



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

SURAT BRANCH OF WIRC OF ICAI

E – NEWSLETTER FOR MONTH OF APRIL 2020

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CA Ashwin Bhauwala

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CA. Jay Chhaira - (CCM)

CA. Balkishan Agarwal - (RCM)

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CHAIRMAN'S MESSAGE



Dear Professional Colleagues,

With the wishes of health and prosperity for the new financial year 2020-21, which is coming with an era full of opportunities. As we all know the beginning of financial year 2020-21 is amidst a lockdown due to COVID-19 but hopes that soon we will overcome such challenges and contribute towards nation building and reviving our economy to a higher benchmark with fresh enthusiasm and higher motivation. We hope that you and your family are taking proper precaution and safety measures, while maintaining social distancing as a responsible citizen during lockdown to stay safe. Moving forward, on behalf of our fraternity I would like to convey my sincere gratitude to all the 'HEROES' – Our Front-line workers and essential service providers.

Further, I would like to inform that it was my vision to have a newsletter for our Surat Branch of WIRC, ICAI. For this the responsibility was assigned to CA IP Pradeep Kabra as Coordinator and the fruit of same is before you all. I hope that you would receive it with whole heartedly and continue this tradition to eternity.

Apart from maintaining social distancing and isolation to break the chain of Covid 19 virus, it is our moral and social responsibility to help needy people. I would request you to generously contribute to "ICAI COVID-19 Relief Fund". The details are available at https://www.icai.org/new_post.html?post_id=16403.

CA. Ishwar Jivani
96248-67495

MESSAGE FROM COORDINATOR OF NEWSLETTER COMMITTEE



New financial year marks new beginning.

We are starting this news letter to provide a learning as well as Knowledge sharing platform to our esteemed members. We anticipate that you will also use this as a tool to rejuvenate your skills. We hope that we will get maximum contribution from the members of our prestigious branch. For next newsletters, we hereby invite articles on topics such as Impact of COVID-19 to Indian as well as global economy, Upcoming opportunities for Industrialists or Chartered Accountants in Surat amidst COVID-19, various amendments in Direct as well as Indirect taxes, etc. You may write to us surat@icai.org.

CA IP PRADEEP KABRA
93740-81166



SURAT BRANCH OF WIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

❖ Message From our Beloved Central Council Member



Dear Colleagues,

It always gives an immense pleasure to directly address and interact with my dear professional friends. The world grapples with the widespread pandemic, and major activities have come to a grinding halt. The age old saying goes, **“Every dark cloud has a silver lining.”** There are dark clouds in lives of millions of people worldwide. The world looking up at us, is a silver lining, as India has emerged a front runner in its fight against the deadly covid. **Lock down can’t be a Look down for India.**

Times are turbulent. But, it is rightly said **“Smooth seas seldom make skilful sailors”**. I am sure that the members of this eminent profession are people with a positive bent of mind. It’s said, **“Difficulties do not crush men, they make them.”** Quarantine might be a curse or threat for a few. Those who can convert a curse into a boon, can convert threats into opportunities, are the true professionals.

It’s a magnificent opportunity to utilise this precious time fruitfully for knowledge up-gradation and skills development, investment in health and fitness, in prayers and meditation, time for inculcating hobbies and deepening bonds with nears and dears. Every once a while, self introspection is essential, to truly reach the Self Actualization stage in Maslow’s hierarchy. This is the time for SWOT analysis with respect to our personal and professional lives, time to set new goals, develop new vision. It’s a time to convert forced isolation to blissful solitude.

As conscientious professionals, we must devise ways and means to plan ahead as the situation improves. Once the country is up and running on its feet, we must pledge to work hand in hand with the government to restore the booming economy. In these times of need, we as stakeholders must ensure that businesses regain the momentum, industrial output increases and exports gradually rise. We as auditors must exercise our clout to sensitize businesses towards zero carbon emissions. This is the only way forward to a sustainable economy and a sustainable planet.

As a fraternity we should come forward to help those who are in need. I urge you to make generous contributions to ICAI to supplement Government’s efforts in combating Covid-19.

I wish you all good times ahead. Stay home, Stay protected!

