income earned by way of supply of services such as extending deposits, etc. where such interest or discount is exempted.
- (2) Regardless to the prescribe rates, the composition supplier is liable to make payment at the applicable rate in respect of every inward supply liable to tax under RCM.
- (3) All other registrations obtained under a single PAN are also mandated to opt for payment under the composition scheme.



- (4) Every notice or signboard in every registered place of business shall carry the words "Composition taxable person".
- (5) Composition Supplier cannot collect tax on the outward supplies.
- (6) No Input Tax Credit is allowed to Composition Supplier.
- (7) Composition scheme shall not be available to
- Person who is engaged in supply of services except food/ restaurant services;
  - Person who is engaged in making non-taxable supplies;
  - Inter-State suppliers;
  - Casual taxable person or a non-resident taxable person;
  - Person making any supply of goods or services through an E-commerce operator who is required to collect TCS;
  - Manufacturer of notified goods or services in case of Section 10(2A);
  - Manufacturer of following goods:

Sl.	Tariff item, sub heading, heading or Chapter	Description
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	2202 10 10	Aerated Water
4	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

- (8) A person, who opts for composition scheme cannot be a supplier of services except cases where his supply of services are up to 10% of turnover of preceding FY or Rs. 5 Lakhs, whichever is higher.
- (9) For the purpose of determining eligibility to opt for composition scheme, the term "aggregate turnover" shall include the value of supplies from 1st April up to the date when such person becomes liable for registration.
- (10) For the purposes of determining the tax payable by a composition taxpayer, the expression "turnover in State or turnover in Union territory" shall not include supplies from the 1<sup>st</sup> April upto the date when such person becomes liable for registration.

### New Composition Scheme for Service Providers (w.e.f. 01.01.2020) :

#### Eligibility to opt for the New Composition Scheme for Service Providers

- Where 'aggregate turnover' in the preceding FY did not exceed Rs. 50 lacs

#### Rate of tax for New Composition Scheme for Service Providers

- 6% (3% CGST & 3% SGST)

#### New Composition scheme to service providers is not be available-

- Person who is engaged in making non-taxable supplies;
- Inter-State suppliers;
- Casual taxable person or a non-resident taxable person;
- Making any supply of goods or services through an electronic commerce operator who is required to collect TCS.
- Manufacturer of notified goods [or services in case of Section 10(2A)]

### GST Payment :

- FORM GST PMT-6 Challan for Deposit of Goods and Services Tax- valid for fifteen days from the date of generation of Challan.
- For delayed payment, rate of interest is 18% under section 50(1) of the CGST Act.



- Interest on delayed payment to be charged on net tax liability instead of gross tax liability retrospectively from 1<sup>st</sup> July 2017. (Amendment in Section 50 of CGST Act, 2017 by the Finance Act, 2021 has been notified by Notification No. 16/2021- Central Tax dated 1<sup>st</sup> June 2021.

### Tax deduction at source (TDS) :

- TDS @ 2%( CGST 1% and SGST @ 1%) of payment made if value of supply under a contract exceeds Rs. 2.5 lakh.
  - The TDS deducted should be deposited by the deductor by 10<sup>th</sup> of succeeding month
  - Certificate to be issued within 5 days from the date of payment.
  - TDS provisions are applicable in case of Government or notified supplier only.
- Note-** As per a notification no. 50/2018- Central Tax dated 13<sup>th</sup> September, 2018 provisions of "TDS (Section 51 of the CGST/SGST Act 2017) came into force from 1st October, 2018.

### Tax Collection at source (TCS) :

- TCS @ 1% CGST @0.50% and SGST@0.50%) or 1% IGST of net value of taxable supplies made through Electronic Commerce Operator by other suppliers where consideration is to be collected by the Electronic commerce operator.
- The "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.
- For example-** M/s. ABC Pvt. Ltd, a registered supplier is supplying goods through an E-commerce operator. It has made supplies of Rs. 1,00,00,000 in the month of June 2021 & the goods returned during that month were worth Rs. 15,00,000. Here, the net value of taxable supplies for TCS collection will be Rs. 85,00,000 and TCS @ 1%, i.e. Rs. 85,000 will be deducted by the e-commerce operator. The final payment to be made by E-commerce operator to the supplier is Rs. 84,15,000.
- The amount collected shall be paid to Government within 10 days of subsequent month.

Failure to submit the required information within 15 working days of the date of service of notice served to an e-commerce operator will cause penalty under Section 52 (14) of the CGST Act upto Rs. 25,000. In addition to this, penalty under section 122 of the CGST Act 'shall' be imposed for failure to collect TCS or under collection of the amount of TCS or failure to pay to the Government the amount collected as TCS, of Rs. 10,000 or the amount of TCS involved, whichever is higher).

### GST Returns and due dates for filing of return :

Assessee	Particulars	Form No.	Due Date
All registered persons except composition taxpayer, ISD, NRI, TDS Deductor and TCS Collector	Monthly summary return	GSTR-3B	Aggregate Turnover upto 5 Crore in preceding financial year & Opted for QRMP (Quarterly Return & Monthly payment) Scheme-
			Category A States- 22 <sup>nd</sup> day of month succeeding the quarter
			Category B States- 24 <sup>th</sup> day of month succeeding the quarter (Quarterly Return)
			Aggregate Turnover upto Rs. 5 Crore in preceding financial year but not opted for QRMP-
			20 <sup>th</sup> day of next month (Monthly return)



			Aggregate Turnover exceeding Rs. 5 Crore in preceding financial year-  20 <sup>th</sup> day of next month (Monthly return)
<b>Normal / Regular Taxpayer</b>	Details of outward supplies	GSTR-1	Aggregate Turnover upto 5 Crore in preceding financial year & Opted for QRMP (Quarterly Return & Monthly payment) Scheme-  13 <sup>th</sup> day of month succeeding the quarter Aggregate Turnover upto 5 Crore in preceding financial year but not opted for QRMP-  11 <sup>th</sup> day of next month Aggregate Turnover exceeding 5 Crore in preceding financial year-  11 <sup>th</sup> day of next month
<b>Details of inward supplies of taxable goods or services or both claiming input tax credit</b>	Inward Supplies	GSTR-2	15 <sup>th</sup> of the next month (Deferred)
<b>Normal / Regular Taxpayer</b>	Monthly return [periodic]	GSTR-3	20 <sup>th</sup> of the next month (Deferred)
<b>For registered persons opting for composition levy</b>	Return by composition Tax payers	CMP-08	18 <sup>th</sup> of the month succeeding the quarter (Quarterly return)
		GSTR-4	30 <sup>th</sup> April following the end of a financial year (Annually)
<b>Non-Resident taxable person</b>	Return by non-resident tax payers [foreigners]	GSTR-5	Within 20 days of the end of calendar month or within 7 days after the last day of the period of registration specified in section 27(1) whichever is earlier
<b>Online information and database access or retrieval services (OIDAR)</b>	Monthly Return by OIDAR (supply to a person other than a registered person i.e., online non taxable recipient)	GSTR-5A	20 <sup>th</sup> of the next month
<b>Input Service Distributor (ISD)</b>	Monthly Return by input service distributors	GSTR-6	13 <sup>th</sup> of the next month
<b>Tax Deductor</b>	Monthly Return for TDS	GSTR-7	10 <sup>th</sup> of the next month
<b>E-commerce operator under section 52 (TCS Collector)</b>	Monthly Return for TCS	GSTR-8	10 <sup>th</sup> of the next month
<b>Normal tax payer (other than casual tax payer)</b>	GST Annual Return	GSTR-9	31 <sup>st</sup> December of next FY  FY 2020-21: Optional for taxpayers having aggregate turnover upto Rs. 2 crores
<b>Composition Taxpayer</b>	GST Annual Return	GSTR-9A	31 <sup>st</sup> December of next FY  FY 2020-21: Optional for taxpayers having aggregate turnover upto Rs. 2 crores
<b>Normal tax payer having aggregate turnover of more than Rs. 2 crores</b>	Reconciliation Statement with self certificate with effect from FY 2020-21	GSTR-9C	31 <sup>st</sup> December of the next Financial Year  FY 2020-21: Required for tax payer having aggregate turnover of more than 5 crores



<b>Taxable Person whose registration has been cancelled</b>	Final Return	GSTR-10	Within 3 months of the date of cancellation or date of order of cancellation, whichever is later.
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**Notes :**

- No tax to be paid on advance receipt of money for supply of Goods.
- Category A States-**  
Taxpayers whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.
- Category B States-**  
Taxpayers whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.

**Late Fees for delay in filing GST Returns (fails to furnish form GSTR-1, GSTR-3B etc. within the due dates) :**

Return Type	Applicable Late Fees	Maximum Late Fees								
<b>GSTR-3B</b>	<p><u>In case of Nil Tax Liability:</u> Rs. 20 per day (Rs. 10 each under CGST &amp; SGST)</p> <p><u>For others:</u> Rs. 50 per day (Rs. 25 each under CGST &amp; SGST)</p>	<p>Rs. 10,000 per return (Rs. 5,000 each under CGST &amp; SGST)</p> <p>However the maximum late fees has been rationalized w.e.f. june'21 return as under:</p> <p><b><u>Taxpayers with Nil Tax Liability</u></b> Max Late Fees- Rs. 500 per return</p> <p><b><u>For Other Taxpayers</u></b></p> <table><tr><th>Category of taxpayer</th><th>Max Late Fees</th></tr><tr><td><b>Turnover upto 1.5 Cr in preceding FY</b></td><td>Rs. 2000</td></tr><tr><td><b>Turnover between 1.5 Cr to 5Cr (PFY)</b></td><td>Rs. 5000</td></tr><tr><td><b>Turnover exceeding 5 Cr (PFY)</b></td><td>Rs. 10000</td></tr></table>	Category of taxpayer	Max Late Fees	<b>Turnover upto 1.5 Cr in preceding FY</b>	Rs. 2000	<b>Turnover between 1.5 Cr to 5Cr (PFY)</b>	Rs. 5000	<b>Turnover exceeding 5 Cr (PFY)</b>	Rs. 10000
Category of taxpayer	Max Late Fees									
<b>Turnover upto 1.5 Cr in preceding FY</b>	Rs. 2000									
<b>Turnover between 1.5 Cr to 5Cr (PFY)</b>	Rs. 5000									
<b>Turnover exceeding 5 Cr (PFY)</b>	Rs. 10000									
<b>GSTR-1</b>	<p><u>In case of Nil Outward Supplies:</u> Rs. 20 per day (Rs. 10 each under CGST &amp; SGST)</p> <p><u>For others:</u> Rs. 50 per day (Rs. 25 each under CGST &amp; SGST)</p>	<p>Rs. 10,000 per return (Rs. 5,000 each under CGST &amp; SGST)</p> <p>However the maximum late fees has been rationalized w.e.f. june'21 tax period as under:</p> <p><b><u>Taxpayers with Nil Outward Supply</u></b> Max Late Fees- Rs. 500 per return</p> <p><b><u>For Other Taxpayers</u></b></p> <table><tr><th>Category of taxpayer</th><th>Max Late Fees</th></tr><tr><td><b>Turnover upto 1.5 Cr in preceding FY</b></td><td>Rs. 2000</td></tr><tr><td><b>Turnover between 1.5 Cr to 5Cr (PFY)</b></td><td>Rs. 5000</td></tr><tr><td><b>Turnover exceeding 5 Cr (PFY)</b></td><td>Rs. 10000</td></tr></table>	Category of taxpayer	Max Late Fees	<b>Turnover upto 1.5 Cr in preceding FY</b>	Rs. 2000	<b>Turnover between 1.5 Cr to 5Cr (PFY)</b>	Rs. 5000	<b>Turnover exceeding 5 Cr (PFY)</b>	Rs. 10000
Category of taxpayer	Max Late Fees									
<b>Turnover upto 1.5 Cr in preceding FY</b>	Rs. 2000									
<b>Turnover between 1.5 Cr to 5Cr (PFY)</b>	Rs. 5000									
<b>Turnover exceeding 5 Cr (PFY)</b>	Rs. 10000									
<b>GSTR-4</b>	<p><u>In case of Nil Tax Liability:</u> Rs. 20 per day (Rs. 10 each under CGST &amp; SGST)</p>	<p>Rs. 10,000 per return (Rs. 5,000 each under CGST &amp; SGST)</p>								



	For others: Rs. 50 per day (Rs. 25 each under CGST & SGST)	However the maximum late fees has been rationalized w.e.f. FY 2020-21 as under: <table><tr><th>Category of Taxpayers</th><th>Max Late Fees</th></tr><tr><td>Taxpayers with Nil Tax Liability</td><td>Rs. 500 per return</td></tr><tr><td>Other taxpayers</td><td>Rs. 2000 per return</td></tr></table>	Category of Taxpayers	Max Late Fees	Taxpayers with Nil Tax Liability	Rs. 500 per return	Other taxpayers	Rs. 2000 per return
Category of Taxpayers	Max Late Fees							
Taxpayers with Nil Tax Liability	Rs. 500 per return							
Other taxpayers	Rs. 2000 per return							
GSTR-7-TDS return	Rs. 200 per day (Rs. 100 each under CGST & SGST)  Late Fees to be reduced to Rs. 50 per day with effect from June'21 tax period.	Rs. 10,000 per return (Rs. 5,000 each under CGST & SGST)  Maximum late fees reduced to Rs. 2,000 (Rs. 1,000 each in CGST & SGST per return with effect from June'21.						
GSTR-9-Annual Return	Rs. 200 per day (Rs. 100 each in CGST & SGST)	0.50% of the turnover (0.25% each under CGST & SGST)						

## Input Tax Credit (Section 16 – 22) :

### Eligibility and conditions for taking ITC:

Eligibility to avail ITC by the recipient	<ul style="list-style-type: none"> <li>•Entitled to take ITC on any inward supply used or intended to be used in the course or furtherance of business</li> <li>•ITC can be availed on the basis of a taxpaying document.</li> </ul>
Conditions to be satisfied for availing ITC by the recipient	<ul style="list-style-type: none"> <li>•Must be in possession of a Tax Invoice / Debit Note or prescribed tax paying document</li> <li>•Must have received the goods / services directly or on direction of recipient received by any other person</li> <li>•Tax charged has been paid to the government by the supplier</li> <li>•Recipient must have filed its return.</li> </ul>
Other Conditions and time-lines for availing ITC	<ul style="list-style-type: none"> <li>•where goods received in lots or installments, entitled to take ITC on receipt of last lot or installment.</li> <li>•ITC can't be availed where depreciation has been claimed on tax component.</li> <li>•No ITC can be claimed beyond due date for furnishing return for the month of September of the following Financial Year to which invoice pertains or date of filing of annual return, whichever is earlier.</li> </ul>

### Notes :

- (1) Finance Act 2021 has added one more condition in order to be eligible to avail ITC under section 16(2) that the details of the tax invoice or debit note has been furnished by its supplier in its GSTR-1 (w.e.f. a date yet to be notified).
- (2) In case of failure to make payment to the supplier within 180 days from issue of invoice, ITC availed to the extent of the unpaid amount and Interest @ 18% will be added to output tax liability.  
Recipient will be entitled to re-avail such ITC once he makes the payment to the supplier. (No cut-off time limit has been prescribed for re-availment of such ITC)



- (3) Documents on the basis of which credit can be availed are:
- Invoice issued by a supplier of goods or services or both
  - Invoice issued by recipient along with proof of payment of tax
  - A debit note issued by supplier
  - Bill of entry or similar document prescribed under the Customs Act
  - Revised invoice
  - Document issued by Input Service Distributor

## E-Invoice :

- E-invoice is a system in which all B2B invoices are electronically uploaded and authenticated by the designated portal. After a successful authentication, a unique Invoice Reference Number (IRN) is generated for each invoice by Invoice Registration Portal (IRP). Along with IRN, each invoice is digitally signed and added with QR Code. This process is collectively called as e-invoicing under GST.
- **E-Invoicing Compulsory for persons with aggregate turnover in any preceding financial year from FY 2017-18 onwards exceeding Rs. 500 crore with effect from 1st October 2020.**
- **E-Invoicing Compulsory for persons with aggregate turnover in any preceding financial year from FY 2017-18 onwards exceeding Rs. 100 crore with effect from 1st January 2021 and Rs. 50 Crore with effect from 1st April 2021.**

## Dynamic QR Code :

- Quick Response Code (i.e. QR code) is a type of two-dimensional bar code. QR code is applied to the items/ invoices for presenting information in the machine-readable format.
- QR Code is required, inter-alia, to contain the information namely Supplier GSTIN number, Supplier UPI ID, Payee's Bank A/C number, and IFSC, Invoice number & invoice date, Total Invoice Value and GST amount along with breakup i.e. CGST, SGST, IGST, CESS, etc. Further, a Dynamic QR Code should be such that it can be scanned to make a digital payment.
- QR Code is applicable to a tax invoice issued to an unregistered person by a registered person (B2C invoice) whose annual aggregate turnover exceeds Rs.500 Crores in any of the financial years from 2017-18 onwards.
- QR Code is effect from 1st December 2020. However vide Notification No. 06/2021- Central Tax, dated 30<sup>th</sup> March 2021, penalty has been waived for non-compliance of the provisions of QR Code for the period from 1st December, 2020 to 30<sup>th</sup> June, 2021, subject to the condition that the said person complies with the said provisions from 1st July, 2021

## Apportionment of credits :

ITC is restricted to so much of ITC as is attributable for the purpose of business and only on those inward supplies which are used to make taxable (including Zero rated) and exempted outward supplies.

Note- Where, value of exempt supplies shall –

- include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities;
- not include transactions listed under Schedule III (Transactions which are treated “neither as a supply of goods nor a supply of services”) except sale of Land and Completed Building.

Thus, no credit would be required to be reversed for engaging in transactions referred under Schedule III except sale of Land and Completed Building, though no GST is paid on such transactions.



**Restriction on availment of ITC under Rule 36(4):**

ITC to be availed by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers under section 37(1) in Form GSTR-1 or using IFF, shall not exceed 5% of the eligible credit available in respect of invoices or debit notes the details of which have been furnished by the suppliers under section 37(1) of the CGST Act in Form GSTR-1 or using IFF.

(This condition will apply cumulatively for the period April, May and June, 2021 and the return in FORM GSTR-3B for the tax period June, 2021 or quarter ending June, 2021, as the case may be, is to be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above)

**Section 17(5) Blocked Credit :**

ITC in respect of Motor Vehicles and other conveyances	
Goods/ Services used for Personal Consumption	
Specified Goods/ Services (Except few exceptions)	<ul style="list-style-type: none"><li>• Food &amp; Beverages</li><li>• Outdoor Catering</li><li>• Beauty Treatment</li><li>• Health Services</li><li>• Cosmetic and Plastic Surgery</li><li>• membership of a club, health and fitness centre</li><li>• leave or home travel concession extended to employees.</li></ul>
Situation based	<ul style="list-style-type: none"><li>• Goods lost, stolen, destroyed or written off</li><li>• Goods disposed of by way of gift or free samples</li></ul>
Tax paid in accordance with sections 74, 129 and 130	
works contract services for construction of imm. property	<ul style="list-style-type: none"><li>• works contract services when supplied for construction of an immovable property (other than plant and machinery)</li><li>• Exception- where it is an input service for further supply of works contract service</li><li>• "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property</li></ul>
Goods or services for construction of immovable property	<ul style="list-style-type: none"><li>• goods or services received for construction of an immovable property (other than plant or machinery) on own account</li><li>• "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property</li></ul>

**Detailed explanation of above blocked credit provisions :**

- Section 17(5) overrides sections 16(1) and 18(1) of the CGST Act.
- **Section 17(5)(a), (aa) and (ab):**
  - (a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—
    - (A) further supply of such motor vehicles; or
    - (B) transportation of passengers; or
    - (C) imparting training on driving such motor vehicles;
  - (aa) vessels and aircraft except when they are used—
    - (i) for making the following taxable supplies, namely :
      - (A) further supply of such vessels or aircraft; or
      - (B) transportation of passengers; or
      - (C) imparting training on navigating such vessels; or
      - (D) imparting training on flying such aircraft;
    - (ii) for transportation of goods;
  - (ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):
 

**Provided** that the input tax credit in respect of such services shall be available—

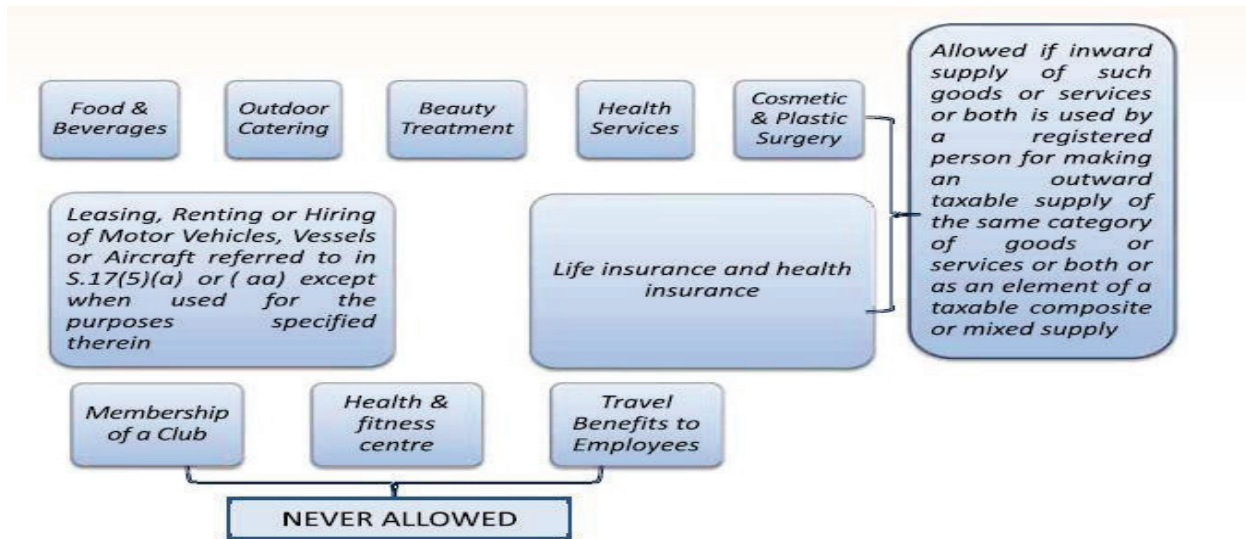
    - (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;
    - (ii) where received by a taxable person engaged—
      - (I) in the manufacture of such motor vehicles, vessels or aircraft; or
      - (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;

**Summary :**

Category of Service	MV with seating capacity of 14 or more	MV with seating capacity of 13 or less*	
		For Re-sale etc.	Other Use
Credit on MV	Available	Available	Not Available
Credit on repair, insurance, servicing etc.	Available	Available	Not Available
Credit on Renting, Leasing or Hiring	Available	Available	Not Available

\*Similar conditions prescribed for Aircraft and Vessel. Additionally, Aircraft and Vessel used for transport of goods will also be eligible purchases for taking credit.

- **Section 17(5)(b)-** In the certain specified cases, credit is blocked unless they are used in making a further outward supply as such or as an element of a composite or mixed supply.  
 Note- For all the below entries in Section 17(5)(b) of the CGST Act, the input tax credit will be available in respect of goods or services where it is obligatory for an employer to provide the same to its employees under any law.



• **Section 17(5)(c) and (d)- Construction of Immovable Property (other than plant & machinery)**

ITC Not Available
➤ Works Contract Services, except where it is an input service for further supply of works contract service
➤ Goods or services received by a taxable person for construction of an immovable property on his own account even when used in course or furtherance of business

**“Construction”** includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property. Please note that ‘alterations’ and ‘repairs’ are also included in this definition if capitalized

• **Section 17(5)(e),(f) and (g):**

No ITC is available in case of Goods or services or both
➤ on which tax has been paid under Section 10 i.e. Composition Scheme
➤ received by a non-resident taxable person except on goods imported by him
➤ received by a registered person for Personal consumption

- **Section 17(5)(h)-** Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples
- **Section 17(5)(i)-** any tax paid in accordance with the provisions of sections 74, 129 and 130 of the CGST Act

**Manner of utilization of ITC :**

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily			
Central tax	(V)	(IV)	Not permitted
State tax / Union	(VII)	Not permitted	(VI)

- As per newly inserted section 49A of the CGST Act, ITC on account of CGST and SGST can be utilised towards payment only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.



- Rule 88A of the CGST Rules read with Circular No. 98/17/2019-GST, dated 23.04.2019 provides that balance of IGST credit after payment of IGST liability can be utilised in any order and in any proportion for payment of SGST or CGST liability.
- Section 49 (e) and (f) prohibit utilization of CGST/SGST or UTGST credit towards payment of SGST or UTGST/CGST respectively.

In Brief:

Credit of	Liability for:		
	IGST	CGST	SGST
IGST	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (2)
CGST	<input type="checkbox"/> (2)/ (3)	<input type="checkbox"/> (1)	NA
SGST	<input type="checkbox"/> (2)/ (3)	NA	<input type="checkbox"/> (1)

### Time of Supply (section 12 & 13) :

The liability to pay tax on goods or services arises at the time of supply, determined as under :

Concept	Supply	Invoice	Payment	Time of Supply
<b>A. Supply of goods</b>				
<b>Forward Charge</b>	Date of removal (Except Goods sent on approval basis)	Date of issue of Invoice	Earlier of date of Receipt of payment in bank account or date of entry in books of accounts	Whichever is earlier
<p>Note- In respect of supply of goods by normal registered persons (other than composition taxpayers), the time of supply will be issue of invoice or last date by which invoice has to be issued in terms of Section 31 [including in the situations attracting the provisions of section 14 of the CGST Act (Change in Rate of Tax)].</p> <p>All taxpayers except composition taxpayers are exempted from paying GST at the time of receipt of advance in relation to supply of goods.</p> <p style="text-align: right;">[vide Notification No. 66/2017-C.T., dated 15-11-2017]</p>				
<b>Reverse Charge</b>	Date of Receipt of good	Date immediately following 30 days from date of issue of invoice or other Document	Earlier of date of Entry in books of account or date of debit in bank account	Whichever is earlier
<b>B. Supply of services</b>				
<b>Forward Charge (where invoice issued within time limit)</b>		Date of issue of invoice, if invoice issued within 30 days	Earlier of date of credit in bank or date of entry in books	Whichever is earlier
<b>Forward Charge (where invoice not issued within time limit)</b>	Date of provision of service	-	Earlier of date of credit in bank or date of entry in books	Whichever is earlier
<b>Where time of supply is not identifiable above</b>	NA	NA	NA	Date of entry of services in books of account of



				recipient
<b>Reverse Charge</b>		Date immediately following 60 days from date of issue of invoice or other document	Earlier of date of Entry in books of account of the recipient or date on which the payment is debited in bank account	Whichever is earlier
<b>Where time of supply is not identifiable above</b>	NA	NA	NA	Date of entry of services in books of account of recipient
<b>Supply by associated enterprises, where the supplier of service is located outside India</b>			Earlier of the date of entry in the books of account of the recipient of supply or the date of payment	Whichever is earlier
<b>C. Supply of vouchers by a supplier</b> <ul style="list-style-type: none"> <li>the date of issue of voucher, if the supply is identifiable at that point; or</li> <li>the date of redemption of voucher, in all other cases.</li> </ul>				
<b>D. Interest, late fee or penalty for delayed payment of any consideration</b> <ul style="list-style-type: none"> <li>Date on which the supplier actually receives such Interest, late fee or penalty.</li> </ul>				
<b>E. Residuary Provision :</b> <b>If it is not possible to determine the time of supply under A to D above, then time of supply shall-</b> <ul style="list-style-type: none"> <li>in a case where a periodical return has to be filed, be the date on which such return is to be filed; or</li> <li>in any other case, be the date on which the tax is paid.</li> </ul>				

### Determination of Time of Supply in case of Change in Rate of Tax (Section 14) :

Issue of Invoice (1)	Receipt of Payment (2)	Time of Supply	Applicable rate (3)
<b>Where Goods or services or both have been supplied before the change in rate of Tax</b>			
After	After	Date of Invoice/ receipt of payment whichever is earlier	New Tax Rate
Before	After	Date of Invoice	Old Tax Rate
After	Before	Date of receipt of payment	Old Tax Rate
<b>Where Goods or services or both have been supplied after the change in rate of tax</b>			
Before	After	Date of receipt of payment	New Tax Rate
Before	Before	Date of Invoice/ receipt of payment whichever is earlier	Old Tax Rate
After	Before	Date of Invoice	New Tax Rate

Note- The date of receipt of payment shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account (if such credit in the bank account is after four working days from the date of change in the rate of tax), whichever is earlier.



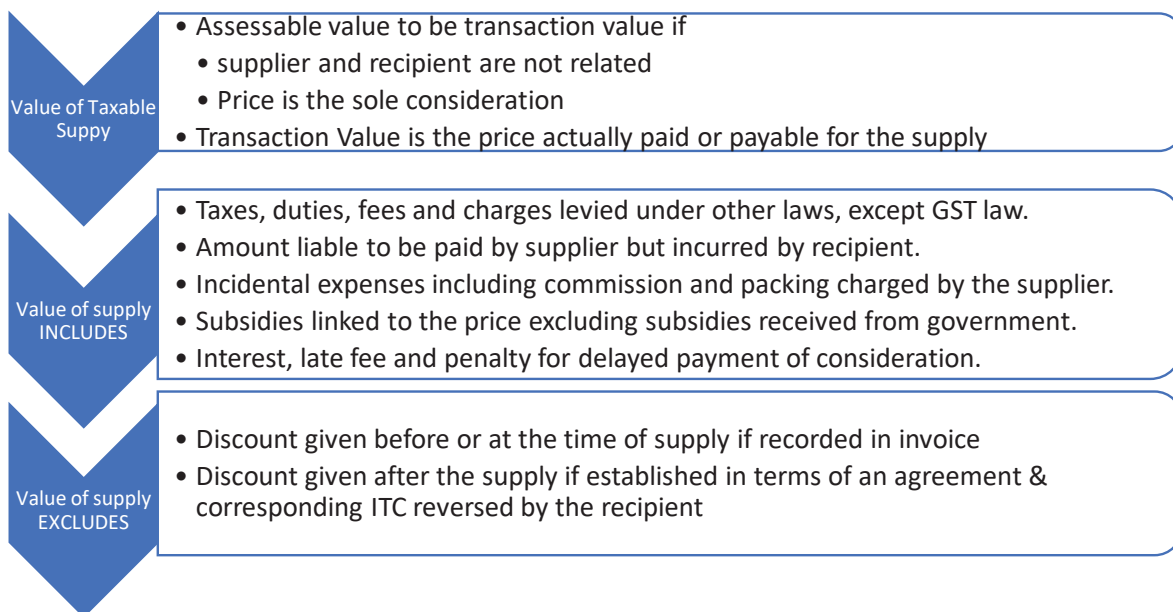
## Valuation Mechanism (Section-15):

Section-9 mandates charge of GST on the value determined under section 15. Section 15(1) provides that the value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

**Definition of related person:** Persons shall be deemed to be **“related person”** if-

- i. such persons are officers or directors of one another's businesses;
- ii. such persons are legally recognised partners in business;
- iii. such persons are employer and employee;
- iv. any person directly or indirectly owns, controls or holds 25% or more of the outstanding voting stock or shares of both of them;
- v. one of them directly or indirectly controls the other;
- vi. both of them are directly or indirectly controlled by a third person;
- vii. together they directly or indirectly control a third person; or
- viii. they are members of the same family

### Summary of valuation provisions are as under:



## IMPORTS & EXPORTS IN GST :

### Import of Goods :

- Import of Goods means bringing goods into India from a place outside India.
- Goods which are imported into India shall, in addition to the Basic Customs duty, be liable to IGST at such rate as is leviable under the Custom Tariff Act, 1975 on similar goods on its supply in India.
- Value of Goods = Assessable value + Customs Duty + Any other duty
- Place of supply of goods = Location of the Importer.

The Central Government vide Notification No.52/2003-Customs dated 31.03.2003 as amended interalia provides that, goods when imported by EOU's are exempt from integrated tax and compensation cess as well leviable



thereon under sub-sections (7) and (9), respectively of section 3 of the Customs Tariff Act upto 1st April, 2022 (Notification No. 78/2017-Cus., dated 13-10-2017 read with Notification No. 19/2021-Cus., dated 30-3-2021).

### Import of Services :

Import of services refers to supply of any service where

- the supplier is located outside India,
- the recipient is located in India, and
- the place of supply of service is in India.

Consideration & Business test for qualifying import of services as a supply:

Nature of Service	Consideration	Business Test
Import of services	Necessarily Required	Not required
Import of services by a taxable person from a related person or from a distinct person	Not required	Necessarily Required

### Exports of Goods

- Export of goods meaning taking goods out of India to a place outside India.
- Exports and supplies to SEZ developer or unit are considered as 'zero rated supply' on which no tax is payable.
- However, ITC is allowed, subject to such conditions, safeguards and procedure as may be prescribed, and refunds in respect of such supplies may be claimed by following either of these options:
  - a. Supply made without the payment of IGST under Bond/LUT and claim refund of unutilized ITC or
  - b. Supply made on payment of IGST and claim refund of the same.

Place of supply of goods	Location outside India
Place of supply of Services	Location of the recipient of service. (If not available in the ordinary course of business then: The location of the supplier of service)

### Levy of GST (Section 9 of CGST Act & Section 5 of IGST Act) :

- CGST to be levied on all intra-State supplies of goods or services (Section-9 of CGST Act)
- IGST to be levied on all inter-State supplies of goods or services (Section-5 of IGST Act)

### Determination of supply of goods/ Services as Inter-State supply (Section 7 of IGST Act) :

- Supply of Goods/ Services will be in the course of **Inter-state supply** where the location of the supplier and the place of supply are in
  - a) 2 different States
  - b) 2 different Union territories
  - c) A State and a Union territories

### Specific Inclusions :

- Supply of goods **in the course of import**, till they cross the customs frontiers of India;
- Supply of **services in the course of import**;
- Supply when **place of supply is outside India** but supplier is in India (Export);





- Supply to or by a **SEZ developer** or an SEZ unit;
- **Residuary supply**: Any supply in the taxable territory and which is **not an intra-State supply**;

### **Determination of supply of goods and/ or services as Intra-State supply (Section 8 of IGST Act):**

CRITICAL factors: Where the below 2 are in SAME STATES / UNION TERRITORIES

- Location of the supplier and
- Place of supply determined under sections 10, 11, 12 or 13 of IGST Act.

