



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SETUP BY AN ACT OF PARLIAMENT)

## BHUJ BRANCH OF ICAI (WIRC)

KATIRA COMPLEX, SANSKAR NAGAR RD, SANSKAR NAGAR, BHUJ, GUJARAT 370001

### E-NEWSLETTER

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# Chairperson's Communique



Another productive and dynamic month has gone by that overflowed with activities aimed towards professional and personal development of our members.

During the month of February, the Managing Committee Members under the leadership of **Immediate Past Chairperson CA Vijay Thacker** conducted CPE Seminar on following topics:

- **Expenditure allowed TO MSME u/s 43B(h) by CA Chintan Patel,**
- **Faceless Assessments and Appeals by CA Avinash Rawani,**
- **Financial Statements for Non Corporate Entities by CCM CA Vishal Doshi,**
- **Trailing the portfolio by Deciding Exit and switching on Own by CA Vijay Thacker,**
- **MSME Empowerment Symposium by CA Virag Shah, Issues and Recent changes in Refunds Under GST by CA Deep Koradia &**
- **Opportunities and Challenges In Government Tendering Work by CA Sanjay Lakhani**

I take this occurrence to remark a sense of gratefulness to the faculties for enriching the members with their knowledge and GTCA Managing Committee for their joint participation.

Apart from this, we had arranged **3 Days of Members RRC to White Desert of Kutch** under leadership of **CA Vijay Thacker**. We had received award for **2nd Best Branch in Micro Category at WIRC Award Ceremony held at ICAI Tower BKC. On 27th February 2024 Charge Handover Ceremony** was conducted and our enthusiastic Immediate Past Chairperson **CA Vijay Thacker** has handed over charge to me. This event was held under the presence of **CCM CA Vishal Doshi Sir, Managing Committee of Gandhidham Branch, Members of Bhuj Branch**, in this event we had arranged **Felicitations for Newly Qualified CAs' of November 2023 attempt.**

Further my vision for the whole year is **I-C-E** i.e. **INNOVATE-CHANGE-EXCEL**. In coming month of March we are planning to Celebrate Woman's Day at branch level, details for the event will be shared soon.

**With Regards,**  
**CA Jagdish Hirani**  
**Chairperson – Bhuj Branch of WIRC of ICAI.**

## MANAGING COMMITTEE

Chairperson  
**CA Jagdish Hirani**

Vice Chairperson &  
Treasurer  
**CA Bharghav Shankarwala**

Secretary  
**CA Manisha Joshi**

WICASA Chairperson  
**CA Hardik N. Thakkar**

Immediate Past  
Chairperson  
**CA Vijay Thacker**

Past Chairperson  
**CA Zahir Memon**

## RESIDENTIAL STATUS UNDER FEMA

-CA Khushbu Morbia M.Com., ACA

We all are well acquainted with the concept of “Residential status”, popularly used to determine the income tax liability. But, in India, there are two laws where residential status is most relevant. They are, Income-tax Act, 1961 (ITA) and Foreign Exchange and Management Act, 1999 (FEMA). The connotation is different as the purpose of both the laws is different. So, today I will try to shed light on the “residential status under FEMA”.



Let's start with understanding the purpose of determining the residential status under these laws.

Under Income-tax law, the purpose is to determine taxability of Income in India. If a person is resident by the definition under the Income-tax law, his global Income will be taxable in India. If a person is Non-resident by the definition under the Income-tax law, his Income accrued, arise or received in India will only be taxable in India. This residential status is for whole year.

FEMA is a regulatory law. There are regulations under the FEMA law for undertaking transactions with Non-residents or any cross border transaction i.e. inbound or outbound investments, capital account or current account transaction etc. There are certain restrictions and approval procedure covered in the regulation which a Non-resident has to comply with at the time of undertaking any such transaction. Hence it is necessary to know the residential status as per FEMA on any particular day. This residency may not be the same for the full year.

The residential status of a person for a particular FY may vary as per FEMA and Income Tax i.e. a person may be a “resident” person in India as per the Act and a person resident outside India as per FEMA and vice versa. This is due to one major distinction between Income Tax and FEMA provisions. In Income Tax the purpose of stay in India or abroad is not relevant; only the duration of stay is relevant. Whereas, under the FEMA, residency is determined by a person's intention of stay in India in addition to his period of stay in India.

### RESIDENTIAL STATUS UNDER FEMA

Under FEMA, a person can be either,

- > Person resident in India (PRII) or
- > Person resident outside India (PROI)

> **Person resident in India:** There are three limbs in the definition.

