



GURUGRAM BRANCH OF NIRC

The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)

March 2023 Edition

e-Newsletter

Chartered Accountants

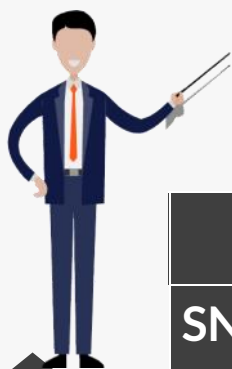


Table of Content

SNo.	Particulars	Page No.
1	ICAI-MOTTO	3
2	Stay Connected-Get Updated with ICAI Gurugram	4
3	Office Bearers of the Gurugram Branch of NIRC of ICAI for the year 2023-20234	6
4	Annual Study Group Membership 2022-23	7
5	Chairman's Message	9
6	Vice-Chairman's Message	11
7	Secretary's Message	12
8	Treasurer's Message	13
9	NICASA Chairman's Message	15
10	Accounting for cryptocurrencies	16
11	Transitional provisions-CT-UAE-V1	20
12	Glimpses	22
13	Administration	25





ICAI MOTTO

य एष सुप्तेषु जागर्ति कामं कामं पुरुषो निर्मिमाणः ।
तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।
तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ॥

Ya eṣa supteṣu jāgarti kāmam kāmam puruṣo nirmimāṇah ।
Tadeva śukram tad brahma tadevāmṛtamucyate ।
Tasminlokāh śritāh sarve tadu nātyeti kaścan । Etad vai tat ॥

That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman that, indeed is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam: desire after desire, really objects of desire. Even dream objects like objects of waking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self.

No one ever goes beyond it: of Eckhart: 'On reaching God all progress ends'.

Source: Kathopanishad





Stay Connected-Get Updated with ICAI Gurugram Branch

Please update your latest details
in the form to stay updated for all
activities of your branch.

Stay Connected-Get Updated Link:
<https://bit.ly/StayConnectedGGN>

Also join us on any below mentioned social
media link for the activities details.

-  <https://bit.ly/linkedinicaigurugram>
-  <https://bit.ly/icaiggnpage>
-  <https://bit.ly/instagramggnicai>
-  <https://bit.ly/icaigurugramApp>
-  <https://t.me/icaigurugram>
Channel - **ICAI Gurugram Branch**
-  9899324222 (only whatsapp)



Stay Connected-Get Updated with NICASA Gurugram Branch

Please update your latest details in the form to stay updated for all activities of your branch.

Stay Connected-Get Updated Link:
<https://bit.ly/ggnStayConnected>



Also join us on any below mentioned social media link for the CA Students Activities




 <https://bit.ly/linkedinicaigurugram>

 <https://bit.ly/icaiggnpage>

 <https://bit.ly/instagramggnicai>

 <https://bit.ly/icaigurugramApp>

 <https://t.me/ICAIgurugramConnected>
Channel - **ICAI Gurugram-CA Students**

 9899324222 (only whatsapp)



CA. Amit Gupta
Chairman

Managing Committee 2023-24 Office Bearers of the Gurugram Branch of NIRC of ICAI for the year 2023-2024



CA. Amit Kithania
Vice-Chairman



CA. Pooja Aggarwal
Secretary



CA. Jitender Yadav
Treasurer



CA. Vipin Agrawal
Chairman NICASA



CA. Jitender Sharma
Chairman
Members in Industry



CA. Mohit Singhal
Immed. Past Chairman

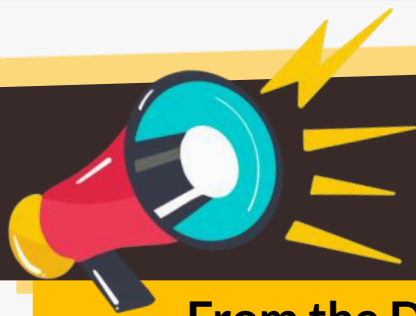


CA. Nishant Kumar
Executive Member



CA. Himmat Yadav
Executive Member





Special Offer for New Member

(other than Existing Study Group Member 2022-23 of Gurugram Branch)

From the Date of Payment to 31st March 2024 (13 months)

Particulars	Fee Per member	GST @ 18%	Total Amount
For Individual Member	Rs. 5500/-	Rs. 990/-	Rs. 6490/-
For five or more declared members from any organization	Rs. 5000/-	Rs. 900-	Rs. 5900/-

