



AHMEDABAD BRANCH OF WICASA

E-NEWSLETTER
FOR THE
MONTH OF

MARCH

2021

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WICASA AHMEDABAD OFFICIAL



Life is like a rainbow.
You need both rain and sun
to make its colors appear.

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MESSAGE FROM CHAIRMAN, AHMEDABAD BRANCH OF WIRC OF ICAI

Dear Students,

I humbly take over the baton of Ahmedabad Branch of WIRC of ICAI with a deep sense of gratitude, responsibility and commitment. This being my first communication to you as Chairman of the Branch, I would like to place on record my sincere appreciation for the confidence reposed upon me. Like my predecessors, I would work diligently for the Profession and hope to bring greater laurels to the Branch.



I take this opportunity to congratulate the newly elected ICAI President CA. Nihar N Jambusaria, Vice President CA. (Dr.) Debashis Mitra and Team ICAI. WIRC has also handed over its leadership to dynamic chairman CA. Manish Gadia. I am sure these stalwarts will lead ICAI to greater heights of glory.

Our Profession has seen many evolutionary changes over the last few years. In an increasingly complex, demanding and competitive 21st century we still need to push the boundaries and rise beyond the ordinary. With that in mind, our theme for the year 2021-22 revolves around the four letters which we are so proud of – **ICAI - Ideation – Collaboration – Adaptability – Innovation**. These four words encapsulate our ethos that growth is a way of life. We have to excel in all aspects to make an impact while we grow professionally and ethically so as to move beyond the set boundaries. Our theme will inspire us to move out of the mundane and routine into doing new and challenging work – where CAs surge into a realm of innovation and creative growth. To provide new and innovative ideas that reflect our true heritage as professionals who not only deal with numbers but provide strategic solutions to provide continuous impetus for constant growth. Here I am reminded of the words by APJ Abdul Kalam who said, *“Dream, Dream, Dream Dreams transform into thoughts, and thoughts result in action. Dream is not that which you see while sleeping, it is something that does not let you sleep.”*

February was a month of great satisfaction and pride for the entire Managing Committee as Ahmedabad Branch of WIRC got awards at National and Regional levels. We sincerely dedicate this proud moment to all the members and students of our branch, whose immense faith and

support has brought these laurels. For students, there were very exciting events in February like CA Cyclify, Rankers Talk, Abhivyakti, Talaash, Sports Week and Box Cricket and we have lot of amazing and enriching events lined up in the month of March 2021.

March is month of Holi - a festival of colour and a celebration that symbolizes the victory of devotion and virtue over evils. Wishing all our members a very Happy Holi - **May all the seven colours of the rainbow come together this Holi and bless you and your family, life with happiness and joy.**

Regards,

CA Harit Dhariwal

Chairman,

Ahmedabad Branch of WIRC of ICAI

MESSAGE FROM CHAIRPERSON, AHMEDABAD BRANCH OF WICASA OF ICAI

Dear Students,

“Don’t Contemplate, Condemn, Criticize”

February 2021 has been completed as always with lots of amazing events. The month of February 2021 was so mesmerizing, as we completed the Sports week and Talaash – A quest for finding the Best CA Student, where we got superb response from students.



In my vision to serve students, I am arranging various programs and we are getting fantastic response of the same. We organized various programs – Rankers Talk, Abhivyakti, CA Cyclify, Ground cricket etc. which turned into huge successful events with overwhelming response. I request you all to support with same zeal and enthusiasm in upcoming programs – Fireless Cooking and many events or activities to serve students for their growth and development in every stage of life.

A Japanese client told me that when you disrespect timelines, you disrespect the person you are working with and your own word. *“Deadlines that are meant to be broken are dead before they start”*. That is the reason I would request all my students to understand the importance of timeliness. Deadlines maybe in the form of due dates in office or projects, but as the case maybe, when you have been bestowed upon with such responsibilities then you ought to respect the same.

I am thankful to our immediate past Chairman, CA. Fenil Shah for all the support and passion for student’s development. I would like to congratulate the new Chairman of the Branch, CA. Harit Dhariwal and wish him all the luck for a successful year ahead.

The Ahmedabad branch of WICASA has actively organized programs for its students overall Development. I ensure that the same trend will be continued for all the coming years and that is possible only with the students’ support. The more participation we can acknowledge, the more will be our energy to keep doing what we do. Kindly keep in touch with the Branch website for all information on upcoming events.