CA. Jay Chhaira,
Central Council Member, ICAI



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Strategy for Statutory Audit of Banks

Banking is a dynamic activity which has constantly been undergoing change. The recent past has witnessed banking industry becoming focus of attention towards its capital requirement and growing number of non-performing assets. Being backbone of economy, it is essential that the banking industry remains healthy and robust. Auditing within its scope of work contributes actively by ensuring proper financial reporting and disclosure aspects of banking industry.

In present scenario of Audit of Banks the most important aspect is proper planning. Planning means advance thinking and that should be done based on knowledge of business. As a Chartered Accountant we have knowledge of business of bank but study of Composition of Business of a particular branch which is under audit is necessary. Because of variety of products, you cannot apply the same yardstick for the branches under audit. Today, the whole process of banking is computerized however; the Audit Report is required to be signed manually after physical checking of records, documents and accounts maintained under CBS. This is a combination of men and machine where basic accounting data is in the soft form while supporting are available physically for checking. We as a Chartered Accountant and Auditor need to select the sample based on various things:

Why we need Audit Planning?

➤ Limited Time to complete Bank Audit.	➤ To pay adequate attention to High Risk/critical areas.
➤ To increase overall Quality of Audit	➤ To avoid completion delays
➤ Avoid duplicity of audit procedures.	➤ To generate robust audit documentation.

Call for the following information / records / details / evidences for the purposes of Statutory audit of Bank:

- Closing circular issued to the branch / reference in their website to download the same.
- The extent, size and specialization of the branch
- The profile of the branch and performance in the past two years.
- Comparative analysis of movement of interest income and expenses vis a vis advances and deposits respectively for two years.
- List of top borrowers accounts accounting for 2% of the advances of the branch or Rs.1 crore whichever is lower, covering at least 60% of advances of the branch.
- Copies of last three months Concurrent Audit Reports (if covered under Concurrent Audit)
- Copy of the summary sheet of the last Inspection Report.
- Copy of Revenue Audit Report, IT Audit Report, if any.

- Copy of vigilance enquiry or any special investigation reports.
- Details of fresh advances made during the year.
- Details of major weaknesses, if any, persisting in the Branch
- List of Potential NPA Accounts – For quarter ending December.
- Details of loan accounts restructured during the year.
- Details of advances which are pending renewal for more than 3 months.
- Details of advance accounts wherein stock statements are not received for 3 months.
- List of NPA accounts wherein the valuation reports are older than 3 years.
- List of non corporate entities with working capital limits in excess of Rs. 10 lakhs
- List of borrowers accounts which underwent CDR during the year.
- List of accounts where recoveries are made, where DICGC / ECGC claims have been received.
- Details of expired Letters of Credit / Guarantees.
- Details of Invoked Guarantees / Letters of Credit and treatment thereof.
- List of off balance sheet items and contingent liabilities, if any.
- Details of suspense and sundry entries beyond 1 year.
- Details of fraud by employee or outsiders, against the bank during the year.
- List of recoveries in NPA accounts and appropriation thereof.
- Details of legal expenses incurred and accounting in the books.
- Details for Long Form Audit Report, including Annexures for advances above Rs.2 crore
- Details for Tax Audit under section 44 AB of Income Tax Act, with specific reference to additions to fixed assets.
- Details of section wise tax deducted and remitted including date of deduction, date of remittance and delay if any. TDS mapping for deduction and remittance.
- Certificate from branch management that TDS has been duly deducted and remitted as per provisions of Income Tax Act, 1961
- Details for furnishing various certificates. Date when the audit could be commenced.
- Performa Management Representation Letter to obtain the management's assurance that the financial statements and other information furnished for furnishing certificates are truly and correctly prepared and presented by the branch management to the branch Statutory auditors.



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Significant Financial/ Statutory Relief by Finance Ministry Due to COVID-19

Union Finance Minister Nirmala Sitharaman announced various statutory and regulatory compliance relief measures amid a complete shutdown almost all over the country to control the spread of the coronavirus. FM has extended compliance deadlines and provided various relief measures in Income Tax, GST, Customs, IBC, Ministry of Corporate Affairs (MCA) and other financial measures.

The compliance relief as release in press notes dated 24th March 2020 measures are summarised below for your quick reference.

