

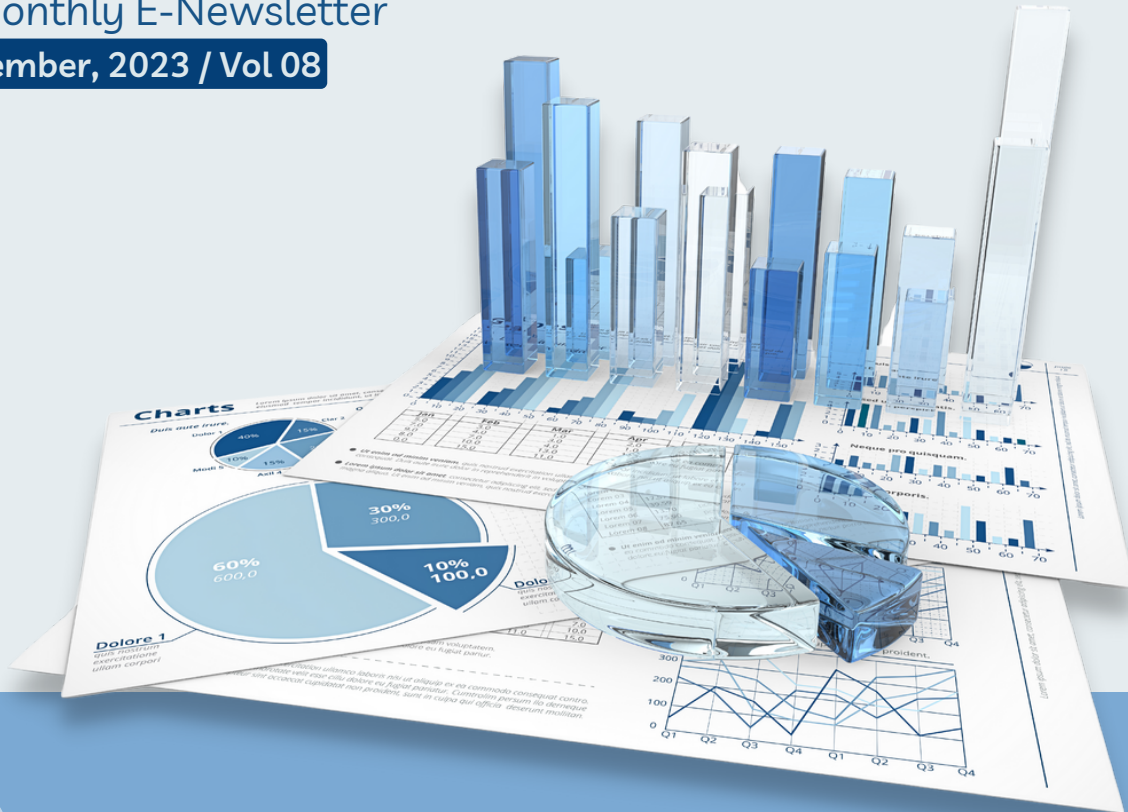
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# The ReCap

A news to clear your doubts

A Monthly E-Newsletter

December, 2023 / Vol 08



For use by clients and firm personnel only

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## KEY METRICS



### Indices

|                  |        |        |  |
|------------------|--------|--------|--|
| BSE SENSEX       | 66,902 | 04.73% |  |
| NSE NIFTY50      | 20,097 | 05.33% |  |
| NASDAQ Composite | 14,258 | 10.94% |  |

### Currency

|          |        |       |  |
|----------|--------|-------|--|
| USD/INR  | 83.35  | 0.12% |  |
| EURO/INR | 91.42  | 3.82% |  |
| GBP/INR  | 105.80 | 4.58% |  |



Note: The month-on-month movement as on November 30, 2023 is represented in percentages Source: Yahoo Finance, Investing.com

# COMPLIANCE ALERT

## December, 2023

### 7th December- TDS/TCS

TCS payment | TDS payment for November, 2023

### 10th December - GST

GSTR-7 : Summary of TDS and deposited under GST laws | GSTR-8 : Summary of TCS and deposited by e-commerce operators under GST laws for November, 2023

### 11th December - GST

GSTR-1 : Summary of outward supplies where TO.> Rs.5 crore or have not chosen the QRMP scheme for October-December, 2023

### 13th December - GST

GSTR 5 - Summary of outward & tax payable by an NR | GSTR 6 (monthly) - November, 2023 for ISDs providing details for their inward supplies and Input Tax Credit

### 14th December - TDS/TCS

Issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S for November, 2023

### 14th December - Income Tax

Deposit for 3rd Instalment of Advance Tax by 100% liable assesses except income taxable under section 44AD and 44ADA (both)

### 15th December - ESIC & PF

Provident Fund (PF) payment for November 2023| ESIC payment for November, 2023

### 15th December - TDS/TCS

Filing return for TCS and TDS (both) by government deductor without depositing tax to exchanger's (govt) account.

### 18th December - GST

Filing declaration for summary of self-assessed tax payable by dealer (opted for composition levy).