Fee Structure:-

Special Offer for New Member-Other than existing study group members-2022-23
(From the Date of Payment to 31st March 2024 (13 Months))

A. For Individual Member:- Rs 5500 plus Rs. 990(18% GST)= Rs. 6490/-

B. For five or more declared members from any organization i.e. names of the Members to be declared at the time of payment of fee- Rs.5000 plus Rs.900 (18% GST)= Rs. 5900/- per member

Payment Option:

1. **Offline Mode** - Please fill up the form ([Click Here](#)) and send the cheque to branch along duly filled form.
2. **NEFT/RTGS Mode** : RTGS/NEFT at below bank and share the details of payment along duly filled form at gurgaonicai1@gmail.com

Bank Account Details:-

A/C Name : Gurgaon Branch of NIRC of ICAI

A/C Number : 910010026661826 | IFSC Code : UTIB0000056

(Kindly mention your name and Membership Number in the remarks while making the payment)

3. **Payment gateway** - Please follow the link and make the payment.

For Individual Member : <https://imjo.in/ExybaM>

For Five Member : <https://imjo.in/SrgXWg>

Note:- GST details (in membership form) need to be shared at the time of making the payment. An invoice once issued will not be altered.

Disclaimer:

Request you to please send a mail at gurgaonicai1@gmail.com along with invoice/GST details (in membership form) within 3 days of making the payment to receive a copy of GST Invoice with your details.

Renewal Offer for Existing Study Group Member(2022-23) of Gurugram Branch



Offer Valid upto 31st March 2023

The details of membership fee which are as follows:

Particulars	Fee Per member	After Discount (for existing member)	GST @ 18%	Total Amount
For Individual Member	Rs. 5500/-	Rs. 5000/-	Rs. 900/-	Rs. 5900/-
For five or more declared members from any organization	Rs. 5000/-	Rs. 4500/-	Rs. 810/-	Rs. 5310/-

Renewal offer with discount for Existing Study Group Member (2022-23) of Gurugram Branch - (Flat Rs. 500 discount only if payment made upto 31st March, 2023)

- For Individual Member:- Rs 5000 plus Rs. 900(18% GST)= Rs. 5900/-
(Payment Link: <https://imjo.in/nxRhQc>)
- For five or more declared members from any organization i.e. names of the Members to be declared at the time of payment of fee- Rs.4500 plus Rs. 810 (18% GST)= Rs. 5310/- per member
(Payment Link: <https://imjo.in/VMzntQ>)

Payment Option:

- Offline Mode** - Please fill up the form ([Click Here](#)) and send the cheque to branch along duly filled form.
- NEFT/RTGS Mode** : RTGS/NEFT at below bank and share the details of payment along duly filled form at gurgaonici1@gmail.com

Bank Account Details:-

A/C Name : Gurgaon Branch of NIRC of ICAI

A/C Number : 910010026661826 | IFSC Code : UTIB0000056

(Kindly mention your name and Membership Number in the remarks while making the payment)

Note:- GST details (in membership form) need to be shared at the time of making the payment. An invoice once issued will not be altered.

Disclaimer: Request you to please send a mail at gurgaonici1@gmail.com along with invoice/GST details (in membership form) within 3 days of making the payment to receive a copy of GST Invoice with your details.



Chairman's Message

CA Amit Gupta

Gurugram Branch of NIRC of ICAI

It is with great pleasure and honour that I address you today as the Chairman of the Gurugram Branch of the Institute of Chartered Accountants of India (ICAI), the largest branch of Northern Region of ICAI. My sincere thanks to my colleagues at the branch and esteemed members of the Gurugram Branch for their trust and confidence in me and for entrusting me with the responsibility of leading this prestigious branch.

On behalf of the Gurugram Branch, I wish to congratulate CA Aniket Sunil Talati and CA. Ranjeet Kumar Agarwal, for being elected as President and Vice President of ICAI respectively. We are confident that the profession shall reach greater heights under their abled leadership. As a professional body, the ICAI has been instrumental in shaping the accounting profession in India, and the Gurugram Branch has been a significant contributor to this success. We, as chartered accountants, have an essential role to play in shaping the country's financial landscape, and it is our responsibility to maintain the highest standards of professionalism, ethics, and integrity.