(A) INCOME TAX COMPLIANCES

(A1) Extension of Due Date

S. No.	Particulars	Original Date	Extended Due date
1.	Last date of Income Tax Return for FY 2018-19	31.03.2020	30.06.2020
2.	Aadhaar-PAN linking date	31.03.2020	30.06.2020
3.	Vivad se Vishwas scheme (No Additional 10% payment if payment made by)	31.03.2020	30.06.2020

(A2) Bulk Extension of Due Date (if falling due between 20.03.2020 to 29.06.2020)

1. Due date of issue of notice, intimation, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or investments for roll over benefit of capital gains under Income Tax Act, Wealth Tax Act, Prohibition of Benami Property Transaction Act, Black Money Act, STT law, CTT Law, Equalization Levy law, Vivad Se Vishwas law : Time limit extended to 30.06.2020

(A3). Payments of advanced tax, self-assessment tax, regular tax, TDS, TCS, equalization levy, STT, CTT

- Reduced interest rate at 9% instead of 12 %/18 % per annum.
- No Late fee/ Penalty

(B) EXCISE AND CUSTOM

(B1) Extension of Date

- Sabka Vishwas Scheme : Payment date extended to 30th June, 2020.
- 24X7 Custom clearance till end of 30th June, 2020

(B2) Bulk Extension of Due Date (if falling due between 20.03.2020 to 29.06.2020)

- Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing applications, reports, any other documents etc., time limit for any compliance under the Customs Act and other allied Laws

Time limit extended to 30.06.2020

(C) Insolvency Bankruptcy Code (IBC)

- Threshold of default under section 4 of the IBC 2016 to Rs 1 crore (from the existing threshold of Rs1 lakh)
- Section 7, 9 and 10 of the IBC 2016 may be suspended for a period of 6 months

(D) Financial Services

Relaxations for 3 months

- ; Debit cardholders to withdraw cash for free from any other banks' ATM
- ; Waiver of minimum balance fee
- ; Reduced bank charges for digital trade transactions for all trade finance consumers.

(E) MCA COMPLIANCES

S.No.	Topic	Relaxation
1.	Moratorium Period:1 st April 2020 to 30 th September 2020	No additional fees shall be charged for late filing during the moratorium period in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date.
2.	Holding of Board Meeting	Extension by 60 days till next 2 Quarters i.e. till 30 th September.
3.	CARO 2020	Deferred to FY 2020-21
4.	Independent Director meeting	Holding of atleast one Independent Director meeting without attendance of non-independent meeting and members : Relaxation for FY 2019-20
5.	Deposit Repayment Reserve	Creation of DRR of 20% of deposits <u>maturing in FY 2020-21</u> can be done till 30.06.2020 (instead of 30.04.2020) Debentures maturing during a year
6.	Debentures maturing during a year	Investment 15% of such amount in specified instruments can be done till 30.06.2020 (instead of 30.04.2020)
7.	Resident Director	Non-compliance not to be treated as violation



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GST DUE DATE UPDATES

(1) Extension of Due Date

S. No. (1)	Class of registered persons (2)	Tax period (3)	Extend Due Date (4)
1.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	February, March, and April, 2020	24 th day of June, 2020 (Notification No. 32/2020 – Central Tax)
		May, 2020	27 th day of June, 2020 (Notification No. 36/2020 – Central Tax)
2	Taxpayers having an aggregate turnover of more than rupees 1.5 crores and up to rupees five crores in the preceding financial year (Notification No. 32/2020 – Central Tax)	February, 2020 and March, 2020	29 th day of June-2020
		April, 2020	30 th day of June-2020
3.	Taxpayers having an aggregate turnover of up to rupees 1.5 crores in the preceding financial year (Notification No. 32/2020 – Central Tax)	February, 2020	30 th day of June, 2020
		March, 2020	3 rd day of July, 2020
		April, 2020	6 th day of July, 2020.
4.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year. (Notification No. 36/2020 – Central Tax)	May, 2020	12 th day of July, 2020. (for Gujarat)

(2) No late fees GSTR-1 ([Notification No. 33/2020 – Central Tax](#))

“Provided also that the amount of late fee payable under section 47 of the said Act shall stand waived for the months of March, 2020, April, 2020 and May, 2020, and for the quarter ending 31st March, 2020, for the registered persons who fail to furnish the details of outward supplies for the said periods in FORM GSTR-1 by the due date, but furnishes the said details in FORM GSTR-1, on or before the 30th day of June, 2020.