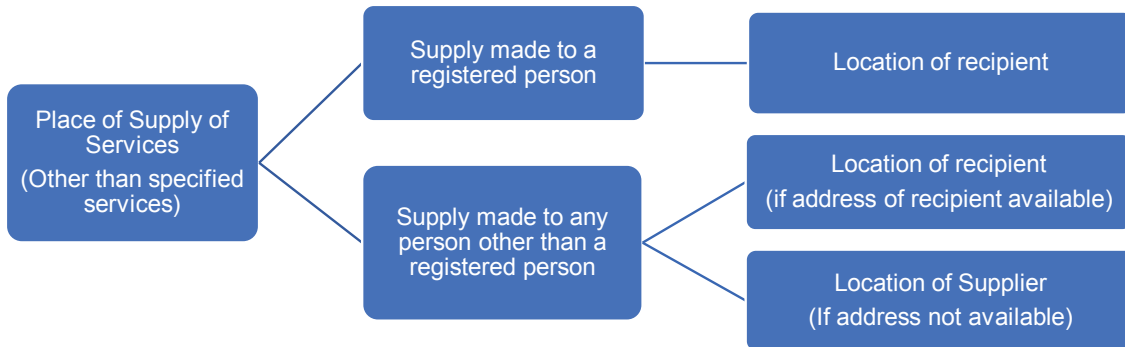
Specific EXCLUSIONS:

- Supply to or by a **SEZ developer** or an SEZ unit;
- Importation of goods till they cross the customs frontiers of India;
- Supplies made to a Tourist (Sec- 15) (Refund of IGST to Tourists).

### **Place of Supply (Section- 10 to 13 of IGST Act) :**

PLACE OF SUPPLY OF GOODS (OTHER THAN GOODS IMPORTED INTO OR EXPORTED OUT OF INDIA)	
Description of supply	Place of supply
<b>Movement of goods by the supplier or recipient</b>	location of the goods at the time at which the movement of goods terminates for delivery to the recipient
<b>Goods are supplied by transfer of Document during movement of goods (on the direction of third person)</b>	Principal place of business of third person on whose direction Goods where supplied to another person
<b>There is no movement of goods either by the supplier or by the recipient</b>	location of goods at the time of the delivery to the recipient
<b>Where goods are assembled or installed at site</b>	place of such installation or assembly
<b>Where the goods are supplied on board a conveyance like vessel, aircraft, train etc</b>	location at which such goods are taken on board

PLACE OF SUPPLY OF GOODS (GOODS IMPORTED INTO OR EXPORTED OUT OF INDIA)	
Description of supply	Place of supply
<b>Goods imported into India</b>	Location of the Importer
<b>Goods exported out of India</b>	Location outside India

**PLACE OF SUPPLY OF SERVICES****(where the location of supplier and the location of the recipient of services is in India)**

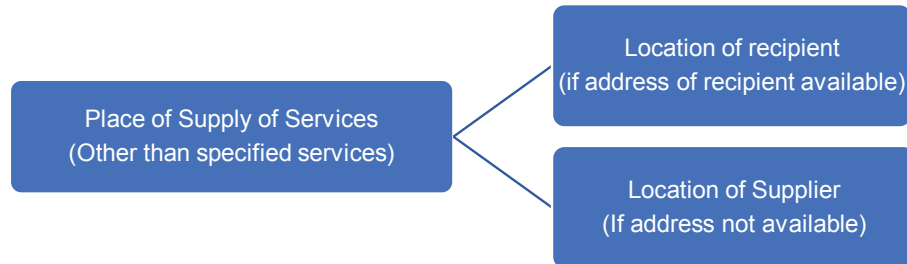
Note - Unless covered in any of the below specific provision, Place of supply will be determined on the basis of general rule above.

**PLACE OF SUPPLY OF SPECIFIED SERVICES****(where the location of supplier and the location of the recipient of services is in India)**

Sr.	Description of Supply	Place of Supply
1.	Services directly in relation to immovable property including hotel accommodation	Location at which the immovable property or boat or vessel is located or intended to be located  If located outside India: Location of the recipient.  Where the immovable property or boat or vessel is located in more than one State or Union territory: Proportionate value in case of multiple State(s) or Union territory (ies) – Refer contract or agreement if any otherwise Rule 4 of the Integrated Goods and Services Tax Rules ("the IGST Rules").
2.	Restaurant and catering services, personal grooming, fitness, beauty treatment etc.	Location where the services are actually performed.
3.	Training and performance appraisal	B2B: Location of such Registered Person B2C: Location where the services are actually performed
4.	Admission to an event or amusement park or any other place and services ancillary thereto,	Place where the event is actually held or where the park or the other place is located
5.	Organisation of an event	B2B: Location of such Registered person B2C: Location where the event is actually held If the event is held outside India: Location of the recipient  Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event: Proportionate value in case of multiple State(s) or Union territory(ies) – Refer contract or agreement if any, otherwise Refer Rule 5 of the IGST Rules



6.	Transportation of goods, including by mail or courier	<p>B2B: Location of such Registered Person B2C: Location at which such goods are handed over for their transportation</p> <p>Further, where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods</p>
7.	Passenger transportation service	<p>B2B: Location of such Registered Person B2C: Place where the passenger embarks on the conveyance for a continuous journey</p>
8.	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9.	Telecommunication services	<ul style="list-style-type: none"><li>• Services involving fixed line, circuits, dish etc., and place of supply is the location of such fixed equipment</li><li>• In case of mobile/ Internet post-paid services, it is the location of billing address of the recipient.</li><li>• In case of mobile connection/ Internet services, DTH-prepaid through selling agent/re-seller/distributor, place of supply shall be address of the selling agent/reseller/ distributor as per the records of the supplier at the time of supply. In case of sale of pre-paid voucher, the place of supply is the place of sale of such vouchers.</li><li>• In other cases, it is the address of the recipient in records and where such address is not available on records of supplier, place of supply shall be location of supplier.</li><li>• If pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.</li></ul>
10.	Banking and other financial services including stock broking services	<p>Location of the recipient of services on the records of the supplier</p> <p>Location of the supplier of services if the location of the recipient of services is not available on the records of the supplier</p>
11.	Insurance services	<p>B2B: Location of such Registered Person B2C: Location of the recipient of services on the records of the supplier</p>
12.	Advertisement services to the Central Government, a State Government, a statutory body or a local authority	<p>The place of supply shall be taken as located in each of such States or Union territory(ies)</p> <p>Proportionate value in case of multiple State(s) or Union territory(ies) – Refer contract or agreement if any, otherwise Rule 3 of the IGST Rules</p>

**PLACE OF SUPPLY OF SERVICES**  
(where the location of supplier or the location of the recipient is outside India)

<b>PLACE OF SUPPLY OF SPECIFIED SERVICES</b> (where the location of supplier and the location of the recipient of services is in India)		
<b>Sr.</b>	<b>Description of Supply</b>	<b>Place of Supply</b>
1.	Services supplied in respect of goods which are required to be made physically available in order to provide the services	Location where the services are actually performed  When such services are provided from a remote location by way of electronic means- the location where goods are situated at the time of supply of services  (this clause shall not apply for services supplied in respect of goods temporarily imported into India for repairs and are exported after such repairs without being put to any use in India)
	Services supplied to an individual either as a recipient of services or a person acting on behalf of the recipient, which require physical presence for the supply of services	Location where the services are actually performed
2.	Services directly in relation to immovable property including hotel accommodation	Location at which the immovable property or boat or vessel is located or intended to be located.
3.	Services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events	Place where the event is actually held
4.	Where any services referred to in above 3 clauses is supplied at more than one location, including a location in the taxable territory	Location in the taxable territory
5.	Where any services referred to in above 3 clauses is supplied at more than one state	Proportionate amount attributable to service provided by way of dissemination in the respective state as per the contract.



6.	Services supplied by a banking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services
	Intermediary services	
	Hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
7.	Services of transportation of goods, other than by way of mail or courier	Place of destination of such goods
8.	Passenger transportation services	Place where the passenger embarks on the conveyance for a continuous journey
9.	Services provided on board a conveyance during the course of a passenger transport operation	First scheduled point of departure of that conveyance
10.	Online information and database access or retrieval services	Location of the recipient of services

### Reverse Charge Mechanism in GST:

- "Reverse Charge" means the liability to pay tax by the recipient of supply of goods or services instead of the supplier under section 9(3) or 9(4) of CGST Act.
- Under section 9(3), the government has notified certain categories of supply of goods or services, the tax on which is required to be paid on reverse charge basis by the recipient of such goods or services.
- ❖ Notification No. 4/2017-CT(Rate) as amended till date specifies the supply of goods, the tax on which is required to be paid on reverse charge basis by the recipient.
- ❖ Notification No. 13/2017-CT(Rate) as amended till date specifies the supply of services, the tax on which is required to be paid on reverse charge basis by the recipient.
- Under section 9(4), the government has notified a class of registered persons who is required to pay the tax on reverse charge basis in respect of supply of specified categories of goods or services received from an unregistered supplier.
- ❖ Notification No. 7/2019-CT (Rate) notified registered persons [Builders] who shall pay tax on reverse charge basis on certain specified supplies of goods or services or both received from an unregistered supplier.

#### Notified supply of goods (Tax is required to be paid on reverse charge basis by the recipient)

Sr.	HSN	Description of supply of Goods	Supplier of goods	Recipient of supply (Person liable to pay GST)
1.	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2.	1404 90 10	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3.	2401	Tobacco leaves	Agriculturist	Any registered person
4.	5004 to 5006	Silk yarn	Any person who manufactures silk yam from raw silk or silk	Any registered person



			worm cocoons for supply of silk yarn	
4A.	5201	Raw cotton	Agriculturist	Any registered person
5.	-	Supply of lottery	State Government, Union Territory or any local authority	Lottery distributor or selling agent.
6.	Any Chapter	Used vehicles, seized and confiscated goods, old and used goods, waste and scrap	Central Government, State Government, Union territory or a local authority	Any registered person
7.	Any Chapter	Priority Sector Lending Certificate	Any registered person	Any registered person

Notified supply of services (Tax is required to be paid on reverse charge basis by the recipient)			
Sl.	Category of Supply of Services	Supplier of service	Recipient of Service
1	<p>Supply of Services by a goods transport agency (GTA), who has not opted for forward charge by paying GST@12%, in respect of transportation of goods by road to—</p> <p>(a) any factory registered under Factories Act, 1948; or</p> <p>(b) any registered society; or</p> <p>(c) any co-operative society established by or under any law; or</p> <p>(d) any person registered under the GST; or</p> <p>(e) any body corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person:</p> <p><b>Exception-</b> The above entry is not applicable to services provided by a GTA, by way of transport of goods in a goods carriage by road, to,—</p> <p>(a) a Department or Establishment of the Central Government or State Government or Union territory; or</p> <p>(b) local authority; or</p> <p>(c) Governmental agencies,</p>	Goods Transport Agency (GTA)	<p>(a) Any factory registered under Factories Act, 1948; or</p> <p>(b) any registered society; or</p> <p>(c) any co-operative society established by or under any law; or</p> <p>(d) any person registered under the GST; or</p> <p>(e) any body corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person; located in the taxable territory.</p>



	which has taken registration under the CGST Act only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.		
2	<p>Services provided by an <b>advocate</b> by way of legal services, directly or indirectly.</p> <p><i>Explanation.</i>—"Legal service" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority.</p>	An advocate.	Any business entity located in the taxable territory.
3	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal.	Any business entity located in the taxable territory.
4	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person	Any body corporate or partnership firm located in the taxable territory.
5	<p>Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding,</p> <p>(1) renting of immovable property, and</p> <p>(2) services specified below—</p> <p>(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority;</p> <p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers.</p>	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory.
5A	Services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the GST	Central Government, State Government, Union territory or local authority	Any person registered under GST
5B	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional	Any person	Promoter.





	FSI) for construction of a project by a promoter.		
5C	Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.	Any person	Promoter.
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
7	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.
8	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	A banking company or a financial institution or a non-banking financial company, located in the taxable territory.
9	Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works to a music company, producer or the like.	Music composer, photographer, artist, or the like	Music company, producer or the like, located in the taxable territory.
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.	Author	Publisher located in the taxable territory subject to few exceptions:
10.	Supply of services by the members of Overseeing Committee to Reserve Bank of India	Members of Over-seeing Committee constituted by the Reserve Bank of India	Reserve Bank of India.
11.	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs).	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm.	A banking company or a non-banking financial company, located in the taxable territory.
12.	Services provided by business facilitator (BF) to a banking company	Business facilitator (BF)	A banking company, located in the taxable territory.
13.	Services provided by an agent of business correspondent (BC) to business correspondent (BC)	An agent of business correspondent (BC)	A business correspondent, located in the taxable territory.
14.	Security services (services provided by way of supply of security personnel) provided to a registered person:  <b>Provided</b> that nothing contained in this entry shall apply to,—	Any person other than a body corporate	A registered person, located in the taxable territory.



	<p>(i) (a) a Department or Establishment of the Central Government or State Government or Union territory; or (b) local authority; or (c) Governmental agencies;</p> <p>which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under section 51 of the said Act and not for making a taxable supply of goods or services; or</p> <p>(ii) a registered person paying tax under section 10 of the said Act.</p>		
15.	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6 per cent to the service recipient	Any body corporate located in the taxable territory.
16.	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.	Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI	Borrower i.e. a person who borrows the securities under the Scheme through an approved intermediary of SEBI.



## APPEALS AND REVISION :

### 1st Appeal & Revision Proceeding :

1st Appeal [Sec 107(1)]	<ul style="list-style-type: none"> <li>• By any person aggrieved by any decision or order of adjudicating authority</li> <li>• Within 3 months from the communication of decision/ order</li> <li>• Condonation of delay allowed for a further period of 1 month</li> </ul>
1st Appeal [Sec 107(2)]	<ul style="list-style-type: none"> <li>• By any subordinate officer on instructions of Commissioner- For the purpose of satisfying legality or propriety of the said order.</li> <li>• Within 6 months from the communication of decision/ order</li> <li>• Condonation of delay allowed for a further period of 1 month</li> </ul>
Revision [Sec 108]	<ul style="list-style-type: none"> <li>• By a revisional authority in case of an erroneous order passed by subordinate which is prejudicial to the interest of revenue</li> <li>• Within 3 years from the date of passing of the decision or order</li> </ul>

### Procedures to be followed in respect of 1st Appeal & Revision Proceeding :

Type of Appeal	Procedures
1 <sup>st</sup> Appeal [Sec 107(1)]	<ul style="list-style-type: none"> <li>• Person aggrieved by an order of the adjudicating authority can file appeal in <b>Form GST APL-01</b>, within 3 months (COD-1 month).</li> <li>• A certified copy of the decision or order appealed against is to be submitted within 7 days from the date of filing appeal.</li> <li>• Final acknowledgement indicating Appeal Number will be issued thereafter in <b>FORM GST APL-02</b>.</li> <li>• First appeal is to be made before the Commissioner (Appeals) where such decision or order is passed by the Additional or Joint Commissioner</li> <li>• First appeal is to be made before any officer not below the rank of Joint Commissioner (Appeals) where such decision or order is passed by the Deputy or Assistant Commissioner or Superintendent.</li> <li>• Pre-deposit- <ul style="list-style-type: none"> <li>✓ The full amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by appellant.</li> <li>✓ 10% of the disputed tax amount (Maximum- Rs. 25 Crore)</li> </ul> </li> <li>• On payment of aforesaid pre-deposit amount, the recovery proceedings for the balance amount will be deemed to be stayed.</li> <li>• Maximum 3 adjournment can be granted by the appellate authority.</li> </ul>
1 <sup>st</sup> Appeal [Sec 107(2)]	<ul style="list-style-type: none"> <li>• The Commissioner may direct his subordinate officer to apply to the First Appellate Authority in <b>Form GST APL-03</b> within 6 months (COD-1 month).</li> <li>• The said appeal can be filed for the purpose of satisfying the legality or propriety of the decision or order passed by an adjudicating authority.</li> <li>• A certified copy of the decision or order appealed against is to be submitted within 7 days from the date of filing appeal.</li> </ul>



	<ul style="list-style-type: none"><li>• Appeal is to be made before the Commissioner (Appeals) where such decision or order is passed by the Additional or Joint Commissioner</li><li>• Appeal is to be made before any officer not below the rank of Joint Commissioner (Appeals) where such decision or order is passed by the Deputy or Assistant Commissioner or Superintendent</li></ul>
Revision [Sec 108]	<ul style="list-style-type: none"><li>• Revisional Authority may call for and examine the record of any proceedings, and if he considers that any decision or order passed by an by any officer subordinate to him is erroneous insofar as it is prejudicial to the interest of revenue and is illegal or improper or has not taken into account certain material facts, he may stay the operation of such decision or order.</li><li>• Revisional Authority after making any further inquiry pass such order, as he thinks just and proper, including enhancing or modifying or annulling the decision or order passed by an by any officer subordinate to him.</li><li>• No revisional order can be passed if<ul style="list-style-type: none"><li>✓ the order has been subject to an appeal;</li><li>✓ the period specified for filing first appeal has not yet expired;</li><li>✓ more than 3 years have expired after the passing of the decision or order sought to be revised;</li><li>✓ order has already been revised at earlier instance;</li></ul></li></ul>

**Note-** Based on Honorable Supreme Court in its Suo Moto Petition (Civil) No. 3 of 2020 dated 23<sup>rd</sup> March 2020 as amended on 27<sup>th</sup> April 2021, the appeal before the first appellate authority where the due date falls after 15<sup>th</sup> March 2020 may be filed till the extended period of limitation as directed by the Supreme Court. GST Council in its press release dated 28<sup>th</sup> May 2021 for its 43<sup>rd</sup> meeting has also clarified on same

## 2nd Appeal/ Appeal before Appellate Tribunal :

2nd Appeal [Sec 112(1)]	<ul style="list-style-type: none"><li>• By any person aggrieved by an order passed by the First Appellate Authority or the revisional authority.</li><li>• Within 3 months from the communication of order.</li><li>• Delay can be condoned for 3 months.</li></ul>
2nd Appeal [Sec 112(3)]	<ul style="list-style-type: none"><li>• By any subordinate officer on instructions of Commissioner- for the purpose of satisfying legality or propriety of the said order</li><li>• Within 6 months from the communication of order.</li><li>• Delay can be condoned for 3 months.</li></ul>
Memorandum of Cross-Objection	<ul style="list-style-type: none"><li>• By the party against whom the appeal has been preferred.</li><li>• Within 45 days from the receipt of notice that an appeal has been preferred.</li><li>• Delay can be condoned for 45 days.</li></ul>

**Procedures to be followed in respect of Appeal before appellate tribunal :**

Type of Appeal	Procedures
2 <sup>nd</sup> Appeal [Sec 112(1)]	<ul style="list-style-type: none"><li>• Person aggrieved by an order passed against him by an appellate or revisional authority can file further appeal in <b>Form GST APL-05</b>, within 3 months (COD-3 month).</li><li>• A certified copy of the decision or order appealed against is to be submitted within 7 days from the date of filing appeal.</li><li>• Final acknowledgement indicating Appeal Number will be issued thereafter in <b>FORM GST APL-02</b>.</li><li>• Fees for filing of appeal is Rs. 1000 for every Rs. 1,00,000 of tax involved (Maximum- Rs. 25000).</li><li>• Pre-deposit-<ul style="list-style-type: none"><li>✓ The full amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by appellant.</li><li>✓ 20% of the disputed tax amount, in addition to 10% paid for filing first appeal (Maximum- Rs. 50 Crore)</li></ul></li><li>• On payment of aforesaid pre-deposit amount, the recovery proceedings for the balance amount will be deemed to be stayed.</li></ul>
2 <sup>nd</sup> Appeal [Sec 112(3)]	<ul style="list-style-type: none"><li>• The Commissioner may call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority for satisfying himself as to the legality or propriety of the said order.</li><li>• The Commissioner may direct any of his subordinate officers to apply to the Appellate Tribunal in <b>Form GST APL-07</b> within 6 months (COD-1 month).</li><li>• A certified copy of the decision or order appealed against is to be submitted within 7 days from the date of filing appeal.</li></ul>
Memorandum of Cross-Objection	<ul style="list-style-type: none"><li>• On receipt of notice that an appeal has been preferred before the appellate tribunal, the party against whom the appeal has been preferred may file, within 45 days of the receipt of notice, a memorandum of cross-objections. (COD-45 days)</li><li>• such memorandum is to be disposed of by the Appellate Tribunal, as if it were an appeal presented before it.</li></ul>

Note- It may be noted that no appellate tribunal has been constituted till date.

**Appeal to High Court & Supreme Court :****Appeal before High Court  
[Sec 117]**

- By any person aggrieved by an order passed by the state/ area bench of appellate tribunal where the case involves a substantial question of law.
- Within 180 days from the communication of order.
- Delay can be condoned by HC on sufficient cause.

**Appeal before Supreme  
Court [Sec 118]**

- By any person aggrieved by an order passed by the national/ regional bench of appellate tribunal.
- By any person aggrieved by any judgment or order passed by the High Court.

**Procedures to be followed in respect of Appeal before the High Court & Supreme Court:**

Type of Appeal	Procedures
Appeal before High Court	<ul style="list-style-type: none"> <li>• Person aggrieved by any order passed by the State Bench or Area Benches of the Appellate Tribunal may file an appeal to the High Court in <b>Form GST APL-08</b> within 180 days.</li> <li>• The High Court may admit such appeal, if it is satisfied that the case involves a <b>substantial question of law</b>.</li> <li>• Where the High Court is satisfied that a substantial question of law is involved in any case, it will formulate that question and the appeal shall be heard only on the question so formulated.</li> <li>• The High Court shall decide the question of law so formulated and deliver such judgment thereon.</li> <li>• The High Court may determine any issue which               <ul style="list-style-type: none"> <li>✓ has not been determined by the State Bench or Area Benches</li> <li>✓ has been wrongly determined by the State Bench or Area Benches</li> </ul> </li> </ul>
Appeal before Supreme Court	<ul style="list-style-type: none"> <li>• An appeal shall lie to the Supreme Court               <ul style="list-style-type: none"> <li>✓ from any order passed by the National Bench or Regional Benches of the Appellate Tribunal;</li> <li>✓ from any judgment or order passed by the High Court in an appeal, where the High Court certifies the case to be a fit one for appeal to the Supreme Court</li> </ul> </li> <li>• The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court will apply as they apply in the case of appeals from decrees of a High Court.</li> </ul>

**Non-appealable decisions and orders (Sec 121) :**

No appeal can be filed against any decision or order passed by an adjudicating authority if such decision or order passed relates to any one or more of the following matters:

- an order of the Commissioner or other authority empowered to direct transfer of proceedings from one officer to another officer;
- an order pertaining to the seizure or retention of books of account, register and other documents;
- an order sanctioning prosecution under this Act
- an order passed under section 80 with respect to payment of tax in instalments.

**Penalty in GST :**

Sr.	Nature of Default	Amount of Penalty
1	<p>Supplies any goods or services without issue of any invoice or issues an incorrect or false invoice</p> <p>Issues any invoice or bill without supply of goods or services</p> <p>Collects any amount as tax/ collects any tax in contravention of any provisions, but fails to pay the same to the Government beyond a period of 3 months</p> <p>Fails to deduct/ collect TDS/ TCS u/s 51/52, or short deducted/ collected TDS/ TCS, or fails to pay TDS/TCS so deducted/ collected to the government</p> <p>Takes or utilizes ITC without actual receipt of goods/services</p> <p>Fraudulently obtains refund of tax</p> <p>Takes or distributes ITC in contravention of section 20</p> <p>Falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax</p> <p>Fails to obtain registration when liable to be registered or furnishes any false information with regard to registration particulars</p> <p>Obstructs or prevents any officer in discharge of his duties</p> <p>Transports any taxable goods without the cover of specified documents</p> <p>Suppresses turnover leading to evasion of tax</p> <p>Fails to keep, maintain or retain books of account and other documents in accordance with the law</p> <p>Fails to furnish information or documents called for by an officer or furnishes false information or documents</p> <p>Supplies, transports or stores any goods which has reason to believe are liable to confiscation</p> <p>Issues any invoice or document by using the registration number of another registered person</p> <p>Tampers with, or destroys any material evidence or document</p> <p>Disposes off or tampers with any goods that have been detained, seized, or attached under the CGST Act.</p>	<p>Penalty will be Higher of-</p> <ul style="list-style-type: none"> <li>Rs. 10,000 or</li> <li>Following amount <ul style="list-style-type: none"> <li>✓ an amount equivalent to the tax evaded;</li> <li>✓ TDS not deducted/ short deducted/ not paid u/s 51;</li> <li>✓ TCS not collected/ short collected / not paid u/s 52</li> <li>✓ ITC availed of or passed on or distributed irregularly</li> <li>✓ refund claimed fraudulently</li> </ul> </li> </ul>
2	Any person who retains the benefit of following transaction, and at whose instance following transaction is conducted-	Penalty of an amount equivalent to the tax evaded or ITC availed of or passed on.





	<ul style="list-style-type: none"> <li>✓ supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice</li> <li>✓ issues any invoice or bill without supply of goods or services or both</li> <li>✓ takes or utilises ITC without actual receipt of goods or services</li> <li>✓ takes or distributes ITC in contravention of section 20</li> </ul>	
3	any registered person who supplies any goods or services on which any tax has not been paid or short-paid or erroneously refunded, or where ITC has been wrongly availed or utilized (Bonafide reasons)	Penalty will be Higher of- <ul style="list-style-type: none"> <li>• Rs. 10,000</li> <li>or</li> <li>• 10% of tax due</li> </ul>
4	any registered person who supplies any goods or services on which any tax has not been paid or short-paid or erroneously refunded, or where ITC has been wrongly availed or utilized (Malafide reasons)	Penalty will be Higher of- <ul style="list-style-type: none"> <li>• Rs. 10,000</li> <li>or</li> <li>• Tax due</li> </ul>
5	Any person who- <ul style="list-style-type: none"> <li>✓ aids or abets any of the offences specified in Section 122 (1);</li> <li>✓ acquires possession of, or in any way concerns himself in transporting etc. of any goods/ services which he knows or has reason to believe are liable to confiscation under CGST Act;</li> <li>✓ fails to appear before the officer on issuance of summon for appearance to give evidence or produce a document in an enquiry;</li> <li>✓ fails to issue invoice/ account for an invoice in accordance with the prescribed provisions</li> </ul>	Penalty up to Rs. 25,000
6	Fails to furnish an information return under section 150	Rs. 100 per day (Max Rs. 5000)
7	Fails to furnish statistics under section 151 or wilfully furnishes false information	Fine upto Rs. 10,000  Continuance offence- Further fine of Rs. 100 per day (Max Rs. 25000)
8	General Penalty on contravention of any of the provisions of CGST Act or any rules made thereunder for which no penalty is separately provided for	Penalty up to Rs. 25,000

### E-Way Bill provisions in GST:

E-way bill is an electronic document generated on the GST portal evidencing movement of goods.

Every registered person who **causes movement of goods** of **consignment value** exceeding Rs. 50,000—

- a. in relation to a supply; or
- b. for reasons other than supply; or
- c. due to inward supply from an unregistered person,

shall, before commencement of such movement, furnish information relating to the said goods in **Part A of FORM GST EWB-01** and a unique number will be generated on the said portal:



Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or a public conveyance, **by road**, the said person shall generate the e-way bill in **FORM GST EWB-01** electronically on the common portal after furnishing information in **Part B of FORM GST EWB-01**.

Where the goods are **transported by railways or by air or vessel**, the e-way bill shall be generated by the registered person, being the supplier or the recipient, who shall, either before or after the commencement of movement, furnish, on the common portal, the information in **Part B of FORM GST EWB-01**.

#### **Generation of E-way Bill :**

- An e-way bill has two Components-
  - Part A-** comprising of details of GSTIN of recipient, place of delivery (PIN Code), invoice or challan number and date, value of goods, HSN code etc. and reasons for transportation;
  - Part B-** comprising of transporter details (Vehicle number).
- Part A to be furnished by the person who is causing movement of goods of consignment value exceeding Rs. 50,000/- and part B (transport details) to be furnished by the person who is transporting the goods.
- Where the goods are transported by a registered person- whether as consignor or recipient, the said person will have to generate the e-way bill by furnishing information in part B.
- Where the e-way bill is not generated by registered person and the goods are handed over to the transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01.

#### **Exceptions to e-way bill requirement [are carved in Rule138 (14)]**

- (a) where the goods being transported are specified in Annexure to Rule 138 of the CGST Rules;
- (b) where the goods are being transported by a non-motorised conveyance;
- (c) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;
- (d) in respect of movement of goods within notified areas;
- (e) where the goods, other than de-oiled cake, being transported, are specified in the Schedule appended to notification No. 2/2017-Central tax (Rate) dated the 28 June, 2017 as amended from time to time;
- (f) where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel;
- (g) where the supply of goods being transported is treated as no supply under Schedule III of CGST Act;
- (h) where the goods are being transported under custom control—
  - (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
  - (ii) under customs supervision or under customs seal;
- (i) where the goods being transported are transit cargo from or to Nepal or Bhutan;
- (j) where the goods being transported are exempt from tax under specified notifications;
- (k) any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee;
- (l) where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail;
- (m) where empty cargo containers are being transported;
- (n) where the goods are being transported upto a distance of 20 kilometers from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is **accompanied by a delivery challan** as per rule 55 of CGST Rules; and
- (o) where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.



## Consequences of non-conformance to E-way bill rules

Penalty in case a taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents)- liable to a penalty of Rs. 10,000/- or tax sought to be evaded (wherever applicable) whichever is higher.

Further, section 129 of the CGST Act inter alia stipulates that, where any person transports any goods or stores any goods while they are in transit in contravention of the prescribed provisions, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released,-

- (a) on payment of penalty equal to 200% of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to 2% of the value of goods or Rs. 25,000, whichever is less, where the owner of the goods comes forward for payment of such penalty

(Substituted by the Finance Act, 2021, w.e.f. a date to be notified)

Prior to its substitution clauses (a) reads as under:

“on payment of the applicable tax and penalty equal to 100% of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to 2% of the value of goods or Rs. 25,000, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty

- (b) on payment of the penalty equal to 50% of the value of the goods or 200% of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to 5% of the value of goods or Rs. 25,000, whichever is less, where the owner of the goods does not come forward for payment of such penalty

(Substituted by the Finance Act, 2021, w.e.f. a date to be notified)

Prior to its substitution clauses (b) reads as under:

“on payment of the applicable tax and penalty equal to 50% of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to 5% of the value of goods or Rs. 25,000, whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty.”

- (c) upon furnishing a security equivalent to the amount payable under clause (a) or clause (b) in such form and manner as may be prescribed.

Note- CBIC vide Circular No. 41/15/2018-GST, dated 13-4-2018 as amended from time to time, provided the Procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances.



## THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

### Applicability:

It extends to the whole of India except the State of Jammu and Kashmir and is applicable to:

- every factory engaged in any industry specified in Schedule 1 in which 20 or more persons are employed.
- every other establishment employing 20 or more persons or class of such establishments that the Central Govt. may notify.
- any other establishment so notified by the Central Government even if employing less than 20 persons.

### Coverage of Employees:

Any person who is employed for wages in any kind of work of an establishment or employed through a contractor in or in connection with the work of an establishment and whose wages do not exceed Rs. 15000 p.m. However, an employee covered under the Act will continue to be covered under the Act even if his wages exceed Rs. 15,000 p.m. but will continue to get benefits as if his wages were Rs. 15,000 p.m. For an International Worker, wage ceiling of 15000/- is not applicable

#### Employee's Contribution

12 % of Basic pay. Entire Cont. of 12% goes to Employee PF A/c or 10% 10% rate is applicable for :-

- any establishment in which less than 20 employees are employed.
- Any sick industrial company and which has been declared as such by the Board for Industrial and Financial Reconstruction
- Any establishment which has at the end of any financial year, accumulated losses equal to or exceeding • its entire net worth and
- Any establishment in following industries:- • (a) Jute (b) Beedi (c) Brick ( d) Coir and (e) Guar gum Factories.

#### Employer's Contribution@ 12%

- 8.33% goes to Employer's Pension A/c
- 3.67% goes to Employer PF Cont. A/c
- 0.5% of Basic – EDLI
- .66% towards Admin charges as under:
  - .65% of Basic – PF Admin. Charges
  - 0.01% of Basic – EDLI Admin. Charges

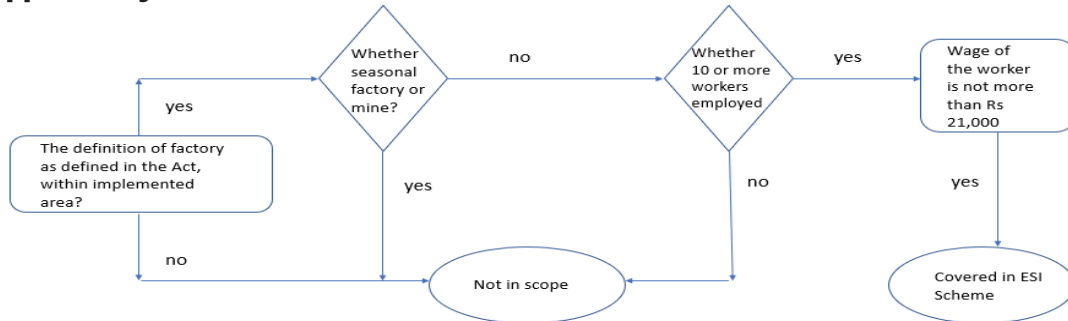
Note:-

1. Monthly payable amount under EPF Administrative charges @.65% is rounded to the nearest rupee and a minimum of Rs 500/- is payable. If the establishment has no contributory member in the month, the minimum administrative charge will be Rs 75/-
2. Monthly payable amount under EDLI Administrative charges @ .01% is rounded to the nearest rupee and a minimum Rs 200/- is payable. If the establishment has no contributory member in the month, the minimum administrative charge will be Rs 25/-
3. In case Establishment is exempted under PF Scheme, Inspection charges @0.18%, minimum Rs 5/- is payable in place of Admin charges.
- In case the Establishment is exempted under EDLI Scheme, Inspection charges @ 0.005%, minimum Re 1/- is payable in place of Admin charges.
4. Under Employee's Deposit-Linked Insurance Scheme the contribution @0.50% is required to be paid up to a maximum limit of Rs. 15,000.