### 20th December - GST

Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of Oct - Dec, 23

### 25th December - GST

Deposit tax for QRMP Scheme

### 31st December - GST

GSTR-9 : Filing return when aggregate annual turnover exceeding 2 crore for the financial year 2022-23

### 31st December - GST

GSTR-9C : Filing return when aggregate annual turnover exceeding 5 crore for the financial year 2022-23

### 31st December - Company Law

Quarterly holding meeting of Board of directors(BODs) by 100% Companies.

### 31st - December- Income Tax

Filing of belated ITR or Revised ITR by 100% assesses when assessment not yet completed.

HAPPY NEW YEAR

# Direct Tax

## Notifications/Circulars

### Revised Guidelines for Withholding Refunds under Section 245(2) – Income-tax Act 1961

The instruction specifies that the monetary limit triggering the application of Section 245(2) will now be set at Rs. 10 lakhs or more. This adjustment is intended to focus resources on cases with substantial refund values, ensuring a more targeted approach.

The instruction specifies that the monetary limit will now be set at Rs. 10 lakhs or more.

The Ministry of Finance has introduced significant revisions to the timelines, monetary limits, and workflow pertaining to the recording of reasons before withholding refunds.

The time limit for the Faceless Assessment Unit is now set at 20 days, while the Jurisdictional Assessing Officer is granted 30 days. These adjustments are aimed at achieving a more efficient and timely resolution of refund-related matters.

*Instruction No. 02/2023*

### Revised SFT Submission Process for Mutual Fund Transactions

The change in submission frequency from a quarterly to a half-yearly basis starting from April 1, 2023 is a significant shift. This modification acknowledges the need for a less frequent reporting cycle, providing businesses and entities involved in mutual fund transactions more time for accurate data preparation and submission.

Minimum holding period for different asset classes, specifically focusing on the Unit of Equity Oriented Mutual Fund (EMF), Unit of UTI, and Other Units (OTU). By specifying a 12-month holding period for EMF and UTI units, and a 36-month period for OUT. The shift to a half-yearly submission schedule and the nuanced guidelines on the minimum holding period underscore the need for careful compliance.

*Corrigendum to Notification No.4 of 2021  
15/11/2023*



### Section 138 Notification UIDAI Appointed for Information Disclosure

This article delves into the details of the notification, focusing on the appointment of the Deputy Director General (Tech Development Division) at the Unique Identification Authority of India (UIDAI). The Unique Identification Authority of India (UIDAI) plays a crucial role in managing the Aadhar program,

which involves the issuance of unique identification numbers to Indian residents. The appointment of UIDAI for information disclosure under Section 138 signifies the government's reliance on technology and secure data management.

*notification No. 99/2023-Income Tax  
dated 20th November 2023*

### CBDT notified the exemption to 'BPC Penco XVII Corporation' u/s 10(23FE) of the IT Act

This exemption applies to eligible investments made by the corporation in India between the date of the notification's publication in the Official Gazette and March 31, 2024. To qualify for this exemption, the corporation must adhere to several conditions, including filing timely income tax returns, providing compliance certificates, and maintaining segmented accounts for qualifying investments. The corporation must also be regulated under the law of the Government of Ontario, Canada, and be responsible for administering assets for specific statutory obligations and defined contributions. Additionally, restrictions are imposed on the use of earnings and assets, loans or borrowings for investment purposes, and participation in day-to-day operations of the investee. Violation of these conditions will result in the loss of tax exemption.

*Notification No. 95/2023 dated  
November 01, 2023*

## Judicial Rulings

### Service Tax Demand based on Form 26 AS from Income Tax Department without Investigation is Invalid

The CESTAT ruled in the case of M/s. Piyush Sharma that a service tax demand based solely on Form 26AS from the Income Tax Department, without proper investigation by the Adjudicating Authority, is invalid. The appellant, a registered service provider, contested the demand, emphasizing their compliance and providing necessary documents. The Tribunal held that the demand, relying only on Form 26AS, lacked validity, considering the appellant's regular tax filings and the absence of investigation. The decision highlights the need for a thorough examination before imposing tax demands based on information from other departments.

*M/s. Piyush Sharma v. Commissioner of CGST & CX, Patna-I [Service Tax Appeal No.75856 of 2021 dated Oct. 17, 2023]*

### HC quashes Sec. 263 revision as cash deposit made during demonetization duly verified at original assessment

The High Court has invalidated the revision under Section 263, emphasizing that the cash deposits made by the assessee during the demonetization period were diligently scrutinized during the initial assessment proceedings. The court highlighted that the Assessing Officer had actively engaged in verifying the cash deposits, with the assessee promptly furnishing all requisite documents as requested. Therefore, the court concluded

that this case did not fall under the category where no inquiry was conducted by the Assessing Officer concerning the cash deposits made during the assessment proceedings.

*[2023] 156 taxmann.com 145 (Gujarat) [29-08-2023]*

### HC grants interim stay to 'CPR' as cancellation of Sec. 12A with retro effect could disrupt its ongoing programs

The High Court granted an interim stay to the assessee, 'CPR,' after the Commissioner sought the cancellation of its registration under Section 12A with retrospective effect. The assessee argued that such cancellation, if implemented, would violate the principles of natural justice. The petitioner contended that it would be unable to accept contributions or donations, disrupting its ongoing programs. The court, considering the balance of convenience, ruled in favor of the assessee, acknowledging the potential disruption to its programs, and granted the interim stay.