“It is always good to work with people who make you feel insecure about yourself. That way, you will constantly keep pushing your limits. “

Thanking you,

Dr. CA. Anjali Choksi

Chairperson, WICASA

Ahmedabad Branch of WIRC of ICAI

MESSAGE FROM VICE-CHAIRMAN, **AHMEDABAD BRANCH OF WICASA OF ICAI**

Dear Friends,

Welcome to the most energetic month or the financial year !
Relax and Sit back as now the Dues dates have been extended !

But, do you know what it looks like to be busy achieving the goals we have made for ourselves, grinding ourselves day in and out just get our hopes and dreams fulfilled and not just ours, also to fulfill the expectations of our parents, teachers, friends etc. ! We are the Students, the most energetic population of the world and we have a limited time to cherish our student life ! We all know we all are going to miss these days then why not make these days worth missing!



Just a Day Back, New Managing Committee of Ahmedabad Branch of WIRC of ICAI was announced ! I Congratulate CA Harit Dhariwal Sir and team on being elected as New Office Bearers and also with heavy heart I also bid a farewell to CA Fenil Shah Sir as a Dynamic Chairman of Branch. These Personalities I mentioned above work for the students and members day in and day out, without any personal motive, let's be thankful to them.

In this February Our Own WICASA Team was awarded the Best Branch of Students Association at both National and Regional Level. I feel very proud to tell this as definitely these awards have a value which cannot be neglected but what I love the most about this is This Awards show Our Teamwork, Our Hardwork, Our perseverance to be the Best amongst others. I am thankful to each and every one who contributed their efforts and time to bring this glory to the Ahmedabad Branch. I hope the Students who still haven't joined these beautiful association soon be a part of the same to experience and live a life cut above and deliver the unexpected !

We promise you that we are always a step ahead to serve the students. This month too we are eagerly waiting to plan the events which will help each and every student to enrich their capabilities in terms of Intelligence, Knowledge, skills, Health and every aspect which enables a CA Students to stand out and above amongst other professionals.

At last, a big thank you my lovely sister and managing committee member Ms. Divya Jain, because of whom this Newsletter gets delivered to you timely. Kudos to her every effort from Compiling everything and to getting everyone's messages. Kudos to the entire Newsletter Team include Ashish and Kairav who are working tirelessly since last few days. I congratulate all the article writers and to all of those students who contributed to make these newsletter a worth reading journal. And Lastly lots of Love to entire WICASA Family. Signing off till my next message.

Regards,

Jayprakash Motwani

Vice-Chairman,

Ahmedabad Branch of WICASA of ICAI

MESSAGE FROM TREASURER , **AHMEDABAD BRANCH OF WICASA OF ICAI**

Hello Everyone!

Vision looks inward and becomes Duty. Vision looks outward and becomes aspiration. Vision looks upward and becomes faith." Now, when vision of duty, aspiration and faith has become a reality, it is a proud moment for me to see thousands of students are connected with us.



This is visible from students' day to day participation in Seminars, events, etc. conducted by us. Success of an event does not depend on the efforts of the organisers but by the impact it created and lives it changed. February has just ended, Various seminars were conducted on challenging topics like GST, Start Ups, Tax audit last month. These Seminars are platform for the students to stay updated with the curriculum. I request all the students to come and participate in the event and take the best benefit out of it. It is a nice platform for the students to create good networks, excel in learning, meet and interact with ICAI Personalities. Hoping to see you all in Large number. Also I request all the students without any partiality between any region that we are here for you all, take maximum benefit of the things especially organised for you.

Congratulations to CA Fenil sir for successful completion of term by always helping WICASA Committee to serve best to students. Congratulations to CA Harit Dhariwal sir for take charge in WIRC of Ahmedabad Branch as a Chairman.

Here I would like to conclude with, When you travel the path of life, always remember sea is common for all, some take pearls, some take fishes and some just come out with wet legs. Similarly world is common for all but we get what we try for.