<b>Withdrawal from EPF Account</b>	<p>With effect from December 6, 2018, the employees can withdraw 75% of their EPF corpus after remaining unemployed for one month and balance 25% he is out of employment for 60 straight days or more. Prior to this, an employee can make such withdrawal only after remaining unemployed for more than 60 days.</p> <p>To withdraw money, one may now use 'UAN based Form 19' and in effect bypass the employer signature requirement. This facility will be available to all those subscribers whose Universal Account Number (UAN) is activated and seeded with the KYC details like bank account and Aadhaar number. The claim can be submitted online on the Member e-Sewa portal.</p>
<b>Taxability of PF Interest</b>	<p>As announced in the Budget 2021, if deposits in Employees' Provident Fund (EPF) and Voluntary Provident Fund (VPF) by an employee exceed Rs 2.5 lakh in a financial year, then the interest earned on the contributions exceeding Rs 2.5 lakh will be taxable in the hands of an employee.</p> <p>Further, in case there is no contribution by the employer to the EPF account (usually in case of government employees), then interest will be tax-exempt for the deposits up to Rs 5 lakh in a financial year.</p>
<b>Taxability of excess contribution and interest on that contribution by employer</b>	<ul style="list-style-type: none"> <li>• Employer's contribution towards Employee Provident fund ('EPF'), Approved Superannuation Fund ('ASF') and National Pension Scheme ('NPS') in excess of INR 7.5 lacs shall be taxed in the hands of the employee under salary head.</li> <li>• Additionally, annual accretion by way of interest, dividend or any other amount of similar nature to the credit of such funds to the extent it relates to such excess contribution shall be treated as income in the hands of the employee under salary head.</li> </ul>
<b>15th of every Month</b>	PF payment for the preceding month
<b>25th of every Month</b>	PF monthly return for the preceding month
<b>30th April</b>	PF Annual return for the year ending 31st March
EPFO Launches online receipt of Electronic Challan cum Return (ECR) from the Month of April 2012(March paid in April). The online Challan generation is mandatory only. Online payment is not mandatory.	

**Amendment:** For the month of May 2020 to July 2020, rates have been reduced from 12% to 10%. to benefit both 4.3 crore employees/members and employers of 6.5 lakhs establishments to tide over the immediate liquidity crisis to some extent during Pandemic situation.

**EMPLOYEES' STATE INSURANCE ACT, 1948****Applicability****Coverage of Employees**

Drawing wages upto Rs. 21000/- per month engaged either directly or through contractor

**ESI Contribution Rate (W.e.f 01/07/2019)**

Particulars	Current Rate	Reduced Rate
Employer Share	4%	3.25%
Employee Share	1%	0.75%
Total	5%	4%

Note- For newly implemented areas, the contribution rate is 1% of wages of Employee and 3% payable by Employers for first 24 months (w.e.f. 06.10.2016) Employees in receipt of a daily average wage upto Rs.137/- are exempted from payment of contribution. Employers will however contribute their own share in respect of these employees.

15 <sup>th</sup> of every month	ESIC payment for preceding month
25 <sup>th</sup> of every month	Generation of ESI Docket for the preceding month
11/11, 11/05	Half yearly ESI Return

**Note:** - Any employee whose wages (excluding remuneration for overtime work) exceeds Rs.15000/- at any time after (and not before) the beginning of the contribution period i.e. (April 1 to September 30 and October 1 to March 31), shall continue to be an employee until the end of that contribution period. But in the next contribution period their name should be excluded from ESI employee list (being Salary exceeding Rs.15,000)



## COMPANIES ACT, 2013

### Key amendments in Companies(Amendment) Act, 2020

#### 1. Change in definition of Listed Company under Section 2(52).

Prior to the Amendment Act, the definition says that “a company which has listed any of its securities on any recognized stock exchange is a ‘Listed Company’”. The amended definition empowers the Central Government (in consultation with the Securities and Exchange Board of India (SEBI) to exclude, certain listed companies and private companies with the intention of getting listed certain class of its securities, from the category of ‘listed companies’.

#### 2. Provisions for allowing payment of Remuneration to Non-Executive Directors in case of Inadequacy of Profits

The 2020 Amendment Act introduced amendments to Section 149 and 197, to provide remuneration for non-executive director, including Independent director, in case of no profits or inadequate profits:

- Section 149: (Independent Directors)- May receive remuneration, exclusive of any fees payable under section 197(5) in accordance with provisions of Schedule V.
- Section 197(remuneration to director)- The company shall not pay to its directors, including managing or WTD or Manager or Independent Director by way of remuneration any sum exclusive of any fees payable to the director U/s 197(5) except in accordance with provisions of Schedule V.

#### 3. Periodic financial results for unlisted companies:

At present, only listed companies are required to submit their financial results duly audited or limited reviewed with the stock exchanges under the SEBI Listing Regulations. **A new sub-section 129A is inserted under which the Central Government may, require such class or classes of unlisted companies, as may be prescribed, —**

- (a) to prepare the financial results of the company on such periodical basis and in such form as may be prescribed;
- (b) to obtain approval of the Board of Directors and complete audit or limited review of such periodical financial results in such manner as may be prescribed; and
- (c) file a copy with the Registrar within a period of thirty days of completion of the relevant period with such fees as may be prescribed.

#### 4. Change in amount of Penalties.

Section No.	Particulars	Earlier Penalty	Revised Penalty
92	Failure or delay in filing Annual Return	50,000	10,000
92	In case of continuing default-In case of	5,00,000	2,00,000

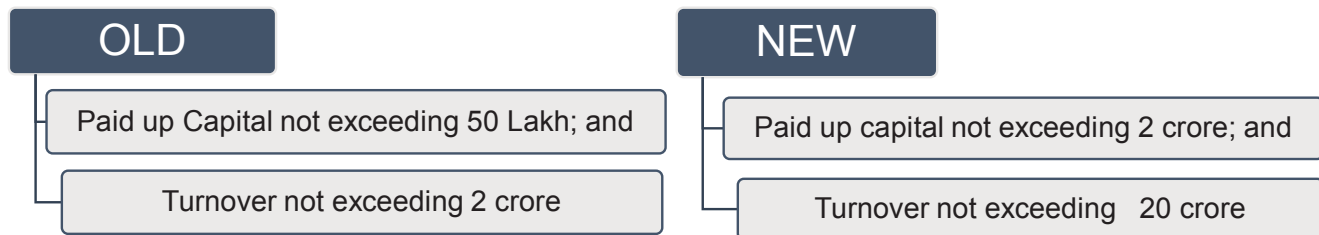




	company		
137	Failure or delay in filing of Financial Statements with ROC	1,00,000	10,000
140	Failure/Delay in filing Statement with the company or ROC by an auditor after resignation	5,00,000	2,00,000

## Amendments made in 2021 which shall come into effect from 1<sup>st</sup> April, 2021.

### 1. Change in definition of small company u/s 2(85).



### 2. Amendments in concept of One Person Company.

1. NRI can incorporate One Person Company in India.
2. It is not mandatory to convert One Person Company in other type of company irrespective of Turnover.
3. OPC can convert in other type of Company any time after incorporation without any transition period.

### 4. Change in annual return of One person Company and Small Company.

The Companies (Management and Administration) Amendment Rules, 2021 passed on 05nd March 2021. This Rules came into effect immediately on publication of same in official gazette and applicable for F.Y. 2020-21.

Amendment in Rule 11 i.e. "Annual Return": in rule 11 sub rule 1 has been substituted.

#### **New Rule:**

Every company shall file its annual return in **Form No.MGT-7** except

- One Person Company (OPC) and
- Small Company.

One Person Company and Small Company shall file annual return from the financial year 2020-2021 onwards in **Form No.MGT-7A**.

## **Key changes in Schedule III Presentation.**

MCA vide its notification dated 24th March, 2021 has amended the Schedule III of the Companies Act, 2013. The amended Schedule III requires following key disclosures to be included in the Financial



Statement.

## DIVISION I, II &amp; III

1. Under the heading "Assets", the word "Property Plant and equipment and Intangible Assets" shall be used.
2. Under the head Long term Loans and advances, item(i)(b) shall be omitted.
3. Under the head, other non current assets, following shall be inserted  
(ia) Security Deposits
4. Under the heading "G. Other Current Liabilities:", item (a) shall be omitted.
5. Under the head Short-term Borrowings, after item (iv), following shall be inserted:  
"(v) Current maturities of Long term borrowings .

**In notes to Balance Sheet**

1. Ageing Schedule of Trade Payables.
2. Ageing Schedule for Trade Receivables.
3. Reconciliation of gross and net carrying amount of each class of Assets.
4. Shareholding of all promoters.

**Statement of Profit and Loss.**

Under the heading "Total revenue", for the word "Revenue", the word "Income" shall be substituted.

**Additional Disclosures**

1. Transaction not recorded in Books that has been surrendered or disclosed as Income Under IT Act, 1961.
2. Details of CSR.
3. Trading or investment done by Company in crypto currency or virtual currency, etc.

**Additional Disclosure Requirement**

1. Title deeds of Immovable Property not held in name of the Company.
2. Disclosure on revaluation of Assets.
3. Disclosure on Loans/ Advance to Directors/ KMP/ Related parties.
4. Ageing schedule for Capital work in progress
5. Ageing schedule for Intangible Assets under development.
6. Details of Benami Property held.
7. Details of Borrowing.
8. Wilful Defaulter.
8. Relationship with Struck off Companies.
9. Registration of charges or satisfaction with Registrar of Companies.
10. Compliance with number of layers of companies.
11. Disclosure of Ratios.
12. Utilisation of Borrowed funds and share premium by the company.
13. Disclosures of Compliances with approved schemes of arrangements, if any, in terms of Section 230 to 237 of the Act and in accordance with relevant Accounting Standards. Deviations ,if any in this regard shall be explained.

**Note:** Now companies have to compulsorily round off the figures appearing in the financial statement, earlier it was optional. Further, the criteria for rounding off shall be based on "total income" in place of "turnover".

**Additional Changes for Division II**

1. **Equity Share Capital** – Additional disclosure in Changes in Equity Share Capital due to prior period errors.



2. Under heading "Equity and liabilities", in sub heading "liabilities"-
  - (I) In item "(1) Non Current liabilities", in sub item "(a) Financial Liabilities", after (i), following shall be inserted: "(ia) Lease Liabilities".
  - (II) in item "(2) Current Liabilities", in sub-item "(a) Financial Liabilities", after (i), the following shall be inserted, namely:- "(ia) Lease liabilities"
3. Trade receivables – Ageing schedule shall be given along with additional classification into Undisputed/ Disputed trade receivables – considered good  
Undisputed/ Disputed trade receivables – having significant increase in credit risk  
Undisputed/ Disputed trade receivable – credit impaired
4. Trade Payable – Classification into MSME, Others, Disputed dues MSME, Disputed dues others
5. The assets which are not grouped under given heads are to be clubbed under Other Financial Assets.
6. In case of revaluation of the Investment Property, whether it is valued by a registered valuer.
7. In case of revaluation of the Intangible Assets, whether it is valued by a registered valuer.

**Additional Changes for Division III**

This will include all additional disclosures mentioned for Division II above. It shall also disclose few **ratios** such as – CRAR, Tier I CRAR, Tier II CRAR, Liquidity Coverage ratio.

## AMENDMENT IN DISCLOSURES IN AUDITOR'S REPORT

The Ministry of Corporate Affairs vide Notification dated 24 March 2021 has amended **Companies (Audit and Auditors) Amendment Rules, 2021**, which shall be effective from the 1st day of April 2021 for FY. 2021-22 except clause (g).

Amendment in Rule 11 i.e. Other Matters to be Included in Auditors Report. In Rule 11.

- Existing clause (d) shall be omitted.  
which requires disclosure by the companies in its Financial Statements as to holdings as well as dealings in Specified Bank notes during the period 8th November, 2016 to 30 December, 2016 and if, so whether these are in accordance with the books of company.

- New Clause (e), (f) & (g) inserted.

**New Clause:**

(e) (i) Whether the management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, **that the Intermediary shall, whether, directly or indirectly lend or invest** in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) Whether the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

**Note:** Auditor have to check the details in notes to account and take a representation from director about such clause and check all the transaction of Company in respect of loan and advances received by company & their respective documents.



(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement. **[applicable w.e.f. 01.04.2021]**

(f) Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013. **[applicable w.e.f. 01.04.2021]**

(g) Whether the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention. **[applicable w.e.f. 01.04.2022]**

### Comparative Analysis of Companies (Auditor's Report) Order, 2020 VS Companies (Auditor's Report) Order, 2016 :

(Ministry of Corporate Affairs has notified the **Companies (Auditor's Report) Order, 2020** (CARO, 2020) which shall be applicable for the eligible companies for the financial year commencing on or after 1st April, 2021.)

S.No.	Cl. No.	Companies(Auditor's report)Order, 2020	Companies(Auditor's Report) Order, 2016	Remarks
1	i(a)	Reporting on maintenance of proper records of <b>Property, Plant, Equipment and Intangible Assets</b> .	Reporting on maintenance of proper records of <b>Fixed Assets</b> .	Modified
2	i(b)	Reporting on Physical verification of <b>Property, Plant, Equipment and Intangible Assets</b> .	Reporting on Physical verification of <b>Fixed Assets</b> .	Modified
3	i(c)	Reporting on Title Deeds of all immovable properties <b>(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee)</b>	Reporting on Title Deeds of all immovable properties.	Modified
4	i(d)	Reporting on Revaluation of Property, Plant, Equipment and Intangible Assets, if any, specify the change if more than 10%.	N. A.	New Clause Added
5	i(e)	Reporting on Disclosure of any <b>Proceedings of Benami Property under Benami Transactions (Prohibition) Act, 1988</b> .	N. A.	New Clause Added
6	ii(a)	Reporting on <b>Physical verification of Inventory, its coverage and procedure</b> , its disclosure if discrepancy is 10% or more in aggregate for each class of inventory.	Reporting on <b>Physical verification of Inventory</b> .	Modified
7	ii(b)	Disclosure if <b>sanction of working capital limits in excess of 5 Crores</b> , in aggregate, from banks and financial institutions on the basis of security of current assets.	N. A.	Modified
8	lii	Reporting of <b>Investments</b> in, provided any <b>guarantee or security</b> or granted any loans or advances.	Reporting of grant of any <b>loans or advances</b> , secured or unsecured.	Modified



9	iii(a)	A) Aggregate amount during the year, outstanding at the balance sheet date with respect to <b>such loans and advances to subsidiaries, joint ventures and associates.</b> B) Aggregate amount during the year, outstanding at the balance sheet date with respect to <b>such loans and advances to parties other than subsidiaries, joint ventures and associates.</b>	Terms and conditions of such grant of loans.	Modified
10	iii(b)	<b>Terms and conditions</b> of such grant of loans.	<b>Schedule of repayment</b> of principle and interest and whether the receipts are regular.	Modified
11	iii(c)	<b>Schedule of repayment</b> of principle and interest and whether the receipts are regular.	<b>Total amount overdue</b> for more than 90 days.	Modified
12	iii(d)	<b>Total amount overdue</b> for more than 90 days.	N. A.	New Clause Added
13	iii(e)	<b>Specify the amount of any Renew or Extension or Fresh Loan granted</b> to settle the overdues of existing loans given to same parties.	N. A.	New Clause Added
14	iii(f)	Reporting of any loan granted which are repayable on demand or without specifying any terms or period of payment.	N. A.	New Clause Added
15	V	Reporting in respect of deposits or deemed to be deposits which are accepted by the Company,	Reporting in respect of deposits accepted by the Company,	Modified
16	Viii	Reporting on <b>disclosure of transactions that not recorded in the books</b> but have been surrendered or disclosed as income in tax assessments.	Reporting on <b>default in repayment of loans or borrowings</b> . If yes, then amount and period of default to be reported.	Modified
18	ix & ix(a)	Reporting on <b>default in repayment of loans or borrowings</b> . If yes, then amount and period of default to be reported.	Reporting of <b>moneys raised by way of IPO or further public offer and term loans</b> , if any, were applied for the purpose for which they were intended	Modified
19	ix(b)	Reporting <b>whether company is declared willful defaulter</b> by any bank or financial institution or other lender.	N. A.	New Clause Added
20	ix(c)	Reporting whether term <b>loans</b> were applied for the purpose intended.	N. A.	New Clause Added
21	ix(d)	Reporting whether funds <b>raised for short term</b> have been <b>utilized for long term purpose</b> , if yes, then amount and nature of the same.	N. A.	New Clause Added
22	ix(e)	Reporting on <b>whether the company has taken any funds</b> from any entity or person on account of or <b>to meet obligations of its subsidiaries, joint ventures or associates</b> , if yes, then amount and nature of the same.	N. A.	New Clause Added



23	ix(f)	Reporting on <b>whether the company has raised loans on the pledge of securities held in its subsidiaries, joint ventures and associates</b> , if yes, then give details and also report any default in repayment, if any.	N. A.	New Clause Added
24	X & x(a)	Reporting of <b>moneys raised by way of IPO or further public offer and term loans</b> , if any, were applied for the purpose for which they were intended.	Reporting of <b>any fraud by or on the company</b> by its officers or employees, if yes, then amount and nature of the same.	Modified
25	x(b)	Whether any preferential allotment or private placement of shares or convertible debentures has been made, if yes, then compliance with relevant sections has been done or not.	N. A.	New Clause Added
26	Xi & xi(a)	Reporting of any fraud by or on the company, if yes, then amount and nature of the same.	Whether managerial remuneration has been paid or provided in accordance with requisite approvals of Section 197 of the Companies Act, 2013.	Modified
27	xi(b)	Whether any <b>report under sub-section (12) of section 143 of the Companies Act, 2013</b> has been filed by the auditors <b>in Form ADT-4</b> .	N.A.	New Clause Added
28	xi(c)	Whether <b>auditor</b> has considered <b>whistle-blower complaints</b> , if any.	N.A.	New Clause Added
29	Xii & xii(a)	Whether <b>Nidhi Company</b> has complied with <b>net owned funds to deposits</b> in the ratio of 1:20 to meet the liability.	Whether <b>Nidhi Company</b> has complied with <b>net owned funds to deposits</b> in the ratio of 1:20 to meet the liability. & Whether it is <b>maintaining 10% unencumbered term deposits</b> to meet the liability.	Modified
30	xii(b)	Whether <b>Nidhi Company</b> is <b>maintaining 10% unencumbered term deposits</b> to meet the liability.	N. A.	Modified
31	xii(c)	Whether there has been any <b>default in payment of interest on deposits or repayment</b> thereof for any period, if any, then details thereof.	N. A.	Modified
32	Xiv & xiv(a)	Whether Internal <b>Audit System</b> is commensurate with the size and nature of the Company.	Whether any <b>preferential allotment or private placement of shares or convertible debentures</b> has been made, if yes, then compliance with relevant sections has been done or not.	Modified
33	xiv(b)	Whether <b>reports of Internal Auditors</b> were considered by the Statutory Auditor.	N. A.	New Clause Added



34	xvi(b)	Whether any non-banking financial or housing finance activities without a valid certificate of registration from RBI has been made.	N. A.	New Clause Added
35	xvi(c)	Whether the Company is a Core Investment Company (CIC), if yes, whether it fulfils the criteria of CIC.	N A.	New Clause Added
36	xvi(d)	Whether the <b>group has more than 1 CIC as part of the group</b> , if yes, then indicate the numbers of CIC's.	N. A.	New Clause Added
37	Xvii	Whether the company has <b>incurred any cash losses</b> in the F.Y., if yes, then its amount.	N. A.	New Clause Added
38	Xviii	Whether there has been <b>any resignation of statutory auditors during the year</b> , if any, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors.	N. A.	New Clause Added
39	Xix	<b>Whether On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities. Whether the auditor is of the opinion that no material uncertainty exists as on the date of audit report</b> that the company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of 1 year from the balance sheet date.	N. A.	New Clause Added
40	xx(a)	Whether <b>in</b> respect of other than ongoing projects, the company has <b>transferred unspent amount</b> to a fund specified in Schedule VII to the Companies Act, 2013 within a period of 6 months of the expiry of F.Y.	N. A.	New Clause Added
41	xx(b)	Whether any <b>amount remaining unspent has been transferred to special account</b> .	N. A.	New Clause Added
42	Xxi	Whether there have been any <b>qualifications or adverse remarks by the auditors in the CARO reports</b> of the companies included in the CFS, if yes, indicate the details of the companies and the para nos. of the CARO report.	N. A.	New Clause Added





## Audit of Companies

### 1. Appointment of Auditor :

Every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting, shall be such as may be prescribed.

A retiring auditor may be re-appointed at an annual general meeting [section 139(9)], if—

- (a) he is not disqualified for re-appointment;
- (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed

No listed company or company belonging to such class of companies as may be prescribed shall appoint or re-appoint [Section 139(2)] -

- (a) An Individual as auditor for more than **one** term of **five** consecutive years; and
- (b) An audit firm as auditor, for more than **two** terms of **five** consecutive years.

Company need to file form ADT-1 to intimate Registrar about the appointment of an auditor.

### 2. Compulsory Rotation of Auditors:

Compulsory rotation is applicable to Listed Companies & the classes of Companies as may be prescribed. The Classes of Companies who need to rotate their auditors shall mean the following classes of Companies excluding One Person Companies and Small Companies:

- a) All Unlisted Public Companies having paid up Share capital of Rs. 10 crores or more;
- b) All Private limited companies with a paid up share capital of Rs.50 crores or more; and
- c) All Companies having paid up capital of below threshold limit mentioned in (a) & (b) above but having public borrowings from financial institutions, banks or public deposits of Rs. 50 crore or more

### 3. Removal of Auditor before the expiry of Term:

An auditor appointed under section 139 can be removed from his office before the expiry of his term only after obtaining the previous approval of the Central Government and after passing a Special Resolution of the Company.

If an auditor resigns from his office, he is required to file, within 30 days, a statement in the prescribed form (ADT-3) with the company and ROC indicating reasons and other facts regarding resignation.

**I. Fees for filings etc. under section 403 of the Companies Act, 2013****1. Table of Fees to be paid to the registrar for authorised Share Capital**

Nominal Share Capital	Registration Fees
<b>A. Other than OPCs and Small Companies</b>	
Up to Rs. 1,00,000	Rs. 5,000
Rs. 1,00,000 to Rs.5,00,000	Rs. 5,000 + 400 for every Rs. 10,000 or part thereof of nominal share capital
Rs. 5,00,000 to Rs. 50,00,000	Rs. 21,000 + 300 for every Rs. 10,000 or part thereof of nominal share capital
Rs. 50,00,000 to Rs.1 crore	Rs. 1,56,000 + 100 for every Rs. 10,000 or part thereof of nominal share capital
Above Rs.1 crore	Rs. 2,06,000 + 75 for every Rs.10,000 or part thereof of nominal share capital subject to maximum of Rs. 2.50 Cr.

<b>B. OPC and Small Companies</b>	
Up to Rs. 10,00,000	Rs. 2,000
Rs. 10,00,000 to Rs.50,00,000	Rs. 2,000 + Rs. 200 for every Rs. 10,000 or part thereof of nominal share capital

<b>C. Companies not having share capital</b>	
Registration of company whose number of members as stated in MOA, does not exceed 20	Rs.2,000
Registration of company whose number of members as stated in MOA, exceed 20but does not exceed 200	Rs.5,000
Registration of company whose number of members as stated in MOA exceeds 200 provided that the number of members as stated in AOA is not "unlimited"	Rs. 5,000 + Rupees 10 for every member, after the first 200 subject to maximum of rupees 10,000

**2. For increase in authorised capital, the additional fees shall be applicable at the following rates:-**

	Delay upto 6 months	Delay beyond 6 months
Slab	2.5 % per month on the fees payable	3% per month on the fees payable

**3. Filing, Submitting, Registering or Recording Fee for Documents with ROC:**

Nominal Share Capital	Filing Fee
<b>A. Company having Share Capital</b>	
Up to Rs. 1,00,000	Rs. 200
Rs. 1,00,000 or more but less than Rs.5,00,000	Rs. 300
Rs. 5,00,000 or more but less than Rs.25,00,000	Rs. 400
Rs. 25,00,000 or more but less than Rs.1 crore	Rs. 500
Rs. 1 crore and above	Rs. 600
<b>B. Company not having share Capital</b>	Rs. 200

**4. Late filing fees for delays in filing of the forms other than for increase in nominal share capital:**

Period of Delay	No of times of Normal Filing Fee
Up to 15 days (section 93, 139 & 157 )	one
More than 15 days to 30 days (section 93, 139 & 157) and up to 30 days in remaining forms	Two
More than 30 days and up to 60 days	Four
More than 60 days and up to 90 days	Six
More than 90 days and up to 180 days	Ten
More than 180 days and upto 270 days	Twelve

**5. Miscellaneous Fees**

S.No.	Particulars	Amount
I	<b>Fee for Inspection and providing certified copies of documents kept by registrar</b>	--
	(i) Under clause (a) of sub-section (1) of section 399 of the Act	--
	(ii) Under clause (b) of sub-section (1) of section 399 of the Act	100
	(a) For copy of Certificate of Incorporation	--
	(b) For copy or extract of other documents including hard copy.	100
		25
II	<b>Fee for registration of documents under section 385</b>	6000
III	<b>Fees for Removal of Names of Companies from the Registrar of Companies under section 248(2)</b>	5000

**II Fee on Applications made to Central Government:**

	For Application made	Other than OPCs and Small Companies	OPCs and Small Companies
1	Company having an Authorized Share Capital of:		
	(a) Up to than Rs.25,00,000	2,000	1,000
	(b) More than Rs. 25,00,000 and up to Rs.50,00,000	5,000	2,500
	(c) More than Rs. 50,00,000 and up to Rs.5,00,00,000	10,000	-
	(d) More than Rs. 5,00,00,000 and up to Rs.10 crores	15,000	-
	(e) More than Rs.10 crores	20,000	-
2	Company limited by Guarantee but not having a Share capital	2,000	-
3	Association or proposed company for issue of license under section 8 of the Act	2,000	-
4	Company having a valid license issued u/s 8 of the Act	2,000	-
5	foreign company	5,000	-
6	Application for allotment of Director Identification Number (DIN) under section 153 of the Act	500	-

**III. Annual Fee payable by a Dormant Company under sub-section (5) of section 455 of the Companies Act, 2013.**

	For Application made	Other than OPCs and Small Companies	OPCs and Small Companies
1.	Company having an Authorized Share Capital of:		
	(a) Up to than Rs.25,00,000	2,000	1,000
	(b) More than Rs. 25,00,000 and up to Rs 50,00,000	5,000	2,500
	(c) More than Rs. 50,00,000 and up to Rs 5,00,00,000	10,000	-
	(d) More than Rs. 5,00,00,000 and up to Rs 10 crores	15,000	-
	(e) More than Rs. 10 crores	20,000	-
2.	Company limited by Guarantee but not having a Share capital	2,000	-

**Table of Various Forms to be filed with MCA and Registrar**

Forms under the Companies (Incorporation) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
INC-32	Simplified Proforma for Incorporating Company Electronically Plus (SPICe) - with mandatory PAN & TAN application included.	4, 7, 12, 152 and 153	-
INC-33	e-Memorandum of Association (SPICe+ MOA)	Section 4 and 5	-
INC-34	eArticles of Association (SPICe+ AOA)	Section 4 and 5	-
RUN	Reserve Unique Name	4(4)	8 & 9
INC-3	One Person Company- Nominee consent form	3(1)	4 (2), (3), (4), (5) & (6)
INC-4	One Person Company- Change in Member/ Nominee	3(1)	4(4), (5), (6)
INC-5	One Person Company- Intimation of exceeding threshold	-	6(4)
INC-6	One Person Company- Application for Conversion	18	7(4)
INC-9	Declaration by Subscriber/First Director	7(1)(c)	15
INC-12	Application for grant of License under section 8	8(5)	20
INC-22	Notice of situation or change of address of registered office of the company	12 (2) & 12 (4)	25 & 27
INC-27	Conversion of public company into private company or private company into public company And Conversion of Unlimited Liability Company into a Company Limited By shares or guarantee or conversion of guarantee company into a company limited by shares	14 and 18	33 and 37 and Rule 39
INC-18	Application to Regional director for conversion of section 8 company into any other kind of company	Section 8 (4) (ii)	Rule 21(3)
INC-23	Application to Regional Director for approval to shift the Registered Office from one state to another state or from jurisdiction of one Registrar to another Registrar within the same State	Section 12(5) & 13(4)	rule 28 & 30
INC-24	Application for approval of Central Government for change of name	Section 13( 2)	rule 29(2)



INC-22A	Active Company Tagging Identities and Verification (ACTIVE)	--	rule 25A
INC-20A	Declaration for commencement of business	Section 10A(1) (a)	Rule 23A
INC-20	Intimation to Registrar of revocation/surrender of license issued under section 8	section 8 (4) & 8 (6)	rule 23A
INC-28	Notice of Order of the Court or any other competent authority	Section 12(6), 13(7), 58(5), 87 & 111(5), 230,232, 233,234 237	--
INC-35	Application for Goods and services tax Identification number, employees state Insurance corporation registration plus Employees provident fund organization registration (AGILE)	--	rule 38(A)

**Forms under the Companies (Prospectus & Allotment of Securities) Rules, 2014**

Form No.	Purpose	Sec. No	Rule No.
PAS-2	Information Memorandum	31(2)	10
PAS-3	Return of Allotment	39(4) and 42(9)	12 & 14
PAS-4	Private Placement Offer Letter	42	14(1)
PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly)	--	9A(8)

**Forms under the Companies (Share Capital & Debentures) Rules, 2014**

Form No.	Purpose	Sec. No	Rule No.
SH-7	Notice to Registrar of any alteration of share capital	64 (1)	15
SH-8	Letter of offer	68	17(2)
SH-9	Declaration of Solvency	68(6)	17(3)
SH-11	Return in respect of buy-back of securities	68(10)	17(13)

**Forms under the Companies (Acceptance of Deposits) Rules, 2014**



Form No.	Purpose	Sec. No	Rule No.
DPT-1	Circular in the form of advertisement Inviting Deposits	73(2) (a) & 76	4(1) and (2)
DPT-3	Return of Deposits	-	16
DPT-4	Statement regarding Deposits Existing on the Commencement of the Act	74 (1)	20

Forms under the Companies (Registration of Charges) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
CHG-1	(Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI))	77, 78, 79 and 384	3(1)
CHG-4	Particulars for satisfaction of charge	82(1)	8(1)
CHG-6	Notice of appointment or cessation of receiver or manager	84(1), 384	9(1)
CHG-8	Application to Central government for • Extension of time for filing Particulars of Registration of Creation / Modification / Satisfaction of Charge, OR • Rectification of Omission / Misstatement of any Particulars in respect thereof	77, 87	12
CHG-9	Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures	71(3), 77, 78, 79 and 384	3

Forms under the Companies (Management & Administration), Rules 2014			
Form No.	Purpose	Sec. No	Rule No.
MGT-3	Notice of situation or change of situation or discontinuation of situation, of place where foreign register shall be kept	88(4)	7(2)
MGT-6	Persons not holding beneficial interest in shares	89(6)	
MGT-7	Form for filing annual return by a company.	92(1)	11(1)
MGT-10	Changes in shareholding position of promoters and top ten shareholders	93	13
MGT-14	Filing of Resolutions and agreements to the Registrar	94(1), 117(1)	
MGT-15	Form for filing Report on Annual General Meeting	121(1)	31(2)





Forms under the Companies (Accounts) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
AOC-4	Form for filing financial statement and other documents with the Registrar	137	12(1)
AOC 4(XBRL)	Form for filing XBRL document in respect of financial statement and other documents with the Registrar	137	12(2)
Form AOC 4(CFS)	Form for filing consolidated financial statements and other documents with the Registrar	129(3), 137	6, 12(1)
AOC-5	Notice of address at which books of account are maintained.	128	
AOC-4 NBFC (INDAS)	Form for filing financial statement and other documents with the Registrar for NBFCs	-	12(1A)
AOC-4 CFS NBFC (INDAS)	Form for filing consolidated financial statements and other documents with the Registrar for NBFCs	-	12(1A)

Forms under the Companies (Audit & Auditors) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
ADT-1	Information to the Registrar by Company for appointment of Auditor	139 (1)	4(2)
ADT-2	Application for removal of auditor(s) from his/their office before expiry of term	140(1)	7(1)
ADT-3	Notice of Resignation by the Auditor	140(2)	8

Forms under the Companies (Cost Records & Audit) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
CRA-2	Form of intimation of appointment of cost auditor by the company to Central Government.	148(3)	6(2) and 6(3A)
CRA-4	Form for filing Cost Audit Report with the Central Government.	148(6)	6(6)
I-XBRL	Form for filing XBRL document in respect of Cost Audit Report and other Documents with the Central Government		
A-XBRL	Form for filing XBRL document in respect of Compliance report and other Documents with the Central government		



Forms under the Companies (Appointment & Qualification of Directors) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
DIR-9	A Report by a company to ROC for intimating the disqualification of the director	164(2)	14(2)
DIR-3	Application for allotment of Director Identification Number before appointment in an existing company	Section 153	Rule 9(1)
DIR-5	Application for surrender of Director Identification Number	Section 153	Rule 11 (f)
DIR-6	Intimation of change in particulars of Director to be given to the Central Government	--	Rule 12(1)
DIR-3 KYC	Application for KYC of Directors	--	Rule 12A and Rule 11(2) & (3)
DIR-3C	Intimation of Director Identification Number by the company to the Registrar DIN services	157	10A (2)
DIR-10	Application for Removal of Disqualification of Directors	164(2)	14(5)
DIR-11	Notice of Resignation of Director to the ROC	168(1)	16
DIR-12	Particulars of appointment of Directors and the key managerial personnel and the changes among them	7(1)(c), 168, 170(2)	8,15,18

Forms under the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
MR-1	Return of appointment of managerial personnel	196,197 & Sch. V	3
MR-2	Form of Application to the CG for Approval of – • appointment or reappointment and remuneration or increase in remuneration or waiver for excess or over payment to managing director or whole time director or manager and commission or remuneration to directors		196, 197, 200, 201(1), 203(1)

Forms under the Companies Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
URC-1	Application by a Company for registration u/s 366	366	3(2) of Companies (Authorised to Register) Rules, 2014



Forms under the Companies (Registration of Foreign Companies) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
FC-1	Information to be filed by foreign company	Section 380(1) (a) to (h)	Rule 3(3)
FC-2	Return of alteration in the documents filed for registration by foreign company	Section 380(3)	Rule 3(4)
FC-3	Annual accounts along with the list of all principal places of business in India established by foreign company	Section 381	Rule 4, 5 and 6
FC-4	Annual Return of Foreign Company	384(2)	7 of Companies (Registration of Foreign Companies) Rules, 2014

Forms (Removal of Names of Companies from the Register of Companies) Rules ,2016			
Form No.	Purpose	Sec. No	Rule No.
STK-2	Application by company to ROC for removing its name from register of Companies	Section 248(2)	rule 4, 5, 6 & 8

Forms under the Companies (Registration Officer & Fees) Rules, 2014			
Form No.	Purpose	Sec. No	Rule No.
GNL-1	Applications made to Registrar of Companies	-	12(2)
GNL-2	Form for submission of documents with the Registrar.	-	12(2)
GNL-3	Details of persons/directors/charged/specified	2(60)	12(3)
GNL-4	Addendum for rectification of defects or incompleteness.	-	10

Other Important Forms			
Form No.	Purpose	Sec. No	Rule No.
MSC-1		455(1)	Rule 3 of Companies (Miscellaneous) Rules, 2014



MSC-3	Return of dormant companies	455 (5)	Rule 7 & 8
MSC-4	Application for seeking status of active company	455(5)	Rule 8
ADJ	Memorandum of Appeal	454(5)	4(1) of Companies (Adjudication of Penalties) Rules, 2014
MSME	Form for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprise.	405	--
CFSS-2020	Application for issue of immunity certificate under the Companies Fresh Start Scheme (CFSS) 2020	--	--
BEN-2	Return to the registrar in respect of declaration under section 90	90	--
CSR-1	Registration of entities for undertaking CSR Activities	8	--

**Forms under the Nidhi Rules, 2019**

Form No.	Purpose	Sec. No	Rule No.
NDH-1	Return of Statutory Compliances	406	5
NDH-2	Application for extension of time.	406	5
NDH-3	Return of Nidhi Company for the half year ended	406	21
NDH-4	Application for declaration as Nidhi Company and for updation of status by Nidhis	406	3A, 23B

**Applicability of Accounting Standards.****Companies to whom Ind AS  
Applicable**

SMCs means a company whose :

- (i) Turnover(excl. Other Income) < Rs. 50 Cr.
- (ii) Borrowings (Incl. public Deposit)< Rs. 10 Cr.