*[2023] 156 taxmann.com 279 (Delhi)[25-08-2023]*

### HC disposed of AIFTP's PIL after CBDT provided an affidavit for expeditious disposal of pending appeals

The High Court addressed the All India Federation of Tax Practitioners' concerns regarding delayed appeal disposals, prompting the petitioner to urge the court to formulate a policy for timely resolutions. In response, the Central Board of Direct Taxes (CBDT) submitted a compre-

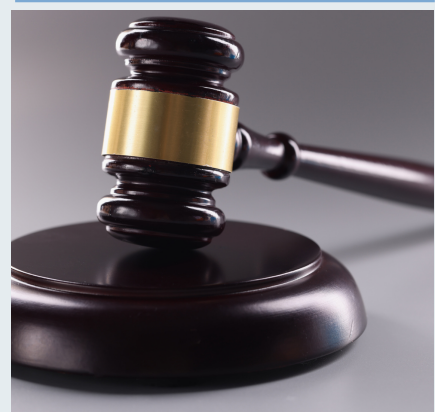
-hensive affidavit, outlining past and future measures to expedite appeal processing. The court disposed of the Public Interest Litigation (PIL) after reviewing CBDT's commitment to addressing pending appeals efficiently.

*[2023] 156 taxmann.com 259 (Delhi)[06-11-2023]*

### No sec. 153A addition for completed assessment if no incremental material was found during search; SLP dismissed

The Supreme Court dismissed the Special Leave Petition (SLP) against the decision of the High Court, emphasizing that when the assessment of the assessee had reached finality before the date of the search and no incriminating documents or materials were discovered and seized during the search, no additions could be made under Section 153A. The court held that the case of the assessee fell under non-abated assessment, reinforcing the principle that additions under Section 153A are not applicable if no incremental material is uncovered during the search process.

*[2023] 156 taxmann.com 691 (SC)[24-11-2023]*



# Indirect Tax

## Notifications/Circulars

### Generation and quoting of DIN/ RFN on any communication issued by the officers of Delhi GST Dept to taxpayers and other persons concerned

The Delhi GST Department mandates the electronic generation of Document Identification Number (DIN) / Reference Number (RFN) on all communications to enhance transparency. Required for various notices, the DIN/RFN aims to digitize offline communications, providing recipients a means to verify authenticity. Issuance without DIN/RFN is allowed in exceptional cases, but reasons must be recorded. Any communication without DIN/RFN is deemed invalid and must be regularized within 15 days. Exemptions exist for backend system-generated communications, but manual issuances are not exempt. Recipients can verify the genuineness through the GST Portal by entering the DIN/RFN.

*F.6 (4)/GST/Policy/2022/ 1122-23 dated November 29, 2023*

### CBIC notifies Amnesty Scheme for condoning delay in filing appeals under GST Law

The Notification introduces an amnesty scheme for appeal filing, aiming to provide relief to eligible taxpayers. Taxpayers must fulfill the qualifications required, meet the stipulated conditions, and be informed about the specific types of orders that do not qualify for

this amnesty. This notification offers a chance for taxpayers to rectify past appeal filing problems, and adhering to its provisions is crucial for accessing the benefits of the amnesty program.

*Notification No. 53/2023-Central Tax dated Nov 02, 2023*



### CBIC issued Instructions for Monetary Limits in Government Litigation Appeals

The Central Board of Indirect Taxes & Customs (CBIC), operating under the Ministry of Finance, Department of Revenue, CBIC (Judicial Cell), has recently issued significant instructions through F. No. 390/Misc/30/2023-JC dated November 2, 2023. These instructions are geared towards minimizing government litigation by establishing monetary limits for appeals filed before the Customs, Excise, and Service Tax Appellate Tribunal (CESTAT), High Courts, and the Supreme Court.

In an exercise of authority granted by Section 131BA of the Customs Act, 1962, the CBIC has modified previous guidelines outlined in F. No. 390/Misc./163/2010-JC dated August 17, 2011. The revised instructions set specific monetary thresholds, below which appeals will not be pursued in the aforementioned forums. The defined scenarios encompass challenges to the constitutional validity of Act or Rule provisions, instances where Notifications, Instructions, Orders, or Circulars are deemed illegal or ultra vires, and matters related to classification and refund issues of legal and/or recurring nature.

Crucially, the withdrawal process for pending cases falling within the newly established monetary limits will adhere to existing practices employed for case withdrawals from the Supreme Court, High Courts, and CESTAT. This strategic approach aims to streamline and rationalize government litigation, ensuring that appeals are judiciously pursued with a keen focus on significant legal and monetary considerations.

*F. No. 390/Misc/30/2023-JC dated November 2, 2023*



## Judicial Rulings

### Orders to be set aside in cases wherein the Reason for Cancellation of GST Registration is not mentioned

The Hon'ble Delhi High Court in the case of W.P.(C) 13642/2023 Observed that, the Impugned Order neither refers to any fraud that was found to have been committed by the petitioner nor mentions any misstatement allegedly made by the Petitioner. there is no explanation as to why the buyers and suppliers have been found to be suspicious. Merely because the Petitioner's shop was found closed, absent anything more, is not a ground for cancellation of Petitioner's GST registration.