Best Regards,

Akshat Shah

Treasurer,

Ahmedabad Branch of WICASA of ICAI

MESSAGE FROM CHIEF-EDITOR, AHMEDABAD BRANCH OF WICASA OF ICAI

Dear Readers,

"You can't go back and change the beginning, but you can start where you are and change the ending." "स्मारिका", the word means remembrance of something. The past month witnessed the retirement of the old committee and rejuvenation of past memories. The past events, festivals, dramas and all the endless fun. It's always good to relive those moments - *Memories to Cherish, Memories to Celebrate, and Memories are timeless treasures of the heart.*



"If you can't fly, then run, if you can't walk run, then walk, if you can't walk, then crawl, but by all means keep moving"

Every new activity brings in a new upgrade to ones personality whether it be academic or non-academic the previous month was the best example of it where we ensured up gradation of all peers through the following initiatives:

- ✓ Sports Week
- ✓ Seminar on Technical Analysis of Finance Bill
- ✓ Ground Cricket
- ✓ Talaash
- ✓ Abhivyakti
- ✓ CA Cyclify
- ✓ Rankers' Talk

With the new committee on board, WICASA will now be entering into a new phase which will be full of opportunities, learnings and endeavors for Young CA Students looking forward to excel in their professional careers. The new committee is determined to add more enthusiasm and energy to the current levels.

*The Editorial Board is glad to release the Newsletter for the month of March 2021. Hereby I take this opportunity to thank all the **contributors** for sparing their time. We request you to send your contribution on the topic of direct and indirect tax Corporate Law, VAT, Information Technology, Economics and other interesting topics. Kindly mail your contribution, achievements, etc. on wicasaahmedabad@icai.org. I extend thanks to the Editorial Team for their hard work to publish this Newsletter and thanks for giving positive response on the theme of previous month's Newsletter.*

With the dates announced for the May 2021 examination, “All the Best” to all the Future Chartered Accountants Students for the upcoming examination. And may God gift you all the colours of life, colours of joy, colours of happiness, colours of friendship, colours of love and all other colours you want to paint your life in. Happy Holi in advance!

“Happiness is the mindset for your journey, not the result of your destination.”

Thanks & Regards,

Divya Jain

Chief Editor & Managing Committee Member,
Ahmedabad Branch of WICASA of ICAI

MANAGING COMMITTEE OF AHMEDABAD BRANCH OF WICASA OF ICAI



CA Harit Dhariwal
Chairman
Ahmedabad Branch of WIRC of ICAI



Mr. Jayprakash N. Motwani
Vice Chairman
Ahmedabad Branch of WICASA



Ms. Khushi Chakravorty
Secretary
Ahmedabad Branch of WICASA



Mr. Akshat Shah
Treasurer
Ahmedabad Branch of WICASA



Ms. Divya S. Jain
Managing Committee Member
Ahmedabad Branch of WICASA



Mr. Vraj R. Choksi
Managing Committee Member
Ahmedabad Branch of WICASA



Ms. Radhika Dhanuka
Managing Committee Member
Ahmedabad Branch of WICASA

EDITORIAL BOARD

SPECIAL THANKS



CA. Jignesh Parikh

CHIEF EDITOR



Ms. Divya S. Jain

CO-EDITOR



Mr. Kairav Shah

CO-EDITOR



Mr. Ashish Hasrajani



Clouds come floating into my life, no longer to carry rain or usher storm, but to add color to my sunset sky



IMPORTANT ANNOUNCEMENT FOR NEWSLETTER

Best Article of Month

- Every month from the articles published in newsletter, one article shall be announced as Best Article of the Month.
- The photo and details of candidate whose article has been awarded as best article of the month shall be published in next month newsletter.
- During the year all the Best articles of month will be deemed nominated for Best Article of the Year.

Best Article of the Year

- Three articles amongst nominated articles shall be declared as Best Articles of the year at the end of year.
- The photo and details of candidate whose article has been awarded as best article of the year shall be published in newsletter of August 2021.

