



NEWSLETTER

HAPPY DIWALI



Preface

It is our pleasure to present the latest edition of the ICAI newsletter. This newsletter is designed to keep our members up-to-date on the latest news, developments, and events within the Institute of Chartered Accountants of India.

In this newsletter, you will find a range of articles, news items, and updates from various departments and committees within ICAI. We have endeavored to provide a diverse range of content that will be of interest and relevance to our members, including updates on professional standards, regulatory changes, and the latest trends and best practices in the field of accountancy. We hope that this newsletter will serve as a valuable resource for our members and help them to stay informed and engaged with the activities and initiatives of ICAI. We welcome feedback from our members and would be happy to hear from you if you have any suggestions or ideas for future editions of the newsletter.

Thank you for your continued support and participation in the Institute's activities.

Newsletter Editor



CA Neha Bafna



CA Pranay Bafna

What's Inside?

1. Chairperson's Message
2. Section 54F -Deduction from Capital Gains
3. Understanding Section 206C
4. Audit Procedures for Housing Cooperative Societies
5. Embracing Technological Advancements in Auditing
6. Know your Ethics
7. Past Events
8. Upcoming Events



TORCH BEARERS



CA. Aniket Talati
President ICAI



CA. Ranjeet Agarwal
Vice President ICAI

AKOLA BRANCH NOMINEE



CA Sourabh Ajmera

MANAGING COMMITTEE AKOLA 2023-2024



CA Seema Baheti
Chairperson



CA PANKAJ LADNIYA
Vice - chairperson



CA SUMIT ALIMCHANDANI
SECRETARY



CA BHUSHAN JAZOO
TREASURER



CA NAVIN KRIPLANI
EXECUTIVE MEMBER



CA HIREN JOGI
IMMEDIATE PAST CHAIRMAN



"Embrace the challenges, for within them lies the path to your greatest self."



CA SEEMA BAHETI
CHAIRPERSON

Message From Chairperson

Dear Members,

December beckons reflection and gratitude for the journey we've traversed together in November. This month's newsletter serves as a testament to our collective spirit, resilience, and the myriad accomplishments that have colored our professional canvas.

Badminton Extravaganza: A Smash Hit! Our badminton tournament proved to be a smashing success, bringing together players from various departments of DDR Office, GST, Income Tax, PF, and ESIC departments. Beyond the thrill of competition, it reinforced the importance of camaraderie, teamwork, and the joy of friendly rivalry. Kudos to all officers and chartered' s for making this event memorable!

Creative Enlightenment: Nukkad Natak for Financial Literacy Injecting creativity into financial literacy, our team of CA Students staged a Nukkad Natak that transformed complex financial concepts into an engaging and accessible format. It was a delightful blend of education and entertainment, reinforcing our belief that learning can be both informative and fun.



Diwali Milan: Illuminating Bonds of Friendship The festive season brought us together for Diwali Milan, a celebration that illuminated our workplace with joy and camaraderie. It was a time to cherish the spirit of togetherness, exchange good wishes, and create lasting memories that will warm our hearts well into the coming year.

GloPac Experience: A Global Perspective I had the honor of attending the Global Professionals Annual Conference (GloPac). This international forum provided a platform for networking, insights into global industry trends, and the chance to represent our organization on a global stage. The experience was enriching and has undoubtedly inspired us to aim higher in the upcoming year.

As we approach the dawn of a new year, let us carry the lessons learned, the achievements celebrated, and the bonds forged into the future. Our collective strength lies in unity, and together, we are poised for even greater accomplishments in the days ahead.

Sincere Regards,
CA Seema Jalaj Baheti
Chairperson, Akola Branch

Deduction from Capital Gains on Transfer of Capital Assets other than Residential House Property (Section 54F)

CA ANMOL BOHRA

Eligibility Criteria: To avail of the deduction under Section 54F, the assessee must fulfill the following criteria:

1. The transfer must involve a long-term capital asset, excluding residential house property.
2. The assessee must acquire a residential house within the prescribed time limit, and its income must be taxable under Section 22.
3. The new house should be located in India.
4. The assessee should not own more than one residential house property, the income of which is taxable under Section 22 (other than the new house), on the date of transfer.
5. The assessee should not purchase another residential house or construct one within 2 years or 3 years, respectively, after the transfer of the original asset, the income of which is taxable under Section 22.

