

VASAI BRANCH OF WIRC NEWSLETTER



www.vasai-icai.org

March 2021



CHAIRMAN'S COMMUNICATION

Ebbs and flows are part of the cycle of life, what is important is to not be discouraged by resistance. Nelson Mandela once remarked, "Everyone can rise above their circumstances and achieve success if they are dedicated to and passionate about what they do." I look forward to the members of accounting profession, that is you, to work passionately in the best interest of business and society. We hope, this year would be a year of resilience and positive growth.

On the occasion of **International Women Day**, branch conducted series of event with theme "Celebrating Womenhood" beginning with Zumba Dance with Expert trainer Mrs. Archana Madam followed by Women

Turf Match Vasai ICAI thereafter Virtual CPE Meeting on Spread the wings - Be an achiever" and Overseas opportunities for professionals with eminent speaker Ms. Kala Krishnamoorthy (Chairperson of Singapore ICAI Chapter) session was inaugurated by Chief Guest: Mrs. Geeta Jain (MLA - Mira Bhayandar) and celebration ended with Treasure and Talent hunt. I thanks to entire women participants for actively participated in various events and make it successful and memorable for Women Professions.

Branch also organized **Special Camp of Covid Vaccination (Exclusive Time Slot for CA Members & their Family Members)**. I thanks to Family care Hospital for giving us an opportunity for the benefit of CA fraternity.

It is indeed a great privilege for Vasai Branch of WIRC for launching of **first E Publication and Hand Book of Bank Branch Audit 2021** by gracious hand of CA. Sanjeev Maheshwari (Director - State Bank of India). I have great Pleasure in acknowledging the contribution made by CA. Pankaj Tiwari and entire team of Contributors.

Branch also conducted series of event on Virtual Mode

Virtual CPE Meeting on **Mentorship Small Medium Practitioners** with eminent speaker CA Dheeraj KS Sharma (Past Chairman, Gurugram Branch of ICAI) and session was inaugurated by CA. Saurabh M Deshmukh (Director, Ministry of Communication, Govt. of India).

Virtual CPE Meeting on **Bank Branch Audit** with eminent speakers CA. Shweta Jain, CA. Pankaj Tiwari & CA. Ketan Saiya.

Virtual CPE Meeting on **Restructure of Borrower Accounts & Practical Guidance on Issue of MOC** with eminent CA. Santosh Deshmukh and session was inaugurated by Shri. Milind S. Bhalerao (Head - Audit & Compliance SVC Co-operative Bank Ltd).

Virtual CPE Meeting on **GST** on eminent speaker CA. Bimal Jain and key note by CA. Lalit Bajaj (Immediate Past Chairman - WIRC of ICAI).

"If You Are Working On Something That You Really Care About, You Don't Have To Be Pushed. The Vision Pulls You." - **Steve Jobs**

I extend my best wishes to you and your families for a very bright and joyful Holi.

CA. Abhishek Tiwari

Chairman

Vasai Branch of WIRC of ICAI

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Things to know before Investing in Equity & Commodity Markets



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Investors looking for aggressive returns habitually turn to one of the two asset types i.e., stocks or commodities. Stocks denote company ownership, while commodities represent goods that include gold, silver, agricultural products, metals, oil, etc. New traders or investor who wishes to gain faster returns either in the above market, he/she

must initially deposit decent amount of money. Moreover, in order to acquire good number of returns/profits, a person needs to diversify his investments/portfolio into the equity and commodity markets to balance the risk reward ratio.

Furthermore, any new trader should preferably invest major chunk of the money in Equity Market (Ratio: 60:40) which gives relatively higher return as compared to commodity market; especially during the longer duration. Moreover, the amount of risk factor in the equity market investment is relatively lower than the commodity market. Also, the trading options, stock preferences, sectors and volumes in the equity market is far greater as compared to the commodity market.

Additionally, an individual who wishes to invest in the equity market needs to be calm, disciplined and should not emotionally react to extreme volatility that may arise during the period of his/her investment. Also, one must continuously invest in the market on a regular basis, based on the income structure such as monthly basis or quarterly basis

which will help him/her get maximum returns on the longer duration. An investor must also keep a close watch regarding the time frame of the investment as the stocks also react according to the performance within the sector or sometimes even outside the sector. Blue chip company stocks which is part of the two major index in India i.e., SENSEX and NIFTY; can be a good start for any new trader or investor who wishes to begin their trading in the equity market. Investment on a regular basis can also be in various forms such as SIP (Systematic Investment Plan), ELSS (Equity Linked Saving Scheme), Mutual Funds or as a direct investment in the stock market.

In the case of Commodity Market, one can begin savings in gold and silver either by investing in the futures market or in the form of Gold ETFs. In the current scenario of trading, silver as a commodity is relatively better to invest than gold as the global economy has shown greater amount of recovery after the ongoing pandemic. This is forecasted to improve the industrial demand for silver in various parts of the world including India with further resuming of the business activities. Correspondingly, US silver eagle coins sales on the monthly basis, may prominently showcase improvement as the US economy inflation is expected to rise above 2% in the longer duration, with recent release of the stimulus package of \$1.9 trillion by the U.S. Government. Currently, the gold silver ratio which has come down to 65-66 levels, is still indicating cheaper silver commodity which can support the prices on the longer duration. Also, we are expecting MCX Silver prices to touch Rs.100,000 per kg in the longer duration (probably by the end of the year 2021), which will turn out to be fruitful for any new investor who wants to start silver investment in the commodity segment.