(3) Extension of Due Date of Form GST CMP-08 and form GSTR-4:- ([Notification No. 34/2020 – Central Tax](#))

Provided that the said persons shall furnish a statement, containing the details of payment of self-assessed tax in FORM GST CMP-08 of the Central Goods and Services Tax Rules, 2017, for the quarter ending 31st March, 2020, till the 7th day of July, 2020., (ii) in the third paragraph, the following proviso shall be inserted, namely, “Provided that the said persons shall furnish the return in FORM GSTR-4 of the Central Goods and Services Tax Rules, 2017, for the financial year ending 31st March, 2020, till the 15th day of July, 2020.

(4) Bulk Extension of Due Date (if falling due between 20.03.2020 to 29.06.2020)

- Due date of completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of GST or
- filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the GST

Time limit extended to 30.06.2020 ([Notification No. 35/2020 – Central Tax](#))

(5) Extension of time limit for furnishing of the annual return for the financial year 2018-2019

The Central Government vide [Notification No. 15/2020-Central Tax dated 23rd March 2020](#) has extended the time limit for furnishing of the annual return specified under section 44 of the said Act read with rule 80 of the said rules, i.e. **Form GSTR-9** electronically through the common portal, for the financial year **2018-2019** till **30.06.2020**.



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List of Webinar /Live Webcast on Different topics to be held in April 2020

11th April, 2020 Timing: 11 a.m. to 1 p.m.	Capacity Building Measures of Practitioners with special focus on Strategies of CAs in Practice under GST -post Covid-19	CA. Jatin Christopher Speaker	http://ecpl.live/icai/cmp/
11th April, 2020 Timing: 4 p.m. to 6 p.m.	Coronavirus (Covid-19)-Its Impact On Internal Audit	CA. Charanjot Singh Nanda CA. Rajiv Gupta CA Amit Gupta Speaker	http://ecpl.live/icai/11042020/
14th April, 2020 Timing: 11 a.m. to 1 p.m.	Capacity Building Measures of Practitioners with special focus on Recent Judicial Pronouncements in Income Tax	CA. Kapil Goel Speaker	http://ecpl.live/icai/cmp/
15th April, 2020 Timing: 4 p.m. to 6 p.m.	Contemporary issue under Ind AS opined by the Expert Advisory Committee	CA Sandeep Shah Speaker	http://ecpl.live/icai/15042020/





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Appeal to Contribute in **ICAI COVID 19 Relief Fund**

The COVID-19 pandemic, marks an unprecedented time in modern history that will require the best of humanity to overcome. Little would have we realised the unfolding of epidemic like this, which situation is yet unfolding, and have brought the economic momentum to a much lower trajectory. Situation like this would need support to collaborate with the government initiatives to scale up governmental efforts to help those in distress. At this moment, the affected people in India will need help to tide over the viral disease, and in this scenario, ICAI has decided to stand with our distressed fellow countrymen, and actively participate in the national effort to support them at this difficult time. Due to the ongoing lockdown, much needed on the ground of social distancing and therefore 'stay home' advisory from the government; some of our fellow countrymen will need extensive support from the government. Further, we need to contribute to the government initiatives to bolster necessary infrastructure and human ware to fight this epidemic.

To provide much-needed relief for the people affected by the viral disease and those who are in distress; ICAI appeals to all its Members and Students to donate generously for this noble cause. Donations can be made through Demand Draft, Cheque, RTGS and online mode; offline collections in form of cheques/demand draft should be given in the name of "ICAI COVID 19 Relief Fund". All such offline contributions can be made in the ICAI Bank Account having the following details:

Bank: HDFC Bank

Account No.: 50100098409265

IFSC No: HDFC0000590

The collected amount will be given to PRIME MINISTER'S NATIONAL RELIEF FUND. All contributions towards this Fund are exempt from Income Tax under Section 80G. The donors are requested to give their name, membership number /student registration number, address, amount and date of contribution, PAN details (if any) so that receipts could be obtained from Prime Minister's National Relief Fund for onward transmission to the donors. The letter/email can be sent to:

The Additional Secretary

M&C-MSS

The Institute of Chartered Accountants of India

ICAI Bhawan, A-29, Sector-62, Noida-201309

Email: msshead@icai.in

Looking forward for your generous contribution in these special circumstances in the interest of mankind.

SURAT BRANCH OF WIRC OF ICAI

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