*[W.P.(C) 13642/2023 dated November 10, 2023]*

### Penalty reduced from Rs. 56 lakh to Rs. 10 thousand in case of delay in payment of tax collected by the Supplier

The Hon'ble Allahabad High Court in *Writ Tax No. 5 of 2023* Opined that, the maximum penalty of Rs.10,000/- could be imposed by the Respondent on the Petitioner as no amount of tax has been evaded by the Petitioner. Also, the Court stated that the amount of penalty of Rs.10,000/- could have been lowered by the Respondent if the mandate of Section 126(2) of the CGST Act along with the Notifications was taken into consideration, which was not done by the Respondent. the Petitioner shall pay the penalty of Rs.10,000/- within two weeks from the date of order.

*[2023] Writ Tax No. 5 of 2023[23-11-2023]*

### Assessee entitled to interest on GST Refund from the date of expiry of 60 days of the application filed pursuant to refund claim attaining finality

The Hon'ble Delhi High Court Observed that, the provision of Section 56 of the CGST Act, refers to the rate of six percent interest applicable on the amount of refund due, which has not been paid after sixty days from the date of application for refund whereas the provision provides for



increased rate of nine percent interest for the period from the date of application in cases wherein the claim for refund attains finality in appellate proceedings. interest at the rate of six percent would be payable for the period which commences from the date immediately after the expiry of sixty days from the first application till the filing of the second application pursuant to the appellate orders. the Respondent shall process the Petitioner application for refund.

*[2023]taxmann.comW.P(C)11629/[21-11-2023]*

### GST not leviable on sale of unbranded/non packaged Broken Rice

The Hon'ble AAR, West Bengal he Broken Rice would be classifiable under Chapter Heading 1006 and same rate would be applicable as in case of supply of rice. He clarified that, the food items such as pulses, cereals like rice, wheat flour etc.), supply of specified pre-packaged food article would fall within the purview of definition of "pre-packaged commodity" under Legal Metrology Act. Also, the supply of packaged commodity for industrial use would not come within the purview of the Legal Metrology Act. Therefore, the aforementioned goods packaged and labelled in above said manner would not be considered as pre-packaged and pre-labelled for levying of GST. The Applicant is liable to pay tax at the rate of five percent on supply of "broken rice" if supplied in pre-packaged and labelled form. If not, then such supply is exempted from payment of tax. tax is not payable by the Applicant on supply of broken rice if supplied in other then pre-packaged and labelled form as stated in the Notification.

*[2023] WBAAR 18 of 2023 dated September 13, 2023]*



# Corporate & Allied Laws

## Notifications / Circulars

### MCA notifies Rules for Significant Beneficial Owners & their Declaration to reporting LLPs

Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 mandating every Limited Liability Partnership ("LLP") to find out if any of the individuals is a significant beneficial owner in relation to reporting LLP and on identification, such individual has to make a declaration.

- All LLPs must take steps to identify SBOs and ensure they submit declarations in Form LLP BEN-1.
- Existing SBOs must file declarations within 90 days of commencement of rules. New SBOs must file within 30 days.
- Upon receiving declarations, LLPs must file returns with the Registrar (Form LLP BEN-2) and maintain a register of SBOs (Form LLP BEN-3).
- LLPs must issue notices (Form LLP BEN-4) to partners holding ≥10% stake seeking information about beneficial interests.
- Non-compliance can lead to restrictions on economic rights attached to contributions by the competent authority's order.

*Notification vide G.S.R. 832(E) dated November 9, 2023*

### MCA Notifies Appointment Of New Member Under CA (Election Tribunal) Rules

The Ministry of Corporate Affairs has appointed a new member for chartered accountants under the Election Tribunal Rules of 2006.

This appointment was made in accordance with the Companies Act 2013 and the Chartered Accountants Act of 1949 and Companies Act 2013.

*Notification vide S.O. 4999(E) dated November 22, 2023*

### Circular on Discontinuation of filing of certain returns by Insurers and Insurance Brokers

Discontinuation of filing of following returns by Insurers and Insurance Brokers:

- Certificate related to the confirmation that the insurance broker has received remuneration for direct insurance business within the prescribed limits.
- Certificate endorsed by Principal Officer and CFO (or equivalent), related to the confirmation that the remuneration and other payments received from the insurer.
- Certificate signed by the CEO and CFO of the insurer, separately for each broker, if the remuneration and other payments made to the broker exceed the stipulated limits.

*IRDA/INT/CIR/IB/206/11/2023 dated Nov 24, 2023*

### Simplification and streamlining of mutual fund scheme offer documents.

SEBI has recently released a circular aimed at simplifying and streamlining the Offer Documents of Mutual Fund Schemes. Effective April 01, 2024, the revised format for SID, KIM, and SAI will be implemented. All draft SIDs must be filed with SEBI on or before

March 31, 2024, and existing SIDs must be updated with data as of March 31, 2024, by April 30, 2024, to comply with the new guidelines. This circular is issued in the exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and regulate the securities market.