At Gurugram Branch, our focus will be on continuing to provide excellent services to our members while promoting the profession's interests. We will strive to create a platform for knowledge sharing and capacity building, as well as fostering relationships and networks that enhance the value of our profession.

Our theme for this year is "Transforming through Inclusivity and Diversity." Promoting inclusivity and diversity within the profession is critical for its growth and development. As we move towards a more inclusive and diverse profession, we will create a culture of openness and collaboration, which will ultimately benefit our members, clients, and society as a whole.

In order to help the profession grow and develop, I would like to take this chance to ask our distinguished members to participate in our events and seminars by contributing their knowledge and skills as presenters, teachers, or subject matter experts. We urge our members to contribute



articles to our newsletters and other publications with their insightful observations and life experiences. Your assistance is crucial to building a flourishing community and advancing the interests of the profession at the ICAI Gurugram Branch.

As we enter the month of March, I extend my sincerest wishes to all our members celebrating the festival of Holi. May this festival of colors bring joy, happiness, and prosperity to you and your loved ones. Let us celebrate this festival with a spirit of inclusivity and diversity, and spread the message of harmony and peace.

I humbly request Members to enrol life member of the Chartered Accountant Benevolent Fund (CABF) to provide financial assistance for maintenance, education, or any other similar purpose. Please click <https://cabf.icaai.org/lifeMember>.

I would like to end with a quote from Mahatma Gandhi, "The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems." We have the knowledge, abilities, and competence to impact the world as chartered accountants significantly. Let us strive to be the best that we can be and contribute to the betterment of society.

I look forward to working with you all, and together, we can achieve great things.

Jai Hind





Vice-Chairman's Message

CA Amit Kithania

Gurugram Branch of NIRC of ICAI

Respected Members and Students,

It is indeed a great honour to communicate with you as the Vice-Chairman of Gurugram Branch of NIRC of ICAI. Representing the members of a noble profession like ours in a millennium city like Gurugram, is an honor and we will try and ensure that the baton be kept and handed over to the successors in transparent and professional manner. I would also like to thanks the previous management for the efforts they have put in to bring the Branch at this level today.

It is a matter of great pride for us that CA Aniket Sunil Talati , has been elected as the President of ICAI and CA. Ranjeet Kumar Agarwal as Vice President of ICAI. On behalf of our branch, I would like to congratulate both of them.

Your branch has been doing great works in the field of knowledge development while creating a community of professional brotherhood. I am sure, in the coming years, the branch will add multiple new feathers in its cap including a fast-paced development in the Gurugram branch's building in Manesar.

Coming together is a beginning; keeping together is progress; working together is success.

Success does not come by chance, lot of efforts have been done in sequence to achieve that success, For being successful in life one has to put in lot of hard work and dedication for the achievement of positive results. For producing the desired results, one has to update the skill set and knowledge and move forward with the changing and challenging time. The professional world is full of challenges, as lots of developments and amendments are taking place day in day out. For being successful professional one has to be updated every next second. Keeping all this in mind, Gurugram ICAI Branch is always keen to provide best of the possible services to various stakeholder either in the form of offering more & more opportunities of learning and capacity building for keeping them updated by organizing series of quality professional developments programs or in the form of providing any other services

May 2023 exams around the corner, I convey my best wishes for the upcoming exams. All of us know these are one of the tough exams around but a planned set of studies along regular improvement on the way one attempts the exams is a sure recipe for success.

With this, I thank everyone once again for their continuous support and guidance.



Secretary's Message

CA Pooja Aggarwal
Gurugram Branch of NIRC of ICAI

My Dear Professional Colleagues,

Greetings from the office of the Secretary!

As the secretary of the Gurugram ICAI branch, it gives me immense pleasure to welcome you to our office. Our mission is to provide quality education and training to our members and students and help them achieve their dreams. We believe in equipping our members with the knowledge and skills necessary to excel in the dynamic field of accounting and finance.

Our office is equipped with modern technology and amenities to provide our student with a comfortable and conducive environment to learn and grow. We have a team of highly qualified and experienced professionals who are always ready to assist and guide our members in their journey.

Apart from conducting classes and training sessions, we also organize various events and programs to provide a platform for our members to network and stay updated with the latest developments in the field. Our events include seminars, conferences, workshops, and webinars, which are attended by prominent experts and leaders in the accounting and finance industry.