(Both criterias to be checked for immediately preceding Accounting Year.

Companies not falling within the definition of SMC are considered as Non-SMC.

**Other  
Corporates****Non  
Corporates.****Level I Entity:**

- (i) Entities whose equity/debt securities are listed/in the process of listing on any stock exchange, whether in India/outside India.
- (ii). Banks, co-operative banks, Financial Institutions, entities carrying on insurance business.
- (iii). All commercial, industrial and business reporting entities, whose turnover (excluding other income) > Rs. 250 crore in the immediately preceding accounting year.
- (iv). All commercial, industrial and business reporting entities having borrowings (including public deposits) > Rs. 50 crore at any time during the immediately preceding accounting year.
- (v). Holding and subsidiary entities of any of the above.

**Level II Entities:**

- (i). All commercial, industrial and business entities, whose turnover (excluding other income) > Rs 50 crore but < Rs. 250 Crores in the immediately preceding accounting year.
- (ii). All commercial, industrial and business reporting entities having borrowings (including public deposits) > Rs 10 crore but < Rs. 50 crore at any time during the immediately preceding accounting year.
- (iii). Holding and subsidiary entities of any one of above.

**Level III Entity:**

- (i) All entities engaged in commercial, industrial/business activities, whose turnover (excluding other income) > Rs. 10 crore but does not exceed rupees fifty crore in the immediately preceding accounting year.
- (ii) All entities engaged in commercial, industrial or business activities having borrowings (including public deposits) in excess of rupees two crore but does not exceed rupees ten crore at any time during the immediately preceding accounting year.
- (iii) Holding and subsidiary entities of any one of the above.

**Level IV Entity:** Entities which are not covered under Level I, Level II and Level III are considered as Level IV entities.



**Comparative chart of Indian Accounting Standards (IND. AS) vs. Existing Accounting Standards as on April 01, 2021**

IAS 1	INDAS-1	Presentation of Financial Statements	AS-1	Disclosure of Accounting Policies
IAS 2	INDAS-2	Inventories	AS-2	Valuation of Inventories
IAS 7	INDAS-7	Statement of Cash Flows	AS - 3	Cash Flow Statements
IAS 8	INDAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	AS - 5	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
IAS 10	INDAS-10	Events after the Reporting Period	AS - 4	Contingencies and Events Occurring after the Balance Sheet Date
IAS 12	INDAS-12	Income Taxes	AS - 22	Accounting for Taxes on Income
IAS 16	INDAS-16	Property, Plant and Equipment	AS - 10	Property, Plant and Equipment
IAS 17	INDAS-116	Leases	AS - 19	Leases
IAS 18	INDAS-18	Revenue	AS - 9	Revenue Recognition
IAS 19	INDAS-19	Employee Benefits	AS - 15	Employee Benefits
IAS 20	INDAS-20	Accounting for Government Grants and Disclosure of Government Assistance	AS - 12	Accounting for Government Grants
IAS 21	INDAS-21	The Effects of Changes in Foreign Exchange Rates	AS - 11	The Effects of Changes in Foreign Exchange Rates
IAS 23	INDAS-23	Borrowing Costs	AS - 16	Borrowing Costs
IAS 24	INDAS-24	Related Party Disclosures	AS - 18	Related Party Disclosures
IAS 27	INDAS-27	Separate Financial Statements		
IAS 28	INDAS-28	Investments in Associates and Joint Ventures	AS - 23	Accounting for Investments in Associates in Consolidated Financial Statements
IAS 29	INDAS-29	Financial Reporting in Hyperinflationary Economies	--	--
IAS 32	INDAS-32	Financial Instruments: Presentation		
IAS 33	INDAS-33	Earnings per Share	AS - 20	Earnings Per Share
IAS 34	INDAS-34	Interim Financial Reporting	AS - 25	Interim Financial Reporting



IAS 36	INDAS-36	Impairment of Assets	AS - 28	Impairment of Assets
IAS 37	INDAS-37	Provisions, Contingent Liabilities and Contingent Assets	AS - 29	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	INDAS -38	Intangible Assets	AS - 26	Intangible Assets
IAS 40	INDAS -40	Investment Property	AS-13/ AS-10	AS-13 provides the limited guidance on Investment Property even accounting for investment property would be in accordance with a cost model prescribed in AS-10, Property, Plant and Equipment
IAS 41	IND AS 41	Agriculture	--	--
IFRS 1	INDAS -101	First-Time Adoption of Indian Accounting Standards		
IFRS 2	INDAS -102	Share-based Payment		
IFRS 3	INDAS -103	Business Combinations	AS - 14	Accounting for Amalgamations
IFRS 4	INDAS -104	Insurance Contracts		
IFRS 5	IND.AS -105	Non- Current Assets Held for Sale and Discontinued Operations	AS - 24	Discontinuing Operations
IFRS 6	INDAS -106	Exploration for and Evaluation of Mineral Resources		
IFRS 7	INDAS -107	Financial Instruments: Disclosures	AS - 13	Accounting for Investments
IFRS 8	INDAS -108	Operating Segments	AS - 17	Segment Reporting
IFRS 9	Ind AS - 109	Financial Instruments	AS - 13	Accounting for Investments
IFRS 10	Ind AS - 110	Consolidated Financial Statements	AS - 21	Consolidated Financial Statements
IFRS 11	Ind AS - 111	Joint Arrangements	AS - 27	Financial Reporting of Interests in Joint Ventures
IFRS 12	Ind AS - 112	Disclosure of Interests in Other Entities		
IFRS 13	Ind AS - 113	Fair Value Measurement		
IFRS 14	Ind AS - 114	Regulatory Deferral Accounts		
IFRS 15	Ind AS - 115	Revenue from Contracts with customers	AS – 7 AS - 9	Construction Contracts Revenue Recognition
IFRS 16	Ind AS - 116	Leases	AS - 19	Leases



**Applicability of Accounting Standards/IND AS to various entities.**

Accounting Standards		Companies other than those following IND AS	Non -Corporate entities [As per ICAI Accounting Standards]			
			L-I	L-II	L-III	L-IV
AS 1	Disclosure of Accounting Policies	Y	Y	Y	Y	Y
AS 2	Valuation of Inventories	Y	Y	Y	Y	Y
AS 3	Cash Flow Statements	Y See Note 1	Y	N	N	N
AS 4	Contingencies and Events Occurring After the Balance Sheet Date	Y	Y	Y	Y	Y
AS 5	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Y	Y	Y	Y	Y
AS 7	Construction Contracts	Y	Y	Y	Y	Y
AS 9	Revenue Recognition	Y	Y	Y	Y	Y
AS10	Property, Plant and Equipment	Y	Y	Y	Y Note-3	Y Note 3
AS11	The Effects of Changes in Foreign Exchange Rates	Y	Y	Y	Y Note-4	Y Note-4
AS12	Accounting for Government Grants	Y	Y	Y	Y	Y
AS13	Accounting for Investments	Y	Y	Y	Y	Y Note-5
AS14	Accounting for Amalgamations	Y	Y	Y	Y	N
AS15	Employee Benefits	Y	Y	Y Note-6	Y Note-6	Y Note-6
AS16	Borrowing Costs	Y	Y	Y	Y	Y
AS17	Segment Reporting	Y	Y	N	N	N
AS18	Related Party Disclosures	Y	Y	Y	N	N
AS19	Leases	Y	Y	Y Note-7	Y Note-7	Y Note-7
AS20	Earnings Per Share	Y	Y	Y Note-8	Y Note-8	Y Note-8
AS21	Consolidated Financial Statements	Y	Y	N	N	N



AS22	Accounting for Taxes on Income	Y	Y	Y	Y	Y
AS 23	Accounting for Investments in Associates in Consolidated Financial Statements	Y	Y	N	N	N
AS 24	Discontinuing Operations	Y	Y	Y	N	N
AS 25	Interim Financial Reporting	Y	Y	N	N	N
AS 26	Intangible Assets	Y	Y	Y	Y	Y Note-9
AS 27	Financial Reporting of Interest in Joint Ventures	Y	Y	N	N	N
AS28	Impairment of Assets (Refer Note 7)	Y	Y	Y Note-10	Y Note-10	N
AS 29	Provisions, Contingent Liabilities and Contingent Assets (Refer Note 8)	Y	Y	Y Note-11	Y Note-11	Y Note-11

**Note 1-** Cash flow statement is required to be included as a part of financial statements of a company except in case of One Person Company, small company and dormant company.

**Note 2-** AS 21, AS 23 and AS 27 (to the extent these standards relate to preparation of consolidated financial statements) are required to be complied with by a non-corporate entity if the non-corporate entity, pursuant to the requirements of a statute/regulator or voluntarily, prepares and presents consolidated financial statements.

Standards listed above are subject to certain Exemptions and Relaxations for Small and Medium Companies, Non-corporate entities falling in Level II, Level III & level IV category that are listed below:

Sl. No	Accounting Standards	Relaxations available to Small and Medium Companies, Level II, Level III and Level IV Entity
Note 3	AS 10, Property Plant & equipments	Paragraph 87 relating to encouraged disclosures is not applicable to Level III and Level IV Non-company entities.
Note 4	AS 11, The Effects of Changes in Foreign Exchange Rates	Paragraph 44 relating to encouraged disclosures is not applicable to Level III and Level IV Non-company entities.
Note 5	AS 13, Accounting for Investments	Paragraph 35(f) relating to disclosures is not applicable to Level IV Non-company entities.
Note 6	AS 15, Employee Benefits	1.Paragraphs 11-16 to the extent they are dealing with recognition and measurement of short term accumulating compensated absences which are non-vesting 2. Paragraphs 46 and 139 dealing with discounting of amounts that fall due more than 12 months after the balance sheet date 3(i) Apart from the above, Level II, Level III and Level IV entities, where average number of persons employed during the year is 50 or more and SMCs are exempted from the applicability of the following paragraphs:



		<p>a) Recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such entities should actuarially determine and provide for the accrued liability in respect of defined benefit plans by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard. Such entities should disclose actuarial assumptions as per paragraph 120(l) of the Standard; and</p> <p>b) Recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other long-term employee benefits. However, such entities should actuarially determine and provide for the accrued liability in respect of other long-term employee benefits by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard.</p> <p>3(ii) Level II, Level III and Level IV entities, where average number of persons employed during the year is less than 50, they are further exempted from the applicability of the following paragraphs:</p> <p>a) Recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such entities may calculate and account for the accrued liability under the defined benefit plans by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year; and</p> <p>b) Recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other long-term employee benefits. Such entities may calculate and account for the accrued liability under the other long-term employee benefits by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year.</p>
Note 7	AS 19, Leases	<p>Requirements relating to disclosures as given in paragraphs 22 (c), (e) and (f); 25(a), (b) and (e); 37(a) and (f); and 46(b) and (d) relating to disclosures are not applicable to SMCs and level II/III/IV entities.</p> <p>Further to these relaxations, Level III/IV entities are also not required to give Paragraphs 37(g) and 46(e) disclosures.</p>
Note 8	AS 20, Earnings Per Share	<p>Diluted earnings per share (both including and excluding extraordinary items) are not required to be disclosed for SMCs and level II, III &amp; IV non corporate entities. Further, information required by paragraph 48(ii) of AS 20 regarding disclosures for parameters used in calculation of EPS, are also not required to be disclosed by Level III &amp; Level IV entities.</p>
Note 9	AS 26, Intangible Assets	<p>Paragraphs 90(d)(iii); 90(d)(iv) and 98 relating to disclosures are not applicable to Level IV Non-company entities.</p>
Note 10	AS 28, Impairment of Assets	<p>(a) Value in use can be based on reasonable estimate instead of computing it by present value technique. Further, information required by paragraph 121(g) relating to discount rate used, need not be disclosed by Level II &amp; III entities and SMCs.</p> <p>(b) Also, paragraphs 121(c)(ii); 121(d)(i); 121(d)(ii) and 123 relating to disclosures are not applicable to Level III Non-company entities.</p>



Note 11	AS 29, Provisions, Contingent Liabilities and Contingent Assets	Paragraphs 66 and 67 relating to disclosures are not applicable to Level II, III, IV entities and SMCs.
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## I List of Statements on Auditing as on 1<sup>st</sup> April 2021

Statement on Reporting under Section 227(1A) of the Companies Act, 1956

## II List of Engagement and Quality Control Standards as on 1<sup>st</sup> April 2021

Quality Control			
S. No.	Standard Number (SQC) (1-99)	Standards on Quality Control (SQCs)	Effective Date
1	1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements	April 1, 2009.

Audits and Reviews of Historical Financial Information			
	Standard Number (SA) (100-999)	Standards on Auditing (SAs)	Effective Date
	100-199	Introductory Matters	
	200-299	General Principles and Responsibilities	
2	200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing	April 1, 2010.
3	210	Agreeing the Terms of Audit Engagements	April 1, 2010.
4	220	Quality Control for an Audit of Financial Statements	April 1, 2010.
5	230	Audit Documentation	April 1, 2009.



6	240	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	April 1, 2009.
7	250	Consideration of Laws and Regulations in an Audit of Financial Statements	April 1, 2009.
8	260(Revised)	Communication with Those Charged with Governance	April 1, 2017.
9	265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	April 1, 2010.
10	299(Revised)	Joint Audit of Financial Statements	April 1, 2018

	300-499	Risk Assessment and Response to Assessed Risks	
11	300	Planning an Audit of Financial Statements	April 1, 2008.
12	315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment	April 1, 2008.
13	320	Materiality in Planning and Performing an Audit	April 1, 2010.
14	330	The Auditor's Responses to Assessed Risks	April 1, 2008.
15	402	Audit Considerations Relating to an Entity Using a Service Organisation	April 1, 2010.
16	450	Evaluation of Misstatements Identified during the Audit	April 1, 2010.

	500-599	Audit Evidence	
17	500	Audit Evidence	April 1, 2009.
18	501	Audit Evidence - Specific Considerations for Selected Items	April 1, 2010.
19	505	External Confirmations	April 1, 2010.
20	510	Initial Audit Engagements— Opening Balances	April 1, 2010.
21	520	Analytical Procedures	April 1, 2010.
22	530	Audit Sampling	April 1, 2009.
23	540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	April 1, 2009.
24	550	Related Parties	April 1, 2010.
25	560	Subsequent Events	April 1, 2009.
26	570(Revised)	Going Concern	April 1, 2017.
27	580	Written Representations	April 1, 2009.



	600-699	Using Work of Others	
28	600	Using the Work of Another Auditor	April 1, 2002.
29	610(Revised)	Using the Work of Internal Auditors	April 1, 2016.
30	620	Using the Work of an Auditor's Expert	April 1, 2010.

	700-799	Audit Conclusions and Reporting	
31	700(Revised)	Forming an Opinion and Reporting on Financial Statements	April 1, 2018
32	701	Communicating Key Audit Matters in the Independent Auditor's Report	April 1, 2018
33	705(Revised)	Modifications to the Opinion in the Independent Auditor's Report	April 1, 2018
34	706(Revised)	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	April 1, 2018
35	710	Comparative Information - Corresponding Figures and Comparative Financial Statements	April 1, 2011.
36	720(Revised)	The Auditor's Responsibilities Relating to Other Information	April 1, 2018

	800-899	Specialized Areas	
37	800	Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks	April 1, 2011.
38	805	Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement	April 1, 2011.
39	810	Engagements to Report on Summary Financial Statements	April 1, 2011.

	Standard Number (SRE) (2000-2699)	Standards on Review Engagements (SREs)	Effective Date
40	2400 (Revised)	Engagements to Review Historical Financial Statements	April 1, 2016.
41	2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity	April 1, 2010.



Assurance Engagements Other Than Audits or Reviews of Historical Financial Information		
Standard Number (SAE) (3000-3699)	Standards on Assurance Engagements (SAEs)	Effective Date
3000-3399	Applicable to all Assurance Engagements	

	3400-3699	Subject Specific Standards	
42	3400	The Examination of Prospective Financial Information	April 1, 2007
43	3402	Assurance Reports on Controls at a Service Organisation	April 1, 2011
44	3420	Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus	April 1, 2016

Related Services			
	Standard Number (SRS) (4000-4699)	Standards on Related Services (SRSs)	Effective Date
45	4400	Engagements to Perform Agreed upon Procedures Regarding Financial Information	April 1, 2004
46	4410 (Revised)	Compilation Engagements	March 31, 2016.





## The Guidelines for Networking of Indian CA firms, 2021

Over the years, our Members have adopted different models of practice viz.

- Practice in individual name
- Practice as a sole proprietary firm
- Practice as a partnership / Limited Liability Partnership firm
- Merger of two or more firms
- Network firms

All the above forms of practice are recognised by the ICAI. Amongst the above, networking is generally considered as the most effective platform for capacity building. It facilitates multi locational presence of the firm, strengthening partnerships and enhanced functioning of the CA firms. Though Members are at liberty to adopt any form of practice as they choose, it is overwhelmingly felt that to see exponential growth of one's practice, Networking is one of the preferred choices

The Council decided that the existing Guidelines be revised in the light of above and brought into force from 9th February, 2021, and an appropriate ecosystem be developed in the Self Service Portal for registration and regulation of the Alliance, the Network and the Lead Firm in Network Models.

### Objective of Networking

- It is of paramount importance to enable Indian CA Firms to come together and grow stronger so that they can serve the need of the country as we move to become a \$5 trillion economy and also render services in the global market. The Government of India has a firm commitment for export of accounting services and has listed same as one of the champion sectors for export promotion.
- The Indian CA firms have to be given opportunity for pooling resources, expertise and build a Pan India presence. The focus eventually ought to be on how to enable Indian network firms to tap global opportunities by growing big, without compromising with their identity.
- It is acknowledged that no model of network will be successful, unless the firms meet some reasonable economic considerations. Unless networking can result in substantially more earnings to all the firms in the network, any model presented to the firms will only remain on paper. Therefore, it is imperative that ICAI through its relevant Committees should make all out efforts to secure recognition to the Network model of practice from appointing authorities by making representations to different Government Departments, PSUs, autonomous bodies etc. Initially, the networks may achieve limited success, but consistent and sustained efforts will secure governmental recognition to them, and this in turn will encourage the stand alone practitioners to upgrade their model of practice.
- It needs to be understood that Networking per-se may not create new professional opportunities. Most Indian firms who have tried networking have had wrong expectation that clients will be referred, work shared, geographical demarcation, etc – these are totally wrong expectations. Networking will only enable - Cost sharing
  - IP/ knowledge sharing
  - Common branding and marketing efforts
  - Common work procedures (best practice)
  - Common IT Infrastructure (hardware and software)
  - Common quality control proceduresThe individual firms in network have to put their efforts to grow/ add clientele etc. Initially tangible benefits may not be visible, but eventually, if the model succeeds, the firms will stand to gain substantially.



## Networking guidelines in a Nutshell

Networking Guidelines, 2005 by ICAI

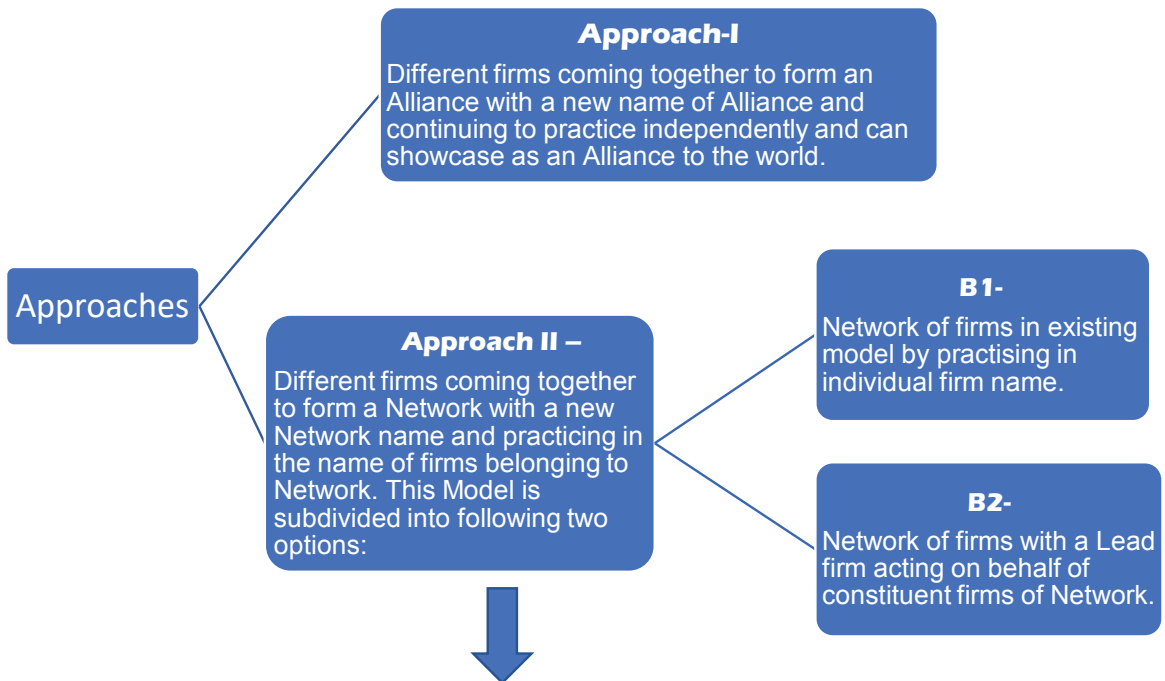


Networking Guidelines, 2011 Revised



Networking Guidelines, 2021 Revised

### A. Three models of networking – Options offered to Members

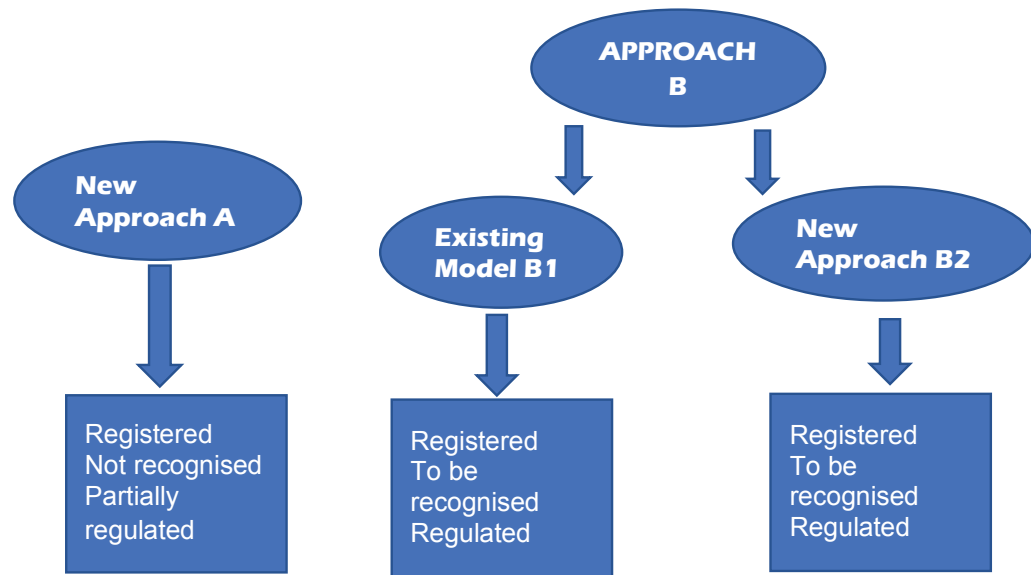


### B. FURTHER GUIDELINES BY THE COUNCIL

### C. ANNEXURE 1: THE GUIDELINES FOR ALLIANCE

### D. ANNEXURE 2: THE GUIDELINES FOR NETWORKING(REVISED)

### E. ANNEXURE 3: THE GUIDELINES FOR NETWORKING WITH LEAD FIRM CONCEPT

**A. THREE MODELS OF NETWORKING: OPTIONS OFFERED TO MEMBERS**

S.No.	Criteria	APPROACH A Alliance Model	APPROACH B1 Network Model	APPROACH B2 Lead Firm Model
1	Name	When four firms viz. A & Co., B & Co., C & Co. and D & Co. come together to form an Alliance, they may name their Alliance as "ABCD". In case they wish to use suffix, they will use the suffix "& Alliance" to their common name to make it "ABCD & Alliance". In all professional stationery, the member-firms can mention that they are member-firms of so & so Alliance. The Alliance can also mention in its professional stationery that so & so firms are part of its Alliance.	When four firms viz. A & Co., B & Co., C & Co. and D & Co. come together to form a Network, they may name their Network as "ABCD". In case they wish to use suffix, they will use the suffix "& Affiliates" or "Network" to their common name to make it "ABCD & Affiliates" or "ABCD Network". In all professional stationery, the member-firms can mention that they are member-firms of so & so Network. The Network can also mention in its professional stationery that so & so firms are part of its Network.	When four firms viz. A & Co., B & Co., C & Co. and D & Co. come together to form a Network, they will suffix "& Affiliates" or "Network" to one of the firms selected by constituent firms as Lead firm e.g. if A & Co. is chosen as Lead firm, then name of Network will be "A & Co. & Affiliates" In all professional stationery, the member-firms can mention that they are member-firms of so & so Network. The Network can also mention in its professional stationery that so & so firms are part of its Network.
2	Registration	Alliance will be registered with ICAI. ICAI will allot unique Alliance Registration Number (ARN)	Network will be registered with ICAI. ICAI will allot unique Network Registration Number (NRN)	Network will be registered with ICAI. ICAI will allot unique Network Registration Number (NRN)
3	Practice	Firms are free to carry on practice as independent firms, despite being constituents of Alliance. Alliance may direct the best practices to be followed by individual constituent firms.	Firms are bound by internal Integration agreement, and practice as independent firms, subject to internal agreement. Network's	Firms can have an internal agreement recognising one of the firms as the lead firm, depending upon the specialism and expertise required for each assignment. The individual firms can carry



		Firms belonging to one Alliance can't be allowed to become Associates of another Alliance or Network, so that regulatory complexities are avoided.	decision prevails upon other firms. Firms belonging to one Network can't be allowed to become Associates of another Network or Alliance, so that regulatory complexities are avoided.	on practice as independent firms. The lead firm and its constituents can't be allowed to become Associates of another Network or Alliance, so that regulatory complexities are avoided.
4	Empanelment	All firms in Alliance can apply for empanelment separately as individual firms. Their coming together is basically for non audit services. For audit practice, they all remain as independent practitioners.	All firms belonging to Network can apply for empanelment, separately as individual firms. ICAI will put in efforts to secure recognition of the combined strength and resources.	Lead firm is entitled to apply for empanelment in its own name, but by way of internal agreement, it will be on behalf of entire Network. When Lead firm applies for empanelment, other constituent firms cannot apply. ICAI will put in efforts to secure recognition of the combined strength and resources.
5	Conflict	Conflict exists e.g. if one firm does statutory audit of an entity, another firm in Alliance cannot do internal audit. If one firm does audit work, another firm in the Alliance cannot perform non-audit services of same client. Rotation of audit amongst constituent firms will not be permitted.	Conflict exists e.g. if one firm does statutory audit of an entity, another firm in Network cannot do internal audit. If one firm does audit work, another firm in the Network cannot perform non-audit services of same client. Rotation of audit amongst constituent firms will not be permitted.	Conflict exists e.g. if one firm does statutory audit of an entity, another firm in Network cannot do internal audit. If one firm does audit work, another firm in the Network cannot perform non-audit services of same client. Rotation of audit amongst constituent firms will not be permitted.
6	Characteristics	Firms come together for mutual benefits Individual firms take up professional work on their own. Since all constituents are Indian CA firms, referral of work and sharing of fees/ profits is permitted. They should have own bye-laws, the provisions of which should not run contrary to CA Act, CA Regulations, ICAI Code of Ethics and Council Guidelines.	Firms come together for mutual benefits by pooling resources, showcase their combined strength, and have uniform policies, technology and collaterals, and showcase themselves as one big unit. Quality control is well documented and complied with, which is applicable to network as well as to individual constituent firms. Individual firms take up professional work on their own, and a partner of said firm can sign the reports and documents Since all constituents are Indian CA firms, referral of work and sharing of fees/ profits is permitted. Bye-laws / agreement is entered by all firms, the	Firms come together for mutual benefits by pooling resources, showcase their combined strength, and have uniform policies, technology and collaterals, and showcase themselves as one big unit. Quality control is well documented and complied with, which is applicable to network as well as to individual constituent firms. Individual firms take up professional work on their own, and a partner of said firm can sign the reports and documents. Since all constituents are Indian CA firms, referral of work and sharing of fees/ profits is permitted.



			provisions of which should not run contrary to CA Act, CA Regulations, ICAI Code of Ethics and Council Guidelines	Bye-laws / agreement is entered by all firms, the provisions of which should not run contrary to CA Act, CA Regulations, ICAI Code of Ethics and Council Guidelines.
7	Accountability	In case delinquency occurs in a particular assignment, then the firms that have jointly executed the assignment will be accountable. Therefore, division of work needs to be well documented. Whatever is taboo for a firm under Code of Ethics, is taboo for the Alliance as well i.e. whatever cannot be done by a firm, cannot be done by Alliance as well. A partner of firm that gets appointment will sign reports and certificates. Alliance shall have to submit to ICAI copy of internal agreement signed by an authorised partner of all constituent firms.	In case delinquency occurs in a particular assignment, then the firms that have jointly executed the assignment will be accountable. Therefore, division of work needs to be well documented. Whatever is taboo for a firm under Code of Ethics, is taboo for the Network as well i.e. whatever cannot be done by a firm, cannot be done by Network as well. A partner of firm that gets appointment will sign reports and certificates. Network shall have to submit to ICAI copy of internal agreement signed by an authorised partner of all constituent firms.	In case delinquency occurs in a particular assignment, then the firms that have jointly executed the assignment will be accountable. Therefore, division of work needs to be well documented. Whatever is taboo for a firm under Code of Ethics, is taboo for the Network as well i.e. whatever cannot be done by a firm, cannot be done by Network as well. A partner of lead firm will sign reports and certificates, as it is the lead firm which will get the appointment in its name. Network shall have to submit to ICAI copy of internal agreement signed by an authorised partner of all constituent firms.
8	Reconstitution	Firms are free to join and exit Alliance. Reconstitution has to be registered with ICAI.	Firms are bound by Network's internal integration agreement. Reconstitution has to be registered with ICAI.	Firms are bound by Network's internal Integration agreement. Reconstitution has to be registered with ICAI.
9	Exit/ Closure	Much more easier to quit the arrangement. If one or more firms quit the Alliance, it will not deprive the remaining firms from doing the work they have already secured by virtue of Alliance.	Easy to quit the arrangement. If one or more firms quit the Network, it will not deprive the remaining firms from doing the work they have already secured by virtue of Network.	Easy to quit the arrangement. If one or more firms quit the Network, it will not deprive the remaining firms from doing the work they have already secured by virtue of Network. If Lead firm quits the network, after having secured professional work, then it will have to share the fees with other constituent firms. A clause to this effect can be incorporated in the internal agreement.



## B. Further guidance given by Council

The Council has given following further guidance to the members :

- a. Firms might need to have detailed knowledge of other firms to make up their mind as to with which firm they will go for Alliance/ Networking. Therefore, data of firms will be made available in the Self Service Portal for the members to view and take informed decision.
- b. Any firm of Chartered Accountants can become a part of any one Alliance or any one Network. If it intends to become part of one Alliance, it cannot become part of a Network, and vice versa.
- c. ICAI will consider providing a Model deed/ template.
- d. Name of Alliance/ Network should resemble name of member-firms or a combination of acronym. Alliance/ Network should not bear the name of God/ Goddess/ deity or which has no relationship with name of member-firms. Descriptive names will not be allowed. Names which smack of publicity will not be allowed. Names which resemble any of the existing firms or network will not be allowed. Brand name should be owned only by Indian citizen who is resident in India.
- e. Alliance/ Network will be permitted as joint ventures for specific assignments.
- f. Documents such as deeds, MOUs, forms can be signed by the Managing Partner of each of the member-firms and need not be signed by all partners.
- g. Only firms and LLPs can become member-firms in Alliance/ Network. Individual practitioners are not permitted to be part of Alliance/ Network.**
- h. Every agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given.
- i. The legal status of Alliance/ Network can be that of AOP as recognised by tax laws. Alliance/ Network may open bank accounts in its own name, obtain PAN and GST registration.
- j. Alliance/ Network can take up non-attest assignments in its own name, if work is so assigned.
- k. Alliance/ Network may prepare a common balance sheet and get the same audited.
- l. Alliance/ Network can have website of its own. Appropriate guidelines will be prepared by Ethical Standards Board of ICAI.