RULES & FORMAT FOR ARTICLE

- Candidates shall submit their Articles on official mail id i.e., wicasaahmedabad@icai.org.
- Last Date of Submission of articles: 20th of the month.
- Subject of Mail shall be “**Article for the Newsletter**”.
- Every candidate is **required to mention** Name, Registration No., Stage of CA curriculum pursuing, Name of the Firm (if pursuing articleship), contact number and topic of Article in the body of mail.
- Every candidate is required to attach PDF and WORD File of the Article.
- Candidates are advised to use Font: **Calibri** because newsletter shall contain the same font and font size should remain **12**.
- Formatting of the article may change in order to bring the uniformity in newsletter.
- Best Article of the Month and Best Article of the Year will be announced as and when required.
- **Format** of the Article should be like as below:
 1. Title: The name of the subject of the article, or the topic of the Article. It must be short.
 2. Introduction: Present the background of your study, introduce your topic and aim, and give an overview of the Article.
 3. Definitions: Difficult terms needs to be defined for better understanding of the topic (suggested).
 4. Purpose: What you exactly want to convey through the Article should be mentioned as purpose.
 5. Main Body: This comprises of the main content of the topic that means more details about the topic.
 6. Analysis: Try to demonstrate your critical thinking ability and throw light on important points. Mention your key take away or findings.
 7. Conclusion: Give the essence of every paragraph in short and discuss them to the point.
 8. Reference: If the information is taken from somewhere then source of the same needs to be mention in the Article.
 9. Student Details: Students are required to send their Name, Registration No., Stage of CA Curriculum pursuing, Name of the Firm (if pursuing Articleship), Student’s Photo and Contact details.
- **For all the creative minds, if writing is not your cup of tea, you may highlight your creativity skills by sending your art to us. Since, creativity has no fixed parameters so, you can send to us: drawing, painting, poem, photographs and all the art work which is unusual in your way!**

Holi is the apt time to break the ice, renew relationships and link yourself with those that you wanted to with a bit of color.



THE SOCIAL SECURITY CODE, 2020

In this article, I explore the background, need and new introductions by the Social Security Code, 2020. The Code has been notified in the Official Gazette of India, but will become effective from a date yet to be notified by the Central Government.

- **Constitutional Background:**

The power to enact any law in India is bestowed upon the Governments by the Constitution of India, through Article 246. This article gives reference to the Seventh Schedule to the Constitution, which in accordance with the federal structure, divides matters on which laws may be enacted into three lists – List I - Union List, List II- State List and List III- Concurrent List.

Matters related to employee benefits are contained in the Concurrent List as follows:

Entry 22. Trade unions; industrial and labour disputes.

Entry 23. Social security and social insurance; employment and unemployment.

Entry 24. Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefits.

Therefore, laws on matters contained in the Concurrent List can be enacted by the both – The Union and The State Governments. Among laws enacted by the Union Government, laws like the Workmen's Compensation Act, 1923 were enacted during the British Raj, while others like the Payment of Gratuity Act, 1972 were post Independence. The states of India, too, enacted many laws depending upon local needs.

- **What was the need for a new legislation?**

Overtime, labour laws addressing niche areas grew manifold. This led to overlapping jurisdiction and difficulty in administration.

Most of the labour in India works in the unorganized sector, which was outside the ambit of existing laws.

Further, none of these existing laws addressed new trends in employment. In present times, freelancing and contract-based employment are popular with both employees and employers. Most of the existing laws defined "employees" based upon legal form and not substance. This made it easy for employers to flout existing laws by tweaking contracts. While this saved them crores of rupees, a large section of labour was often brutally exploited.



The new legislation not only brings together existing laws, but also introduces new concepts keeping up with modern trends.

- **The Social Security Code, 2020**

A “Code” is defined as a legislation that aims to exhaustively cover existing laws related to a particular area.

The International Labour Organization defines “Social Security” as “covering support for those in old age, support for the maintenance of children, medical treatment, parental and sick leave, unemployment and disability benefits, and support for sufferers of occupational injury.”

Accordingly, The Social Security Code, 2020 consolidates nine central legislations relating to labour welfare, namely:

1. The Employees’ Compensation Act, 1923
2. The Employees’ State Insurance Act, 1948
3. The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
4. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. The Maternity Benefit Act, 1961
6. The Payment of Gratuity Act, 1972
7. The Cine Workers Welfare Fund Act, 1981
8. The Building and Other Construction Workers Welfare Cess Act, 1996
9. The Unorganised Workers' Social Security Act 2008.

- **New introductions by the code:**

Following is a brief discussion on some new areas addressed by the Code:

- **Formation of a National Social Security Board:**

The laws subsumed into the Code were administered by authorities where there was negligible representation of workers. The Code envisages formation of a National Social Security Board, which consists of representatives of workers of the unorganized sector, employers in the organized sector, the Legislature, the States and Union Territories, civil society and the concerned Ministries.