NSIC Registration for MSMEs



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About the Registration

The registration under NSIC is for providing benefit to MSE's units under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order 2012 as notified by the Government of India, Ministry of Micro Small & Medium Enterprises, New

Delhi vide Gazette Notification dated 23.03.2012 and amendment vide order no. S.O. 5670(E) dated 9th November 2018.

Benefits

1. **Free of Cost Tender Info:** Issue of the Tender Sets free of cost. In addition to the above, 358 items are also reserved for exclusive purchase from SSI Sector.
2. **Exemption from EMD:** Exemption from payment of Earnest Money Deposit (EMD).
3. **Advantage in Tender Participation:** In tender participating MSEs quoting price within price band of L1 +15 per cent shall

also be allowed to supply a portion up to 25% of requirement by bringing down their price to L1 Price where L1 is non MSEs.

4. **Procurement from MSEs:** Every Central Ministries/ Departments/PSUs shall set an annual goal of minimum 25 per cent of the total annual purchases of the products or services produced or rendered by MSEs. Out of annual requirement of 25% procurement from MSEs, 4% is earmarked for units owned by Schedule Caste /Schedule Tribes and 3% is earmarked for the units owned by Women entrepreneurs.

Criteria and Validity

1. Micro and Small Enterprises (MSEs) involved in manufacturing & Services are eligible for registration. Not for Medium Enterprise.
2. Traders are not eligible for registration under this Scheme.
3. The Registration Certificate granted to the Micro & Small Enterprise under Single Point Registration Scheme is valid for Two Years and will be reviewed and renewed after every two years.
4. Government registration fees is applicable for NSIC registration based on classification of MSMEs.

In case of any queries related to the above, kindly email us on kamal.sharma@ajallp.in or call us on 91-9322595106. Glad to assist further for more clarifications.





Arbitration – Timely Resolution of Commercial Disputes



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Legal Framework

India is globally known to be a great country of law abiding citizens and strong faith is kept in judiciary process after getting independence in 1947. Indian judiciary system is very strong with nearly 17000 professional & experienced judges, however, there are nearly 3 crore cases still pending and over 10% of these cases are pending for more than 10 years. Depending upon the court, it may take long time to get judgement ~ 1 year, 10 years or even 25 years. And further, judgement of lower court often gets challenged in upper court and so, in such scenario, many commercial cases need to be abandoned due to lack of economic sense given the huge quantum of time, energy and resources required. In order to expedite process, arbitration mechanism was introduced over 2 decades ago and it is steadily gaining momentum.

Arbitration proceedings are conducted in India under different provisions of the Arbitration & Conciliation Act, 1996 (“Arbitration Act”) which has been regularly amended to improve speed as well as efficiency of arbitration, among other things and last amendment was done in 2019:

- Introducing of more realistic time frame as well as cost regime
- Reducing scope for court intervention at both ~ pre-arbitration and post-arbitration stage
- Discouraging delays by filing false applications to challenge awards

For all arbitrations which commenced after August 2019, the provisions of Arbitration Act as amended in 2019 will apply. Arbitration Act is divided in 2 parts:

1. Part I - Onshore arbitration which deals with disputes where the seat of arbitration is in India and gives Indian courts exclusive powers to appoint / replace arbitrators, hear appeals, grant interim measures or even set aside arbitral awards.
2. Part II – Offshore arbitration which deals with disputes where the seat of arbitration is outside India and incorporates the Geneva Convention & New York Convention into Indian law

Onshore arbitration mechanism is primarily discussed in this article in view of large number of prospective commercial disputes due to ongoing economic downturn after Covid-19 pandemic.

Mandatory Legislative Provisions

Following are key mandatory provisions under the Arbitration Act which need to be duly followed and complied with:

- Time limits for completing arbitration proceedings
- Requirements for the form of the arbitration agreement
- Compulsory reference to arbitration by competent courts
- Grounds for presumed impartiality or lack of independence
- Grounds for setting aside an arbitral award or challenging its enforcement

If any of these conditions are not fulfilled then the proceedings may be rendered invalid or courts may even set aside award. Moreover, following types disputes can not be resolved by arbitration:

- Trust disputes
- Criminal offences
- Guardianship issues
- Insolvency petitions
- Matrimonial disputes
- Tenancy and eviction matters
- Labour or industrial problems

Appointment of Arbitrators

Law of limitation applies to civil suit and hence, it is applicable for arbitration proceedings also. Arbitrators are appointed by the parties and hence, earlier they were given complete freedom to determine their nationality and qualifications. However, Schedule VIII of the Arbitration Act, 2019 has now prescribed specific qualification requirements for getting accredited as an arbitrator in India.

The parties are free to decide the procedure for the appointment of sole arbitrator as per mutual convenience. If the agreement



provides for arbitration with three arbitrators and the parties fail to agree on the appointment of arbitrators then each party must appoint one arbitrator and the two appointed arbitrators must jointly appoint the third arbitrator, who will act as the presiding arbitrator for the Arbitral Tribunal ('Tribunal').