We also believe in giving back to society and fulfilling our social responsibility. Our office regularly contributes to various charitable organizations and organizes initiatives to support the underprivileged and marginalized sections of society. We believe that this is a small way in which we can make a positive impact on society and contribute to building a better future for all.

In conclusion, our office at Gurugram ICAI is a testament to the commitment and dedication of our team towards promoting excellence in the field of accounting and finance. We strive to provide our members with the best facilities and support to enable them to achieve their goals and lead successful careers. We welcome you to our office and are always happy to assist and guide you in your journey towards excellence. Looking forward for your blessings & support throughout the year.





Treasurer's Message

CA Jitender Yadav
Gurugram Branch of NIRC of ICAI

Dear Professional Colleagues and CA Students,

First of all I would like to convey my sincere gratitude to the members of Gurugram Branch of NIRC of ICAI who have shown their confidence to give me an opportunity to serve as Treasurer of our esteemed branch. Representing the members of a noble profession like ours in a millennium city like Gurugram, is an honor and we will try and ensure that the baton be kept and handed over to the successors in transparent and professional manner. I would also like to express my gratitude to all the members of the previous committees of the Gurugram branch for their efforts and contribution for the profession. I would also like to congratulate our newly elected President CA Aniket Sunil Talati and Vice President CA. Ranjeet Kumar Agarwal for the year 2023-24. I would also like to congratulate our newly elected Northern India Regional Council Chairman CA. Gaurav Garg and Vice Chairman CA. Dinesh Sharma for the year 2023-24.

As my one year term as Secretary of Gurugram Branch of ICAI comes to an end, I would like to take a moment to express my heartfelt sincere gratitude and appreciation for your immense Support, Guidance, Love and Trust in serving our profession.

I would like to Congratulate the incoming Chairman CA Amit Gupta ji, Vice Chairman CA Amit Kithania ji, incoming Secretary CA Pooja Aggarwal ji, Chairman NICASA CA Vipin Agrawal Ji and CMI Chairman CA Jitender Sharma ji and bestow my best wishes for a wonderful tenure ahead.

I would also like to Thank my Chairman CA Mohit Singhal bhai and managing committee colleagues also for their continuous efforts, support and hard work which we have done in last one year. Mohit's dedication, commitment and hard work was unparalleled.

I thank you all the members, students, and Branch staff for encouraging me at every step and at various important events & sessions like 75 Days -75 Activities for continues 75 days to celebrate





Azadi ka Amrit Mahotsav, Women's Conference, Seminars, National Conferences for members & students, Sub-Regional Conference, Student's fest, Residential Refresher Course to Manali, Webinars and many more events we have done during the last one year.

A big thanks, applaud & love to Chairman CA Mohit Singhal bhai for always standing with me, without your tireless efforts and hard-work, we would not have been able to achieve many milestones and success that we did.

I would like to give special thanks my mentors CA. Naveen Garg sir, CA. Rajiv Dagar Sir, CA. Rakesh Aggarwal Sir, CA. Arun Aggarwal bhai, CA. Nitin Kataria bhai and my elder brother CA. Anil Yadav dada for all the guidance and support to me throughout the journey.

I would like to convey my heartfelt thanks to all of you for all the guidance, support, trust & love you have given to me in last one year. I have been now given the new role of Treasurer of Gurugram Branch and looking forward for your continued support. I am sure that during coming year also we will work and serve the fraternity for the betterment of the profession and building branch image of our mother Institute "The ICAI".





NICASA Chairman's Message

CA Vipin Agrawal
Gurugram Branch of NIRC of ICAI

Dear Students & Members,

It's with great pleasure that we present to you our monthly newsletter for the month of March 2023. This newsletter will cover our various activities held during the past year and the motivation for CA students for future enrollment and engagement.

We're proud to say that we have successfully conducted several programs and events for our members and CA students during the year. These programs and events have provided a platform for knowledge-sharing, skill-building, and networking.

One of the most successful events we held during the year was the "CA Students National Conference-2022 - Navaarambh2022." This conference was an incredible opportunity for CA students to gain insights into the latest industry trends and practices, network with peers, and get inspired by the success stories of renowned professionals.