1. The first limb is at the basic level. It prescribes the number of days stay. “Person resident in India means a person **who resides in India for more than 182 days during the preceding financial year.**”

Then, there are **two** limbs which are **exceptions** to the first limb. Exceptions carve out situations that do not fall under the main body of a section, even though they satisfy the criteria. This means that even if a person in PRII based on the basic test provided in the first limb, he will be a PROI if he falls within limb (A) or limb (B). Thus, the following persons are not PRII, even though they may have resided in India for more than 182 days.

A. "A person who

- Has gone out of India or

- Stays outside India

- For taking up employment outside India
- On taking up employment outside India
- For carrying on any business or vocation outside India
- For any other purpose in such circumstances as would indicate stay for an uncertain period."

Second limb states that if a person leaves India in any of the above given purposes, he will not be a PRII. He will be a PROI.

B. "A person who

- Has come to India or

- Stays in India

- OTHERWISE THAN

- For taking up employment in India
- On taking up employment in India
- For carrying on any business or vocation in India
- For any other purpose in such circumstances as would indicate stay for an uncertain period."

Reading all together, third limb is a complex clause as it has two exceptions. Limb one uses the phrase "but does not include". Third limb uses the phrase "otherwise than".

It states that if a person has come to India for any reason OTHER THAN the above given reasons, he will be a PROI even if he has stayed in India for more than 182 days in preceding year.

2.

- "Any person or body corporate,
- Registered or incorporated in India."

3.

- "When a person resident outside India
- Owns or controls

- An office, branch or agency outside India
- Then, such office, branch or agency will be PRII.”

Thus one cannot set up a branch outside India and attempt to avoid FEMA provisions. If branch is set up in India by PROI, still such branch will be PRII. Hence resident can transact with them without worrying about FEMA.

>**Person resident outside India:** Person resident outside India means a person who is not resident in India.

### **Citizenship is not the criteria for determining whether a person is resident in India.**

Indian Students Studying Abroad are Resident or Non Resident?

As above definition didn't mention anything regarding Indian students studying abroad and the act being silent raised many issues on this. As to solve this issue A.P(DIR Series) Circular No.45 dated 08/12/2003 was issued which stated that above Indian students shall be Non Resident Indian (NRI's) on both counts viz. their stay abroad for more than 182 days in the preceding financial year and their intention to stay outside India for an uncertain period when they go abroad for their studies.

# IND AS 1: PRESENTATION OF FINANCIAL STATEMENTS

-CA Tarjani Anjaria B.Com., ACA

The objective of financial statements is to provide information that is useful in making economic decisions. This standard prescribes the basis for the presentation of general purpose financial statements in order to ensure comparability with the entity's financial statements of previous periods and with those of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.



Broadly, Ind AS 1 talks about following aspects:

## **Materiality:**

The nature and amount of items of income and expense are disclosed separately where they are material.

## **Going concern:**

An entity shall prepare its financial statements on a going concern basis unless management intends to either liquidate the entity or cease trading, or has no realistic alternative but to do so.

## **Accrual basis of accounting:**

An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.

## **Offsetting:**

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by Ind AS.

## **Preparation and Presentation of Financial Statements:**

An entity shall present, with equal prominence, all of the financial statements in a complete set of financial statements. Financial statements shall disclose corresponding information for the preceding period, unless a standard or interpretation permits or requires otherwise.

This Ind AS Also specifies in detail, the manner in which Balance sheet, Statement of Changes in Equity, Notes to accounts should be prepared and presented, what are the line items which are required to be disclosed on the face of these statements.

## **Statement of Profit and Loss:**

An entity shall present a single statement of profit and loss, with profit and loss and other comprehensive income presented in separate sections within the same statement.

The sections shall be presented together with the profit and loss section presented first, followed directly by the other comprehensive section.

As per Ind AS 1,

- Additional line items or sub-headings are presented in this statement when relevant to an understanding of the entity's financial performance.
- Any item of income or expense is not presented as extraordinary item in the statement of profit and loss or in the notes.
- The expenses are classified in the statement of profit and loss based on the nature of expense.

### **Concept of OCI:**

Other Comprehensive Income is the second section of the statement of profit and loss as per Ind AS 1. OCI mainly represents gains or losses that arise from transactions or events that are not part of the company's core business operations.

As per Ind AS 1, an entity shall present items of other comprehensive income grouped into those that will be reclassified subsequently to profit or loss and those that will not be reclassified. An entity shall disclose reclassification adjustments relating to the components of other comprehensive income.

### **PL VS OCI:**

There were lots of doubts and lack of clarity regarding which item directly hits PL and which roots through OCI and why?