Time Limits for Acquisition:

- For Purchase: Within a period of '1 year before or 2 years after the date of transfer.'
- For Construction: Within a period of 3 years after the transfer. Construction may start at any time but must be completed within the stipulated time.

Applicability: This provision is applicable to individuals or Hindu Undivided Families (HUFs).

Scheme of Deposit: The scheme of deposit is applicable, and individuals can refer to the 'Capital Gains Account Scheme' for details.

Amount of Deduction: As of April 1, 2023, the maximum deduction available under Section 54F is up to Rs. 10 crores. The exemption amount depends on whether the full net consideration or a proportionate net consideration is invested in eligible assets, such as a residential property.

Exemption Calculation:

- When Full Net Consideration is Invested: The entire long-term capital gain is exempt if the entire net consideration is reinvested.
- When Proportionate Net Consideration is Invested: Exemption amount = (Long-term capital gain * Amount reinvested) / Net consideration.

Revocation of Benefit:

- If the newly acquired residential house is transferred within 3 years after its acquisition, the earlier availed benefit shall be revoked.
- If another residential house is purchased or constructed within 2 years or 3 years, respectively, after the date of transfer of the original asset, the earlier availed benefit shall be revoked.

Understanding Section 206C of the Income Tax Act, 1961

CA ISHITA RAMANL

Introduction: A significant amendment to the Finance Act, 2020, added Section 206C(1H) to the Income Tax Act, 1961, addressing TCS rules applicable to sellers of goods. This section mandates that if a seller receives more than INR 50 lakh from a single buyer in a financial year, they must collect tax, provided their total turnover exceeds INR 10 crore. Notably, the TCS is to be paid when the payment is received.

Definitions: A. Seller Definition: The Income Tax Act defines a seller as follows:

- The National Government,
- Federal, state, or municipal governments,
- Businesses, state governments, or entities formed by law,
- Cooperative societies, corporations, and firms,
- HUFs (Hindu undivided families) or individuals whose accounts are audited for taxes under Section 44AB,
- Public sector companies,
- Foreign state or club's embassy, legation, commission, or consulate,
- Trade representation from an international organization or state,
- A buyer purchasing products for personal use at retail sale.

B. Buyer Definition: The term "Buyer" under Section 206C includes any individual with the right to purchase a specific product through various means such as auction, tender, sale, or other methods. However, exceptions exist, and individuals falling under these categories are not considered buyers:

- Government entities,
- Businesses or entities formed by law,
- Cooperative societies,
- Public sector companies,
- Foreign states or their representatives,
- Buyers who purchase products for personal use at a retail sale.

Eligibility Criteria under Section 206C of TCS:

- The seller must have a total revenue in their financial year before the sale exceeding Rs. 10 crore.
- The goods covered by this section exclude exports and those specified under sections 206C(1) (TCS on the sale of alcohol, tendu leaves, forest produce, and scrap), 206C(1F) (TCS on the sale of motor vehicles), and 206C(1G) (TCS on external remittance).

This amendment aims to streamline the TCS process, ensuring compliance and transparency in transactions.

Audit Procedures for Housing Cooperative Societies: A Comprehensive Guide for Chartered Accountants

CA ASHISH JHA

Introduction:

Housing Cooperative Societies play a crucial role in providing residential solutions to their members. As a Chartered Accountant (CA) undertaking the audit of such societies, it is imperative to follow a structured set of audit procedures to ensure transparency, compliance, and financial integrity. This article provides a comprehensive guide to the audit procedures specifically tailored for Housing Cooperative Societies.

1. Preliminary Assessment:

- Understand the legal framework: Familiarize yourself with the Cooperative Societies Act and other relevant regulations governing housing cooperatives.
- Review the society's bylaws: Gain insight into the internal regulations guiding the operations and financial management of the cooperative.