Where the parties fail to agree on the nomination of a sole arbitrator or fail to act in accordance with the procedure in the arbitration agreement, or the two appointed arbitrators fail to appoint a third presiding arbitrator, either party can approach the High Court (onshore arbitration) or the Supreme Court (offshore arbitration) to have the arbitrator(s) appointed by court.

In the event of any circumstances raising doubts about arbitrator's independence, the parties can seek his removal by submitting a written statement to the Tribunal. The arbitrator can also be removed in following events:

- He withdraws from the office
- He is legally unable to act as an arbitrator
- The parties agree to terminate his agreement
- Arbitrator lacks qualifications as agreed between the parties

Jurisdiction of Arbitration

Tribunal is empowered to decide its own jurisdiction under section 16 of Arbitration Act. If the Tribunal rules that it has jurisdiction, no immediate appeal is permissible and the aggrieved party can challenge the final award passed by the Tribunal on the ground of lack of jurisdiction. However, if the Tribunal rules that it does not have jurisdiction, the ruling can be challenged before a court. If a court is approached to refer a matter to arbitration and during the course of such reference the court decides any issue related to the jurisdiction of Tribunal then such decision is binding on the Tribunal.

Flexible Arbitration Procedure

As per section 21, an arbitral proceeding of a dispute commences on the date on which a request for that dispute to be referred to arbitration is received by the respondent. Arbitration Act has not prescribed detailed default rules regarding procedure and instead, flexibility is given to parties.

Section 19 recognises the rights of parties to agree on the procedural rules related to given arbitration proceedings. Parties may adopt procedural rules such as model law or agree to have their proceedings administered by an institution with its own rules. If the parties fail to decide on a procedure, the Tribunal can conduct the proceedings in the manner it considers appropriate, however, it must meet basic tenets of an adjudicatory process. The Tribunal is not bound to follow the procedural rules that apply to domestic court proceedings, however, it has the same powers as the courts with respect to discovery, inspection, production of documents and summoning of witnesses.

As per section 23, the statement of claim and statement of defence need to be filed within 6 months from the date of appointment

of arbitrator. Further, it is also essential to complete arbitration proceedings within a period of 12 months from the date on which statement of claim as well as statement of defence was filed with arbitrators and further, one time extension of 6 months has been allowed. However, depending upon the submissions made, the Tribunal may give an interim relief or even pass an ex-parte order.

Arbitral Award

Arbitral awards given by the Tribunals are considered to be final and binding in terms of the decision on merits, and no appeal is allowed in local courts. Under section 34, the parties can file an appeal on specified grounds against the award within 3 months from the date of receipt of award, subject to an extra period of 30 days in certain circumstances.

An arbitral award is enforceable after the time for making an application to set aside such an award has expired (3 months). The party intending to enforce the award can file an execution petition before the civil court and then award is enforced in the same manner as a decree of the court under the Indian Code of Civil Procedure. If a party wishes to seek a stay on the enforcement of the award, it will have to make a separate application to the court for that purpose.

Opportunity for Finance & Legal Professionals

In this era of Covid-19 pandemic, there is an extra-ordinary slowdown in economy and many business enterprises are facing challenges to meet their payment obligations due to unprecedented liquidity crunch. On realizing negative trends, the Indian Government has rightly offered moratorium on loan repayment besides suspending various provisions of Insolvency & Bankruptcy Code, 2016 (IBC). However, with the moratorium and relaxation under IBC about to get over, business enterprises are worrying as to how will they meet payment obligations to various stakeholders ~ vendors, suppliers, service providers, etc. Needless to mention, significant spike is expected in commercial disputes which may further put pressure on Indian legal system and therefore, arbitration mechanism can be useful for timely resolution of commercial disputes.

Finance and legal professionals can have dual role to play ~ firstly, while representing the clients at the Tribunal or secondly, getting appointed as an arbitrator himself. With experience, it can be possible to successfully complete arbitral proceedings by doing justice with all the parties. Sound legal knowledge and business understanding will certainly have an edge at the time of getting mandate. Given the ever rising trend of commercial disputes, there is always going to be an increasing demand for experienced arbitrators and therefore, arbitration may be considered as a preferred area of choice by fellow finance and legal professionals.

Benjamin Franklin has rightly said – *“All wars are follies, very expensive and very mischievous ones. In my opinion, there never was a good war or a bad peace. When will mankind be convinced and agree to settle their difficulties by arbitration?”*