*SEBI/HO/IMD/IMD-RAC-2/P/CIR/2023/000175 dated Nov 01, 2023*



### Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and nomination

The circular advises stock exchanges, depositories, RTAs, and listed companies to follow the guidelines and communicate them to their stakeholders. This ensures transparency in the financial sector, maintaining the integrity of the markets, and providing investors with necessary information. Dissemination via websites is an effective way to increase awareness and transparency in the industry. The highest standards of ethical behavior and corporate governance must be upheld by all parties involved.

*SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/181 dated Nov 17, 2023*

# Policies & Schemes

## Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

The Scheme of Fund for Regeneration of Traditional Industries (SFURTI) stands as a pivotal initiative led by the Ministry of Micro, Small, and Medium Enterprises (MSME) aimed at fostering the development of industrial clusters. At the forefront of this endeavor is the Khadi and Village Industries Commission (KVIC), serving as the nodal agency entrusted with the responsibility of promoting cluster development specifically tailored for the Khadi sector.

The recent revisions in guidelines have resulted in the amalgamation of several pre-existing schemes into SFURTI, marking a strategic move towards a more comprehensive and streamlined approach.

The schemes that have been incorporated into SFURTI include:

- The Scheme for Enhancing Productivity and Competitiveness of Khadi Industry and Artisans
- The Scheme for Product Development, Design Intervention and Packaging (PRODIP)
- The Scheme for Rural Industries Service Centre (RISC)
- Other small interventions like Ready Warp Units, Ready to Wear Mission, etc.

### SFURTI Eligibility:

- Corporates and Corporate Responsibility (CSR) Foundations
- Semi-Government Institutions and Institutions of the Central and State Governments

- Field functionaries of State and Central Governments
- Non-Government Organizations (NGOs)
- Panchayati Raj Institutions (PRIs)
- Private sector by forming cluster specific SPVs

### How To Apply:

Eligible agencies/organizations may submit the proposal to the State Office, KVIC and the same is scrutinized at the State Level and Zonal Level before submitting to the Scheme Steering Committee for approval.



### How to prepare a proposal or project report?

Here are some of the key components your proposal or project report should include:

- Cluster Profile
- Artisans' profile
- Product profile
- Market assessment and market demand analysis
- Detailed intervention plan (soft, hard or thematic)
- Project cost and means of finance
- Project timelines
- Detailed business plan (Sales figures, receipts, payments, income and expenditure should be included.

### Institutional Arrangement

- Scheme Steering Committee (SSC)
- Nodal Agencies (NAs)
- Technical Agency (TA)
- Implementing Agency (IA)

### Project Interventions

- The Scheme covers three types of interventions namely Soft Interventions, Hard Interventions and Thematic interventions.
- Soft Interventions: General awareness, counselling, motivation and trust building, Skill development and capacity building, Institution development, Exposure visits, Market promotion initiatives, Design and product development, Participation in seminars, workshops and training programmes on technology up-gradation etc.
- Hard Interventions: Creation of facilities such as Multiple facilities for multiple products and packaging wherever needed, Common Facility centres (CFCs), Raw Material Banks (RMBs), Up-gradation of production infrastructure, Tools and technology up-gradation, Warehousing facility, Training Centre, Value addition and processing Centre.





- Thematic Interventions: Cross-cutting thematic interventions at the sector level including several clusters in the same sector with emphasis on both domestic and international markets. These will primarily include Brand-building and promotion campaigns, new media marketing, E-Commerce initiatives and innovation.

### What Industries are Covered by the SFURTI Scheme?

The SFURTI scheme covers a variety of industries, sectors, and individuals. These are –

- Artisans
- Artisan guilds cooperatives
- Workers
- Raw material providers
- Local entrepreneurs
- PDS providers
- Self-Help Groups (SHGs)
- Machinery makers

### Eligible Entities That Offer Loans Under SFURTI Scheme

- Corporates and Corporate Responsibility (CSR) Foundations
- Field functionaries of State and Central Governments
- Semi-Government Institutions and Institutions of the Central and State Governments
- Non-Government Org. (NGOs)
- Panchayati Raj Institutions (PRIs)
- Private sector by forming cluster specific SPVs

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### Subsidy from the SFURTI Scheme

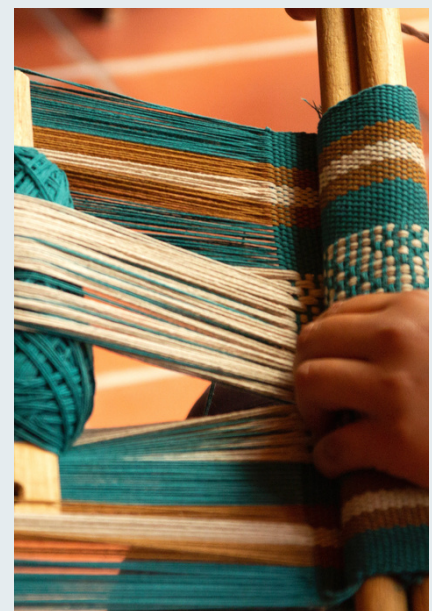
The subsidies you get from the SFURTI scheme depend on the amount of grant that your cluster has received. A maximum budget of Rs. 8 crores is allotted to the densest clusters in a district which is then lowered as the clusters get thinner and sparse.