2. Planning:

- Set clear audit objectives: Define the scope, objectives, and expectations of the audit.
- Risk assessment: Identify potential risks related to financial mismanagement, non-compliance, or fraudulent activities.
- Establish materiality thresholds: Determine the level of misstatement that would be considered significant for the audit.

3. Internal Control Evaluation:

Assess internal controls: Review and evaluate the effectiveness of internal controls, especially those related to financial transactions, membership records, and governance.

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- Identify weaknesses: Highlight any weaknesses in internal controls and provide recommendations for improvement.
4. Membership and Share Capital Audit:
- Validate membership records: Confirm the accuracy of the member register and cross-verify with legal documents.
 - Verify share capital: Ensure that the share capital accounts align with the cooperative's bylaws and legal requirements.
5. Financial Transactions and Accounting Records:
- Scrutinize financial transactions: Examine income, expenditure, and investment transactions for accuracy and legitimacy.
 - Verify accounting records: Ensure compliance with accounting standards and principles.
6. Compliance Check:
- Regulatory compliance: Confirm adherence to statutory requirements, tax regulations, and Cooperative Societies Act provisions.
 - Review contracts and agreements: Examine agreements to ensure compliance with legal and regulatory obligations.
7. Verification of Assets and Liabilities:
- Physical verification: Physically inspect and verify fixed assets such as property, buildings, and common areas.
 - Debt and liabilities: Confirm the accuracy of liabilities, loans, and outstanding payments.
8. Income and Expenditure Analysis:
- Analyze income sources: Scrutinize various revenue streams, including maintenance charges, penalties, and interest.
 - Examine expenditure: Ensure that expenses are reasonable, necessary, and in accordance with the cooperative's budget.

9. Audit Documentation:

- Maintain comprehensive audit documentation: Document all audit procedures, findings, and conclusions for future reference and compliance.
- 10. Reporting:
- Draft a detailed audit report: Summarize audit findings, highlight areas of improvement, and provide recommendations for enhancing financial controls.
- Communicate with stakeholders: Discuss audit results with the cooperative's management and board, addressing any queries or concerns they may have.

Embracing Technological Advancements in Auditing: A Roadmap for Chartered Accountants

CA SHREYA JOSHI

In an era defined by rapid technological evolution, Chartered Accountants (CAs) are presented with a transformative opportunity to enhance the efficiency, accuracy, and depth of their auditing processes. Embracing cutting-edge technologies not only streamlines audit workflows but also positions CAs as invaluable contributors to organizational success. Here's an insightful exploration of the technologies that can revolutionize the auditing landscape:

1. Data Analytics and Artificial Intelligence:

- **Data Analytics:** Leveraging data analytics tools allows CAs to analyze large datasets efficiently. Automated data analysis aids in detecting anomalies, trends, and patterns, providing deeper insights into financial transactions.
- **Artificial Intelligence (AI):** AI-powered algorithms can perform complex tasks, such as risk assessment, fraud detection, and predictive analysis. Machine learning models can adapt and improve accuracy over time.

2. Blockchain Technology:

- **Blockchain** offers a secure and transparent way to record and verify transactions. Its decentralized nature ensures data integrity and minimizes the risk of fraud. CAs can utilize blockchain for transaction verification, especially in industries requiring high levels of trust, such as finance and supply chain.

3. Robotic Process Automation (RPA):

- **RPA** involves deploying software robots to automate repetitive, rule-based tasks. In auditing, RPA can be applied to data entry, report generation, and reconciliations. This not only reduces errors but also allows CAs to focus on higher-value analytical tasks.

4. Cloud Computing:

- Cloud-based audit solutions provide flexibility and accessibility. CAs can access audit files, collaborate with team members, and share real-time updates securely. Cloud computing also facilitates remote auditing, enhancing flexibility in the audit process.