## C. Annexure 1 : THE GUIDELINES FOR ALLIANCE

The objective of the Alliance Guidelines is to provide a framework for a firm of Chartered Accountants seeking benefits from Alliance, such as:

- Wider co-operation amongst the professionals
- Sharing of common name of Alliance, if desired by Alliance firms, and to showcase their combined strength for securing professional work.
- Wider professional reach
- Referral practices
- Wider geographical presence.

Any specific regulations applicable to the respective constituents of the Alliance will continue to apply. The Alliance Guidelines do not intend to override specific regulations applicable to such entities

**(i) Concept and Forms of Network :**

- An Alliance may either be an Alliance of those entities registered with the ICAI or other entities referred to in para 3(e).
- A registration of Alliance or an affiliation/ membership may only be initiated by a firm of Chartered Accountants registered with the ICAI.
- An Alliance will act as a facilitator for the constituents of the Alliance. The constituents will be free to carry out any professional practice on their own. Alliance may be constituted as a group of firms and may register as AOP as recognised under income-tax laws.
- An Alliance may consist of proprietorship firm, partnership, limited liability partnership, as may be permitted under applicable laws/ regulations.
- An entity is allowed to join only one Alliance. Firms belonging to one Alliance are not allowed to become Associates of another Alliance or Network firm.
- Entities having majority of common partners shall join only one Alliance.
- Where the larger structure of group of entities is aimed at wider co-operation amongst professionals, wider professional reach and wider geographical presence, and it is clearly aimed at profit or cost sharing amongst the entities within the structure, it may be an Alliance. However, the sharing of costs does not in itself create an Alliance. Further, an association between firms to jointly provide a service or develop a product may in itself create an Alliance.

- **Examples of Alliance:**

- Share professional work and fees, without common ownership, control or management, it may be an Alliance.
- Share the use of a common name, it may be an Alliance. A firm which is part of Alliance, may project itself as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Alliance".
- If an entity does not belong to an Alliance, it should not give the appearance that it belongs to an Alliance in any manner.
- Several factors may contribute in reaching a conclusion, whether a structure constitutes an Alliance or not. A written arrangement demonstrating an intention to co-operate and create an Alliance would play a significant role, along with the registration with the ICAI.

**(ii) Modalities of working of an Alliance :**

- Alliances may not be given professional assignment in their own name, but their combined strength may be recognised. Potential clients can assign non-attestation work in the name of Alliance. Consistent efforts will be made by ICAI to enable Alliances to secure work in their own name.
- While submitting a bid, individual member firms belonging to the Alliance may be assessed in terms of their own strength. All firms belonging to Alliance can apply for empanelment separately as individual firms. ICAI will make efforts to secure recognition to the model of practice from appointing authorities by making representations to different Government Departments, PSUs, Autonomous bodies etc.
- Name approval and registration of Alliance will be centralized. Unique Alliance Registration Number (ARN) to be allotted to all Alliances by ICAI.
- If one firm in the Alliance is performing Central Statutory audit of an entity, another firm in the same Alliance cannot be allowed to perform internal/ concurrent/ branch audit of the same entity. However, both the Firms be allowed





simultaneously to perform branch audits or concurrent audits of different branches if no firm in the Alliance is central statutory auditor.

- Rotation of audit amongst the constituent firms in an Alliance is not permitted.
- The provisions of Section 144 of the Companies Act, 2013 which restricts auditor from rendering other services to the same client, will apply to all constituent firms in the Alliance.
- Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI is applicable to firms and Alliances.
- In a situation where the client or empanelment/ appointment authority awards work based on the combined strength of Alliance, a subsequent change in constitution of the Alliance will not debar rest of the constituent firms from executing the work. In a worst case scenario, if the Alliance is unable to discharge the work because one or more firms have left, it can always resign from the assignment.
- Alliances can register themselves as AOPs as recognised under income-tax laws. Alliances may form AOP and open bank account in their own name, obtain PAN and GST registration. Income received by AOP can be distributed as per MOU entered into amongst the member-firms of Alliance. IT returns will have to be filed by AOP.
- AOPs can prepare common balance sheet and get it audited.

### **(iii) Approval of name of Alliance amongst entities :**

The Alliance shall have a distinct name.

- The Alliance can be named as "A B" or "A B & Alliance"
- The member firms of Alliance can project themselves as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Alliance", in their professional stationery and letterheads.

Following naming provisions as are applicable for approval of firm/ trade name under Regulation 190(2)(ii) will be applicable for approval of Alliance name:

- Name approval will be subject to availability of proposed name.
- Name of Alliance should resemble name of member-firms or a combination of their acronym.
- Alliance should not bear the name of god/ goddess/ deity or which has no relationship with name of member-firms.
- Descriptive name will not be allowed
- Names which smack of publicity will not be allowed.

In all professional stationery, the member-firms can mention that they are member-firms of so & so Alliance. The Alliance can also mention in its professional stationery that so & so firms are part of its Alliance.

The ICAI shall approve or reject the name of an Alliance and intimate the same to the Alliance at its address mentioned in the prescribed Form "A" within a period which shall not be later than 30 days from the date of receipt of the said Form.

### **(iv) Registration of an Alliance :**

- An Alliance shall come into existence only if it is registered with the ICAI and for which an application in the prescribed Form "B" shall be duly filed. Every agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given. The ICAI shall register or reject the application within 30 days of filing the application or submission of information as desired by the ICAI.
- In order to use the name of an Alliance within the meaning of the Alliance Guidelines, its registration with the ICAI is mandatory. An Alliance Registration Number (ARN) and a certificate of registration to this effect will be issued by the ICAI

**(v) Change in constitution of a registered Alliance :**

In case of change in the constitution of a registered Alliance on account of any entry into or exit from or a discontinuation of the Alliance, the Alliance shall communicate the same to the ICAI by filing a prescribed Form "C" within a period of thirty (30) days from the date of such change and a revised certificate of registration will be issued by the ICAI in this regard. In case, an intimation is received at ICAI beyond 30 days, then the change in constitution or discontinuation, as the case may be, will be reckoned from the date of receipt of intimation at ICAI.

The Alliance will cease to exist, in case only one entity remains in Alliance on account of change in constitution of Alliance

**(vi) Ethical Compliance :**

- Once an Alliance is registered with the ICAI, it will be necessary for such an Alliance and its constituent entities to comply with the Code of Ethics prescribed by ICAI and relevant Council Guidelines.
- If one firm of the Alliance is the statutory auditor of an entity then the associate [including the Alliance firm(s)] or the said firm directly/ indirectly shall not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm. If one firm does audit work, another firm in the Alliance cannot perform non-audit services of same client.
- In those cases where rotation of firms is prescribed by any regulatory authority, no member firm of an Alliance can accept appointment as an auditor in place of any member firm of the Alliance which is retiring.
- An Alliance may advertise the Alliance to the extent permitted by the Advertisement Guidelines issued by the ICAI. The firms constituting the Alliance are permitted to use the words "A Member Firm of A B" or "A Member Firm of A B & Alliance" on their professional stationery. The Council will make appropriate changes to this effect in Code of Ethics

**(vii) Consent of Clients :**

The effect of registration of an Alliance with the ICAI will be deemed to be a public notice of the Alliance and, therefore, consent of client will be deemed to have been obtained.

Framework of internal byelaws of an Alliance :

- Administration of the Alliance
- Dispute settlement procedures through arbitration and conciliation and assumption of liabilities
- Resource sharing arrangements



**Form 'A'**  
**APPLICATION FOR APPROVAL OF NAME OF ALLIANCE OF FIRMS**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

[See the relevant Rule of The Guidelines for Alliance amongst the firms registered with The Institute of Chartered Accountants of India]

1. Proposed name of Alliance (in order of preference)

1.	_____
2.	_____
3.	_____
4.	_____

2. Names of the firms(s) forming Alliance	Firm Regn. No./
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

3. Address of the Office of the Alliance

Pin \_\_\_\_\_  
E-mail (if any) \_\_\_\_\_  
Phone/ Mobile Nos. \_\_\_\_\_

4. We hereby declare that the above firm(s)/ Member(s) proposed/ have entered into an understanding to form an Alliance in accordance with the Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorised by the other partners of the respective firms.

Place : .....	Name(s) with Membership No(s). and signature(s) of duly authorized Partner(s)/
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Date : .....	Proprietor(s) of the firms constituting Alliance
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Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

**Form 'B'**  
**APPLICATION FOR REGISTRATION OF ALLIANCE OF FIRMS**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
[See relevant Rule of The Guidelines for amongst the firms registered with The Institute of Chartered Accountants of India]

**PARTICULARS OF NETWORK**

1. Name of the Alliance
2. Address of the Alliance
3. Names and addresses of firms constituting the Alliance



Names and addresses of Firm(s)

Firm Registration No.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

_____
_____
_____
_____

4. Date and approval number of network name given by the ICAI

5. Date of formation of Alliance

6. We undertake to comply with the guidelines/ directions laid down by the Council regarding Alliance from time to time.

7. We hereby confirm that all the Alliance firms have entered into an understanding to work as a Alliance in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.

Place : .....

Name(s) with membership No(s).  
and signature(s) of duly authorised

Date: .....

Partner(s)/Proprietor(s) of the  
Firms constituting Alliance

Instruction: Copy of agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given.

**Form 'C'****DECLARATION FOR CHANGE IN CONSTITUTION OF REGISTERED ALLIANCE****THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

[See relevant Rule of The Guidelines for Alliance amongst the firms registered with The Institute of Chartered Accountants of India]

1. Name of the Alliance:

2. Address of the Alliance:

3. Alliance Registration Number (ARN):

4. Names and addresses of firms constituting the Alliance

Names and addresses of Firm(s)

Firm Registration No.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

_____
_____
_____
_____

5. Name and address of the firm(s) willing to enter/ exit into/ from the Alliance

Names and addresses of Firm(s)

Firm Registration No.

1. \_\_\_\_\_
2. \_\_\_\_\_

_____
_____



3. \_\_\_\_\_  
4. \_\_\_\_\_

6. Date of change in the constitution:

7. We hereby declare that the above firm(s) propose to enter/exit into/from the Alliance in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and the confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.

Place : .....

Name(s) with Membership No(s).  
and signature(s) of duly authorized

Date : .....

Partner(s)/Proprietor(s) of the firms

Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

## **D. Annexure : THE GUIDELINES FOR NETWORKING**

The objective of the Networking Guidelines is to provide a framework for a firm of Chartered Accountants seeking benefits from Networking, such as:

- Wider co-operation amongst the professionals
- Sharing of common name of Network, if desired by Network firms, and to showcase their combined strength for securing professional work.
- Wider professional reach
- Referral practices
- Wider geographical presence .

Any specific regulations applicable to the respective constituents of the Network will continue to apply. The Networking Guidelines do not intend to override specific regulations applicable to such entities

### **(i) Concept and Forms of Network :**

- A Network may either be a Network of those entities registered with the ICAI or other entities referred to in para 3(e).
- A registration of Network or an affiliation/ membership referred to in para 4.1 above, may only be initiated by a firm of Chartered Accountants registered with the ICAI.
- A Network may be constituted as a group of firms and may register as AOP as recognised under income-tax laws.
- Network may consist of proprietorship firm, partnership, limited liability partnership, as may be permitted under applicable laws/ regulations.
- An entity is allowed to join only one Network. Firms belonging to one Network are not allowed to become Associates of another Alliance or Network firm.
- Entities having majority of common partners shall join only one Network.
- Where the larger structure of group of entities is aimed at wider co-operation amongst professionals, wider professional reach and wider geographical presence, and it is clearly aimed at profit or cost sharing amongst the entities within the structure, it may be an Network. However, the sharing of costs does not in itself create an Network. Further, an association between firms to jointly provide a service or develop a product may in itself create an Network.



- Examples of Networks:  
Where the larger structure of a group of entities is aimed at co-operation and the entities within the structure share professional work and fees, without common ownership, control or management, it may be a Network.
- the use of a common name, it may be an Network. A firm which is part of Network, may project itself as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Network".
- If an entity does not belong to a Network, it should not give the appearance that it belongs to an Network in any manner.
- Several factors may contribute in reaching a conclusion, whether a structure constitutes an Network or not. A written arrangement demonstrating an intention to co-operate and create an Network would play a significant role, along with the registration with the ICAI.

### **(ii) Modalities of working of an Network :**

- Globally Networks are not given work, but their combined strength is recognised. Potential clients can assign non-attestation work in the name of Network. Consistent efforts will be made by ICAI to enable networks to secure work in their own name.
- All firms belonging to Network can apply for empanelment separately as individual firms. ICAI will make efforts for credit points for combined strength to be given based on the mechanism in vogue with C&AG. Appropriate changes can be made in MEF. ICAI will make all out efforts to secure recognition to the model of practice from appointing authorities by making representations to different Government Departments, PSUs, Autonomous bodies etc.
- Name approval and registration of Network will be centralized. Unique Network Registration Number (NRN) to be allotted to all Networks by ICAI.
- If one firm in the Network is performing Central Statutory audit of an entity, another firm in the same Network cannot be allowed to perform internal/ concurrent/ branch audit of the same entity. However, both the Firms be allowed simultaneously to perform branch audits or concurrent audits of different branches if no firm in the Network is central statutory auditor.
- Rotation of audit amongst the constituent firms in a Network is not permitted.
- The provisions of Section 144 of the Companies Act, 2013 which restricts auditor from rendering other services to the same client, will apply to all constituent firms in the Network.
- Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI is applicable to firms and networks.
- In a situation where the client or empanelment/ appointment authority awards work based on the combined strength of Network, a subsequent change in constitution of the Network will not debar rest of the constituent firms from executing the work. In a worst case scenario, if the Network is unable to discharge the work because one or more firms have left, it can always resign from the assignment.
- Networks can register themselves as AOPs as recognised under income-tax laws. Networks may form AOP and open bank account in their own name, obtain PAN and GST registration. Income received by AOP can be distributed as per MOU entered into amongst the member-firms of Network. IT returns will have to be filed by AOP.
- AOPs can prepare common balance sheet and get it audited.

### **(iii) Approval of name of Network amongst entities :**



- The Network can be named as "A B" or "A B & Network"
- The member firms of Network can project themselves as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Network", in their professional stationery and letterheads.

Following naming provisions as are applicable for approval of firm/ trade name under Regulation 190(2)(ii) will be applicable for approval of Network name:

- Name approval will be subject to availability of proposed name.
- Name of Network should resemble name of member-firms or a combination of their acronym.
- Network should not bear the name of god/ goddess/ deity or which has no relationship with name of member-firms.
- Descriptive name will not be allowed
- Names which smack of publicity will not be allowed.

In all professional stationery, the member-firms can mention that they are member-firms of so & so Network. The Network can also mention in its professional stationery that so & so firms are part of its Network.

The ICAI shall approve or reject the name of an Network and intimate the same to the Network at its address mentioned in the prescribed Form "A" within a period which shall not be later than 30 days from the date of receipt of the said Form.

#### **(iv) Registration of an Network :**

- A Network shall come into existence only if it is registered with the ICAI and for which an application in the prescribed Form "B" shall be duly filed. Every agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given. The ICAI shall register or reject the application within 30 days of filing the application or submission of information as desired by the ICAI.
- In order to use the name of an Network within the meaning of the Network Guidelines, its registration with the ICAI is mandatory. An Network Registration Number (NRN) and a certificate of registration to this effect will be issued by the ICAI

#### **(v) Change in constitution of a registered Network :**

- In case of change in the constitution of a registered Network on account of any entry into or exit from or a discontinuation of the Network, the Network shall communicate the same to the ICAI by filing a prescribed Form "C" within a period of thirty (30) days from the date of such change and a revised certificate of registration will be issued by the ICAI in this regard. In case, an intimation is received at ICAI beyond 30 days, then the change in constitution or discontinuation, as the case may be, will be reckoned from the date of receipt of intimation at ICAI.
- The Network will cease to exist, in case only one entity remains in Network on account of change in constitution of Network

#### **(vi) Ethical Compliance :**

- Once a Network is registered with the ICAI, it will be necessary for such an Network and its constituent entities to comply with the Code of Ethics prescribed by ICAI and relevant Council Guidelines.
- If one firm of the Network is the statutory auditor of an entity then the associate [including the Networked firm(s)] or the said firm directly/ indirectly shall not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm. If one firm does audit work, another firm in the Network cannot perform non-audit services of same client.





- In those cases where rotation of firms is prescribed by any regulatory authority, no member firm of an Network can accept appointment as an auditor in place of any member firm of the Network which is retiring.
- A Network may advertise the Network to the extent permitted by the Advertisement Guidelines issued by the ICAI. The firms constituting the Network are permitted to use the words "A Member Firm of A B" or "A Member Firm of A B & Network" on their professional stationery. The Council will make appropriate changes to this effect in Code of Ethics

**(vii) Consent of Clients :**

The effect of registration of an Network with the ICAI will be deemed to be a public notice of the Network and, therefore, consent of client will be deemed to have been obtained.

**(viii) Framework of internal byelaws of an Network :**

A Networking arrangement may include the following (illustrative only):

- Appointment of a Managing Committee, from among the managing partners of the member firms of the Network and the terms and conditions under which it should function. The minimum and maximum number of members of the Managing Committee shall also be agreed upon.
- Administration of the Network
- Contribution of membership fees to meet the cost of the administration of the Network.
- Identifying a partner of any of the member firms of the Network to be responsible for the administration of the Network
- Dispute settlement procedures through arbitration and conciliation and assumption of liabilities
- Development of training materials for members of the Network
- Development and maintenance of data bases relevant for different types of assignments
- Library
- Appointment of a technical director to whom references can be made
- Development of software and tools for the use of member firms
- Resource sharing arrangements

**(ix) Repeal and saving:**

The Networking Guidelines issued in 2011 shall stand withdrawn from this date.

**(x) Existing Networks and affiliations registered with the ICAI:**

The existing Networks registered with the ICAI will be deemed to be registered under the new Guidelines as per its corresponding provisions. The Network should comply with the new Guidelines on a prospective.

**Form 'A'**  
**APPLICATION FOR APPROVAL OF NAME OF NETWORK OF FIRMS**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**[See the relevant Rule of The Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India]**

- |                             |          |
|-----------------------------|----------|
| 1. Proposed name of Network | 1. _____ |
| (in order of preference)    | 2. _____ |



2. Names of the firms(s) forming network
- |          |                       |
|----------|-----------------------|
| 1. _____ | 3. _____              |
| 2. _____ | 4. _____              |
| 3. _____ | _____ Firm Regn. No./ |
| 4. _____ | _____                 |

3. Address of the Office of the Network

Pin \_\_\_\_\_

E-mail (if any) \_\_\_\_\_

Phone/ Mobile Nos. \_\_\_\_\_

4. We hereby declare that the above firm(s)/ Member(s) proposed/ have entered into an understanding to form a network in accordance with the Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorised by the other partners of the respective firms.

Place : .....

Name(s) with Membership No(s). and  
signature(s) of duly authorized Partner(s)/

Date : .....

Proprietor(s) of the firms constituting  
Network

Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

### Form 'B'

#### APPLICATION FOR REGISTRATION OF NETWORK OF FIRMS THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See relevant Rule of The Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India]

#### PARTICULARS OF NETWORK

1. Name of the Network

2. Address of the Network

3. Names and addresses of firms constituting the Network

Names and addresses of Firm(s)

Firm Registration No.

- |          |       |
|----------|-------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |

4. Date and approval number of network name given by the ICAI

5. Date of formation of Network

6. We undertake to comply with the guidelines/ directions laid down by the Council regarding Network from time to time.



7. We hereby confirm that all the Network firms have entered into an understanding to work as a network in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.

Place : .....

Name(s) with membership No(s).  
and signature(s) of duly authorised

Date: .....

Partner(s)/Proprietor(s) of the  
Firms constituting Network

Instruction: Copy of agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given.

### Form 'C'

#### DECLARATION FOR CHANGE IN CONSTITUTION OF REGISTERED NETWORK THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See relevant Rule of The Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India]

1. Name of the Network:

2. Address of the Network:

3. Network Registration Number (NRN):

4. Names and addresses of firms constituting the Network

Names and addresses of Firm(s)

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_

Firm Registration No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Name and address of the firm(s) willing to enter/ exit into/ from the Network

Names and addresses of Firm(s)

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_

Firm Registration No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Date of change in the constitution:

7. We hereby declare that the above firm(s) propose to enter/exit into/from the network in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and the confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.



Place : .....

Name(s) with Membership No(s).  
and signature(s) of duly authorized

Date : .....

Partner(s)/Proprietor(s) of the firms

Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

## E. Annexure 3 : THE GUIDELINES FOR NETWORKING WITH LEAD FIRM

The objective of the Networking Guidelines is to provide a framework for a firm of Chartered Accountants seeking benefits from Networking, such as:

- Wider co-operation amongst the professionals
- Sharing of common name of Network, if desired by Network firms, and to showcase their combined strength for securing professional work.
- Wider professional reach
- Referral practices
- Wider geographical presence .

Any specific regulations applicable to the respective constituents of the Network will continue to apply. The Networking Guidelines do not intend to override specific regulations applicable to such entities

### (i) Concept and Forms of Network :

- A Network may either be a Network of those entities registered with the ICAI or other entities referred to in para 3(e).
- A registration of Network or an affiliation/ membership may only be initiated by a firm of Chartered Accountants registered with the ICAI.
- A Network may be constituted as a group of firms and may register as AOP as recognised under income-tax laws. The Network may authorise one of its member-firms as the lead firm to act as a facilitator for the constituents of the Network.
- Network may consist of proprietorship firm, partnership, limited liability partnership, as may be permitted under applicable laws/ regulations.
- An entity is allowed to join only one Network. Firms belonging to one Network are not allowed to become Associates of another Alliance or Network firm.
- Entities having majority of common partners shall join only one Network.
- Where the larger structure of group of entities is aimed at wider co-operation amongst professionals, wider professional reach and wider geographical presence, and it is clearly aimed at profit or cost sharing amongst the entities within the structure, it may be an Network. However, the sharing of costs does not in itself create an Network. Further, an association between firms to jointly provide a service or develop a product may in itself create an Network.
- Examples of Networks:  
Where the larger structure of a group of entities is aimed at co-operation and the entities within the structure share - professional work and fees, without common ownership, control or management, it may be an Network.  
  
- the use of a common name, it may be an Network. A firm which is part of Network, may project itself as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Network".



- If an entity does not belong to an Network, it should not give the appearance that it belongs to an Network in any manner.
- Several factors may contribute in reaching a conclusion, whether a structure constitutes an Network or not. A written arrangement demonstrating an intention to co-operate and create an Network would play a significant role, along with the registration with the ICAI.

### **(ii) Modalities of working of an Network :**

- Globally Networks are not given work, but their combined strength is recognised. Potential clients can assign non-attestation work in the name of Network. Consistent efforts will be made by ICAI to enable networks to secure work in their own name. Till such time, a lead firm in the Network can secure work in its name on behalf of the Network.
- The constituent firms will be at liberty to choose a different constituent firm as the Lead firm to represent the Network, depending upon the specialism and expertise required for a particular assignment.
- By way of an internal agreement amongst the firms, one of the firms will be chosen as the Lead firm. Only the Lead firm can apply for empanelment and not the other member-firms. While submitting a bid, the lead firm belonging to the Network may get credit points for the combined resources of the whole of the Network firms. ICAI will make efforts for credit points for combined strength to be given based on the mechanism in vogue with C&AG. Appropriate changes can be made in MEF. ICAI will make all out efforts to secure recognition to the model of practice from appointing authorities by making representations to different Government Departments, PSUs, Autonomous bodies etc.
- The Network firms may decide amongst themselves through agreement the strategy for execution of the professional work. They may distribute the work on the basis of expertise possessed by each firm or on the basis of geographical location of the firms or on any basis mutually acceptable to them. They will also decide how the fees will be distributed amongst the firms, on the basis of quantum of work, man days and expenses involved. Initially, some firms may sacrifice a bit in order to sustain and continue in the Network, but gradually when work starts flowing in, all firms are benefitted and can grow bigger. More importantly, when big professional work starts flowing in, it will enhance the competency of all the firms in Network. Capacity building and capability building will take care by itself.
- Name approval and registration of Network will be centralized. Unique Network Registration Number (NRN) to be allotted to all Networks by ICAI.
- Since it may not be possible to obtain and execute work in the name of Network, the lead firm will secure work and distribute tasks amongst the constituent firms, provided the client has no objection for such an arrangement. There are enormous opportunities available other than audits allotted by authorities, and consultancy works, which can be executed under lead firm concept. Once work starts to flow in the name of Network itself, lead firm concept can be done away with.
- The issues that need to be kept in mind is wherever appointment letter is taken in the name of Lead firm, other firms, though they may contribute in completing the assignment, but may not be able to claim credit of experience of task. The situation can be met by entering into Agreement listing out respective tasks.  
If one firm in the Network is performing Central Statutory audit of an entity, another firm in the same Network cannot be allowed to perform internal/concurrent/ branch audit of the same entity. However, both the Firms be allowed simultaneously to perform branch audits or concurrent audits of different branches if no firm in the Network is central statutory auditor.
- Rotation of audit amongst the constituent firms in a Network is not permitted.
- The provisions of Section 144 of the Companies Act, 2013 which restricts auditor from rendering other services to the same client, will apply to all constituent firms in the Network.



- Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by ICAI is applicable to firms and networks.
- In a situation where the client or empanelment/ appointment authority awards work based on the combined strength of Network, a subsequent change in constitution of the Network will not debar rest of the constituent firms from executing the work. In a worst case scenario, if the Network is unable to discharge the work because one or more firms have left, it can always resign from the assignment.
- Networks can register themselves as AOPs as recognised under income-tax laws. Networks may form AOP and open bank account in their own name, obtain PAN and GST registration. Income received by AOP can be distributed as per MOU entered into amongst the member-firms of Network. IT returns will have to be filed by AOP.
- AOPs can prepare common balance sheet and get it audited

### **(iii) Approval of name of Network amongst entities :**

- The Network can be named as "A B" or "A B & Network"
- The member firms of Network can project themselves as "An Independent Member Firm of A B" or "An Independent Member Firm of A B & Network", in their professional stationery and letterheads.

Following naming provisions as are applicable for approval of firm/ trade name under Regulation 190(2)(ii) will be applicable for approval of Network name:

- Name approval will be subject to availability of proposed name.
- Name of Network should resemble name of member-firms or a combination of their acronym.
- Network should not bear the name of god/ goddess/ deity or which has no relationship with name of member-firms
- Descriptive name will not be allowed
- Names which smack of publicity will not be allowed.

In all professional stationery, the member-firms can mention that they are member-firms of so & so Network. The Network can also mention in its professional stationery that so & so firms are part of its Network.

The ICAI shall approve or reject the name of an Network and intimate the same to the Network at its address mentioned in the prescribed Form "AA" within a period which shall not be later than 30 days from the date of receipt of the said Form.

### **(iv) Registration of an Network :**

- A Network shall come into existence only if it is registered with the ICAI and for which an application in the prescribed Form "BB" shall be duly filed. Every agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given. The ICAI shall register or reject the application within 30 days of filing the application or submission of information as desired by the ICAI.
- In order to use the name of an Network within the meaning of the Network Guidelines, its registration with the ICAI is mandatory. An Network Registration Number (NRN) and a certificate of registration to this effect will be issued by the ICAI

### **(v) Change in constitution of a registered Network :**



In case of change in the constitution of a registered Network on account of any entry into or exit from or a discontinuation of the Network, the Network shall communicate the same to the ICAI by filing a prescribed Form "CC" within a period of thirty (30) days from the date of such change and a revised certificate of registration will be issued by the ICAI in this regard. In case, an intimation is received at ICAI beyond 30 days, then the change in constitution or discontinuation, as the case may be, will be reckoned from the date of receipt of intimation at ICAI.

The Network will cease to exist, in case only one entity remains in Network on account of change in constitution of Network

#### **(vi) Ethical Compliance :**

- Once a Network is registered with the ICAI, it will be necessary for such an Network and its constituent entities to comply with the Code of Ethics prescribed by ICAI and relevant Council Guidelines.
- If one firm of the Network is the statutory auditor of an entity then the associate [including the Networked firm(s)] or the said firm directly/ indirectly shall not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm. If one firm does audit work, another firm in the Network cannot perform non-audit services of same client.
- In those cases where rotation of firms is prescribed by any regulatory authority, no member firm of an Network can accept appointment as an auditor in place of any member firm of the Network which is retiring.
- A Network may advertise the Network to the extent permitted by the Advertisement Guidelines issued by the ICAI. The firms constituting the Network are permitted to use the words "A Member Firm of A B" or "A Member Firm of A B & Network" on their professional stationery. The Council will make appropriate changes to this effect in Code of Ethics

#### **(vii) Consent of Clients :**

The effect of registration of an Network with the ICAI will be deemed to be a public notice of the Network and, therefore, consent of client will be deemed to have been obtained.

#### **(viii) Framework of internal byelaws of an Network :**

A Networking arrangement may include the following (illustrative only):

- Appointment of a Managing Committee, from among the managing partners of the member firms of the Network and the terms and conditions under which it should function. The minimum and maximum number of members of the Managing Committee shall also be agreed upon.
- Administration of the Network
- Contribution of membership fees to meet the cost of the administration of the Network.
- Identifying a partner of any of the member firms of the Network to be responsible for the administration of the Network
- Dispute settlement procedures through arbitration and conciliation and assumption of liabilities
- Development of training materials for members of the Network
- Development and maintenance of data bases relevant for different types of assignments
- Library
- Appointment of a technical director to whom references can be made
- Development of software and tools for the use of member firms
- Resource sharing arrangements

**Form 'AA'****APPLICATION FOR APPROVAL OF NAME OF NETWORK OF FIRMS  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

[See the relevant Rule of The Guidelines for Networking with Lead Firm concept amongst the firms registered with The Institute of Chartered Accountants of India]

- |   |                 |
|---|-----------------|
| 1. Proposed name of Network<br>(in order of preference) | 1. _____        |
|   | 2. _____        |
|   | 3. _____        |
|   | 4. _____        |
| 2. Names of the firms(s) forming network                | Firm Regn. No./ |
| 1. _____  | _____           |
| 2. _____  | _____           |
| 3. _____  | _____           |
| 4. _____  | _____           |

3. Address of the Office of the Network

Pin

E-mail (if any) \_\_\_\_\_

Phone/ Mobile Nos. \_\_\_\_\_

4. We hereby declare that the above firm(s)/ Member(s) proposed/ have entered into an understanding to form a network in accordance with the Guidelines for Networking amongst the firms registered with The Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorised by the other partners of the respective firms.

Place : .....

Name(s) with Membership No(s). and  
signature(s) of duly authorized Partner(s)/

Date : .....

Proprietor(s) of the firms constituting  
Network

Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

**Form 'BB'****APPLICATION FOR REGISTRATION OF NETWORK OF FIRMS  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

[See relevant Rule of The Guidelines for Networking with Lead Firm concept amongst the firms registered with The Institute of Chartered Accountants of India]

**PARTICULARS OF NETWORK**

- |  |                       |
|--|-----------------------|
| 1. Name of the Network                                   |                       |
| 2. Address of the Network                                |                       |
| 3. Names and addresses of firms constituting the Network |                       |
| Names and addresses of Firm(s)                           | Firm Registration No. |





1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

4. Date and approval number of network name given by the ICAI

5. Date of formation of Network

6. We undertake to comply with the guidelines/ directions laid down by the Council regarding Network from time to time.

7. We hereby confirm that all the Network firms have entered into an understanding to work as a network in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.

Place : .....

Name(s) with membership No(s).  
and signature(s) of duly authorised

Date: .....

Partner(s)/Proprietor(s) of the  
Firms constituting Network

Instruction: Copy of agreement, bye-law, MOUs, by whatever name called, must be filed with ICAI, without which registration will not be given.

### Form 'CC'

#### DECLARATION FOR CHANGE IN CONSTITUTION OF REGISTERED NETWORK THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See relevant Rule of The Guidelines for Networking with Lead Firm concept amongst the firms registered with The Institute of Chartered Accountants of India]

1. Name of the Network:
2. Address of the Network:
3. Network Registration Number (NRN):
4. Names and addresses of firms constituting the Network

Names and addresses of Firm(s)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Firm Registration No.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

5. Name and address of the firm(s) willing to enter/ exit into/ from the Network

Names and addresses of Firm(s)

- 1.

Firm Registration No.



2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_

6. Date of change in the constitution:

7. We hereby declare that the above firm(s) propose to enter/exit into/from the network in accordance with the Guidelines for Networking amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and confirm that the partners signing the application have been duly authorized by the other partners of the respective firms.

Place : .....

Name(s) with Membership No(s).  
and signature(s) of duly authorized

Date : .....

Partner(s)/Proprietor(s) of the firms

Instruction: A copy of the authorisation to be filed with the ICAI by the partners signing the declaration on behalf of the firms.

## PEER REVIEW

### A. Peer Review :

In generality for a professional, the term peer review would mean review of work done by a professional, by another member of the same profession with similar standing.

**In the context of ICAI**, it means an examination and review of the systems and procedures of an Audit Firm, to determine whether the same have been put in place by the Practice Unit for ensuring the quality of assurance services as envisaged by the Technical, Professional and Ethical Standards and whether the same were consistently applied in the period under review. Peer Review process is intended to review the quality control framework of the Practice Unit as well as proper consistent application of such control frameworks across engagement samples selected for review. Thus Peer Review means the review of work done by a professional by another professional of similar standing.

### B. Scope of Peer Review :

The Peer Review process shall apply to all the assurance services provided by a Practice Unit.