Some of the important case laws of March 2021



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- 1) **Transitional credit** - Merely because there was a glitch in the website and or that the website is not working properly, a registered dealer cannot be denied the benefit of credit available under the provisions of Act. More particularly Section 140 of the Act. – (HC KAR 03-02-21)
- 2) **Accrual of income** - production and sale of steam without any consideration - The transaction is between the holding and subsidiary company. Therefore, in my opinion the action of the appellant company in not charging for steam supplied to SSL is quite justified on fact and cannot be said to be deliberate or motivated. Moreover, even if an assessee gives (sells) his goods free of cost to other, there is no provision in the IT Act to tax its sale value as income on presumptive basis. Legally Speaking since no income has accrued & neither any payment has actually been received by the appellant company, making addition – (Tri DEL 19-03-21)
- 3) **Rejection of books of accounts** - GP addition/estimation - Non maintenance of records of quantitative details renders the accounts of assessee incomplete. Preparation of the Inventory at the end of year but not keeping it on record and not producing such Inventory for scrutiny can only lead to the inference that accounts are not correct. Quantitative tally of items traded and manufactured by assessee is not only possible but also the requirement of proper accounting system. Adoption of different standards for receipts and production in stock, accounts can justify rejection of accounts. – (Tri Jaipur 12-03-21)
- 4) **Assessment u/s 153A** - Addition u/s 68 - bogus LTCG - Except the statement of the assessee u/s. 132(4) agreeing for the addition there is no seized incriminating material found in the premises of the assessee in the course of assessment proceedings. When there is no incriminating material found in the course of search in assessee's premises the addition/disallowance cannot be made merely on the statements recorded in the course of the search proceedings. – (Tri MUM 09-02-21)
- 5) **Levy of GST** - Services of Membership Association - amounts collected from its members for setting up the 'Sinking Fund'/ Corpus Fund - supply of goods or services or both - There are certain distinguishable features of both advance and deposit and advances defer from the deposits. The amounts that are not returnable can be termed as advances. Also, the bye laws of the applicant association are silent on this issue and hence the amounts collected are indubitably advances but not the deposits. - Liable to GST – (AAR KAR 10-03-21)
- 6) **Exemption u/s 11 denied** - intimation was issued u/s. 143(1) - The Central Processing Center has also taxed the entire gross receipt of the assessee without allowing any expenditure. This cannot be done while processing the return u/s. 143(1) of the Act. This Tribunal is of the considered opinion that Section 143(1) is meant for prima facie adjustment on the basis of material available on record without giving any opportunity to the assessee. Therefore, rejection of the claim of exemption u/s. 143(1) by Central Processing Center is not justified. – (Tri Jabalpur 19-03-21)
- 7) **LTCG or STCG** - Sale of ground floor of residential unit - whether it give rise to long term capital gains or short-term capital gains - Computation from period of holding from the date of getting right in the property or from the date of taking the possession - taking delivery of possession is only a formality. Therefore, reckoning the period from the date of advance, we hold that the sale of ground floor give raise to long term capital gains and not short-term capital gains as held by the CIT. – (Tri Bangalore 19-03-21)
- 8) **Rectification of mistake** - seeking to rectify the mistake in its GSTR-1 return, wherein it has, instead of the GST number of the purchaser in Andhra Pradesh, mentioned the GST number of the purchaser in Uttar Pradesh - the petitioner should not be mulcted with any liability on account of the bonafide, human error and the petitioner must be permitted to correct the same. – (HC MAD 23-02-21)
- 9) **Exemption u/s 11** - registration filed under Section 12 AA and approval under Section 80G(5) denied - When the genuineness of the objects of the Trust were not questioned by the CIT and when the Trust was yet to commence its operation and when a subject matter of scrutiny by the CIT as contemplated under section 12 AA(3) of the Income Tax Act, the Revenue would not be justified in refusing the registration at the threshold. – (HC MAD 22-02-21)



- 10) **Unexplained cash deposits u/s. 68** - receipt of gift from the relatives - Once the confirmation letter was filed by the assessee from Donor, the burden cast upon assessee is discharged and it would shift to revenue authorities. The Revenue authorities cannot make addition without making any further enquiry. – (Tri Bang 25-02-21)
- 11) **Exemption u/s 11** - Power of AO to consider revised Form 10 - revised Form 10 for accumulation of income can be furnished in the course of assessment proceedings before the Assessing Officer and there is no bar prohibiting the appellant from modifying the figure in the application and the Assessing Officer can consider the revised Form 10 and allow the accumulation of income – (HC MAD 18-03-21)
- 12) **TP Adjustment** - CIT(A) under the garb of “rule of consistency” adopted the TP analysis made by the TPO - This method of TP analysis is unheard of as every assessment year is required to be examined independently to reach the logical conclusion to determine the ALP of international transactions. Merely because of the fact that during the year under consideration, there is no change in the business model of the taxpayer and the services rendered are identical, there is no statutory mandate to adopt the TP analysis made by the Revenue Department in the earlier years in order to make the adjustment in the subsequent years. – (Tri Delhi 03-03-2)
- 13) **Reopening of assessment u/s 147** - The two situations are distinct and different. Thus, where the transaction itself on the basis of the subsequent information, is found to be a bogus transaction, the mere disclosure of that transaction at the time of original assessment proceedings, cannot be said to be disclosure of the “true” and “full” facts in the case and the I.T.O. would have the jurisdiction to reopen the concluded assessment in such a case. – (HC- GUJ 20-01-21)
- 14) **TDS u/s 195** - Since the Singapore HO recovered the same amount from the Indian BO as was incurred by it to third parties without any profit element, the receipt cannot be construed as “other sum chargeable under the provisions of this Act” so as to warrant deduction of tax at source u/s.195 of the Act by the Indian BO. Once it is held that TDS was not necessary, there can be no question of disallowance u/s.40(a)(i). – (Tri Pune 24-03-21)
- 15) **TDS @ 20% on the foreign remittance u/s 206AA** - absence of furnishing of Permanent Account Number (PAN) - Section 206AA of the Act does not override the provision of Section 92 of the Act and in that view of the matter in the case in hand the TDS has been deducted to the non-resident rightly applying the tax rate prescribed under the DTAA's and not as per Section 206AA of the Act, having regard to the more beneficial provision in the rate of tax made in the DTAA. Hence, we find no justification in making the assessee liable to pay TDS @ 20% on the foreign remittance – (Tri AHD 22-03-21)
- 16) **Penalty u/s 271(1)(c)** - No doubt, the Assessing Officer may not accept the explanation furnished by the assessee with regard to source and nature of credit, but that by itself would not be a ground to reject explanation furnished by the assessee, when the assessee genuinely explains the credits found in books of account disclosing all necessary facts. – (Tri-Chennai 19-03-21)
- 17) **TP Adjustment** - Working capital adjustment - there is no need for making any negative working capital adjustment, when assessee does not carry on with any working capital risk. All the Ld. TPO was supposed to do was to carry out necessary working capital adjustment to the profits of the selected comparables so as to make them comparable to assessee, rather than making negative working capital adjustment. – (Bangalore 12-03-21)
- 18) **The Finance Bill, 2021 has been passed** by the Parliament on 23rd March 2021. Some of the important features of the bill are:
- Reduced compliance burden for senior citizens of age 75 years & above
 - Tax incentives for Affordable Housing and Affordable Rental Housing
 - Reduction in Time Limits of Re-opening of Assessment
 - Setting up of Dispute Resolution Committee (DRC)
 - Faceless Income Tax Appellate Tribunal (ITAT)
 - Tax benefit for Start-ups
 - Only where up to 50 lakhs of undeclared income is in question, income tax assessment can be opened for up to 10 years. Even there, the opening can happen only with the approval of the principle commissioner
- 19) **Reporting for GAAR and GST in Tax Audit Form.** Central Board of Direct Taxes vide its Circular No. 05/2021, Dated 25th March, 2021 has deferred the reporting on Tax Audit Clause 30C and 44 till 31st Mar 2022 due to COVID-19.