5. Advanced Data Security Measures:

- As audits involve handling sensitive financial data, adopting advanced cybersecurity measures is paramount. Encryption, multi-factor authentication, and secure file sharing platforms safeguard client information and maintain confidentiality.

6. Audit Management Software:

- Purpose-built audit management software streamlines the entire audit process. From planning and scheduling to risk assessment and reporting, these tools centralize audit data, improving collaboration and efficiency.

7. Mobile Auditing Apps:

- Mobile applications empower auditors to conduct fieldwork efficiently. They can input data, capture images of supporting documents, and synchronize information in real-time, reducing paperwork and improving accuracy.

8. Continuous Monitoring Tools:

- Rather than relying solely on periodic audits, CAs can implement continuous monitoring tools that provide real-time insights into financial transactions. This proactive approach enables swift identification and rectification of anomalies.

9. Virtual Reality (VR) and Augmented Reality (AR):

- While still emerging, VR and AR technologies can revolutionize the audit process. Virtual walkthroughs of physical assets, augmented documentation analysis, and immersive data visualization are potential applications.



10. Collaborative Platforms:

- Online collaboration platforms facilitate seamless communication among audit team members and clients. Document sharing, discussions, and real-time updates contribute to a more transparent and efficient audit process.

ETHICAL STANDARDS BOARD

Know your Ethics?

ICAI Ethics for CAs Relating to Confidentiality:

Confidentiality is a cornerstone of the ethical obligations for Chartered Accountants (CAs) under the Institute of Chartered Accountants of India (ICAI). It ensures the trust and integrity of the profession and protects the sensitive information of clients.

Here are the key principles of ICAI ethics regarding confidentiality for CAs:

1. Confidentiality obligation:

- CAs must maintain the confidentiality of information acquired in the course of their professional work. This includes information about clients' financial affairs, business operations, and personal matters.*
- The obligation of confidentiality applies even after the professional engagement has ended.*
- CAs can only disclose confidential information with the client's informed consent or under specific legal or regulatory requirements.*

2. Exceptions to confidentiality:

- CAs can disclose confidential information to the extent necessary to prevent or mitigate significant harm to the public interest.*
- Disclosure may also be required in response to a court order or other lawful demand.*
- CAs must seek legal advice if unsure about their disclosure obligations.*

3. Client consent:

- CAs should obtain informed consent from clients before disclosing any confidential information.*
- The consent should be clear, specific, and freely given.*

CAs should document the consent clearly.

4. Safeguarding confidential information:

- *CAs must take reasonable steps to protect confidential information from unauthorized access, use, disclosure, loss, or damage.*
- *This includes implementing appropriate security measures for electronic and physical records.*
- *CAs should be mindful of the risks associated with communicating confidential information electronically and take appropriate precautions.*

5. Conflicts of interest:

- *CAs must avoid conflicts of interest that could compromise their objectivity and independence.*
- *This includes situations where confidential information from one client could be used to benefit another client.*
- *CAs should disclose any potential conflicts of interest to clients and seek their guidance.*

6. Reporting unethical conduct:

- *CAs have a duty to report unethical conduct by other CAs that may involve breaches of confidentiality.*
- *This can be done through the ICAI complaint mechanism.*

Here are some specific provisions from the ICAI Code of Ethics related to confidentiality:

- *Section 220: Confidentiality*
- *Section 320: Communications with predecessor accountants*
- *Section 420: Communication with third parties*
- *Section 520: Disclosure of confidential information*

CAs should familiarize themselves with these provisions and ensure their professional conduct adheres to the highest ethical standards of confidentiality.