Once a Practice Unit is selected for review, its assurance engagement records pertaining to the Peer Review Period shall be subjected to review. The Review shall cover:

- Compliance with Technical, Professional and Ethical Standards.
- Quality of reporting
- Systems and procedures for carrying out assurance services.
- Training programmes for staff (including articled and audit assistants) concerned with assurance functions, including availability of appropriate infrastructure.
- Compliance with directions and/or guidelines issued by the council to the members, including Fees to be charged, number of audits undertaken, register for Assurance Engagements conducted during the year and such other related records.
- Compliance with directions and/or guidelines issued by the council relating to article assistants and/or audit assistants, including attendance register, work diaries, stipend payments, and such other related records.

**C. Period of Review:**

- Level I Practice units- once in 3 years. Min. Sample Size is 8
- Level II Practice units-once in 4 years. Min. Sample Size is 5
- Level III Practice Units- Once in 5 years. Min. Sample Size is 3
- Newly Established Firm- Minimum sample size is 5. Once every year if sample size is less than 5

However, if the Board so decides or otherwise at the request of the Practice Unit, the Peer Review for a Practice Unit can be conducted at shorter intervals.

**D. Assurance Engagements.**

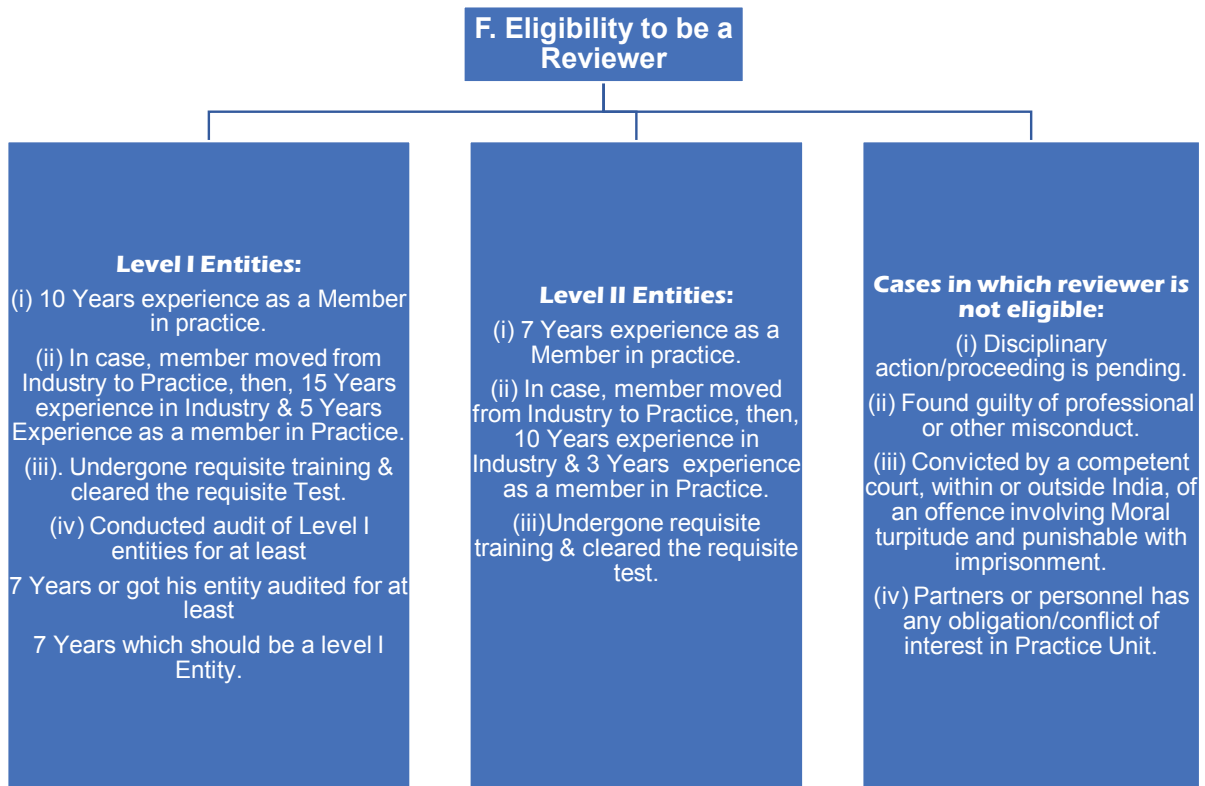
The peer review Process shall be directed at the assurance services which means assurance engagements services as specified in the "FRAME WORK FOR ASSURANCE ENGAGEMENTS" issued by the Institute of Chartered Accountants of India and as may be amended from time to time but does not include:

- i. Management Consultancy Engagements;
- ii. Representation before various Authorities;
- iii. Engagements to prepare tax returns or advising clients in taxation matters; iv. Engagements for the compilation of Financial statements;
- v. Engagements solely to assist the client in preparing, compiling or collating information other than financial statements;
- vi. Testifying as an expert witness;
- vii. Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain laws, on the basis of facts provided by the client; and
- viii. Engagement for due diligence

The phrase 'Assurance Services' is used in this Statement interchangeably with Audit Services, At testation Functions and Audit Functions.

**E. Technical, Professional and Ethical Standards – means**

- i. Accounting Standards issued by ICAI and/or prescribed by and notified by Central Government of India.
- ii. Standards issued by the Institute of Chartered Accountants of India including
  - (a) Engagements standards
  - (b) Statements
  - (c) Guidance Notes
  - (d) Standards on Internal Audit
  - (e) Statement on Quality Control
  - (f) Notifications / Directions / Announcements / Guidelines / Pronouncements/Professional standards issued from time to time by the Council or any of its Committees.
- iii. Framework for the preparation and presentation of financial statements, framework of statements and standard on Auditing, standard on Assurance Engagements, Standards on Quality Control and Guidance Notes on related services issued from time to time by the Institute of Chartered Accountants of India and framework for assurance engagements;
- iv. Provisions of the various relevant statutes and/or regulations which are applicable in the context of the specific engagements being reviewed including instructions, guidelines, notifications, directions issued by regulatory bodies as covered in the scope in the of assurance engagements;



- A Reviewer shall not accept any professional assignment from the Practice Unit for a period of two years from the date of appointment. Further, he should not have accepted any professional assignment from the Practice Unit for a period of two years before the date of appointment as reviewer of that Practice Unit.

**G. PRACTICE UNITS****Level I Entity:**

A PU which has undertaken any of the following assurance services in the period under review:

**1. Central Statutory audit of :**

- (i) Public Sector/Private Sector/Foreign/Cooperative Banks & Public Financial Institution.
- (ii) Central/State PSUs and Central Cooperative Societies based on criteria specified by the board.
- (iii) Insurance Companies.
- (iv) Regional Rural Banks.

**2. Statutory audit of:**

- (i) Asset Management Companies or Mutual funds.
- (ii) Enterprises whose equity/debt securities are listed in India/abroad.
- (iii) any body corporate including trusts which are covered under public interest entities.
  - (iv) Entities which has raised
    - (a) donations &/or contributions,
    - (b) funds from public /banks/FIs,
    - (c) funded by CG/SG schemes of over
- Rs 50 Crores during the period under review.
- (v) Entities having network > Rs. 250 Crores at any time during the period under review.
- (vi) Non Banking Financial Companies as may be defined by the Board.

**3. Statutory audit of parent, subsidiary, associate and joint venture of above entities.****Level II Entity:**

A PU which has undertaken any of the following assurance services in the period under review:

**1. Statutory/ Internal/ Concurrent/ Systems/ Tax Audit and/or Departmental review of :**

- (a) PSUs.
- (b) Public Sector/ Private Sector and/or foreign banks.
- (c) Insurance companies.
- (d) Co-operative Banks.
- (e) Regional Rural Banks.

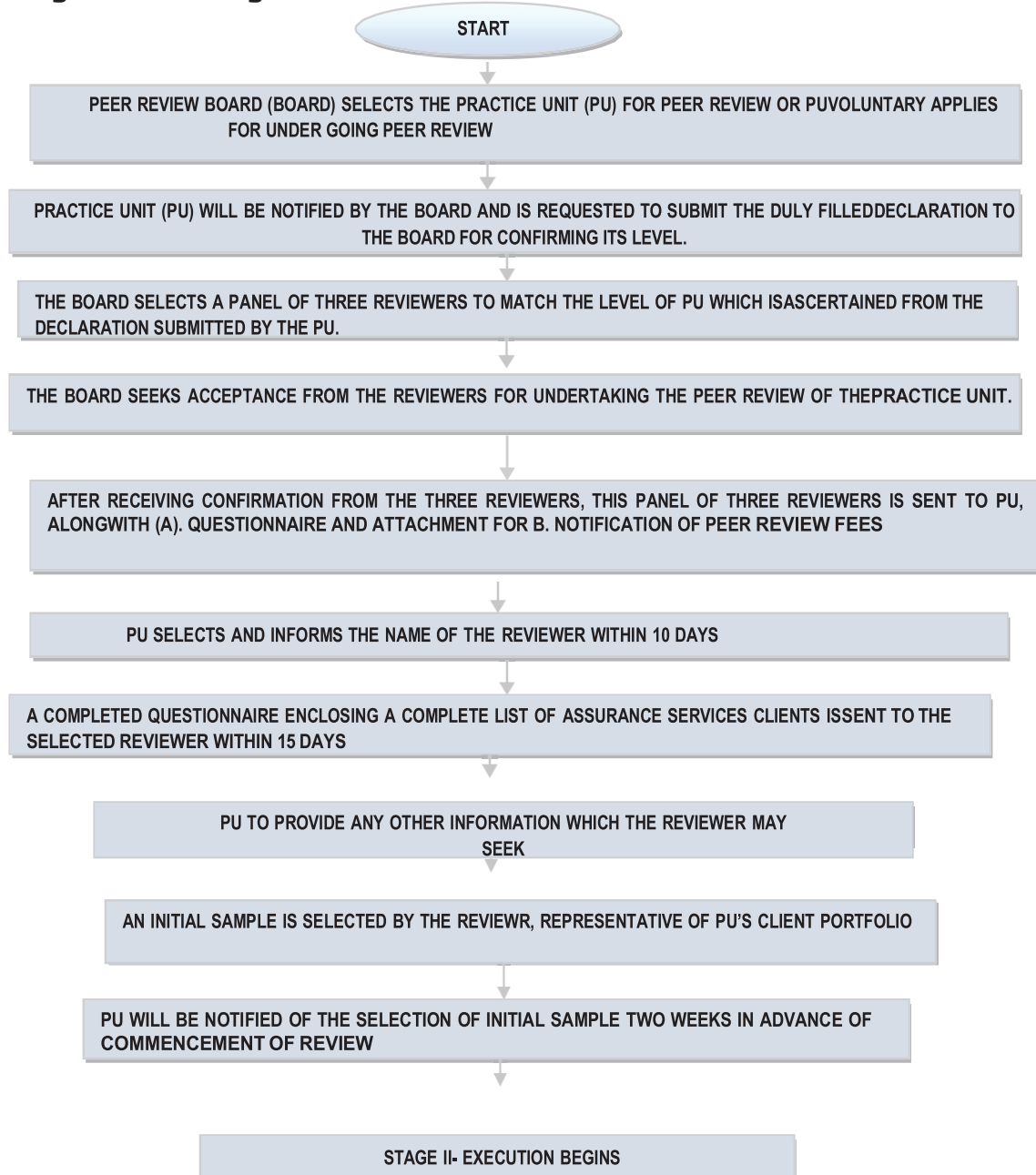
**2. Statutory audit of :**

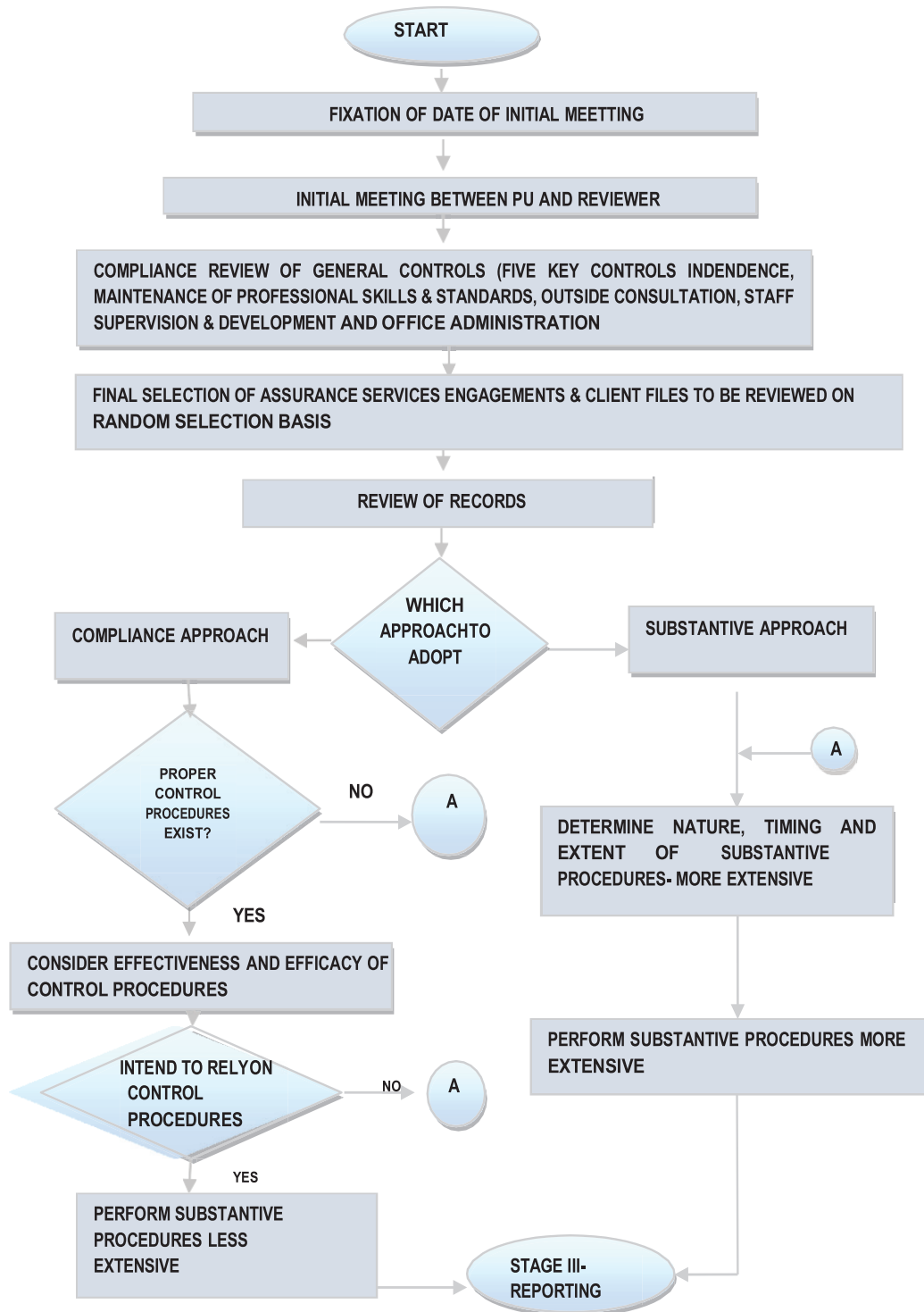
- (a) NBFCs as defined by the board.
- (b) Entities having Network > Rs. 5 Crores or an annual Turnover > Rs. 50 Crores during the period under review.
- (c) Entities which have raised funds from public/ banks/ FIs/ of more than Rs. 25 Crores but less than Rs. 50 Crores during the period under review.
- 3. UDINs generated by the Practice Units more than the specified times determined by the board from time to time.
- 4. Any other Practice Units providing assurance or other services not covered above.

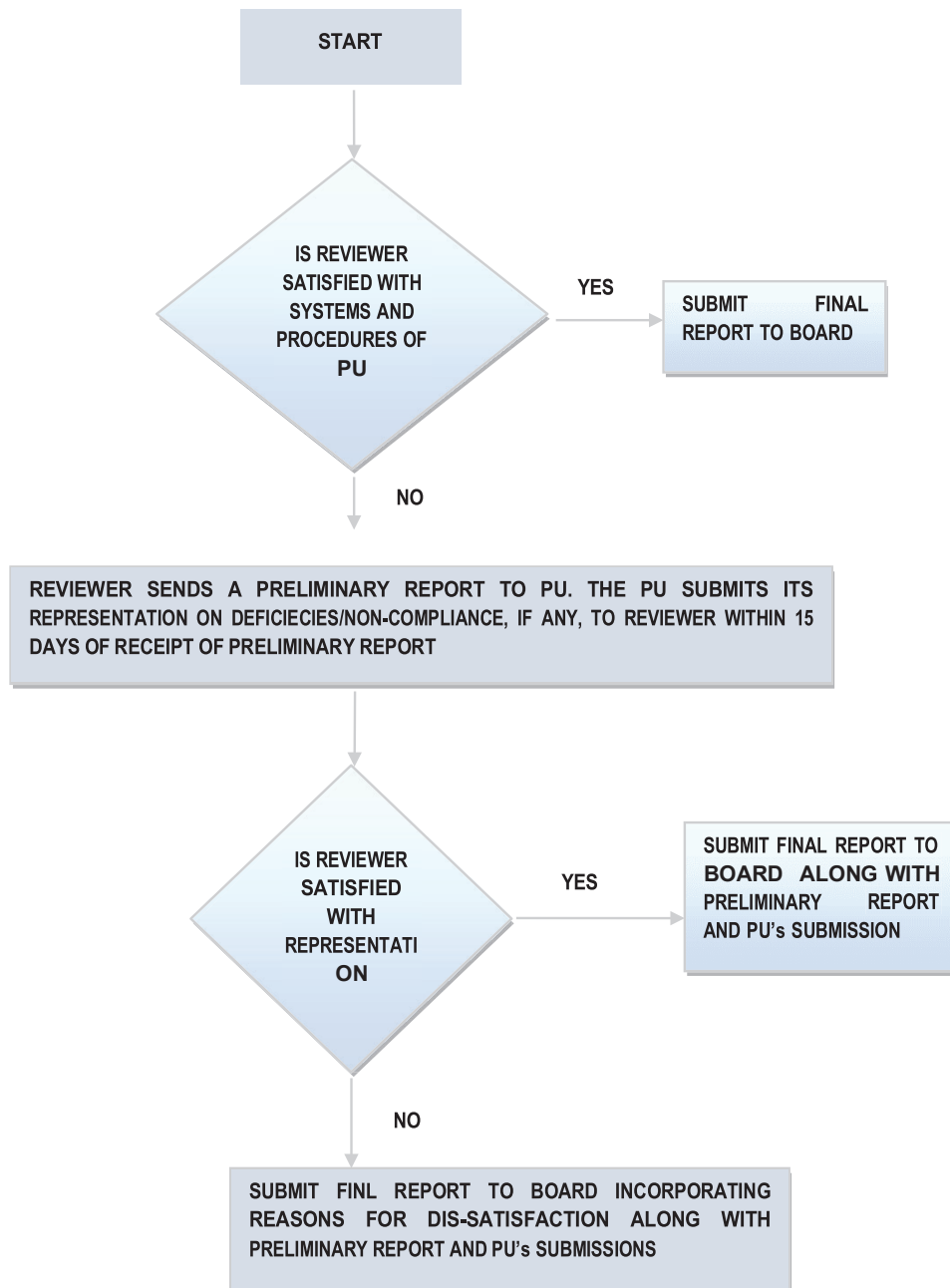


## H. Peer Review Procedure :

### Stage – I : Planning



**Stage -II : Execution**

**Stage III : Reporting.**





## KEY REGULATIONS OF CA Regulation, 1988

### ENGAGEMENT OF ARTICLED ASSISTANT (CA Regulation 43) 2020

An Associate or Fellow member who has been in practice continuously in India or elsewhere or who is deemed to be in practice under the Regulatory Provisions shall be entitled to train Articled Assistant under such terms and conditions as the Council may deem fit to impose in this behalf. The Entitlement to train Articled Assistant in number will be as under:-

#### a. Entitlement of a Member in Practice (Regulation 43 (2))

Members practicing the profession of Chartered Accountants in his individual name as proprietor or as partner will be entitled to train :

Category	Period of continuous practice	Entitlement of articled assistant or assistants	Entitlement of articled assistant or assistants(in case of foreign firm)
(i)	An associate or fellow in continuous practice for a period up to 3 years	1	1
(ii)	An associate or fellow in continuous practice for any period from 3 years to 5 years	3	2
(iii)	An associate or fellow in continuous practice for any period from 5 years to 10 years	7	4
(iv)	An associate or fellow in continuous practice for any period from 10 years	10	5

#### b. Members who are in who are in full time salaried employment under a Chartered Accountant in Practice or firm of such Chartered Accountants

Category	Number of full time salaried employees-irrespective of whether associate or fellow	Entitlement of articled assistant or assistants
(i)	Upto 100	1 per employee
(ii)	Between 101 and 500	100 + 50% of the number of employees above 100(i.e a maximum of 300)
(iii)	From 501 and more	300 + 20% of the number of employees above 500

#### c. Entitlement of a Paid Assistant (Regulation 43 (2A))

A Member in full time employment with a Firm of chartered accountants shall be entitled to train one Articled Assistant provided he/she has been in employment with the same Firm for a continuous period of three years.

**STIPEND TO ARTICLED ASSISTANT:**

Every Principal engaging an Articled Assistant shall pay to such clerk every month a minimum monthly stipend at the rates specified below depending on where the normal place of service of the article clerk is situated:-

**New rate of Stipend w.e.f.23.01.2015**

- Classification of Normal place of Service of article assistant	During the First year of training	During the Second year of training	During the Third year of training
(a) Cities/towns having a population of 20 Lakhs and above	Rs.2000/-	Rs.2500/-	Rs.3000/-
(b) Cities/towns having a population of 4 lakhs and above but less than 20 lakhs	Rs.1500/-	Rs.2000/-	Rs.2500/-
(c) Cities/towns having population of less than 4 lakhs	Rs.1000/-	Rs.1500/-	Rs.2000/-

**Note:** Stipend must be paid on monthly basis through Cheque or payment be transferred into the account of Articled Assistant, Cash Payment must be avoided as it is violation of C.A. Regulations, 1988.

**REGISTRATION OF ARTICLED TRAINING**

Articled Trainee is registered under an eligible and practicing Chartered Accountant member (not the CA firm) for the prescribed period of three years by filling Form 103 and executing Deed in Form 102 by the student & principal. During last year of practical training an articled assistant may opt for Industrial Training/Organizational Training even at Govt. Departments.

**ARTICLED TRAINING OUTSIDE INDIA & ELIGIBILITY**

Any member employed as a Paid Assistant or engaged as a partner in a foreign Firm of Chartered Accountants is also be eligible to train Articled Assistants at par with the Paid Assistants with a Firm of Chartered Accountants in India. All conditions applicable to the Paid Assistants in India would be applicable to them as well. In case of a Foreign Firm, such a Foreign Firm shall have at least one partner who is either a Member of the Institute or who is eligible to become a Member of the Institute, in terms of MRA. Industrial Training can also be opted under an eligible member outside India under prescribed CA Regulations. Details of eligibility to train articles by members abroad are available on the ICAI website.

**LEAVE FOR ARTICLED ASSISTANT**

An Articled Assistant is eligible to obtain leave at the rate of one-sixth on the basis of training period served subject to maximum of 180 days. Further, leave for three months or to extend due may also be availed for the preparation of CA Examination. However, leave can be availed only on advance notice to the Principal. Gap or intervening days during examination period treated as permitted leave.

**WORKING HOURS DURING ARTICLED TRAINING**

The minimum working hours of Articled Assistant should be 35 hours per week (excluding lunch break) which shall be regulated by the Principal in accordance with the direction and guidelines of the Council. However, office of the Principal cannot be prior to 9.00 A.M. or after 7.00 P.M. Weekly holidays and Gazetted and National Holidays are allowed, other holiday are also permitted subject to consent of the Principal.



## TERMINATION OF ARTICLED TRAINING

Articled Training is executed for three years. However, if required training may be terminated at the consent of Principal prior to its completion under Regulation 56 & 61 if required so. Before completion of one year of Articled Training, termination can be noted on mutual agreement. After one year termination will be allowed only on the permissible grounds as decided by the Council on prior approval of the same by ICAI. Termination of training is permitted on the submission of Form 109 duly signed by Principal and Articled Assistant.

## RE-REGISTRATION OF ARTICLED TRAINING

After termination student is required to submit Form 102 and 103 for re-registration of balance Articled Training under Regulation 43 in order to complete balance period of Articled Training. Re registration can be done on submission of Form 102 & 103 within 30 days from the commencement of Articled Training.

## SUPPLEMENTARY REGISTRATION OF ARTICLED TRAINING

In case of excess leave taken during the period of three years of Articled Training, it requires to be served after noting of completion of training in order to complete the prescribed period of Articled Training or Industrial Training. Supplementary registration can be noted if training is commenced from the next date of completion / termination on submission of Form 107 within 30 days under Regulation 58.

## SECONDMENT OF ARTICLED TRAINING

In order to provide vivid opportunity of gaining practical experience in different areas of profession, a Principal with the consent of Articled Assistant can send him on Secondment for the maximum period of one year and minimum period of four months in aggregate assigning his / her duties under another member having eligible vacancy to train him. It is applicable for Articled Training as well as Industrial Training. For Secondment Principal and Articled Assistant are required to file a declaration under Regulation 64 with the Institute within 30 days from the commencement of training under Secondment.

## CHANGE IN STATUS OF THE PRINCIPAL

During Articled Training period, an Articled Assistant may have option of change of Principal under whom he/she receiving training in the condition that his/her Principal leaves the Firm and does not set up practice or does not continue with same Articled Assistant. Form 118 may be filed for continuous of training under another eligible Principal.

## INDUSTRIAL TRAINING

An Articled Assistant has an option to undergo Industrial Training in a Financial / Commercial or Industrial undertakings / government departments under a serving and eligible member working with the same. The period of Industrial Training may be registered for 09 months to 12 months including excess leave. For Industrial Training a deed in Application Form 104 under Regulation 56 & 72 needs to be executed and submitted with the Institute within 30 days. Industrial Training can be registered under as serving member of organization which is already registered with the Institute.

## COMPLETION OF ARTICLED TRAINING

On successful completion of three years of Articled Training, principal / Articled Assistants needs to submit Form 108 duly signed by both of them giving particulars of training attended, leave taken and others. In case of excess leave taken during the service period Articled Assistant requires to serve further in order to complete training under Regulation 62, 75 & 76 by filing required Form as applicable

## PERMISSION FOR OTHER ENGAGEMENT

An Articled / Audit Assistant during Articled Training cannot engaged in any additional study course, business or occupation without prior permission of the Council. For permission under Regulation 65 & 78 prescribed Application in Form 112 duly recommended by the Principal is to be filed with the Institute within 30 days.



## DISPUTE BETWEEN PRINCIPAL AND ARTICLED ASSISTANT

Normally Institute does not interfere in the matters of training or its administration of the office of the Principal. However, in case of dispute reported to the Institute, office may conduct enquiry in the matter under relevant provisions of the CA Regulations and matter is decided by the Institute.

## CHANGE IN ADDRESS OF STUDENTS

For Noting of change in address of a student a simple letter intimating the same under student's own signature needs to be submitted to the concerned Regional office of ICAI.

## WELFARE MEASURES FOR STUDENTS

### S. VAIDYANATH AIYAR MEMORIAL FUND

S. Vaidyanath Aiyar Memorial Fund has been set up with the object, inter alia, of providing scholarship to the needy and deserving students. Members may become life members of the fund by contributing a one-time payment of Rs. 500/-.

### THE CHARTERED ACCOUNTANTS STUDENTS BENEVOLENT FUND (CASBF)

In order to help the poor, needy and meritorious students registered in Chartered Accountancy Course and carrying out articleship the Chartered Accountants Students Benevolent Fund (CASBF) has been established by ICAI in the form of a Trust to provide financial assistance to the needy students with the following eligibility criteria:-

- Passed 10+2 examination with a minimum of 70% marks and passed Common Proficiency Test of ICAI in the First attempt
- OR
- Passed B. Com Examination of a recognized University with a minimum of 60% marks. • Currently undergoing Articled Training as per CA Regulations.
- Annual income of both parents from all sources be not more than Rs. 1.50 lakhs.

## Scholarship Schemes of ICAI

The Board of Studies of ICAI awards various scholarship scheme to students namely – Merit, Merit cum need based and weaker section financial assistance twice a year in the month of April and October. The students of above category are required to apply in the prescribed scholarship form. The amount of scholarship is varying from Rs.1250/- to Rs.1500/- per month separately for intermediate students and final course students. The details and forms are available on the Institutes website

## Other Measures

The Committee for Capacity Building of Members in Practice, ICAI has provided following benefits to all active students of CA course:

- Educational Loan for students of ICAI and Concessional Loan to Lady Students of ICAI through Bharatiya Mahila Bank Ltd.
- Health Insurance scheme for students of ICAI through New India Assurance Co Ltd.
- Quick heal total security antivirus software for PC at Special price.
- Quick heal total security software for Android enabled Mobile Phones at Special price.

**FORMS FOR ARTICLED ASSISTANTS****FORMS & PARTICULARS**

Form No.	Name	Particulars & Submission Date
102	Form for Articleship deed	This is a deed to be executed on non-judicial stamp paper and needs to be submitted along with Form No. 103. Deed executed may be submitted to ICAI along with Form 103 within <b>30 days</b> of commencement of articleship.
103	For Registration/Re-Registration	This is a prescribed Form requires to be submitted on commencement of training for registration of articleship as a fresh or balance period of training within <b>30 days</b> from the date of commencement of articleship.
104	For Registration of Industrial Training (Training for 9 months to 1 year)	Industrial Training registered under a Member who is employed with a Company already employed with a company which is registered with ICAI.
105	For Completion/Termination Certificate of Industrial training.	This is a certificate of service to be issued by the principal under whom Industrial training was received. Form is to be submitted within <b>30 days</b> from the date of termination of training or on completion.
106	Assignment for Industrial Training or Training deed	This is a form supplementary to Form No. 104 for assignment of residual period of training serving under another principal. This form requires to be submitted within <b>30 days</b> of assignment.
107	Registration Form for supplementary registration to serve excess leave	This is a Form for supplementary registration under same principal to serve excess leave commencing training from next date of termination. This Form requires to be submitted within <b>60 days</b> from the date of commencement of training.
108	Training Completion Certificate	This is a service certificate issued by the employer/ training in charge on completion of articulated training. It requires to be submitted within <b>30 days</b> on completion of training.
109	For Certificate for termination of articulated training.	This is a certificate of service for noting of transfer/ termination of articleship. To be submitted within <b>60 days</b> of issuance by ICAI office and on signing by the Principal.
110	For Termination of articleship in case of death of the current Principal.	This is a Service Certificate for termination of articleship to be issued by the Legal representative / legal heir of C.A Firm in case of death of employer. It requires to be submitted within <b>30 days of termination</b> .
111	Termination of articleship in case of death of the current Principal.	This is a certificate of articleship termination to be issued by a surviving partner of the Firm on death of the employer. It requires to be submitted within <b>30 days of termination</b> .
112	Application form for permission to study other course/engagement in other occupation during training	This is an application for seeking permission to study other course in addition to Chartered Accountancy Course and training to be submitted under the signature of Principal of the College/ employer. To be submitted within <b>30 days</b> from the date of admission in the course or other engagement.
113	Form for Registration	Student having worked for one year in employment with the C.A. Firm or



	of Audit ship	C.A. may apply for registration of audit ship for four years. This Form requires be submitted within <b>30 days</b> .
<b>114</b>	Certificate of Audit Service	This is a Service Certificate to be submitted by Principal on completion of four years of audit ship or termination of audit service. To be submitted within <b>30 days</b> .
<b>118</b>	Change in status of the Principal	This is a Certificate to be submitted if current Principal surrender COP or does not start practice his Article may go for other Principal.

## Provisions of Chartered Accountant Act, 1949 related to members

### Associate Membership:

On qualifying required examinations, completion of Articled training and GMCS Courses and prescribed applicant may apply for enrollment of Membership and grant of Certificate of Practice (optional). A member who is in employment also can have COP being in part time practice but not will be entitled to make attestation, impart articled training and empanelment benefits. After enrollment as a Member he/she is allotted a unique permanent membership number which always needs to be quoted / referred in all correspondence by a member. A member after membership enrollment may join either service or start professional practice in individual name or set up sole proprietary CA Firm or may become a partner with CA Firm under the guidelines of the Institute.

### Grant of Fellow Membership:

An Associate Member is eligible for admission as a Fellow Member if he/she satisfies the eligibility conditions laid down under Section 5(3) of the Chartered Accountants Act 1949 and Regulation 5(3) of the Chartered Accountants Regulations, 1988.

An Associate Member will be admitted as a Fellow Member if completes continuous practice within India for a period of not less than 5 years or has been an Associate Member for a continuous period of not less than 5 years and has been in government service or is ordinarily holding or has held for a continuous period of not less than 5 years any one or more posts carrying duties Relating to Accounts, Cost Accounts, Audit, Finance, Taxation, Company Law and / or Secretarial work at an educational institute approved by the Council or at a private or government, industrial, commercial or trading undertaking having a minimum paid-up capital of Rs.25 lakhs or a minimum turnover of Rs.50 lakhs or a minimum paid-up capital of Rs.10 lakhs and a minimum turnover of Rs.30 lakhs or a minimum total assets of Rs.50 lakhs.

### Grant of Certificate of Practice

A member may have option to hold Certificate of Practice (COP) by making payment of due fees and filing of Form 6 with concerned Regional Office. If a member being in employment or having association or other engagement which are otherwise not permitted will be granted part time COP and such member will not be eligible for imparting articled training, attestation functions and empanelment benefits. A member running business will not be granted COP.

### Issuance of Script Certificate

After enrollment of membership/grant of certificate of practice/fellow membership certificate a formal letter is issued to the member bearing its effective date. Script certificate of the newly enrolled members is granted during the convocation held twice in a year at the place of Regional Council of ICAI. However, members may obtain script certificate on priority if required so, by making separate request for the same to the concerned Regional Office of ICAI.



**Removal of Membership and Restoration**

Every year membership fee becomes due for payment on 1<sup>st</sup> April and member if does not pay membership fee to the Institute upto 30<sup>th</sup> September his membership gets removed from 1<sup>st</sup> October. Such member can get his membership restored by making payment for restoration before 31<sup>st</sup> March of next year and submitting Form 9 along with due membership fee failing which membership is discontinued. In another case membership is removed on order under disciplinary actions pertaining to Section 21 of CA Act, 1949. Membership is also removed on account of death and disability.