In the context of the scheme, an individual or entity can obtain the maximum financial benefits available in the following ways:

- The densest clusters, also called heritage clusters, with individual workers, entrepreneurs, and artisans of up to 1000 to 2500 in number, have a budget limit of Rs. 8 cr.
- The heavily dense clusters, also called significant clusters, with individual workers, artisans, and entrepreneurs of about 500-1000 in number, have a budget limit of Rs. 3 cr.
- The smallest clusters, also called mini clusters, with individual workers, entrepreneurs, and rural artisans of up to 500 in number, have a budget limit of Rs. 1.5 cr.
- If the cluster's region belongs to NER/Jammu, Ladakh, Kashmir, and the numerous Hill States, then there would be a reduction of about 50% in the number of artisans per cluster.

### Cluster Selection Criteria

Upon submission of an application, the government employs specific selection criteria to identify eligible clusters for the scheme. Criteria encompass the requirement for clusters to comprise over 500 beneficiaries, spanning artisans, traders, raw material suppliers, and service providers. Additionally, the clusters must be rooted in sectors like khadi, coir, or other rural industries such as pottery and leather. Beyond sheer numbers, the selection process factors in considerations like growth prospects, sustainability, and the ability to generate employment opportunities. Approval for grants is contingent upon a comprehensive evaluation of these criteria, ensuring a strategic and impactful allocation of resources for the benefit of the identified clusters.



The financial assistance provided for Revamped SFURTI is classified into three types of clusters, along with budget limit per cluster:

| Type of Clusters                         | Per Cluster Budget Limit |
|--|--------------------------|
| Heritage Clusters (1000 – 2500 artisans) | Rs. 8 crore              |
| Major Clusters (500 – 1000 artisans)     | Rs. 3 crore              |
| Mini-Clusters (Upto 500 artisans)        | Rs. 1 crore              |

Note: For North Eastern Region / J&K and Hill States, there will be a 50% reduction in the number of artisans per Cluster.

# Professionals Desk

## Ethics, Integrity, and Professional Behavior for Chartered Accountants

### Introduction

Ethics, integrity, and professional behaviour are critical for Chartered Accountants (CAs). They play a fundamental role in maintaining trust and confidence in financial reporting and auditing. When studying to be a Chartered Accountant (CA), you're not just learning about accounting or taxes. You're also learning how to act honestly and fairly in your job. Being ethical is very important for CAs because it shapes how they behave and how others see them. Since money and business are big parts of today's world, acting ethically is important.

### Fundamental Principles Of Chartered Accountants

- **Ethics:** Chartered accountants must adhere to a strict code of ethics. This includes maintaining independence and objectivity when providing financial services, ensuring confidentiality of client information, and avoiding conflicts of interest. Ethical behavior is critical for maintaining trust and credibility in the field.
- **Integrity:** Integrity is at the core of a chartered accountant's role. It involves honesty, truthfulness, and straightforwardness in all financial transactions and reporting. Accountants must present accurate and transparent financial information to clients, stakeholders, and regulatory bodies

- **Professional Behavior:** Chartered accountants are held to high standards of professional behavior. This entails acting with professionalism, competence, and due care in all aspects of their work. It also involves a commitment to continuous learning and staying up-to-date with evolving accounting standards and regulations.



### Role of Ethics in Life of Chartered Accountants

Ethics play a foundational role in the life of Chartered Accountants (CAs). These professionals are entrusted with significant financial responsibilities, and ethical principles guide their conduct in upholding trust, integrity, and accountability in the financial world. Here below, let's explore the vital role of ethics in the life of Chartered Accountants.

### Serving the Needs of the Community:

Certified Accountants (CAs) have an important job. They deal with important money-related

information that affects many people, like investors, people who lend money, and society in general. Being ethical means, they need to make sure this financial info is correct, dependable, and easy to understand.

### Maintaining Ethical Professionalism:

As Certified Accountants (CAs), it's crucial to understand the value of being honest and professional in what we do. Ethical behavior means we make sure that financial documents are correct, easy to understand, and trustworthy. When we stick to these high standards, it helps people trust us, whether they are our clients, employers, or others interested in our work. Following important ethical rules, like keeping information private, staying unbiased, and being independent, helps us make the accounting profession look good and reliable to everyone.

### Making Ethical Choices:

Sometimes, being an accountant or auditor can be tricky because of the complicated work. But ethics, which are like a set of rules for doing the right thing, help us make smart decisions when things get tough. By thinking about these ethical rules and values, accountants can make the right choices, even when it's hard.

### Continuous Learning and Professional Development:

Being ethical as a CA student means more than just knowing the theory. It means you should keep working on yourself, keep learning,

and keep getting better at what you do. To do this, you need to stay in the loop about the latest ethical rules, laws, and how things work in the industry. This way, you can change and improve as the world changes, and your skills will always match what's needed. This helps you make the right ethical choices, considering how things are right now in the business world.

### **Preserving Privacy and Trust:**

Accountants often learn private things about people or companies they work for. It's super important for them to keep this information to themselves. Doing this keeps the trust of those they work with and builds strong working relationships. It's like keeping a friend's secret; it shows you're trustworthy.

### **Accountability and Transparency:**

Being ethical means being responsible for what you do and understanding how it might affect others and the world. Following ethical rules helps accountants be open and honest in what they do, and this creates a culture of taking responsibility in their profession. When they act this way, it makes financial information clearer and helps people trust that the money system is fair and honest.