Snapshot of Auditing in Digital Environment



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Introduction

Hello Everyone! A Very Warm Welcome to the New Financial Year 2021-2022. In 2020-21, all of us have faced lots of changes in professional world as well. In the era of Covid-19, we have seen a not new but now common and day by day promoting "Work from Home" (WFH)

culture, thereby **Digitisation in all walks of life.**

With the change in environment, there is also a change in technology such as Artificial Intelligence, Robotics tools, blockchain concept in our auditing world. We have been using Computer Assisted Auditing Tools and audit documentation softwares for more than decades, which means that we have been in digital auditing, but is it really enough??

Business Organisations make investments in technology to adapt changes in business trends which also requires auditor to use technology in a smarter way in their day to day audit. That is using technology in such a way which helps auditor to focus on the material auditing area of clients business and automating task that provide limited value in auditing.

Auditing digital

It becomes very important for Auditor to test the operating effectiveness of technology employed by the business organisation where protection of data from unauthorised access also plays a major role.

For *instance*, in 'Tally' software- data alteration is something which is at ease as per the customisation needs of the user. This may also result in weakness in internal control system. However with proper

knowledge of the technology such as in case of Tally, Auditor can implement controls such as- "Restrictions on back dated voucher entry" into the system. There can be many more such controls available in various accounting softwares which can be explored by auditors.

Thus while developing an audit team, it become also important to have an personals having expert knowledge of smartly using software applications at different platforms. With this, Auditor can also communicate to management of strengths/deficiencies of system functions.

Digital Auditing

It is important to emphasize that the technology has been developed for ease of doing business, thus what technology can do and what needs to be done is equally matters.

For *instance*, most of the accounting and auditing softwares provide cashflow/fundflow statement just a clickaway. But it is worthwhile to understand whether the reports generated can be relied from auditing perspective, whether it fulfils the requirement of applicable financial reporting framework, or it is just for management internal purpose.

Conclusion

We have been working in digital environment not from COVID situation but much decades earlier. It can be said almost all the companies, firms, business maintains their data in digital form. Most of the tasks of the clientele are automated. There are various softwares customised as per the needs of industries and various business organisations. Also, We the practising chartered accountants have also updated ourselves with the new emerging technologies. Thus it is to be noted that auditors can improve the quality of auditing or can raise new benchmark for auditing with the essence of smart use of technology in current & future era.



Important Announcement for Students who are eligible to become Members

Members and Students Services Directorate
The Institute of Chartered Accountants of India

26th March, 2021

Important Announcement

Students who have passed CA Final Examination and eligible to become Chartered Accountants can take the benefit of applying for Membership immediately and opt for Membership to be effective from 1st April, 2021. If opted, the fee paid by them till 31st March, 2021 would be treated for the year 2021-22.

Please avail of this opportunity to prefix the two-letter word "CA" and be the Member of CA fraternity on First day of New Financial Year.

Best wishes

Members and Students Services Directorate



Professional Skepticism and Internal Audit



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People often ask about importance of an internal audit function in the organization. If your customers depend on you to provide efficient, compliant, and secure services, then you must conduct an internal audit. Internal audit can play a vital role in refining the performance of the organization. In one of the audit committee meeting attended recently, Chairman of Audit committee defined the Internal Audit function as “Vaccine to the organization”. It can be internal team or outsourced function but to have Internal Audit “Vaccine” is must for your organization.

One of the important terms an auditor must understand is “Professional Skepticism” which means “Having a Questioning Mind”. The professional Skepticism is by auditor in current environment is now more important than ever.