**Cancellation of Certificate of Practice and COP Restoration**

Every year COP fee becomes due for payment on 1<sup>st</sup> April and member if does not pay COP fee to the Institute upto 30<sup>th</sup> September his COP gets cancelled from 1<sup>st</sup> October. Such member can get COP restored by making payment of requisite fee before 31<sup>st</sup> March of next year by submitting Form 101, failing which COP shall be discontinued.

**Duplicate Membership Certificate and Duplicate COP**

If the original Script Certificate of Membership/Fellowship/COP is lost, the same may be obtained by submitting an affidavit in the prescribed format and payment of Rs. 500/- by DD towards Duplicate Certificate fee. Duplicate copy of any other certificate issued by the Institute can be obtained by making payment of Rs. 200/- only. The application for the same can be sent to the concerned Regional Office of ICAI. Members are advised to retain Membership Certificate / Certificate of Practice granted to them in safe custody & condition. Procurement of duplicate copy from ICAI in case of loss of original one is a cumbersome process and takes considerable time for its issuance.

**Permission for other engagement**

A member in practice is required to seek permission of the Council under CA Regulation 190(A). The permissible category of engagement approved by the Council is given under Appendix No. 9 of CA Regulations 1988. A member having COP can be sleeping partner in a family business or Director / Director simplicitor or promoter in MCS Company registered by ICAI

**Change in professional address of Member**

Every member should intimate his professional address which is address of his workplace or place of employment and any change in the same it should be intimate to the ICAI within 30 days. For noting of change in professional address of a member a simple letter intimating old and new address under members own signature needs to be submitted to the concerned Regional office of ICAI.

**Certificate of Good standing**

As per the decision of the Executive Committee and the Council a desirous member may obtain certificate of good standing on submission of request for the same in the prescribed application format and self-declaration form, available on [www.icai.org](http://www.icai.org). This certificate is helpful for immigration, higher studies and obtaining membership for foreign accounting bodies as well as employment in India/ abroad. This certificate signifies status of continuance of membership as on date and also reflects, "NO Disciplinary Action Status" and can be issued to a member who has paid membership fees for the current financial year, and also have completed prescribed CPE hours. Details of requirements for obtaining this certificate are also hosted in the Institute website.

**Verification of status of Members & Firms and Students**

Verification confirmation on status of memberships, particulars of CA Firms and other particulars is issued on written request of the applicant, government departments, police, and other bodies by ICAI Head Office. Confirmation related to CA Examination and related to particulars, issuance of credentials copy of duplicate CA Examination passing certificates is given on request by the Examination Department of ICAI, Noida.



## Matters of Dispute related to Members, Firms & Students

Any Dispute related to members, students & Firms is dealt under Regulatory Provisions under CA Act & Regulations. Any matter of dispute related to members, students and Firms may be sent to the concerned Regional Office. In case of dispute and complaint between Articled Assistant and Principal, case is examined under proviso of Regulation 66 & 67 of CA Regulations, 1988 and enquiry is conducted under direction of the President/ Vice-President.

## Issuance of Congratulatory Card to Members

In order to recognize continuance of professional services by a member having Certificate of Practice for the period of 50 years without any break in membership, the Council of ICAI has decided to grant a Congratulatory Card. Such Card is being issued to all specified category of members completing 50 years of experience on 1<sup>st</sup> April of the year.

## Permission for pursuing other courses

Chartered Accountancy Course is a certificate course and recognized as a Post graduate qualification only for the purpose of PhD Course of certain Universities. A member may pursue any additional academic course and submit the proof to ICAI for noting of the same. A member can also join post qualification courses of the Institute. No prior permission of ICAI is required for pursuing additional academic courses.

## Members Abroad

A large number of members of ICAI are working Abroad in various capacities. Most of them are in employment. A member settling Abroad is required to necessarily provide his Foreign professional address and one Indian Address if holds Certificate of Practice. Members Abroad are also required to pay annual membership fee, COP fee for its continuance and complete CPE Hours.

## ICAI Scheme for enrollment of Overseas Citizens of India Professional Accountants

ICAI has recently launched Registration and Membership Scheme for Overseas Citizens of India (OCI Scheme) vide notification dated 22/7/2014 through Chartered Accountant Regulation (Amendment -2014). Under the OCI Scheme an Overseas Citizens of India holding Professional Accountancy qualification shall become eligible for membership of the Institute on completion of such examination / training and other modules as listed in Schedule B of this Regulation. The Scheme shall facilitate opening up of practice rights to Overseas Citizen of India who are Chartered Accountants or certified Public Accountants.

To become eligible for membership of ICAI an Overseas Citizens of India having Chartered Accountants and Certified Public Accountants qualification shall be required to pass two levels of specified Test as given in the Regulation as well as completing Practical Training for a period ranging from 6 months to 36 months as may be decided by the committee and in accordance with provisions of Chapter 4 of these Regulations depending upon the nature of training provided the nature of training provided the Scheme of Parent Accounting Body. The Scheme also facilitates that a Certified Public Accountant holding license to practice in this Country shall be required to undergo practical training for a period ranging for a period ranging from 18 months to 36 months as may be decided by the Council depending upon the nature of training provided through the Scheme office of Parent Accounting Body.

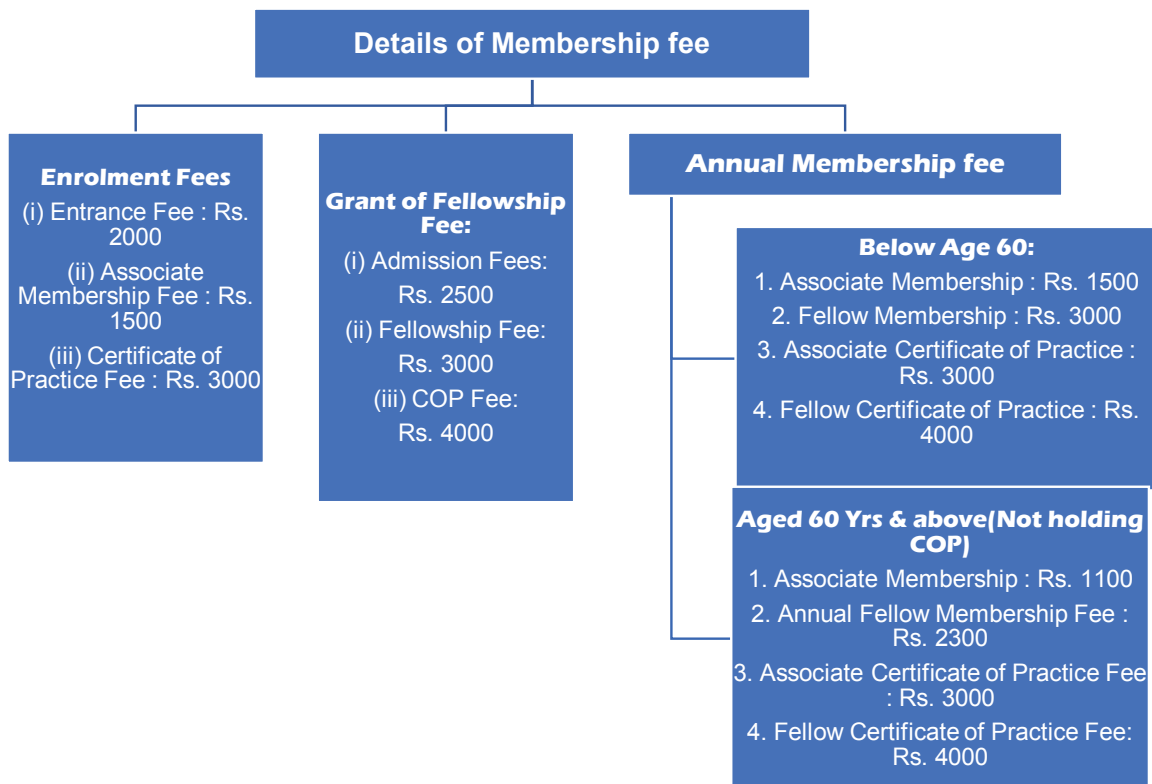
Under the Scheme an OCI being applicant shall be eligible for Certificate of Practice (COP) and such Certificate shall be granted to him only often he undergoes a Screening Test in nature of interactive session in such manner and within such time as may specified by the Council. The Membership of the Institute of OCI shall be subject to certain conditions prescribed by the Institute in terms of disciplinary jurisdiction, peer review, partnership and professional education and credit (CPE).



**PRESCRIBED FORMS FOR MEMBERS**

FORM No.	PARTICULARS	REMARKS
<b>Form No. 2</b> (Application form for 141141 Membership enrollment)	Membership is enrolled from the date of receipt of application in Form 2 and requisite fee.	Form needs to be submitted immediately after declaration of result of final examination, completion of training and GMCS. Attested copies of papers i.e. completion of training CA Final examination passing certificate and graduation certificate are to be enclosed.
<b>Form No. 3</b> (Application form for grant of Fellowship)	Fellowship will be granted from the date of completing 5 years of practice / employment or thereafter on receipt of Form and fee. However Form 3 can also be submitted in advance.	May be submitted on completion of 5 years of continuous profession or employment in scheduled companies / organizations. Proof for joining, leaving of respective employment to be attached.
<b>Form No. 6</b> (Application form for grant of Certificate of Practice)	COP is required for professional practice. It is given from the date of receipt of COP fee and Form 6. However, Form 6 can also be submitted within 10 days of payment of fee.	Form 6 may be submitted along with Form No. 2 or later on. Member may have COP even being in service.
<b>Form No. 9</b>  Application form for restoration of Membership	Form for restoration of Membership if removed on account of non-payment of fee as on 01 <sup>st</sup> October and membership is restored in the same financial year or later on.	Be submitted before 31 <sup>st</sup> March of the financial year. Prospective restoration will be effective from the date of receipt of form and requisite fee.
<b>Form No. 101</b> Application form for COP Restoration	A prescribed application form for restoration of Certificate of Practice earlier cancelled on account of non-payment of fee.	Form requires to be submitted before 31 <sup>st</sup> March of current financial year for retrospective restoration which entitles continuance of practice, articulated training and membership benefits.

- All payment of fee can be made through DD or cheque favouring The Secretary, ICAI payable at respective place of Regional office. No cash is accepted.
- All Firms are required to be submitted within 30 days from effective date of change to avoid Condonation fee & delay in processing.



Other Fees:
1. Restoration of Membership Fee Within 3 yrs of removal : Rs. 1200 After 3 years of removal but before 5 years: Rs. 3000 After 5 years of removal: Rs. 4000
2. Restoration of COP Fee : Nil
3. Duplicate Script Certificate (Duplicate Copy- Membership / COP) : Rs. 500.00
4. Duplicate copy of Membership I-card : Rs. 100.00
5. CABF Fee
i. Life Membership Fee : Rs. 5000
ii. Annual Contribution : Rs. 1000
iii. Voluntary Contribution : A respectable amount
S. Vaidyanath Aiyar Memorial Fund
1. Life Membership Fee : Rs. 1000.00
2. Annual Contribution : Rs. 50.00
3. Voluntary Contribution : A respectable amount



**Note:** If membership or COP is restored in the consecutive year i.e. in the next financial year or thereafter membership fee is required to be paid for the name removal year and current financial year along with restoration fee. If COP is not restored in the same Financial Year fresh COP is issued.

### CA Journal Charges

1. Journal subscription charges : Rs. 1000.00 p.a 2. Overseas Journal subscription charges : \$ 170 p.a 3. Overseas Journal Postage charges/Airmail : Rs. 2100.00 p.a 4. Journal for CA students for 3.5 years : Rs. 1400/=

### List of Members & CA Firms

The list of members of the Institute as on 1<sup>st</sup> day of April each year is published and made available in a soft copy- CD (with search facility) at the offices of Regional councils of ICAI, Delhi, Mumbai, Kolkata, Chennai, & Kanpur and its Head Office, Delhi. The same can be obtained at the following rate:-

- (i) Western Region Rs.500/- per copy
- (ii) Southern Region Rs.500/- per copy
- (iii) Eastern Region Rs.300/- per copy
- (iv) Central Region Rs.400/- per copy
- (v) Northern Region Rs.500/- per copy
- (vi) All India, Members List Rs.750/- per copy
- (vii) List of Firms, All India Rs.750/- per copy

**Note: GST @ 18% will be added in all the above mentioned fees/charges.**

### Welfare Schemes for Members

<p><b>I. Budget Publications and other Publications for the Members of ICAI</b></p> <p>The Committee for Members in Practice has taken an initiative to arrange a wide range of Publications at discounted rates thru Bharat Law House P.Ltd. on : Income Tax, GST Corporate &amp; Allied Laws</p>	<p><b>I. Budget Publications offered on a discount of 35% on MRP</b></p> <p><b>(As amended by the Finance Act, 2021)</b></p> <ol style="list-style-type: none"> <li>1) Bharat's Income Tax Act, 32<sup>nd</sup> edn, 2021 with <b>Free e-book</b></li> <li>2) Bharat's Income Tax Rules, 30<sup>th</sup> edn, 2021 with <b>Free e-book</b></li> <li>3) Direct Taxes Ready Reckoner, 9<sup>th</sup> edn, 2021, by Mahendra Gabhawala with <b>Free e-book</b></li> <li>4) Handbook to Direct Taxes, 30<sup>th</sup> edn, 2021</li> <li>5) Handbook to Income Tax Rules, 25<sup>th</sup> edn, 2021</li> <li>6) Bharat's Direct Taxes Manual, 29<sup>th</sup> edn, 2021, in 3 volumes <b>with Free e-book of volumes 1 &amp; 2</b></li> </ol> <p><b>Combo Offers on a higher discount of 40% on MRP:</b></p> <ol style="list-style-type: none"> <li>1) Items (1) &amp; (2);</li> <li>2) Items (1), (2) &amp; (3) and</li> <li>3) Items (1) to (5) with a discount of 40% on the MRP.</li> <li>4) <b>Free E-book: Item Nos. (1), (2) &amp; (3) will be accompanied by an easy to use E-book available at the click of a button, with freedom to read and refer anywhere</b></li> </ol> <p><b>II. Other Publications useful for Members on a Discount of 30% on MRP</b></p> <p>Besides the Budget Publications 70 books on Income Tax, GST, Corporate &amp; Allied Laws published annually by the publisher on the</p>
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	<p>topics on topics under the Income-Tax, Act, GST, Books on Company Law, Accounting, Auditing, Insolvency, etc.</p> <p>Members desirous to avail the benefits of the aforesaid scheme may please register yourself at <a href="http://www.bharatlaws.com">www.bharatlaws.com</a> for the same.</p>
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<b>II. Special Offers on Commercial's Publication for the members of ICAI</b>	<p>Initiative of the Committee to arrange special combo offer of the following publications by Dr. Girish Ahuja &amp; Dr. Ravi Gupta for the Members of ICAI through Commercial Law Publishers (India) Pvt. Ltd.</p> <ul style="list-style-type: none"> <li>Income Tax Act</li> <li>Income Tax Rules</li> <li>Direct Taxes Ready Reckoner</li> <li>Income Tax Mini Ready Reckoner</li> <li>Direct Taxes Law &amp; Practice</li> </ul>
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S. No.	Description	MRP of the Books	Commercial's Special Combo Pack Offer
1.	<b>Combo Pack I</b> (Direct Tax Ready Reckoner + Income Tax Act)	DTRR : Rs. 1695/- Income Tax Act : Rs. 2095/- Total = Rs. 3790/-	<b>Rs. 2450/-</b>
2.	<b>Combo Pack II</b> (Direct Tax Ready Reckoner + Income Tax Act + Income Tax Rules)	DTRR : Rs. 1695/- Income Tax Act : Rs. 2095/- Income Tax Rules : Rs. 1995/- Total = Rs. 5785/-	<b>Rs. 3700/-</b>
3.	<b>Combo Pack III</b> (Complete Set of 5 Books)	Total Price = Rs. 9725/-	<b>Rs. 5835/-</b>

**Combo Offer (Printed Books + E-Books)**

The "E-Books" of the said publications comes with the features with reading the book in a HTML/PDF or E-Book format, power of search & mark your notes, automatic pickup from where you left, switch to Dark/Night Reading Mode alongwith no expiry date to the subscription of E-Books.

Members desirous to avail the benefits of the aforesaid scheme may please register yourself at <http://www.commerciallawpublishers.com/>. For further details, please visit <https://cmpbenefits.icai.org/>

<b>III. Exclusive Deals on Travel &amp; Hotel Bookings ICAI Members</b>	<p>The initiative of the Committee for exclusive deals on travel along with the hotel bookings through EaseMyTrip.com. Members may avail the discounts on Domestic as well as International Flight Ticket bookings. The discounts on flight ticket booking are as follows :-</p> <p><b>Domestic Flights</b></p> <ul style="list-style-type: none"> <li>One Way – Rs. 400/-</li> <li>Round Trip – Rs. 800/-</li> </ul> <p><b>International Flights</b></p> <ul style="list-style-type: none"> <li>Discount upto Rs. 20,000/-</li> </ul>
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<b>IV. Exclusive offer on Products from Samsung Electronics Products.</b>	<p>The Committee for Members in Practice has taken an initiative to arrange a wide range of Samsung electronic lifestyle products on special offers for the Members, Students and Employees of ICAI. The range of products are as follows:-</p> <ul style="list-style-type: none"><li>• Mobile / Tablets (upto 15% off)</li><li>• Smart Watches</li><li>• Audio Wearables</li><li>• Consumer Electronics</li><li>• LED, Monitors</li><li>• Memory &amp; Storage</li></ul>
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The said offers may vary from product to product. The offers and deals are as follows :-

Offers & Deals		
<b>Regular Price Offer</b> <ul style="list-style-type: none"><li>• Mobiles &amp; Tablets Upto 15% off</li><li>• Accessories Upto 30% off Consumer Electronics Upto 30% off.</li></ul>	<b>Other Offers</b> <ul style="list-style-type: none"><li>• Free Insurance worth upto Rs. 3999</li><li>• Exchange+ Exchange Bonus</li><li>• No Cost EMI Upto 12% Savings</li><li>• Free Delivery</li></ul>	<b>Time Bound Deals</b> <ul style="list-style-type: none"><li>• Bank Cash backs Over &amp; above price</li><li>• Flash Sales 7 days during month</li><li>• Extra Free Gifts Free Times Prime (benefit of Rs. 60K)</li></ul>

Members desirous to avail the benefits of the aforesaid scheme may please register yourself at [www.samsung.com/in/store/icai](http://www.samsung.com/in/store/icai) and place the order duly authenticated by MRN/SRN/Emp ID.

<b>V. Arrangement of the Discounted Diagnostic and Related Healthcare Tests for the Members of ICAI &amp; their dependents</b>	<p>An initiative to arrange diagnostic and related healthcare tests for the members of ICAI <b>on 20% discount over MRP on PAN India Network, has extended by Dr. Lal Path Labs Limited.</b></p> <p>Members/Dependents of the Members of ICAI desirous to avail the benefits are requested to carry the Membership Card for availing the said Discounted Diagnostic and Related Healthcare Tests. Further Members / Dependents of the Members are also requested to furnish the Client Code &amp; Client name as appended below: -</p>
--	--

CLIENT CODE	CLIENT NAME	MODE OF PAYMENT	OFFERED RATE	BENEFICIARY
C004290038	ICAI (INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA )	CASH	20% DISCOUNT on listed Investigations & LPL MRP on unlisted investigations.  (Just need to register in this code. Rates will be picked automatically)	MEMBERS & DEPENDENTS

Members may also contact the Dr. Lal path Lab team at the Ph. No. 01144231234 for any query.



## Other Schemes

### Chartered Accountants Benevolent Fund (CABF)

Chartered Accountant Benevolent Fund (CABF) was established in 1962, and is set up by CA members benefiting CA fraternity. A member on paying Rs 5000/- can become life member of CABF and subsequently make annual/ voluntary contribution to the fund. CABF provides financial assistance for maintenance, education, medical treatment or any other similar purpose to necessitous persons of CA fraternity. It provides monthly assistance to a member or family eligible to receive for sustenance. Financial assistance in lump sum is also given to the members / widows / relatives in case of accidental death/unnatural death of a member aged below 55 years as well as for medical treatment under specified category.

### ICAI - LIC Group Term Insurance Scheme

ICAI through CABF has facilitated Group Term Insurance Scheme for its members in collaboration with LIC of India which provides comprehensive Life Insurance coverage for members and their spouse. This is renewable scheme and provides Life Insurance coverage of three years on payment of single premium. A differential rate of premium at attractive rate corresponding to age. The details of the scheme are available on the website of the Institute. This is a Group Term Insurance Policy hence no individual policy and number is given to members. Detailed information of the above and the prescribed applications forms are available on the Institute website [www.icaai.org](http://www.icaai.org) under members fund Menu.

### Health Insurance Scheme for Members of ICAI

The CCBMP has taken a major initiative for arranging in the form of specially designed Health Insurance Scheme with the special features like No Health check-up, No age limit & entry barrier, Premium discount in lieu of Cumulative Bonus, 5% discount in Premium to be paid to the Insurance company, where the Member has not preferred any claim in the expiring policy in case of renewal of the policy, Wide Coverage for Pre-existing diseases etc. for Members & Students of ICAI. The scheme has been effective from 12th March, 2013 for the Members of ICAI. Please visit <http://icaai.newindia.co.in>, to apply on line for Insurance policy & to view other formalities as well as details about the aforesaid insurance scheme.

### Professional Indemnity Insurance for Members & CA Firms of ICAI

The CCBMP has arranged insurance protection for members in practice/firms in the form of specially designed professional indemnity insurance at a reasonable premium i.e. 85% discount in market rate. The scheme has been effective from 12th March, 2013 for the Members in practice/ Firms of the ICAI.

Members and CA firms desirous to avail the benefits of the aforesaid scheme may please visit <http://icaai.newindia.co.in> & online solution for the same.

## MATTERS RELATED TO FIRMS

### FIRM NAME APPROVAL

A member having certificate of practice may also have CA Firm registered with the Institute. It requires trade name approval and its subsequent registration with ICAI. For Firm name approval, application Form in Form 117 and for Firm registration Form 18 duly signed by proprietor/ partners needs to be filed with ICAI. On registration of CA Firms a unique Firm registration number is allotted which continues till existence of the Firm and needs to be quoted in all correspondence with ICAI and elsewhere. Composition of Firms, may change subsequently in terms of joining and leaving of partner, paid-assistant, opening and closing of branch office, change in address, change in name of the Firm to note such changes Firm requires to file Form 18 with ICAI. A registered Firm can also opt for merger, can be part of Network as well as can be converted into LLP. Once Firm is closed it can be opened as a new Firm only and its previous seniority / standing goes off permanently. A CA Firm can have any number of Partners.



## **LLP (LIMITED LIABILITY PARTNERSHIP)**

LLP may be created through conversion of existing CA Firm or creation of new CA LLP Firm. It requires LLP Firm name approval by applying in Form 117 and "NOC" from ICAI followed by subsequent approval and registration by ROC. Further, noting of registration by ICAI is also required by filing Form 18, copy of approval letter and Incorporation Certificate issued by ROC and copy of NOC and LLP Firm name approval. Similarly, reconstitution of LLP can be noted on submission of Form 18 to ICAI. A CA LLP Firm can open and close its Branches and intimate the same to ICAI for its noting. However, change in address of its corporate office needs to be intimated to ROC and ICAI with ROC confirmation. Similarly joining and leaving of paid assistantship with LLP Firm requires to be intimated to ICAI for its noting same as in the case of CA Firm.

For all purpose LLP CA Firm is equivalent to a CA Firm and recognized for seniority & standing empanelment purpose as well as seniority & standing.

## **MCS (MANAGEMENT CONSULTANCY SERVICES) COMPANY**

Members in practice may render Management Consultancy and advisory services in corporate form of practice. A member having Certificate of Practice can be a promoter, managing director, whole time director and manager with MCS Company. The MCS Company however can carry out only such services which are listed by the Institute. For MCS Firm Name Approval and its registration prescribed Form G and Form H are required to be filed to ICAI. Details of MCS guidelines are hosted on the Institutes website.

## **NETWORKING OF CA FIRMS**

Networking of Firms is a facility provided to CA Firms for collective association to share collective resources for providing better professional services making it available at multi location places. A network can be constituted out of sole proprietary / partnership Firm / individual members having total partners strength less than 20. However, a Firm / individual are permitted to join a single Network. The Firm name for Network is allowed with suffix "affiliates" and needs to be registered by filing prescribed form under Regulation 190. Network Firms may be formal and informal.

## **MERGER & DEMERGER**

Merger is amalgamation of two and more CA Firms or Individual member in practice willing to join hands for developing their professional competence and strength. The merged Firm will be entitled to practice in anyone of the Firm name out of merging Firms retaining its original seniority and old date of establishment. The merging Firms may be de-merged within the period of 5 years and get the same Firm name, Registration number and seniority as it was. For merger member/partners may file Merger/ Demerger Agreement with the concerned Regional Office of ICAI. For De merger due notice is to be given to the partners of Firm having consent of more than 75% with a copy of notice to the Institute.

## **MULTIDISCIPLINARY PARTNERSHIP FIRM**

Though under Regulatory provision partnership of Chartered Accountants with further specified professionals have been allowed still provision for creating Multidisciplinary Partnership Firms is yet to come. On its approval creation of MDP CA Firm as well as LLP Firm would be possible. An announcement of ICAI to this respect is shortly expected.



**PRESCRIBED FORMS FOR CA FIRMS**

Name of Forms	Particulars	Remarks
<b>Form No. 117</b>	Form for obtaining name approval	Firm Name approval is mandatory prior to registration of CA Firm.
<b>Form No.18</b>	Form for Registration of CA Firm, noting of Merger and LLP Firm and noting of changes in Firms Particular.	This form requires to be filed within one month of Firm name approval for registration of CA Firm, Merger / De merger, Network and MCS Company.
<b>Form A</b>	Prescribed for approval of name for Network of Firms.	Firms desirous to establish the Formal Networking may obtain Firm Name approval by ICAI.
<b>Form B</b>	For Registration of Networking Firm.	This Form needs to be submitted to the concerned Regional office of ICAI within 3 months of Network Firm approval.
<b>Form C</b>	For noting of change in constitution of Network of Firms.	This is required to be submitted to note entry or exit of Network Firms or other changes alike address change in the Network Firm within 30 days of such change.
<b>Form D</b>	For noting of Network of Firms with entities outside India.	Any proprietary/ individual member, partnership Firms may join Network arrangement with foreign entities called as Informal Networking.
<b>Form E</b>	For Merger Agreement .	This is a format of Merger agreement which needs to be submitted and signed by partners of Merging Firms.
<b>Form F</b>	Notice of Demerger agreement.	Demerger can be done within a period of five years on giving notice by 75% partners to remaining partners. Copy of notice for demerger is to be sent to ICAI office within 30 days of demerger.
<b>Form G</b>	For name approval MCS Company.	Firm name approval for MCS Company is given as per provision of Regulation 190 and also needs to be approved by ROC. Hence it is advised to check for name availability at ICAI and ROC consequently.
<b>Form H</b>	For registration of Management Consultancy Firm.	Declaration form for registration of MCS Company. This form needs to be submitted along with copy of name approval and also needs to be submitted to concern Regional Office of ICAI within 30 days from the date of name approval by ICAI and formation of company.
<b>REQUEST FOR NOC OF ICAI FOR LLP</b>	This is required by ROC for conversion of existing CA Firm into LLP.	A Firm for conversion into LLP willing to add Chartered Accountant or Chartered Accountants as a part of Firm name may file a request letter to ICAI for NOC and submit the same to ROC seeking Firm name approval.



**Form `D`****DECLARATION TO BE FILED FOR NETWORK WITH ENTITIES OUTSIDE INDIA**

[See relevant rule of Guidelines of Network amongst the firms registered with The Institute of Chartered Accountants of India]

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
**PARTICULARS OF NETWORK WITH ENTITIES OUTSIDE INDIA**

1. Name of the Network
2. Address of the Network
3. Date on which the Indian firms have joined the present Network arrangement:
4. Name(s) & address(es) of all the firm(s) joined/joining the Network

Name(s) of Firm(s) Firm

Registration Number(s)

**Verification**

I/We solemnly declare and affirm that the information provided is true and correct to my/our knowledge and belief.

Place: .....

Date: .....

Name(s) with Membership No(s) and signature(s) of a duly authorised Partner of the Indian firm(s)/ Member joining the Network

**Note:** (i) All existing Network should file this declaration on or before 30th June\_\_\_\_\_.

(ii) Any new network arrangement shall file this declaration within 30 days of entering into the Network arrangement.

(iii) A copy of the authorisation to be filed with the Institute by the Partner signing the declaration on behalf of the firm.

(iv) The declaration may be filed jointly or separately with the Institute by the firms entering the Network.

**FORMAT OF MERGER AGREEMENT****Form `E`****THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

[See Rule 3 of Rules of Merger & Demerger amongst the firms registered with The Institute of Chartered Accountants of India]

We, (1).....

(2)

.....

..... (3)

.....

partners of (1) M/s. A & Co. (2) M/s. B & Co. & (3) ..... execute this Merger Agreement on this \_\_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_:



1. M/s A & Co., a Partnership/Proprietorship firm of Chartered Accountants having its registered Head Office at \_\_\_\_\_, duly registered with the Institute of Chartered Accountants of India vide Firm No. \_\_\_\_\_ in \_\_\_\_\_ region (which expression shall include its successors, heirs and assigns).

The date of establishment, name of the partners, their membership nos, are as

follows:- (i) Date of establishment \_\_\_\_\_

(ii) Name of the Partners \_\_\_\_\_ Membership No. \_\_\_\_\_

2. M/s B & Co., a Partnership/Proprietorship firm of Chartered Accountants having its registered Head Office at \_\_\_\_\_, duly registered with the Institute of Chartered Accountants of India vide Firm No. \_\_\_\_\_ in \_\_\_\_\_ region (which expression shall include its successors, heirs and assigns).

The date of establishment, name of the partners, their membership nos, are as follows

:- (i) Date of establishment \_\_\_\_\_

(ii) Name of the Partners \_\_\_\_\_ Membership No. \_\_\_\_\_

\_\_\_\_\_ 3.

.....

**Now, therefore, in consideration of mutual promise herein made and the consideration hereunder expressed, the parties hereto mutually covenant and agree as follows:**

1. That the name of the merged firm will be \_\_\_\_\_ and the date of establishment of the merged firm is the date of establishment of the oldest/older firm i.e. \_\_\_\_\_.
2. That this merger will come into force w.e.f. \_\_\_\_\_ 20XX, where after, the merging firm i.e. M/s A & Co., and M/s B & Co. cease to exist and a separate partnership deed has been executed on \_\_\_\_\_ amongst the partners of the merged firm.

3. That the following persons are the partners of the merged firm:

1. Mr. _____	Membership No. _____
2. Mr. _____	Membership No. _____
3. Mr. _____	Membership No. _____
4. Mr. _____	Membership No. _____
5. Mr. _____	Membership No. _____
6. Mr. _____	Membership No. _____
7. Mr. _____	Membership No. _____
8. Mr. _____	Membership No. _____

We, all the partners of the merged firm ..... understand that this merger has the following consequences in pursuance to the decision of the Council of the Institute: -

1. That the name of the erstwhile merging firms will be frozen by the Institute.



2. And in case 75% or more of the continuing partners of one or more erstwhile merging firm(s) are willing to demerge, they may demerge after giving due notice and will be entitled to the following benefits :
- (i) They shall be entitled to the total seniority acquired i.e. their earlier pre-merger seniority and the years during which they were in merged firm.
  - (ii) They are entitled to their old firm's name.
- Provided in case, 75% is a fraction, then the same shall be rounded off to the next number.
3. That the date of establishment of the new demerged firm shall be the date of demerger.
4. That to effectuate such demerger, no concurrence/acceptance is required from the other continuing partners of the merged firm. The partners of such demerged firm shall execute a partnership deed. The merged firm as well as the demerged firm shall submit fresh Form 18 as prescribed under the Chartered Accountants Regulations, 1988 to the Institute within the prescribed period.
5. In case of 75% or more of the continuing partners of one of the erstwhile merging firm have demerged after giving due notice to the other partners, then in such case, the merger shall come to an end and if the remaining erstwhile merging firms/partners of the erstwhile merged firm decided to continue, then they should enter into a fresh Merger/Partnership Agreement and shall submit fresh Form 18 as prescribed under the Chartered Accountants Regulations, 1988 to the Institute within the prescribed period.
6. That the demerger in the manner hereinbefore mentioned can be demanded only within a period of 5 years from the date of merger.

IN WITNESS WHEREOF, the Partners of the Merged firm M/s..... here to set their hands on this agreement in the presence of the witnesses.

WITNESSES : 1.

2.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_
- (v) \_\_\_\_\_

Partners of

M/s.....

## Form 'F'

### NOTICE FOR DEMERGER

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Rule 4(i) of Rules of Merger and Demerger amongst the firms registered with The Institute of Chartered Accountants of India]

1. We the following persons Name(s)

\_\_\_\_\_



Membership No.(s) \_\_\_\_\_ being partners of M/s \_\_\_\_\_ which merged with the firm M/s \_\_\_\_\_ as per merger agreement dated \_\_\_\_\_ willing to demerge with effect from \_\_\_\_\_

2. We are the partners of the erstwhile Merging firms, M/s \_\_\_\_\_ merged with M/s. \_\_\_\_\_ & constitute the merged firm \_\_\_\_\_ with effect from \_\_\_\_\_. The Merger Agreement dated \_\_\_\_\_ and Form 18 were filed before the Institute on \_\_\_\_\_

3. We constitute 75% or \_\_\_\_\_ % of the continuing partners of the erstwhile firm M/s. \_\_\_\_\_

4. This demerger is within a period of 5 years from the date of merger.

5. We desire that our pre-merger name be allotted to us.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of all the Partners of the Erstwhile Firm  
M/s. \_\_\_\_\_ willing to demerge.