### **Dealing with Tough Ethical Choices:**

Becoming a CA can be tricky when it comes to doing the right thing. Sometimes, CAs face tough decisions that make them question what's right or wrong. It's at these times that their dedication to ethics really matters. If they have a strong set of ethical rules to follow, they can figure out these

tough situations and make choices that match their beliefs and their duty as professionals.

### **Ethical Choices in a Tech World:**

Today, technology is changing really fast, and accountants (CAs) need to deal with new challenges because of it. Things like artificial intelligence, automation, and big data analytics are becoming important in accounting. To use this technology in the right way, CAs need to follow ethical rules. They should be aware of things like keeping data private, making sure information is secure, and being careful about any unfairness in computer programs.



### **Importance of Ethics, Integrity, and Professional Behavior for CAs:**

#### **Trust and Reputation:**

Chartered Accountants are entrusted with sensitive financial information. Upholding high ethical standards builds trust and credibility, which are essential for the profession's reputation.

#### **Legal Compliance:**

Adhering to ethical and professional conduct ensures Chartered Accountants comply with laws and regulations, reducing the risk of legal repercussions.

#### **Ethical Compass:**

Ethics serve as the guiding compass for Chartered Accountants, providing a moral framework that dictates their actions and decisions. By adhering to ethical principles, CAs ensure

transparency, fairness, and honesty in their interactions, thereby fostering trust and confidence in financial reporting and auditing processes.

#### **Client Confidence:**

Clients rely on Chartered Accountants to provide accurate financial information. Ethical behavior and integrity instill confidence in clients, enhancing client relationships.

#### **Behavioral Standards:**

Professional behavior is the hallmark of Chartered Accountancy, reflecting the discipline, diligence, and dedication inherent in the profession. CAs uphold behavioral standards characterized by integrity, objectivity, and impartiality, demonstrating their commitment to excellence and ethical conduct in all endeavors.

#### **Sentinels Against Fraud:**

CAs serve as vigilant sentinels against financial fraud and misconduct, conducting thorough audits and due diligence to detect and prevent fraudulent activities. By upholding ethical principles and integrity, CAs mitigate risks and safeguard the interests of stakeholders, thereby upholding the integrity of the financial system.

#### **Public Interest:**

CAs have a responsibility to serve the public interest. Ethical conduct helps ensure financial markets and businesses operate transparently and fairly.

#### **Risk Management:**

Professional behavior minimizes the risk of errors, fraud, and unethical practices, protecting the interests of both clients and the public.

# CFO's Eye

## SEBI eases rule for physical securities' holders without PAN, KYC details

Securities and Exchange Board of India (SEBI) has announced the elimination of the requirement for freezing folios lacking PAN, KYC details, and nomination for holders of physical securities in listed companies. This move, effective immediately, aims to simplify regulations based on feedback from the Registrars' Association of India and investors. Previously mandatory details, including PAN, nomination, contact details, and bank account information, were needed for folio numbers. The decision comes after recognizing challenges and feedback, leading SEBI to abandon freezing provisions mentioned in a circular from May. Additionally, the referral of frozen folios to relevant authorities has been discontinued.

## Game Theory, a sports tech firm, has acquired Matchday.ai, in a deal of undisclosed value.

Sports tech company Game Theory has successfully acquired Matchday.ai, a prominent sports analytics startup, in a deal whose financial details remain undisclosed. The acquisition, effective from October 28, 2023, is poised to enhance Game Theory's focus on innovation in the sports gaming sector, integrating Matchday's advanced computer vision technology. Backed by Zerodha founder Nithin Kamath's Rainmatter fund, Game Theory aims to elevate the real sports experience for users by advancing artificial intelligence (AI)

capabilities. The acquisition facilitates the incorporation of Matchday's validated tech stack, known for its use in professional sports, enabling Game Theory to offer tech-enabled coaching and identify improvements for both casual and aspiring athletes. The move aligns with Game Theory's commitment to providing engaging and competitive real sports experiences for users of all skill levels. The co-founders of Matchday.ai express their shared vision for making sports more engaging through technology, emphasizing the collaborative potential of the acquisition.



## The OpenAI Story: Sam Altman's Termination, Comeback, and Prospects Ahead.

The OpenAI saga unfolded with the reinstatement of Sam Altman as the chief executive, ending a tumultuous five-day period marked by his initial firing.

The board's decision to remove Altman, citing communication concerns, led to a reshuffle and subsequent protests by OpenAI employees.

Microsoft's announcement of hiring Altman and Greg Brockman further intensified the situation, prompting a mass open letter from nearly 800 employees threatening to quit unless Altman was reinstated.

The resolution emerged with Altman's return, accompanied by changes in the board, including the removal of members and new appointments. The move signals potential shifts in OpenAI's focus, possibly prioritizing rapid commercialization over concerns about AI risks. Altman's clash with other directors, particularly over safety concerns and business priorities, played a crucial role in his dismissal. The shake-up is expected to influence OpenAI's direction, emphasizing technology development, including advancing GPT-5.