In addition to the conference, we also organized several other activities like badminton Tournament, Annual Sports Meet, Chess Competition etc. and programs, including seminars, webinars, talent search competitions, certificate courses, mock test series, and industrial visits. These programs aimed to enhance the technical and soft skills of our members and CA students, improve their employability, and contribute to their professional development.

As we move forward, we encourage all our members and CA students to actively participate in our upcoming events and programs. We believe that our activities provide an excellent platform for learning, growth, and networking, and we're committed to continuously improving and innovating our offerings to meet the evolving needs of our members and CA students.

Thank you for your continued support, and we look forward to your active participation in our future programs.

Best regards,

NICASA Chairman
Gurugram Branch of NIRC of ICAI





Accounting for cryptocurrencies

By Mr. Pradeep

What is cryptocurrency?

1. Cryptocurrency is an intangible digital token that is recorded using a distributed ledger infrastructure, often referred to as a block-chain. These tokens provide various rights of use. For example, cryptocurrency is designed as a medium of exchange. Other digital tokens provide rights to the use other assets or services, or can represent ownership interests.

2. These tokens are owned by an entity that owns the key that lets it create a new entry in the ledger. Access to the ledger allows the re-assignment of the ownership of the token. These tokens are not stored on an entity's IT system as the entity only stores the keys to the Block-chain (as opposed to the token itself). They represent specific amounts of digital resources which the entity has the right to control, and whose control can be reassigned to third parties.

What accounting standards might be used to account for cryptocurrency?

1. At first, it might appear that cryptocurrency should be accounted for as "cash and cash equivalents" because it is a form of digital

money. However, cryptocurrencies cannot be considered equivalent to cash (currency) as defined in IND AS 7 and IND AS 32 because they cannot readily be exchanged for any good or service. Although an increasing number of entities are accepting digital currencies as payment, digital currencies are not yet widely accepted as a medium of exchange and do not represent legal tender. Entities may choose to accept digital currencies as a form of payment, but there is no requirement to do so.

2. IND AS 7 defines cash equivalents as 'short-term, highly liquid investments' that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value'. Thus, cryptocurrencies cannot be classified as cash equivalents because they are subject to significant price volatility. Therefore, it does not appear that digital currencies represent cash or cash equivalents that can be accounted for in accordance with IND AS 7.

3. Intuitively, it might appear that cryptocurrency should be accounted for as a financial asset at fair value through profit or loss (FVTPL) in accordance with IND AS 109. However, it does not seem to



meet the definition of a financial instrument either because it does not represent cash, an equity interest in an entity, or a contract establishing a right or obligation to deliver or receive cash or another financial instrument. Cryptocurrency is not a debt security, nor an equity security (although a digital asset could be in the form of an equity security) because it does not represent an ownership interest in an entity. Therefore, it appears cryptocurrency should not be accounted for as a financial asset.

4. However, digital currencies do appear to meet the definition of an intangible asset in accordance with IND AS 38, Intangible Assets. This standard defines an intangible asset as an identifiable non-monetary asset without physical substance. IND AS 38 states that an asset is identifiable if it is separable or arises from contractual or other legal rights. An asset is separable if it is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability. This also corresponds with IND AS 21, The Effects of Changes in Foreign Exchange Rates, which states that an essential feature of a non-monetary asset is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Thus, it appears that cryptocurrency meets the definition of an intangible asset in IND AS 38 as

it is capable of being separated from the holder and sold or transferred individually and, in accordance with IND AS 21, it does not give the holder a right to receive a fixed or determinable number of units of currency.

5. Cryptocurrency holdings can be traded on an exchange and therefore, there is an expectation that the entity will receive an inflow of economic benefits. However, cryptocurrency is subject to major variations in value and therefore it is non-monetary in nature. Cryptocurrencies are a form of digital money and do not have physical substance. Therefore, the most appropriate classification is as an intangible asset.

6. IND AS 38 allows intangible assets to be measured at cost or revaluation. Using the cost model, intangible assets are measured at cost on initial recognition and are subsequently measured at cost less accumulated amortisation and impairment losses. Using the revaluation model, intangible assets can be carried at a revalued amount if there is an active market for them; however, this may not be the case for all cryptocurrencies. The same measurement model should be used for all assets in a particular asset class. If there are assets for which there is not an active market in a class of assets measured using the revaluation model, then these assets should be measured using the cost model.