## SALE / TRANSFER OF GOODWILL OF A FIRM

Transfer of Goodwill of the firms of Chartered Accountants are permitted by the Institute subject to fulfilment of the following procedure:-

1. An application in writing should be forwarded by a member, holding Certificate of Practice, intimating his intention to purchase goodwill.
2. The application should be made within one year from the date of death of the member.
3. The application should be sent along with the following details;
  - a) Death Certificate of the deceased member; and
  - b) Following documents;
    - (i) A draft sale deed for sale / transfer of goodwill entered into between the legal heir/s of the deceased and the members intending to purchase goodwill.
    - (ii) The sale of goodwill deed must be very clear as to the amount of consideration and payment thereof in one or more instalment(s) to be paid within a specified period. The consideration should not be contingent upon future profit.
4. Documents, such as , succession certificate or Will, legal heir certificate or an affidavit sworn by all legal heir/s stating that there is /are no other legal heir/s to the deceased member.
5. Legal heir, in the context, means spouse, child/children and partners.
6. If the agreement is entered into by one of the legal heirs , 'No Objection' from the other legal heirs, except those minor are also required to be submitted. In case of minor, 'No Objection' is to be obtained from the



guardian.

7. The member intending to purchase the goodwill should give an advertisement about intention to purchase such goodwill, and the advertisement should spell out that anyone having objection thereto should send the objection directly to the respective Decentralized Office (address of which shall be indicated in the advertisement). The intending purchaser should send a copy of the advertisement so published to the concerned Decentralized Office.
8. Within 30 days of receipt of the approval for transfer of goodwill, the member purchasing the goodwill should file Form 18.

### **Submission of Particulars of Offices and Firms in Form no. 18- Regarding**

It has been decided that in respect of the following changes in the firm, the particulars thereof in Form no.18 need not be called for from the firm:-

- i. Joining or Leaving of Paid Assistant**
- ii. Opening or Closing of Branch Office(s)**
- iii. Change Incharge or the HO or Branch Office(s)**
- iv. Closure of Firms (to be signed by all the partners)**
- v. Change in address of HO or Branch Office(s)**

A written intimation signed by the member Incharge firm or the authorized partner of the firm will suffice compliance of the requirement of the Regulation 190(7) provided the same is received within one month from the date of such change have taken place. However, if the information is not received within one month from the date of such change, this will be treated as breach of Regulation 190(7) and levy fee for condonation of delay is required to be collected from the firm.

## **Miscellaneous Information**

### **PERMISSION FOR OTHER ENGAGEMENT**

#### **190A.Chartered Accountant in practice not to engage in any other business or occupation:**

A chartered accountant in practice shall not engage in any business or occupation other than the profession of accountancy, except with the permission granted in accordance with a resolution of the Council.

A member is granted permission as follows:

#### **Appendix No. 9CA Regulations 1988**

#### **Permission Granted Generally**

(A) Members of the Institute in practice be generally permitted to engage in the following categories in the individual cases:

- Employment under Chartered Accountants in practice or firms of such Chartered Accountants.
- Private tutorship.
- Authorship of Books and articles.
- Holding of Life Insurance Agency License for the limited purpose of getting renewal commission.
- Attending classes and appearing for any examination.
- Holding of public elective offices such as M.P., M.L.A& M.L.C.



- Honorary office –bear ship of charitable, educational or other non- commercial organizations.
- Acting as Notary Public, Justice of the Peace, Special Executive Magistrate and the like.
- Part-time tutorship under the Coaching Organization of the Institute.
- Valuation of papers, acting as-paper-setter, head –examiner or moderate for any examination.
- Editorship of professional journals.
- Acting as Surveyor and Loss Assessor under the Insurance Act, 1938.
- Acting as Recovery Consultant in the Banking Sector.
- Any coaching assignment organized by the Institute, its Regional Councils and Branches of Regional Councils.
- Engagement as Lecturer in an University, affiliated college, educational institution, coaching organisation, private tutorship, provided the direct teaching hours devoted to such activities taken together do not exceed 25 hours a week
- Engagement in any other business or occupation permitted by the Executive Committee from time to time.

### Part-time employments

A Chartered Accountant in practice may accept Notwithstanding anything contained in Regulation 190A but subject to the control of the Council, a Chartered Accountant in practice may act as a liquidator, trustee, executor, administrator, arbitrator, receiver, adviser or representative for costing, financial or taxation matter, or may take up an appointment that may be made by the Central Government or a State Government or a court of law or any other legal authority or may act as a Secretary in his professional capacity, provided his employment is not on a salary-cum-full-time basis.

### Member in practice in a HUF doing business

“A member of the Institute can acquire interest in family business in any of the following manner:

- (i) as a proprietary firm
- (ii) as a partnership firm
- (iii) in the name and style of Hindu Undivided Family as its Karta or a member.

It would be necessary for the members to provide evidence that interest in the family business concern devolved on him as a result of inheritance/succession/partition of the family business. It is also necessary for the member to show that he was not actively engaged in carrying on the said business and that the family business concern in question was not created by himself.

A member in practice engaged as Karta of a HUF doing family business, will be within the limit prescribed by Council if he makes investments from the funds pertaining to HUF only, provided, he is not actively engaged in the management of the said business.

### Permissions to be granted specifically

(B) Members of the Institute in practice may engage in the following categories of business or occupations, after obtaining the specific and prior approval of the Council in each case:

- Full-time or part-time employment in business concerns provided that the member and/or his relatives do not hold substantial interest in such concerns.
- Full-time or part-time employment in non-business concerns.
- Office of Managing Director or a whole-time Director of a body corporate within the meaning of the Companies Act, 1956, provided that the member and/or his relatives do not hold substantial interest in such a concern.
- Interest in family business concern or concerns in which interest has been acquired as a result of relationship and in the management of which no active part is taken.
- Interest in agricultural and allied activities carried on with the help, if required, of hired labour.



- Interest in an educational institution.
- Part-time or full time lectureship of courses other than those relating to the Institute's examination conducted under the auspices of the Institute or the Regional Councils or their branches.
- Part-time or full-time tutorship under any educational institution other than coaching organization of the Institute.
  - Editorship of journals other than professional journals.
- Any other business or occupation for which the Executive Committee considers that permission may be granted.

## Cancellation of a certificate of practice

(1) A certificate of practice issued under sub-section (1) of section 6 shall be liable for cancellation, if -

- (i) the name of the holder of the certificate is removed from the Register under sub-sections (1) and (2) of section 20; or
- (ii) the Council is satisfied, after giving an opportunity of being heard to the person concerned, that such certificate was issued on the basis of incorrect, misleading or false information, or by mistake or inadvertence; or
- (iii) where a member has ceased to practise; or
- (iv) a member has not paid annual fee for certificate of practice till 30th day of September of the relevant year.

(2) The cancellation of a certificate shall be effective:-

- (a) in a case falling under clause (i) of sub-regulation (1), on the date on which and during the period for which the name of the holder of the certificate was removed from the Register;
- (b) in a case falling under clause (iv) of sub-regulation (1), from the 15th day following the date of issue of notice by the Secretary on or after the 1st day of October; and
- (c) in any other case from such date and for such period, as may be decided by the Council.

(3) Where a certificate is cancelled, the date from which the certificate shall stand cancelled shall be communicated to the member and shall also be notified in the Gazette of India.

(4) Where a certificate of practice is cancelled, the holder of such certificate shall surrender the certificate to the Secretary within 15 days from the date of receipt of notice of such cancellation or from the date of the notification thereof in the Gazette of India, whichever is later, under sub-regulation (3).

## Restoration of certificate of practice

The Council may, on an application made in the approved Form\* and on payment of such fee, as may be determined by the Council under sub-section (3) of section 20, restore the certificate of practice with effect from the date on which it was cancelled, to a member whose certificate has been cancelled due to non-payment of the annual fee for the certificate of practice and whose application, complete in all respects, together with the fee, is received by the Secretary before the expiry of the relevant year.

**DETAILS OF CONDONATION PROCEDURE**

Form No.	Period of Delay	Decision	Documents To be submitted
103	Beyond 30 days to 6 months	No documents is required to be called for and verified	
	6 months and above	The documents are required to be called for and verified the condonation will be on case to case basis and on merits beyond 6 months delay will not be condoned	1. original deed of agreement executed in form "102" 2. Work diary/ Attendance record 3. Stipend proof
107	Beyond 60 days upto 6 months	Documents are required to be called for and verified. The condonation will be on case to case basis and on merits. Beyond 6 months delay will not be condoned	1. original agreement executed in form 107 supplementary deed 2. Work diary/ attendance record 3. Stipend proof
108	Upto 3 Years	No documents are required to be called for and verified.	
	3 Years & above	Anyone of the in required to be called for and verified. The condonation will be on case to case basis and on merits	Any of the following , 1. Work diary 2. Stipend proof 3. Attendance record 4. Details of work done
18	Beyond 30 days upto 6 months  Beyond 6 months and above	a) No documents is required to be called for and verified  b) The documents are required. The condonation will be on case to case basis and on merits.  c) There shall be a cut off date for condonation of cases for empanelment purposes as on 1 <sup>st</sup> January and the cases received beyond the cut off date will not be considered for condonation the President was authorized to fix the cut off date	1. Certified copy of original partnership Deed 2. An approved format of the self declaration signed by all the partners 3. Income Tax Return filled by Firm alongwith profit & Loss A/c. Balance Sheet of Firm certified by a Chartered Accountants



**Breach of Regulations & its Condonation Fee**

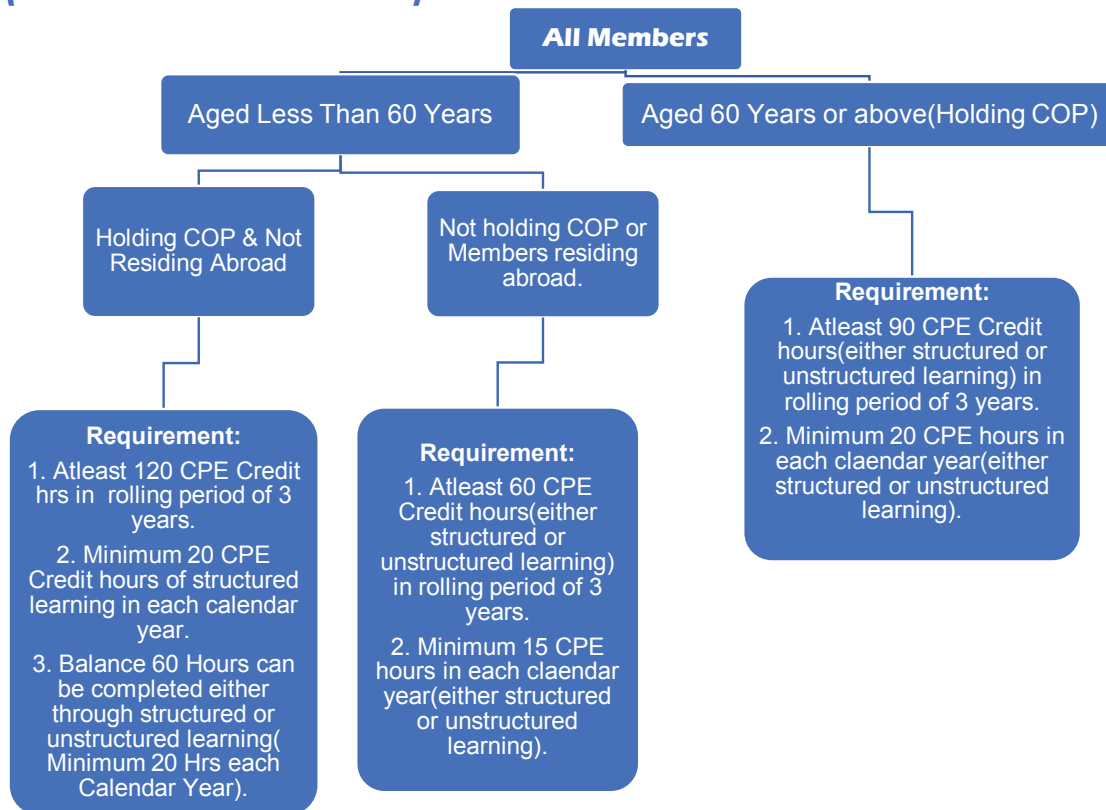
S No	Regulation	Period of delay/ Corresponding fee to be charged		
		30 days Rs.	31-190 days Rs.	beyond 181 days Rs
1.	Condonation of delay in submitted form 103/113	100	300	1000
2.	Condonation of delay in submitted form 107	100	300	1000
3.	Delay in submission of Form 112	100	300	1000
4.	Condonation of delay in submitted form 108 & 114	100	300	1000
5.	Condonation of delay in submitted form 101	100	300	1000
6.	Condonation of delay in submitted form 9	100	300	1000
7.	Condonation of delay in submitted form 18 for registration of Firm name	100	300	1000
8.	Condonation of delay in submitted form 18 notifying change in particulars of office/ Firms	100	300	1000

In case where filing of application is delayed, a formal condonation request stating the reason of delay along with a Demand Draft of Condonation Fee should be enclosed therewith. The approval of Condonation is subject to approval of Concerned authority.

**Waiving-off Condonation Fees due to late filing of application Form 18 related to Members and Firms amidst COVID-19 Pandemic till 30th July, 2021**

Amidst the current situation arising out of Covid-19, it is observed that Members and Firms are facing difficulties in filing Form 18, i.e., for re-constitution of Firm, intimating Joining/leaving of Partner(s)/Paid Assistant(s) and opening/closing of Branch Office within the prescribed period. Such delay in submission of online application Form is attracting levy of Condonation fee under the relevant Regulatory Provisions and creating hardship to them.

Considering the difficulties which may be faced by Members and Firms, it has been decided to Waive-off Condonation Fees for the transactions falling between 1st April, 2021 to 30th June, 2021 till 30th July, 2021.

**CPE Hours Requirements for the Block Period of 3 years  
(1-1-2020 to 31-12-2022)****Following class of members are exempted from CPE credit hours requirement:**

1. All members (aged 60 Years or above) not holding COP.
2. Judges of Supreme Court, High Court, District Courts and Tribunal
3. Members of Parliament/MLAs/MLCs
4. Governors of States
5. Centre and State Civil Services
6. Entrepreneurs (owners of Business (manufacturing) organizations other than professional services)
7. Judicial officers
8. Members in Military Service

**Temporary Exemptions:**

1. Female members for one Calendar year on the grounds of pregnancy.
2. Physically disabled members on case to case basis having permanent disability of not less than 40% and above.
3. Members suffering from prolonged critical diseases/illnesses or other disability as may be specified or approved by the CPED.

For 2 & 3 above:

Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).

**Mandatory CPE Hours in Online/Virtual mode on the topic Standards on Auditing and Code of Ethics:**

The Council has decided to initially start with 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 (applicable from Calendar Year 2020 onwards) in Online/Virtual mode only 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 any time during the year in online/virtual mode.

**Penalty for Non Compliances with CPE hours**

If a CA fails to comply with the CPE requirement, His/her name would be hosted on the website of ICAI for the information of the public at large. Moreover, ICAI will not be responsible in any way for any action taken by any of the regulatory authorities on the basis of the names hosted on the website for allotting the professional work to them as a sole proprietor or to their partnership firm

To gets its name removed from the aforesaid list, a CA would be required to complete double the hours of the shortfall. Such additional hours should be complete in addition to regular CPE hours requirement for the particular calendar year in which they are making up the shortfall

**Unique Document Identification Number(UDIN) - A Landmark Reform :**

- ICAI, as a part of its role in aiding proactive process towards partner in nation building and for better governance and regulation for the very first time in the world came out with an innovative concept of Unique Document Identification Number (UDIN).
- UDIN is a pioneering effort and an innovative concept for validation and authentication of documents certified by the practising Chartered Accountants :

UDIN is compulsory for every certificate / Report issued by a practising Chartered Accountants

UDIN is a seal of authentication whereby regulators can verify the documents signed by the CA’S in real time .

- For more details please visit : <https://udin.icai.org/faqs>
- For clarifications mail at : [udin@icai.in](mailto:udin@icai.in)



## CODE OF ETHICS — SALIENT PROVISIONS

### 1. A Chartered Accountant in practice is PROHIBITED

- to pay commission/brokerage or share of profits of his professional business to/with any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed from time to time by the Council.
- from soliciting clients or professional work by circular, advertisements etc. except for advertisement as per the Council guidelines for Advertisement issued in 2008 and updated in February, 2020.
- from being Director of a Holding Company in whose subsidiary he is the auditor.

### 2. A Chartered Accountant in practice CANNOT

- Use any designation other than Chartered Accountant on professional documents, visiting cards, letterheads, or signboard. However, the Council has decided that a member of the institute shall be permitted to mention a title on their visiting cards to indicate membership of a foreign Institute of Accountancy, which has been recognised by the Council e.g. South African Institute of Chartered Accountants (SAICA), Institute of Certified Public Accountants (CPA Ireland) and Institute of Chartered Accountants in England and Wales (ICAEW). A member empanelled as Insolvency or Registered Valuer can mention "Insolvency Professional" or "Registered Valuer" respectively.
- Charge fees on a percentage of profits or which are contingent upon the findings, or results of such work provided that.
  - a) In the case of a receiver or a liquidator, the fees may be based on a percentage of the realisation or disbursement of the assets.
  - b) In the case of an auditor of a co-operative society the fees may be based on a percentage of the paid-up capital or the working capital or the gross or net income or profits.
  - c) In the case of a valuer for the purposes of direct taxes and duties, the fees may be based on a percentage of the value of the property valued.
  - d) In the case of certain management consultancy services as may be decided by the resolution of the Council from time to time, the fees may be based on percentage basis which may be contingent upon the findings, or results of such work.
  - e) In the case of certain fund-raising services, the fees may be based on a percentage of the fund raised.
  - f) In the case of debt recovery services, the fees may be based on a percentage of the debt recovered.
  - g) In the case of services related to cost optimisation, the fees may be based on a percentage of the benefit derived.
  - h) Any other service or audit as may be decided by the Council. Following activities have been decided by the Council under this entry :- (i) Acting as Insolvency Professional (ii) Non-Assurance Services to Non-Audit Clients

#### Permitted Deposits/payments

- Audit fees Payable to concerned State Government- the auditor has to deposit a percent of his audit fee in the state treasury.
- Assignment wherein a percentage of professional fee is deducted by government to meet the administrative and other expenditure.
- Engage in any business other than the profession of chartered accountants unless permitted by the Council.
- Accept position as auditor previously held by another chartered accountant without first communicating with him in writing and without retaining in their hands positive evidence of the delivery of the communication to the addressee.



### 3. A Chartered Accountant shall not

- accept appointment as an auditor of an entity in case the undisputed audit fees of outgoing auditor for carrying out statutory audit under the Companies Act, 2013 or various other statutes has remained unpaid. Provided, this is not applicable in case of sick units.
- accept in a financial year, more than sixty tax audit assignments under Section 44AB of the Income-tax Act, 1961
- accept appointment as Tax Auditor of an entity where he is appointed as Internal Auditor
- accept appointment as auditor of a concern while indebted to the concern or has given a guarantee or provided any security in connection with the indebtedness of any third person to the concern, for limits fixed in the statute and in other cases amount exceeding ` Rs. 1,00,000.
- Accept the appointment as statutory auditor of Public Sector Undertaking(s)/Government Company(ies) having turnover of Rs. 50 crores or more in a year where he accepts any other work(s) or assignment(s) or service(s) in regard to the same undertaking(s)/Company(ies) on a remuneration which in total exceeds the fee payable carrying out the statutory audit of the same Undertaking/ Company however in case appointing authority(ies)/regulatory body(ies) lay down more stringent condition(s) restriction(s), the same shall apply instead of the conditions/restrictions specified under these Guidelines.

The above restrictions shall apply in respect of fees for other work(s) or service(s) or assignment(s) payable to the statutory auditors and their associate concern(s) put together.

- Without following the direction given by the Council or an appropriate committee or on behalf of any of them, accept the appointment as auditor(s), in the case of unjustified removal of the earlier auditor(s).
- Accept appointment in case of non payment of undisputed fees except in case of sick units i.e where a unit is registered for atleast 5 years and at the end of any FY accumulated losses is equal to more than its net worth.

Note: Provision for audit fees signed by both along with other expenses, if any, incurred shall be considered as 'undisputed' audit fees.

- Accept audit assignments of more than 30 companies at any point of time per partner who is Chartered Accountant in Practice.

Note: Branch audit is included in calculation of above limit. This regulation is not applicable to One person company and dormant company. Number of partners of a firm on the date of acceptance shall be taken into account.

### 4. A Chartered Accountant in practice CAN

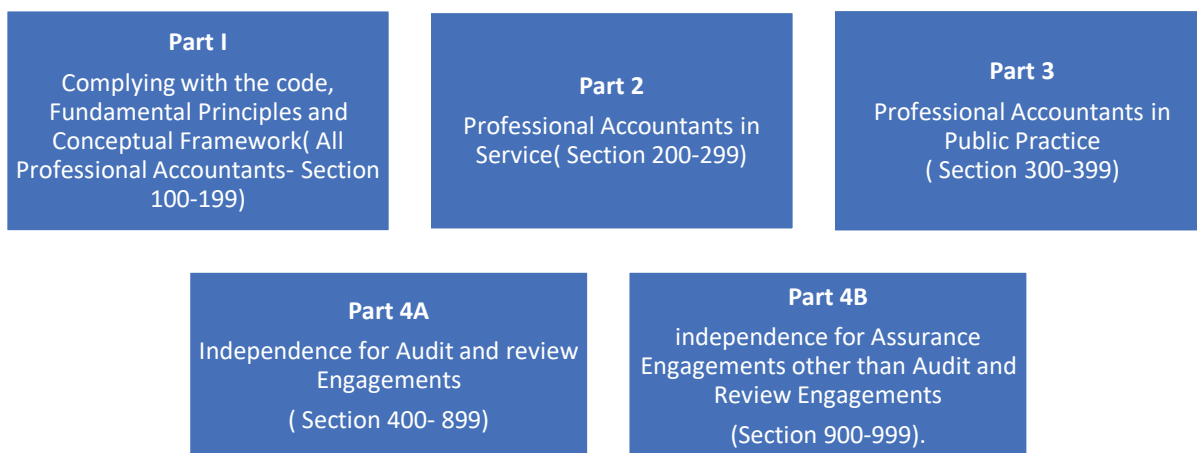
1. Share profits of business or other similar arrangements with certain categories of non-members, to be prescribed, from time to time, in the Regulations.
2. The members can use the Logo (released by the Institute on 1st July, 2007) which consists of the letters 'CA' and a tick mark upside down inside a rounded rectangle with white background. (members can use this Logo as per Institute's guideline available on its website/Refer The CA Journal July, 2007).
3. Advertise through a write up setting out their particulars of their firms and services provided by them subject to the Guidelines No. 1-CA(7)/council guidelines/01/2008, dated 14th May, 2008 issued by the Council pursuant to Clause (7) of Part I of the First Schedule to the Chartered Accountants Act, 1949. (Refer The CA Journal July, 2008 for the detailed guidelines) and updated in February, 2020.
4. Give his name and his firm's name under specified groups in telephone directory viz., Yellow Pages brought by telephone authorities, subject to the prescribed restrictions appearing in the Code of Ethics Volume II, 20.

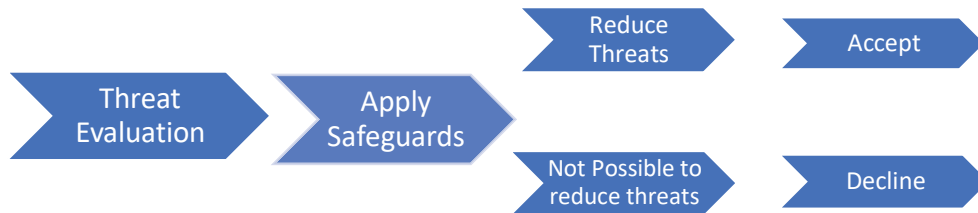


5. Use the designation 'C.A.' as well as the name of the firm in greeting cards and invitation cards for marriages and religious ceremonies and any invitations for opening or inauguration of office of the members, change in office premises and change in telephone numbers, provided that such greeting cards or invitations etc. are sent only to clients, relatives and friends of the members concerned
6. Be a director simplicitor in a company without permission of the Council.
7. Be a promoter /director Simplicitor in a company without prior permission of the Council.
8. Render Management Consultancy and Other Services in Corporate form, subject to the guidelines issued by the Institute in this regard. (Decision in the 261st Council meeting. Published on page 629 of October 2006 issue of C.A. Journal).
9. Create his own website subject to overall guidelines laid down by the Council from time to time and should ensure that their websites are run on a **"pull"** and not **"push"** method.
10. The members of ICAI who are also members of AICPA and are eligible to sign the financial statements as CPAs (i.e., as members of the AICPA), may do so. So far as ethical standards are concerned, the ICAI ethical standards will apply. When the ICAI members sign the financial documents as CPAs, they should indicate in an appropriate manner, that their firm is an Indian accounting firm registered with the Institute of Chartered Accountants of India under the Chartered Accountants Act, 1949. In other words, such a member should ensure to appropriately reflect the fact in the relevant document(s) that his firm falls within the purview of the ICAI. (Decision in the 257th Council meeting. Published on page 145 of July 2006 issue of C.A. Journal).

## MAJOR AMENDMENTS IN THE CODE OF ETHICS 2019

### THE NEW CODE IS BROADLY STRUCTURED AS FOLLOWS:



**CONCEPTUAL FRAMEWORK APPROACH OF CODE:**

The most important structural changes in the code of ethics are:

- Change has been made in the drafting conventions e.g. “should” to “shall”, thereby making the guidelines mandatory, non compliance of which will be deemed as professional misconduct.
- Independence requirements for Audit and Review Engagements and other Assurance engagements has been differentiated
- Increased clarity of responsibility for compliance - Firms, network firms, individuals within firms.

**MAJOR AMENDMENTS IN REVISED CODE OF ETHICS****1. Non-Compliance with Laws and Regulations (NOCLAR)**

- While providing a professional service to a client or for an employer, a Professional Accountant may come across an instance of non-compliance with laws and regulations (NOCLAR) or suspected NOCLAR committed or about to be committed by the client or the employer, or by those charged with governance, management or employees of the client or employer.
- Accepting that Professional Accountant has a prima facie ethical responsibility to not turn a blind eye to the matter, NOCLAR was introduced to guide him to deal with the situation considering how best to serve the public interest in these circumstances.

This regulation refers to any act of omission or commission, committed by a client or employer contrary to prevailing laws or regulations. While providing a professional service to a client or for an employer, a Professional Accountant may come across an instance of non-compliance of other laws and regulations, compliance with which may be fundamental to the entity's business and operations or to avoid material penalties. Such instances are to be dealt with utmost care and reported to the management or those charged with governance, as applicable .

This amendment is presently applicable only Audit Assignments and Employees of Listed Companies.

**2. Provisions of Taxation Services to the Audit clients:**

Certain services need to be provided taking appropriate safeguards with respect to various threats involved in the assignments, if any for e.g. Tax Planning /Other Tax Advisory Services - Might create self-review/advocacy threat.

Tax Calculations for the Purpose of Preparing Accounting Entries (that will subsequently be audited by the Firm) -Creates a self-review threat.

Tax Services Involving Valuations- Might be performed only where the result of the valuation will not have a direct effect on the financial statements.

Assistance in the Resolution of Tax Disputes - Might create a self- review or advocacy threat.



**3. Prohibition on Management Responsibilities to the audit clients:**

There is a new section dealing with 'Management Responsibilities'. As per the same, the firm shall not assume a management responsibility for an audit client. However, providing advice and recommendations to assist the management of an audit client in discharging its responsibilities is not assuming a management responsibility.

Providing administrative services to an audit client does not usually create a threat.

**4. Restrictions on total Fees from a client :**

In the revised Code, where for two consecutive years, total gross annual professional fees from the audit client and its related entities represent more than 15% of total fees, except that from Govt. Cos, public undertakings, nationalized banks, public financial institutions or Govt appointments, the firm shall disclose it to those charged with Governance(TCWG)  
No such ceiling on total fees of the Firm would be applicable where such fees does not exceed Rs. 5 Lakhs

**5. Duty of Accountant in case of breach of Independence Standards :**

In the revised code, the independent standards have been characterized as "International Independence Standards"  
In case of breach, the mechanism of self-correction prescribed in the Code. Accordingly, a professional accountant who identifies a breach of any other provision of the Code shall evaluate the significance of the breach and its impact on the accountant's ability to comply with the fundamental principles. If a firm concludes that a breach of a requirement in this Part has occurred, the firm shall take prescribed steps therein.

**6. Firm's Rotation :**

The revised Code incorporates Firm rotation requirements vide a separate section (550) to make the guidance comprehensive for members with restrictions on Activities During Cooling-off (w.r.t partner rotation) however, the partner rotation will co-exist along with Audit Firm rotation (wherever prescribed by a statute)

7. All kinds of inducements, gifts and hospitality are prohibited which are made with an intent to improperly influence the behaviour of the recipient or of another individual.

**8. Criteria of Indebtedness :**

The Concept of IESBA of materiality of Loans and Guarantees, whether a loan or guarantee is material would depend on combined net worth of the individual and his immediate family members has been adopted in the revised code.

**9. Documentation:**

The requirements of Documentation to be given in greater detail such as NOCLAR requires all steps to be documented, independence details and KYC to be properly documented etc.

**10. Changes in Professional Appointment:**

In case of change of appointment, the Incoming auditor shall request retiring auditor to provide known information about client. The retiring auditor shall provide the information diligently.

If unable to communicate with the existing or predecessor accountant, the proposed accountant shall take other reasonable steps to obtain information about any possible threats and seek documents from the predecessor if need be.

**11. Social Media Activities:**

Spreading knowledge thru various social media platforms is permissible without any projection of the Firm Name or achievements on the platform, however that with an intent to solicit clients is not permissible.,

It is not permissible for a member to use Whats App to send messages to make people aware about his practice, and mention the services provided therein, as it tantamount to indirect solicitation.

Writing articles on Social media platforms with self-name and Firm name mentioned therein is permissible.

12. Director Simplicitor means an ordinary/simple Director, who is not a Managing Director or Whole time Director and is required only in the Board Meetings of the company and not paid any remuneration except for attending such meetings.

13. Communication vide last E- Mail ID registered with ICAI is permissible mode of communication.

14. Networks others than those registered with ICAI are not permissible.



**Certificate Courses :**

Name of the course	Fees	Name of committee	Duration of Course
Certificate Course Cooperatives on	Rs. 8,000/-+18% GST For young members  Rs. 10,000/-+ 18% GST For other members	PDC Ph. (+91) 011 30110444 Email: <a href="mailto:pdcc@icai.in">pdcc@icai.in</a> ;	6 Days (Generally on Saturday and Sunday)
Certificate course on not for profit organizations (NPOs)	Rs. 8,000/-+18% GST Rs. 10,000/-+18% GST For other members	PDC Phone (+91) 011 30110444 Email: <a href="mailto:pdcc@icai.in">pdcc@icai.in</a> ;	6 Days (Generally on Saturday and Sunday)
Certificate course on forensic accounting and fraud detection (Physical sessions)	Rs.14000 plus 18% GST	CIT Tel: +91 120-3045 961 / 963 <u>E-mail: <a href="mailto:amitgupta@icai.in">amitgupta@icai.in</a></u>	7 Days
Certificate course on forensic accounting and fraud detection (Virtual sessions)	Rs.7000 plus 18% GST	CIT Tel: +91 120-3045 961 / 963 <u>E-mail: <a href="mailto:amitgupta@icai.in">amitgupta@icai.in</a></u>	7 Days
Certificate Course on GST (Physical sessions)	<ul style="list-style-type: none"> <li>Rs. 14,000 plus GST for Delhi, Kolkata, Chennai, Mumbai, Bangalore, Hyderabad, Pune, Ahmedabad and Jaipur</li> <li>Rs.12,600 plus GST for other cities</li> </ul>	IDTC Email: <a href="mailto:idtcc@icai.in">idtcc@icai.in</a> ; <a href="mailto:ajay@icai.in">ajay@icai.in</a> ; Tel. No.: 0120 – 3045954	10 Days
Certificate Course on GST (Virtual sessions)	Rs. 6,000 /- plus GST i.e Total Rs.7080 /-	IDTC Email: <a href="mailto:idtcc@icai.in">idtcc@icai.in</a> ; <a href="mailto:ajay@icai.in">ajay@icai.in</a> Tel. No.: 0120 – 3045954	10 Days
Certificate Course on ADR (Arbitration, Mediation & Conciliation) (Physical sessions)	FCA: Rs. 14,455.00 (Inclusive of GST @18%)  ACA: Rs. 12,390.00 (Inclusive of GST @18%)	CECL & EA Ph: 011 – 30110499 Email: <a href="mailto:cecl@icai.in">cecl@icai.in</a>	10 Days (weekends)
Certificate Course on ADR (Arbitration, Mediation & Conciliation) (Virtual sessions)	Rs 8260 for FCAs (Inclusive of GST @18%) Rs 7080 for ACAs (Inclusive of GST @18%)	CECL & EA Ph: 011 – 30110499 Email: <a href="mailto:cecl@icai.in">cecl@icai.in</a>	13 Days



Certificate Course on Anti-Money Laundering Laws of the ICAI (Anti-Money Laundering Specialist) (Physical sessions)	Rs.11,800/- (Inclusive of GST@ 18 %)	CECL & EA <b>Ph:</b> 011 – 30110499 <b>Email:</b> <a href="mailto:cecl@icai.in">cecl@icai.in</a>	6 Days (weekends)
Certificate Course on Anti-Money Laundering Laws of the ICAI (Anti-Money Laundering Specialist) (Virtual sessions)	Rs 5900 (Inclusive of GST @18%)	CECL & EA <b>Ph:</b> 011 – 30110499 <b>Email:</b> <a href="mailto:cecl@icai.in">cecl@icai.in</a>	9 Days
Certificate Course on Business Responsibility and sustainability Reporting	Rs 3540(Inclusive of GST 18%)	SRS Board	5 Days
Certificate Course on Forex and Treasury Management	Rs 5900(Inclusive of GST @18%)	CMIP Ph no. 011-30110473 Email- <a href="mailto:fxtm@icai.in">fxtm@icai.in</a>	11 Days
Certificate course on wealth management and Financial Planning	Rs 17700(Inclusive of GST @18%)	CCBMP Ph No. 0120-3045994 Email- <a href="mailto:ccbcaf@icai.in">ccbcaf@icai.in</a>	20
Certificate course on IND AS	Rs 24780(Inclusive of GST @18%)	IND AS Certificate Course Cell Ph No.0120-3045928 Email- <a href="mailto:indascourse@icai.in">indascourse@icai.in</a>	12



**Committee for Members in Practice (CMP)**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

(Set up by an act of parliament)

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