Internal Auditors are required to exercise professional Judgement, which requires professional Skepticism.

Professional Skepticism can be defined as:-

Questing Mindset
Being alert to conditions which may indicate possible misstatement due to error or fraud
Critical Assessment of Audit Evidence

Professional Skepticism Continuum:-

The application of professional skepticism by auditors is important to audit quality. Multiple definition of, and perspectives on, professional skepticism exist in the auditing literature. However most proposed application is “**professional skepticism continuum**” that acknowledges that the appropriate application of professional skepticism will depend on the risk characteristics of the account and assertions.

“**Skepticism Continuum**” can be explained in below 4 categories:-

Audit approach based on initial risk assessment	Application of Skepticism
➤ Complete Trust	Less Audit evidence and documentation
➤ Neutral	Neither assuming management dishonesty nor unquestioned honesty.
➤ Presumptive Doubt	Reasonable Audit evidence and documentation
➤ Complete doubt	Extensive Audit evidence and documentation

Professional Skepticism does not include the area of the continuum depicted by “Complete Trust” (Independent compromised) or area depicted as Complete Doubt (the auditor will move to a forensic mindset).

The use of a continuum makes clear that the appropriate level of skepticism varies depending on the situation.

It is suggested that the consistent application of appropriate professional skepticism would be enhanced if all parties were to integrate a skepticism continuum conceptually similar to the one illustrated in table above, and then work to provide relevant practical implementation guidance. Such guidance would acknowledge appropriate differences in the application of professional skepticism and the appropriate differences in the nature and extent of audit evidence necessary across the continuum.

Key factor that drive professional Skepticism includes:-

- Deep knowledge of business model
- Strong professional competencies
- Strong understanding of relevant standards
- Strong understanding of relevant laws and regulations
- Personal traits i.e. Confidence, An inquisitive nature, Stress Management ability, Time pressure management, Influence of group thinking etc.

To conclude it is very important to understand how one can boost the professional skepticism:-

- Have the self-confidence and strength of character to maintain an enquiring mind.
- Suspend trust: rationally and logically consider all the likely options, not just the one that is being put in front of you.
- Go beyond simply providing evidence to support disclosures. Consider alternative disclosures or viewpoints as well

DISCLAIMER: - This article is based on my knowledge, Personal experience and understanding of the concept of “Professional Skepticism”.





Achievements



CA R. D. Lukad (ICAI Member since 1978) - Actively involved in various social, religious and charitable activities for more than 4 decades. Immediate Past President of “Oswal Utkarsh Mandal” and Founder Trustee of “R D Lukad Charitable Trust” which has undertaken multiple social projects across different parts of Maharashtra for the benefit of general public.



CA Santosh R. Sharma - Has passion to help needy people and actively rendering services to ISKCON.

He has been past president, and past secretary of Bharat vikas parishad (BVP) Vedic Mira Road Branch, Presently part of Mumbai Prant committee of Bharat Vikash Parishad. Also Associated as Hon Secretary of Gaud Brahman Welfare Association, Active member of VIPRA Foundation and he has rich experience and connectivity with lender communities and raised very large funds not only for renowned two very large renowned HFCS in the country but also raised funds under CSR.



CA Dr. Mahesh Gour : Helped Thousands of students free of cost in pandemic period, is also active in various charitable and philanthropic works like “Helping Hands Charitable trusts” which financially support many orphan and martyrs children, Supports elderly in old age home, helped 22 rape victims to become “Atmanirbhar”. Is a motivational Speaker enlightening students to build their bright future.



CA Amar R. Kakaria (ICAI Member since 2000) - Youngest professional to complete CA, CS and CWA courses in first attempt with merit ranking from all 3 professional institutes at the age of 23 years which has been considered as National Record by Limca Book of Records. He has regularly contributed articles in different professional journals and also delivered lectures on diverse topics across India.



Media Coverage

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वसई ब्रांच आईसीएआई का कोरोना वैक्सीन अभियान

प्रवासी संदेश टीम।
भायंदर । वसई ब्रांच आईसीएआई के चेयरमैन सी ए अभिषेक तिवाड़ी ने कहा कि कोरोना वैक्सीन को मुहियम लेज की और सीए और उनके फैमिली मेम्बर को इसके बारे में जागरूक किया जा रहा है। साथ ही साथ सबको बढ़चढ़कर हिस्सा लेने की अपील की। सीरा भायंदर स्थित फैमिली केअर हॉस्पिटल के साथ इसका अधिगान पलाया जा रहा है। हॉस्पिटल का भरपूर सहयोग है। भारत सरकार द्वारा जो भी दिशा निर्देश दिए गए हैं। उसका पालन करते हुए काम किया जा रहा है। वसई ब्रांच द्वारा ये तीन दिन की स्पेशल मुहिम है इसमें पहले दिन 19 मार्च 2021 को सी ए रामानंद गुना मीना गुना, सी ए यशराम पालीवाल और प्रिंसेका पालीवाल ने टिका लगाकर आयोजन की शुरुवात की।
 सी ए मेवर्स और उनके रिश्तेदारों में टिका लगवाने का उत्साह बना हुआ है। इस प्रोग्राम में चेयरमैन सी ए अभिषेक तिवाड़ी, वाईस चेयरमैन सौरभ अग्रवाल, सेक्रेटरी लोकेश कोठारी, इम्प्लिमेंट पास्ट चेयरमैन सी ए अंकित राठी और सी ए विजेंद्र जैन उपस्थित थे। सी ए चेतन मेहता का इस प्रोग्राम में विशेष योगदान रहा। सी ए लोकेश कोठारी और सौरभ अग्रवाल ने सभी को धन्यवाद किया। सी ए अंकित राठी ने कहा कि मानवीय सेवा सरहनीय है और कोरोना रोकथाम के लिए सभी को सबको सतर्क रहना और बचाव जरूरी है।