7. IND AS 38 states that a revaluation increase should be recognised in other comprehensive income and accumulated in equity. However, a revaluation increase should be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset that was previously recognised in profit or loss. A revaluation loss should be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset. It is unusual for intangible assets to have active markets. However, cryptocurrencies are often traded on an exchange and therefore it may be possible to apply the revaluation model.

8. Where the revaluation model can be applied, IND AS 13, Fair Value Measurement, should be used to determine the fair value of the cryptocurrency. IND AS 13 defines an active market, and judgement should be applied to determine whether an active market exists for particular cryptocurrencies. As there is daily trading of Bitcoin, it is easy to demonstrate that such a market exists. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available. In addition, the entity should determine the principal or most advantageous

market for the cryptocurrencies.

9. An entity will also need to assess whether the cryptocurrency's useful life is finite or indefinite. An indefinite useful life is where there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. It appears that cryptocurrencies should be considered as having an indefinite life for the purposes of IND AS 38. An intangible asset with an indefinite useful life is not amortised but must be tested annually for impairment.

10. In certain circumstances, and depending on an entity's business model, it might be appropriate to account for cryptocurrencies in accordance with IND AS 2, Inventories, because IND AS 2 applies to inventories of intangible assets. IND AS 2 defines inventories as assets:

- A. held for sale in the ordinary course of business
- B. in the process of production for such sale, or
- C. in the form of materials or supplies to be consumed in the production process or in the rendering of services.

For example, an entity may hold cryptocurrencies for sale in the ordinary course of business and, if that is the case, then cryptocurrency could be treated as inventory. Normally, this would mean





the recognition of inventories at the lower of cost and net realisable value. However, if the entity acts as a broker-trader of cryptocurrencies, then IND AS 2 states that their inventories should be valued at fair value less costs to sell. This type of inventory is principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. Thus, this measurement method could only be applied in very narrow circumstances where the business model is to sell cryptocurrency in the near future with the purpose of generating a profit from fluctuations in price.

As there is so much judgement and uncertainty involved in the recognition and measurement of cryptocurrencies, a certain amount of disclosure is required to inform users in their economic decision-making. IND AS 1, Presentation of Financial Statements, requires an entity to disclose judgements that its management has made regarding its accounting for holdings of assets, in this case cryptocurrencies, if those are part of the judgements that had the most significant effect

on the amounts recognised in the financial statements. Also IND AS 10, Events after the Reporting Period requires an entity to disclose any material non-adjusting events. This would include whether changes in the fair value of cryptocurrency after the reporting period are of such significance that non-

disclosure could influence the economic decisions that users of financial statements make on the basis of the financial statements.





Transitional provisions

CA Deepak Arya

The Corporate Tax in UAE shall be effective from 01 June 2023. The tax rate will be 9% on the Total Income with an exemption to Small businesses having Income not more than AED 375,000.

One of the important matter of discussion is the Transitional provisions to be followed by Corporates before closure of their books of accounts and signing off their financials.

As per Article 61 of Corporate Tax Law, the Transitional Rules provides that:

1. A Taxable Person's opening balance sheet for Corporate Tax purposes shall be the closing balance sheet prepared for financial reporting purposes under accounting standards applied in UAE on the last day of the Financial Year that ends immediately before their first Tax Period commencement i.e. after 01 June 2023, subject to any conditions or adjustments that may be prescribed by the Minister.

As per the clause 1, if you have identified yourself as a taxable person under the Law, then you should take note that the closing balance sheet before the first tax period shall be taken as

opening balance sheet for the purpose of Corporate Tax.

2. The opening balance sheet referred to in Clause 1 of this Article shall be prepared taking into consideration the arm's length principle in accordance with Article 34 of this Decree-Law.

Now, while the opening balance sheet for the purposes of Corporate Tax is available, the above clause 2 mandates that the **closing balance sheet before the beginning of first tax period should be prepared in consideration of the arm's length principle (ALP) in accordance with Article 34 of the Corporate Tax law.**

What does Article 34 provide?

Article 34 provides the principles to determine ALP of taxable income, transactions and arrangements between related parties. Majorly, these principles are in line with OECD guidelines.