The Board is entrusted with administrative, advisory and review functions of the Code. The composition of the Board aims to achieve transparency in its functioning.

- **Inclusions of Gig workers and Platform workers:**

A “gig worker” means a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship. For example, companies like Ola, Uber, Zomato and Swiggy are aggregators, where the food delivery agent/car driver are not “employees”



"platform worker" means a person engaged in or undertaking platform work. "platform work" means a work arrangement outside of a traditional employer employee relationship in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services or any such other activities which may be notified by the Central Government, in exchange for payment. This would mainly cover skilled freelancers. Under the Code, a percentage of turnover as notified by the Central Government between 1% to 2% per annum, will be contributed to a welfare fund. However, this contribution shall not exceed 5% of the amount payable to gig workers/platform workers.

▪ **Registration of Workers:**

All unorganized workers, gig workers and platform workers will be required to be registered under the Code, using documents (including Aadhaar) as prescribed by the Central Government.

Only a registered worker will be eligible for benefits of schemes. Further, the minimum age for registration currently prescribed is 16 years, which is above the age of 14 years as under Article 24 of the Constitution of India.

Further, registration of foreign workers, who are not citizens of India, is also allowed, provided they obtain an Aadhaar number on becoming a resident.

▪ **Establishment of a Social Security Fund:**

The Code establishes a Social Security Fund, both at the State and Central level, to provide for life and disability cover, health and maternity benefits, old age protection, education, and other prescribed benefits to unorganized sector workers, platform workers and gig workers.

The Fund will receive contributions from employers liable to contribute and also fees from compounding of offences under the Code or any central labour laws.

The Fund shall be expended for welfare purposes as will be notified.

▪ **Career Centres:**

Job vacancies belonging to a class as notified by the Central or State Governments will have to be first notified to a designated career centre, before any recruitment for the same.

This is envisaged as a step towards ensuring merit-based selection for important positions.

• **Criticisms against the code:**

The fact that the Social Security Code Bill, 2020 was passed without much debate in both the Houses of Parliament. This is because this bill was introduced back in 2019 and was before the Standing Committee on Labour for review.



Some criticisms against this Code are as follows:

▪ **Too much ambiguity:**

The Code mostly consists of broad guidelines. There are one hundred and twenty-three occurrences of the phrase “as may be prescribed” in the Code spanning over hundred and sixteen pages. This means that the effective legislation will be dominated by the prescribed rules.

Rules can be frequently amended, and experts are skeptical that this may be misused to favour the corporates during an economic downturn.

However, leaving sufficient scope for amendments also means that the Code can be suitably updated based on recent developments, which will be of benefit to the workers.

Further, clarity is still sort whether domestic helps, Accredited Social Health Activists (ASHA workers) and Anganwadi workers will be entitled to benefits.

▪ **Ignores Unemployment:**

The unemployment rate in India in November 2020 was around 6.9%, as per the Centre for Monitoring Indian Economy. Despite this, the Code does not contain any provisions providing social security to unemployed individuals.

▪ **Not a Comprehensive Legislation:**

The Social Security (Minimum Standards) Convention, 1952, of the International Labour Organization, has established the following nine branches of social security, which are agreed upon worldwide:

- medical care;
- sickness benefit;
- unemployment benefit;
- old-age benefit;
- employment injury benefit;
- family benefit;
- maternity benefit;
- invalidity benefit;
- survivors' benefit.

Though this convention has not been ratified by India, and also provides flexibility considering the needs of the respective country, it still serves as an important reference for legislations on social security. The Code is believed to be inadequate, as it fails to comprehensively address all of these issues, while completely ignoring survivors benefits and invalidity benefits.

However, there are arguments that this Code must be read along with the Industrial Relations Code, 2020 and The Code on Wages, 2020, as they together iron out any apparent inadequacies in each other.



- **Conclusion**

Considering that a government has to play the dual role of ensuring social security and also encouraging industrial growth, the Code can be termed as a noteworthy step, primarily because :

- It increases the coverage of workers.
- It brings together multiple legislations under one roof.