Covid Vaccination 20.03.2021

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बैंक ब्रांच ऑडिट बुक का हुआ विमोचन

प्रवासी संदेश टीम।
मुंबई। वसई ब्रांच ऑफ आईसीएआई द्वारा बैंक ब्रांच ऑडिट बुक प्रकाशित की गई। इसका विमोचन स्टेट बैंक ऑफ इंडिया के डायरेक्टर सी ए संजीव माहेश्वरी के द्वारा किया गया।
 ब्रांच चेयरमैन सी ए अभिषेक तिवाड़ी ने सबसे पहले ऑर्टिकल बनाने और लिखने वालों का धन्यवाद किया। विशेष सहयोग सीए पंकज तिवारी का रहा। इस प्रकाशन में ऑडिटर को बैंक ऑडिट करने में सहायक होगी। इसमें आरबीआई के नोटिफिकेशन, सर्कुलर, नए एलफआर, फिनाकल के शॉर्टकट, ऑडिट प्लानिंग, ऑडिट डॉक्यूमेंट और भी बहुत सारे बैंक ऑडिट के कायदे का समावेश है। वसई ब्रांच ने पहली बार ऐसे बुक को प्रकाशित किया।
 इस प्रोग्राम में चेयरमैन सी ए अभिषेक तिवाड़ी, वाईस चेयरमैन सौरभ अग्रवाल, सेक्रेटरी लोकेश कोठारी, इम्प्लिमेंट पास्ट चेयरमैन सी ए अंकित राठी, सीए जैवियर राजन, सीए विजेंद्र जैन, सीए अमित अग्रवाल ने साथ काम किया। पास्ट चेयरमैन सीए प्रमोद धमानकर ने कहा ब्रांच को ऐसे ही निरंतर विभिन्न प्रकार की किताबों का प्रकाशन साना चाहिए। इन्वुआईआर सी के पास्ट चेयरमैन सी ए ललित बजाज ने ब्रांच के सभी गतिविधियों की सराहना की।



Pravashi Sandesh 25.03.2021 Branch Audit Publication

बैंक ब्रांच ऑडिट बुक का विमोचन

नवभारत न्यूज नेटवर्क

मुंबई. स्टेट बैंक ऑफ इंडिया के डायरेक्टर सी. ए. संजीव माहेश्वरी ने वसई ब्रांच ऑफ आईसीएआई द्वारा प्रकाशित बैंक ब्रांच ऑडिट बुक का विमोचन किया. ब्रांच चेयरमैन सीए अभिषेक तिवाड़ी ने सबसे पहले ऑर्टिकल बनाने और लिखने वालों का धन्यवाद किया. विशेष सहयोग सीए पंकज तिवारी का रहा. यह बुक ऑडिटर को बैंक ऑडिट करने में सहायक होगी. इसमें आरबीआई के नोटिफिकेशन, सर्कुलर, नए एलफआर, फिनाकल के शॉर्टकट, ऑडिट प्लानिंग, ऑडिट डॉक्यूमेंट और भी बहुत सारे बैंक ऑडिट के कायदे का समावेश है.



SBI के डायरेक्टर माहेश्वरी ने की रिलीज

वसई ब्रांच ने पहली बार ऐसे बुक को प्रकाशित किया है. इस कार्यक्रम में चेयरमैन सीए अभिषेक तिवाड़ी, वाईस चेयरमैन सौरभ अग्रवाल, सतिव लोकेश कोठारी, पूर्व चेयरमैन सीए अंकित राठी, सीए जैवियर राजन, सीए विजेंद्र जैन, सीए अमित अग्रवाल ने साथ काम किया. सीए प्रमोद धमानकर ने कहा कि ब्रांच को ऐसे ही निरंतर विभिन्न प्रकार की किताबों का प्रकाशन करना चाहिए. इन्वुआईआरसी के पूर्व चेयरमैन सीए ललित बजाज ने ब्रांच की सभी गतिविधियों की सराहना की.

Publication Launch on 24.03.2021 navbharat times



Vasai Branch has been awarded as 2nd Best Branch & 2nd Best WICASA 2020 from WIRC in the large branch category. Thanks for your support & Cooperation



33rd Virtual CPE Meeting on Mentorship Small Medium Practitioners held on 14th March 2021



Chief Guest - CA. Saurabh M Deshmukh (Director, Ministry of Communication, Govt. of India), **Speaker** - CA Dheeraj KS Sharma (Past Chairman, Gurugram Branch of ICAI), **Session Chairman** - CA. Abhishek Tiwari (Chairman - Vasai Branch), CA. Vinayak Bafana (Chairman - Vapi Branch) **Committee Member of Vapi Branch** - CA. Shyam Purohit (Immediate Past Chairman), CA. Sawan Santoki and CA. Kajor Shah