General understanding was, any Gain or Loss which is "UNREALISED" should be an OCI item such as Revaluation Gain/Loss, Foreign Exchange Transaction Gain/loss and so on. This concept or we can say proven judgement is used and accepted all around the world. Conceptual framework was silent about this till 2018. However, after updation of conceptual framework in 2018, it has made certain clarification regarding this issue. Let's discuss its essence:

Purpose of PL statement is to give understanding of Company's performance. Anything arises as result of decision taken by management during ordinary course of business which relates to operating activities of business should get reflected in PL (Otherwise in OCI).

For example:

- If an entity follows fair value model for subsequent measurement of any asset, Gain or loss arising due to fair market value changes are reflected directly to PL despite of being Unrealised. Reason being, this decision of investing money into such Asset or Property was management's choice. So, Gain or loss arising out of that decision should also form part of Profit & Loss as per the above discussed logic.

- On the other hand, Gain or Loss arising from Situations which are beyond the control of management like market rate fluctuations for assets or currencies hits OCI, not PL. So that management do not get penalised for something which is not in their hand!

### **Breach of Long term loan arrangement & Carve out from IAS-1:**

IAS 1 requires that in case of a non-current loan liability, if any condition of the loan agreement is breached on or before the reporting date, such loan liability should be classified as current, even if the breach is rectified after the balance sheet date.

#### **Carve Out:**

Ind AS 1 clarifies that where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Consequent to this, requirements of paragraph 76 of IAS 1 to treat such events as non-adjusting events are also deleted taking into the account the Indian banking system and conditions.



## TRUE AND FAIR: JOURNEY OF A CA A CONVERSATION WITH CA JENNY FURIYA

-CA Hetal Bhojani B.Com., ACA

*This is a Transcript of Conversation that CA Jenny Furia had with CA Hetal Bhojani*



How would have Kiran Bedi, Kalpana Chawla, Bachendri Pal, Durba Banerjee felt when they claimed the title of “First Indian Woman” in their respective fields?! It must've been a matter of great pride and honor. They inspired generations of females to unlock their hidden potential and reach undiscovered heights in such fields which were initially lead by the male society.

रस्ता कठिन था, छमतीछां मुश्किल पर छौसला बुलंद...



As a young girl, such landmark moments use to excite me a lot. Even taking my name along with these honorable dignitaries would amount to foolishness, but there is definitely some self-satisfaction in becoming the first woman Chartered Accountant of Bhuj and western kutch. Although calling myself the seniormost would still be an exaggeration. If we look at the history of CAs, Madam R. Shivabhogam became the first female CA of the country in 1950. Mr. Maheshbhai Anjariya became the first CA of Bhuj in 1961. And then, I managed to crack CA Final in 2002. Looking at it from this perspective, it seems as if I am way behind. Now, there are 75 female CAs in the Bhuj Branch itself. What could be a matter of greater pride than this!

अकेले छी यलेथे मंजिल की और छम...  
लोग जूडते गये कारवां बनता गया...

Talking about Academics, I was quite the first bencher nerd. Female topper of Kutch in 10th Boards, All Gujarat Rank 3 in 12th Boards, 6th in the University in B. Com and a University First Gold Medalist in M.Com.I cleared CA Intermediate in the first attempt. I was on cloud 9. But then, CA finals' result day arrived and things turned upside down. I faced the first rejection of my life.

CA is a course that gives a strong reality check and a sense of self-awareness. One could have been an academic achiever at every level beforehand, but CA has the potential to knock you off your knees in no time. Focus and dedication are the only constants that could help you clear CA. It is a "नजर छटी दुर्घटना घटी" kind of a scene. One may try to cover it through excuses, blaming the circumstances, but the reality is that one is easily distracted from the goal. And once a person is distracted, CA makes its ploy.

I re-appeared for and finally cleared CA Finals in May 2002. I got married in June 2002. He was truly “the One” for me, being my friend, philosopher and guide in studies too. Consequently, Mr. and Mrs. Furiya became the first CA couple of Kutch! As goes the saying, “Behind every successful woman, there is a caring and understanding man”, whatever my identity is today, it would not have been possible without the immense support of my husband and our parents.

I have a vivid memory of the time when ISA classes were being conducted for the first time in Gandhidham in the year 2003. It was at the time of initial phase of setting up our firm. It was not possible for my husband to put in more time and efforts towards the same, since he was on somebody else’s payroll. And I, was pregnant. The chances of ISA classes being conducted again anytime soon were weak. In such circumstances, my husband and my in laws took the stand that I should be definitely going forward with ISA. With their blessings, I appeared for the ISA exams a week after my baby shower, which lead to my name appearing among the first few ISA holders of Kutch. So, in my view, getting married doesn’t mean putting a full stop to your career, instead it might just be the beginning of it all!