While it envisages more inclusive social security, the Code can succeed only with strict implementation

NAME: **PRIYA RONALD DCOSTA**
SRN: WRO0585068
CA FINAL STUDENT



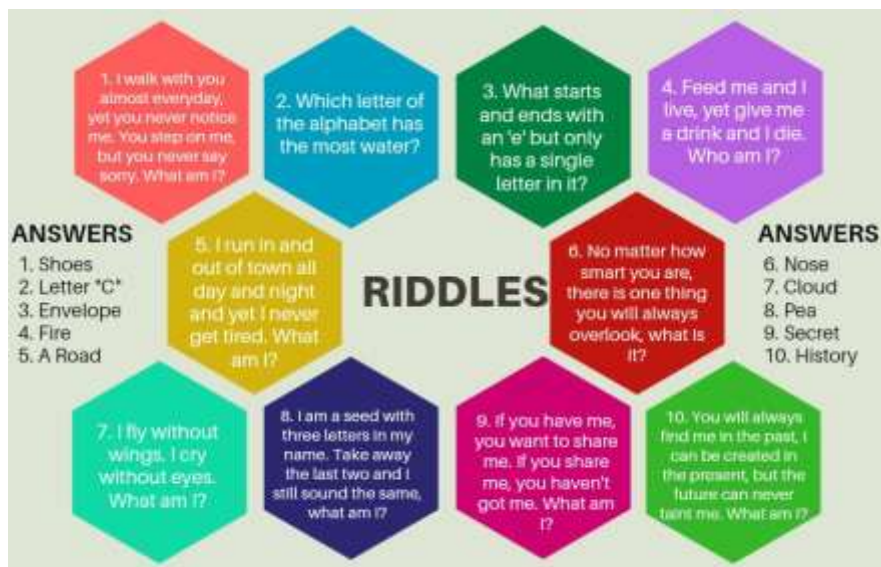
ZIPPY ZONE – RIDDLES

Rules for Riddles

- Solution of the Riddles shall be submitted by 10th of the month.
- Only one mail from candidate shall be allowed. Repetitive mails from single candidate will amount to disqualification.
- Solution shall be sent on Official Mail ID wicasaahmedabad@icai.org.
- Subject line of such mail shall be “Solution of Riddle”.
- Solution shall be either hand written in paper and then photo of such solution shall be shared through e-mail or it can be solved on digital devices like Laptop, Mobile phones and like devices then screenshot of such solution shall be shared on mail.
- Image or screenshot as may be applicable shall be clear and visible.
- Along with image or screenshot candidate is required to mention Full Name, Registration No., and Stage of CA curriculum in the mail.
- Candidates are also required to mention all the answers to the riddles in the body of mail.
- Winner shall be selected on basis of first come first basis whose solution is correct.
- Winner shall be announced in next month newsletter.



SOLUTION OF PREVIOUS MONTH RIDDLES



UNION BUDGET 2021-22:A BOON FOR CORPORATES

If the denial of the steady slowdown in the economy has been the hallmark of last year's budget, this year's budget has gone a step further by refusing to acknowledge the millions of informal and formal sector jobs lost to the pandemic and by ignoring the plight of the migrant workers, whose long march back home was the most visible face of the pandemic. All that the budget promises the migrant labour is the One Nation One Ration Card scheme and a portal to collate their whereabouts. In fact, the informal sector even fails to find a mention in the budget speech. And worse, even as the pandemic pushes millions back below the poverty line, the budget only makes haste in cutting down even the little subsidies and social security available. While the overall budget subsidies have been pared down by 43% to `3.7 lakh crore, the outlay of the Mahatma Gandhi National Rural Employment Guarantee programme has been cut by 34.5% to `73,000 crore.

A cue to the broad thrust of the budget is clearly evident from the nature of resource mobilization, the emphasis of which has shifted from direct taxes, paid by the middle- and high-income segments and corporates, to indirect taxes that fall on the whole population, including the most disadvantaged groups. Numbers show that though gross tax to gross domestic product (GDP) ratio has slipped only marginally from 9.9% in 2019–20 to 9.8% in the revised estimates for 2020–21, and is expected to revert once again to 9.9% in the budget estimates for 2021–22, the share of direct taxes has fallen from 5.2% of the GDP in 2019–20 to 4.7% in 2020–21, while that of indirect taxes has increased from 4.7% in 2019–20 to 5.1% in 2020–21. And the share of indirect taxes will remain at a higher level even in 2021–22. Clearly, the budget has now shifted a disproportionately larger share of the tax burden from corporates and more affluent groups to the poor and disadvantaged who face the brunt of the pandemic.