As we all know the tax return filings, payments of taxes and few other compliances are annual or after completion of first tax period. But the above Articles, mandates the Corporates to ensure that the Financials which are ending before the beginning of first tax period must be prepared by





taking into consideration the arm's length principles laid down under Article 34 of the law.

Therefore, it becomes really important to assess the transactions which shall become the part of the above-mentioned closing balance sheet from the perspective of whether the said transaction or arrangement is at ALP.

3. For the purposes of Clauses 1 and 2 of this Article, and as an exception to the provisions of Article 70 of this Decree-Law, the provisions of Article 50 of this Decree-Law shall apply to transactions or arrangements entered into on or after the date this Decree-Law is published in the Official Gazette.

The clause 3 is also relevant from the perspective that if a transaction or arrangement entered **after** the date of corporate tax law published in the official gazette and it can be reasonably concluded that a transaction or arrangement is not a valid commercial transaction or the said transaction is done only to obtain the Corporate tax advantage, then authority have right to do the assessment and give effect of adjustments along with compensating adjustments to the corporate tax liability of any other affecting person.

With the above provisions, we would like to highlight few instances which require attention.

The transactions including sale of services/goods, purchase of services/goods, outstanding balances for more than a reasonable time, allocation of common costs to and from Holding Companies, reimbursement of expenditures, etc. needs to be investigated and necessary assessment required to establish such transactions happened at ALP and adjustments, if any required, may be taken before finalization of accounts.

We are open for any queries of yours in respect of smooth implementation of Corporate Tax in your organization and impact assessment of provisions on transactions you enter into.





Day & Date : Saturday-Sunday, 4th & 5th February 2023

National Level Cricket Tournament 2023

Time : 09.30 AM - 05.00 PM

Venue : Kadarapur Village, Gurugram, Haryana



Day & Date: Friday, 3rd February 2023 | **Time:** 09.30 AM - 02.00 PM (4 CPE Hours)

Topic: Union Budget | **Venue:** Hotel Leela Ambience, Sector-24, Gurugram





Day & Date: 13th & 14th January 2023 | **Time:** 09.30 AM - 05.00 PM (12 CPE Hours)

Topic: Sub Regional Conference | **Venue:** Hotel Crowne Plaza, Sector-29, Gurugram



Gurugram Branch Managing Committee for the Session 2023-24

SNo.	Designation	Name	Mobile	Email ID
1	Chairman	CA. Amit Gupta	9654346350	amitmbaca@gmail.com
2	Vice-Chairman	CA. Amit Kithania	9716013030	caamitkithania@yahoo.co.in
3	Secretary	CA. Pooja Aggarwal	9810559631	poojaaggarwal8@gmail.com
4	Treasurer	CA. Jitender Yadav	9911656371	cajitender9@gmail.com
5	NICASA Chairman	CA. Vipin Agrawal	9599336633	cavipinagrawal@gmail.com
6	Chairman of Members in Industry	CA. Jitender Sharma	9811899901	cajitendersharma01@gmail.com
7	Immediate Past Chairman	CA. Mohit Singhal	9555379714	fcasmc@gmail.com
8	Executive Member	CA. Himmat Yadav	9999929513	cayadavhimmat@gmail.com
9	Executive Member	CA. Nishant Kumar	9560753535	nishant@srjnindia.com
10	Ex-Officio Member	CA. Naveen Garg	9911283111	nv_n_garg@yahoo.com
11	Ex-Officio Member	CA. Pitam Goel	9650777079	pitam.goel@tattvamgroup.in
12	Ex-Officio Member	CA. Sandeep Agarwal	7903121471	sandeep.agarwal@felixadvisory.com
13	Ex-Officio Member	CA. Sangam Agarwal	9818911609	ashcompanyca@gmail.com
14	Ex-Officio Member	CA. Vijay Kr. Gupta	9871174091	vkguptaca@gmail.com

Feedback & Suggestions: Gurugram Branch will be happy to receive the feedback from you regarding the seminars/workshops and other activities organized by branch. You may please send feedback at Gurugram Branch of NIRC of ICAI requests the members & students to come forward & share the articles (Professional & other) to be published in the upcoming newsletter. The submissions may be sent to

Gurugram Branch of NIRC of ICAI

📍 2A, Second Floor, Pavilion Building, Sector-14, Gurugram-122001

✉️ gurgaon@icai.org 🌐 www.icaigurugram.org 📞 124-4268867