The broader implications involve heightened competition in the generative AI market, with companies like Google, Amazon, Meta, and Anthropic introducing AI models. However, concerns about understanding and regulating the behavior of these advanced AI systems persist, potentially prompting policymakers to implement stringent measures. As OpenAI navigates its future, the dynamics of AI development, safety considerations, and the evolving role of major players like Microsoft remain central to the unfolding narrative.

# Systems & forensics

## The Recent Surge in AI Development: Boon or Bane? Dismantling Data Silos

Artificial intelligence (AI) is a rapidly advancing field in computer science, focusing on machines performing tasks requiring human-like intelligence. Key drivers of AI progress include big data, machine learning (especially deep learning), increased computing power, and interdisciplinary collaboration.

Big data, referring to massive and diverse datasets, plays a crucial role in AI advancement. It allows algorithms to learn patterns and correlations, enhancing accuracy in predictions and recommendations. In natural language processing (NLP), big data aids tasks like sentiment analysis and speech recognition, making AI more adept at understanding language nuances.

Machine learning, particularly deep learning, is pivotal in AI growth. It excels in pattern recognition and feature extraction, enabling AI systems to process large-scale datasets efficiently. Cloud computing has democratized AI development, providing scalable resources and facilitating collaboration.

Interdisciplinary collaboration, involving experts from various fields, accelerates AI progress. This collaboration ensures a holistic approach, considering diverse perspectives and real-world applications. Ethical considerations are crucial, addressing concerns such as job displacement, algorithmic bias, privacy invasion, and security risks.

AI's positive impacts span healthcare, finance, transportation, and entertainment. It automates tasks, improves decision-making, and enhances personalized experiences. However, concerns like job displacement and ethical challenges must be addressed through responsible AI practices and robust regulatory frameworks.

Despite AI's benefits, there are valid concerns. Job displacement due to automation is a risk, and ethical considerations involve addressing biases and ensuring privacy. Security risks, overdependence on AI, and potential loss of human skills also require attention.

In conclusion, while AI offers transformative benefits, responsible development, ethical guidelines, and proactive measures are essential. Balancing AI and human capabilities is crucial to harness its positive potential while mitigating risks. Navigating the evolving AI landscape requires thoughtful consideration and inclusivity, ensuring a harmonious integration of AI into society.

[ISACA Journal](#)

The U.S. Department of Homeland Security (DHS) was established after 9/11 to enhance national security by integrating various federal agencies. In cybersecurity, data sharing is crucial for effective threat detection. However, many organizations still struggle due to data silos—isolated systems that hinder communication.

Data silos arise from technological differences, segregated systems, and organizational structures. They lead to inefficiencies, duplications, and inaccurate decision-making. In fraud examinations, data silos heighten risks, limiting critical information and resulting in negative impacts: incomplete insights, inefficiency, inaccuracy, and ineffective decisions.

Breaking down data silos requires organizational collaboration. Strategies include investing in data integration tools, establishing data governance, forming cross-functional teams, and utilizing data warehouses or lakes. Cloud services also play a role, consolidating various data types securely.



Fraud examiners must avoid bias in relying on specific data sources. Education backgrounds often influence investigative tendencies, but a holistic approach combining interviews, unstructured data, and structured data yields better insights.

To convince stakeholders, create a clear business case, demonstrate return on investment, conduct risk assessments, and specify data requirements. Initiatives like integrating data platforms and cloud services can benefit multiple business functions.

For effective fraud prevention and detection, start with comprehensive risk assessments. Instead of relying on a single data source, consider multiple sources relevant to the accusation. Analyzing and integrating various data sources, including internal reporting hotlines, surveys, and AI-assisted monitoring, is crucial in assessing misconduct.

In summary, the battle against fraud requires organizations to break down data silos, fostering collaboration and adopting innovative approaches to data integration.

[ACFE FRAUD MAGAZINE](#)

# Glossary

## AY

Assessment Year

## ACES

Automation of Central Excise and Service Tax

## EMF

Equity Oriented Mutual Fund

## CBDT

Central Board of Direct Taxes

## CBIC

Central Board of Indirect Taxes

## CESTAT

Customs Excise and Service Tax Appellate Tribunal

## EFCI

Eligible Fixed Capital investment

## AIFTP

All India Federation of Tax Practitioner

## NLP

Natural Language Processing

## FY

Financial year

## GTA

Goods Transport Agency

## ICAI

Institute of Chartered Accountants of India

## ICDR

Issue of Capital and Disclosure Requirements

## Ind AS

Indian Accounting Standard

## INR

Indian National Rupee

## InvITs

Infrastructure Investment Fund

## IPO

Initial Public Offering

## ISSB

International Sustainability Standard Board

## ITAT

Income Tax Appellate Tribunal

## ITC

Input Tax Credit

## ITD

Income Tax Department

## ITR

Income Tax Return

## KMP

Key Managerial Personnel

## LLP

Limited Liability Partnership

## MCA

Ministry of Corporate Affairs

## PAN

Personal Account Number

## QRMP

Quarterly Returns with Monthly Payments

## CPR

Civil Procedure Rules

## REITs

Real Estate Investment Trust

## SFURTI

Scheme of Fund for Regeneration of Traditional Industries

## SEBI

Securities and Exchange board of India

## SGST

State Goods and Service Tax

## TCS

Tax Collected at Source

## USD

United State Dollar

GLOSSARY

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