34th Virtual CPE Meeting on Bank Branch Audit held on 21st March 2021



Topic: Audit Planning & Documentation
Speaker : CA. Shweta Jain (Past Chairperson – Vasai Branch), **Welcome Note:** CA. Nitesh Kothari (Past Chairman – Vasai Branch), **Session Chairman:** CA. Abhishek Tiwari (Chairman – Vasai Branch), **Committee Members:** CA. Sorabh Agrawal (Vice Chairman), CA. Lokesh Kothari (Secretary & Treasurer), CA. Vijendra Jain (Committee Member) & **Coordinators:** CA. Tarun Dhandh, CA. Sheetal Sharma & CA. Sanjay Agarwal



Topic: Important Changes in L FAR 20-21- NPA & Advances **Speaker :** CA. Pankaj Tiwari, **Session Chairman:** CA. Abhishek Tiwari (Chairman – Vasai Branch), **Committee Members:** CA. Lokesh Kothari (Secretary & Treasurer) & **Coordinators:** CA. Tarun Dhandh, CA. Krishna Purohit & CA. Sanjay Agarwal



Topic: IRAC **Speaker :** CA. Ketan Saiya, **Session Chairman:** CA. Abhishek Tiwari (Chairman – Vasai Branch), **Committee Members:** CA. Lokesh Kothari (Secretary & Treasurer) & **Coordinators:** CA. Krishna Purohit & CA. Sanjay Agarwal

35th Virtual CPE Meeting on Restructure of Borrower Accounts & Practical Guidance on Issue of MOC held on 25th March 2021



Chief Guest - Shri. Milind S. Bhalerao (Head - Audit & Compliance SVC Co-operative Bank Ltd), **Speaker -** CA. Santosh Deshmukh, **Session Chairman -** CA. Abhishek Tiwari (Chairman – Vasai Branch) **Committee Member -** CA. Sorabh Agrawal (Vice Chairman), CA. Lokesh Kothari (Secretary & Treasurer), CA. Vijendra Jain (Committee Member), CA. Amit Agarwal (Committee Member) **Coordinator:** CA. Manoj Khemka



36th Virtual CPE Meeting on Fake Invoice & Credit - Impact on GST held on 27th March 2021



Keynote - CA. Lalit Bajaj - Immediate Past Chairman - WIRC, Speaker - CA. Bimal Jain, Session Chairman - CA. Abhishek Tiwari (Chairman - Vasai Branch) Committee Member - CA. Sorabh Agrawal (Vice Chairman), CA. Lokesh Kothari (Secretary & Treasurer), Coordinator: CA. Amit Joshi & CA. Giriraj Bang

It is indeed a great privilege for Vasai Branch of WIRC for launching of First E Publication and Hand Book of Bank Branch Audit 2021 by gracious hand of CA. Sanjeev Maheshwari (Director - State Bank of India)



Special Camp of Covid Vaccination from 19th to 21st March 2021 at Family Care Hospital, Mira Road (East)





Turf Match Vasai ICAI - Women Day held on 6th March 2021 at Maxus Mall Ground, Bhayandar (West)



Program on Women Day - Virtual CPE Meeting on “Spread the wings - Be an achiever” and Overseas opportunities for professionals held on 7th March, 2021



Chief Guest - Mrs. Geeta Jain (MLA - Mira Bhayandar), **Speaker** - Ms. Kala Krishnamoorthy (Chairperson – ICAI Singapore Chapter), **Session Chairman** – CA. Abhishek Tiwari (Chairman – Vasai Branch), **Committee Member** – CA. Sorabh Agrawal (Vice Chairman), CA. Lokesh Kothari – Secretary & Treasurer), CA. Xavier Rajan (Chairman- Vasai WICASA), CA. Vijendra Jain (Committee Member), **Chief Coordinator** – CA. Shweta Jain (Past Chairperson – Vasai Branch) & **Coordinator** – CA. Daya Bansal

Zumba Session for Women held on 6th March, 2021 on Virtual Mode





Announcement of Result for Talent Hunt

Announcement of Result for Talent Hunt & Treasure Hunt

Heartily Congratulation to following members for excellence performance in Talent Hunt organized by Vasai Branch of WIRC on the occasion of celebration of Virtual Celebration of International Women's Day

1ST WINNER – CA. KHUSHI GANDHI (DANCING)

2ND WINNER – MRS. VINITA MANDOWARA (DANCING)

3RD WINNER – CA. MAYURI RAMESH JAIN (COOKING)

We also acknowledged and thanks to all Females for actively participated in this events by submitting their performance

Heartily Congratulation to following members for excellence performance in Treasure Hunt organized by Vasai Branch of WIRC on the occasion of celebration of Virtual Celebration of International Women's Day

WINNER - CA. MAYURI RAMESH JAIN

RUNNER - MS. NAMITA JANGID

We also acknowledged and thanks to all Females for actively participated in this events by submitting their performance

Editor: CA. Abhishek Tiwari Published by Vasai Branch of Western India Regional Council of The Institute of Chartered Accountants of India at Finesse Graphics and Prints Pvt. Ltd., 309, Parvati Ind. Est., Sun Mill Compound, Lower Parel, Mumbai 400 013. Tel. : 4036 4600

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The Institute of Chartered Accountants of India,
Vasai Branch of WIRC

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