PAST EVENTS



Akola Branch of WIRC of ICAI, Akola Organizes

BADMINTON

FRIENDLY MATCHES

Jointly with
Income Tax Department
GST Department
EPFO Department

SUNDAY, NOV 5TH 2023 9 AM ONWARDS

Vasant Desai Stadium, Ramdaspath, Akola

GUEST OF HONOUR

 Shree Vinayakji Dhundiraj Kahalekar <small>DISTRICT DEPUTY REGISTRAR, COOPERATIVE SOCIETIES, AKOLA DIVISIONAL JOINT REGISTRAR, AMARAVATI (Add. charge)</small>	 Shree Santoshji Powraj <small>Superintendent CGST& Central Excise, Division Akola.</small>
 Shree Shyam Sunder Nema <small>JCIT Amravati Additional charge of Akola Range.</small>	 Shree Ravi Kishore <small>Regional Provident Fund Commissioner II Akola, EPFO</small>

CONTACT FOR QUERIES- CA PRANAY BAFNA 88884 58882

Regards

CA SEEMA BAHETI CHAIRPERSON	CA BHUSHAN JAJOO TREASURER
CA ANKAJ LADNIYA VICE CHAIRPERSON & WICASA CHAIRPERSON	CA NAVIN KRIPLANI EXECUTIVE MEMBER
CA HIRSHI TOGI IMMEDIATE PAST CHAIRPERSON	



Badminton Matches between GST, Income Tax, EPFO, ICAI and DDR Akola Office

5 Novemeber 2023

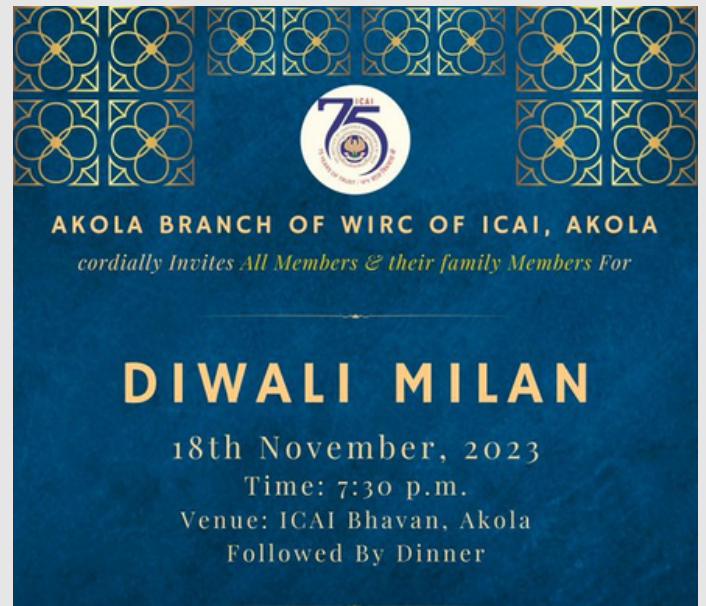
PAST EVENTS



**Nukkad Natak by Students on Topic of
FTL (Financial & Tax Literacy)**

9 Novemeber 2023

PAST EVENTS



Diwali Pooja & Milan celebration at Akola ICAI

20 Novemeber 2023

UPCOMING EVENTS



Akola Branch of WIRC of ICAI, Akola

Seminar on

STANDARDS ON AUDITING

(2 hours CPE compulsory as per CPE guidelines)

**3 CPE
Hours**

Speaker

CA VISHAL DOSHI 
BOS (Academic) Chairman



TOPIC

Developments in Auditing (including compliance with Standards on Auditing and latest excel tools for auditing)



DATE

Friday, 1st December 2023



TIME

10.30 am to 1.30 pm
Followed by Lunch



VENUE

ICAI bhawan, Akola



CPE Fees

Rs.400 (including GST)

Dear valued readers,

We would like to express our sincere gratitude for your continued support and interest in our newsletter. It is because of your encouragement and feedback that we strive to deliver informative and engaging content on a regular basis.

As we move forward, we are always looking for ways to improve and expand our coverage of various topics. To that end, we would like to invite you to contribute articles to our newsletter. We welcome your perspectives and insights on a wide range of subjects, from technology and business to lifestyle and culture.

If you have an article that you would like to submit, please do not hesitate to reach out to us. We would be delighted to consider your piece for publication in our upcoming issues.


Thank you once again for your support, and we look forward to hearing from you soon.

Best regards,

CA Pranay Bafna and the Newsletter Team.

*Thank
You*




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AKOLA BRANCH OF WIRC