I always was and still am a curious kid who loves to expand the horizons of her passions. Finding and pursuing new passions and interests, learning new stuff every now and then, has in fact been my most persevered hobby all along. Going hand-in-hand with academics, singing, dancing, elocution, and drawing had been constant companions of mine. I am a Visharad in classical vocals and was a semi-finalist on Zee TV Gujarati’s Sa Re Ga Ma Pa.

Talking about sangeet, I remember an instance relating to inauguration ceremony of Bhuj Branch. Every CA gathering usually unfurls with the prerecorded Motto Song being played on speakers. That day I sung the motto song live with the harmonium notations, probably the first-ever case, and everyone joined in to sing. In front of all invitees and dignitaries, the atmosphere and that feeling was overwhelming!

Moving on to my professional career, we, my husband and I started our practice way back in 2002 in a 100 square feet space, rented for INR 800 per month. We started with 8-10 files, most being of family. As of today, we have an established base in Bhuj and Gandhidham with an experience of over 22 years, and a clientele belonging to leading industrial sectors, companies, universities, trusts, reputed business houses, hotels, hospitals, banks, and so on. Over and above this, we have been able to extend our income-tax profile up to CIT(A) and Appellate levels. Very recently, we have launched an investment and advisory division. Through thick and thin, working ethically and on our terms and conditions have always been of highest priority.

I, personally, have never been overly ambitious in life. Awards and positions have never been ultimate goals. I believe in living the life fully. Simple living and high thinking.

Work and professional career is only a part of our lives, and not the life itself. I believe that a balance between quality time with family, professional engagements, following your passions, staying connected with friends, taking control of your health and sometimes doing nothing at all, lead to a better lifestyle and a healthy mind. And that is what makes life worth living!

I'm a person who speaks her mind freely. Straight-forward and to the point. Beating around the bush and deviating off topic have never been my thing. I've never found fun in the concepts of gossiping and judging people. What I tend to focus on instead, is watering the seeds of my passions and giving time and attention to my family and friends.

As I mentioned, I'm a constant learner, finding solace in intricate areas of art, craft and culture, be it music, cooking, embroidery, crochet, yoga and everything that would excite me but I'm yet to find. I believe this is what keeps me alive and going. Recently, as social media's presence has grown into our everyday lives, I've started sharing my culinary experiments on my FB page@chartereds\_cooking and embroidery and crochet projects @lyf\_at\_moksha.

So...after all of this What now? What next? Well, some of the things on my bucket list as of now consist of trekking, exploring various countries, learning new cuisines, learning kathak, going for a Vipassanashibir, and reading some of the best books the planet has to offer! ...Still miles to go before I sleep...

## GST Updates – Notifications, Circulars, Order, Instructions, RoDs, Press Releases for the Month of Feb 2024

-CA Deep Koradia B.Com., FCA, DISA(ICAI)

Sr No	Notification No	Category	Date	Description	Keyword / Reference/ Comment	Link
1	06/2024	Central Tax	22-02-2024	Seeks to notify “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Central Goods and Services Tax Act, 2017.	Now with consent, Information can be shared with Tech plateforms who can directly access GST Data to grant the Credit Line / Loan facility.	<a href="#">Click here</a>

## DUE DATES CALENDAR

DATE	COMPLIANCE
2nd March 2024	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments) for Jan 2024
7th March 2024	TDS Payment for Feb 2024
10th March 2024	Professional Tax (PT) on Salaries for Feb 2024
11th March 2024	GSTR 1 (Monthly) for Feb 2024
13th March 2024	GSTR 1 IFF (Optional) (Feb 2024) for QRMP
15th March 2024	<ul style="list-style-type: none"><li>• Advance Tax Payment for Jan to Mar 2024</li><li>• Provident Fund (PF) &amp; ESI Returns and Payment for Feb 2024</li><li>• Form 13 (Nil / Lower TDS) for FY 2023-24</li></ul>
20th March 2024	GSTR 3B for Feb 2024 (Monthly)
25th March 2024	GST Challan Payment if no sufficient ITC for Feb 2024 (for all Quarterly Filers)
30th March 2024	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments) for Feb 2024
31st March 2024	Last Date for Updated ITR for FY 2020-21 (For FY 2021-22 and FY 2022-23 the due date would be 31st Mar 2025 and 2026 respectively).

# PHOTO GALLERY OF BRANCH EVENTS

## CPE Seminars



CPE Seminars



WIRC Award Ceremony & Members RRC Program



### Charge Handover Ceremony