But what is even more disturbing is that even within direct taxes, it is the corporates that are making the maximum gains as the larger share of the direct tax burden has now fallen on income tax payers, who are mainly the salaried classes, professionals and entrepreneurs. This trend, kicked off by the National Democratic Alliance government, accelerated after the massive corporate tax cuts two years back. Consequently, the share of corporate taxes in the GDP has fallen, by around one third, from a high of 3.5% in 2018–19 to 2.7% in 2019–20 and now to a decadal low of 2.3% in 2020–21. In contrast, the share of income tax in the GDP has remained largely stable in the 2.4%–2.5% range during the period. And despite the resource crunch in 2021–22, the share of corporate taxes in the GDP will still be lower than in the pre-pandemic year while that of income taxes will move up.

Then the budget also offers the corporates numerous other options to make substantial gains like disinvestments, a new asset monetisation programme and sale of other public sector assets and defunct enterprises. Though disinvestments were a mere 15% of the 2020–21 budget estimate, the 2021–22 budget targets `1.75 lakh crore from disinvestments and also unfurls a new strategic disinvestments policy by which, except for a bare minimum number of public



If you're feeling blue try pointing yourself a different color.



sector enterprises in four areas of energy, finance, transport and communications, and space and defence, all others are to be privatised.

And the plan for the monetising of brownfield public infrastructure assets, in the new National Monetisation Pipeline—like national highways, dedicated freight corridors of the railways, airports, power transmission lines, oil and gas pipelines, warehousing assets and even public stadiums—offers even more lucrative new avenues for corporates. Corporates will also gain from the sale of non-core assets with the government departments and other entities, including land, through a special purpose vehicle and also from the new mechanism for closure of all sick and loss-making public sector companies. Clearly, it is a real big bonanza for corporates, whose potential gains from these new policies will be manifold larger than what has been bestowed on them on the tax front.

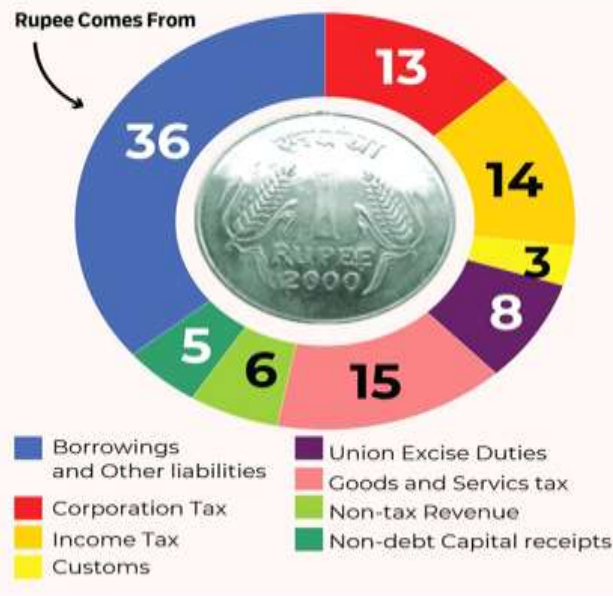
The big giveaways to the corporates also mean that the government has to squeeze spending for the middle- and low-income groups. Thus, while overall government expenditure is set to rise marginally by 1% to `348.3 lakh crore in 2021–22 and capital spending by 26.2% to `5.5 lakh crore, the revenue expenditure is set to fall by `82,142 crore or -2.7% affecting almost two dozen major government schemes whose allocations have been cut. This would include the nutritional social assistance programme, school midday meal programme, price stabilisation fund scheme, LPG (liquefied petroleum gas) direct benefit transfer, jobs and skill development scheme, Pradhan Mantri Awas Yojana and also schemes which particularly affect farmers like interest subsidy on short-term credit, fertiliser subsidy, procurement of foodgrains and assistance to sugar mills.

All this makes it starkly evident that the government has rehauled and even reversed the meagre steps it had taken to protect the people during the pandemic and is now focused exclusively on sops to the private sector, especially corporates who are expected to fuel the recovery. The millions who lost their livelihood have been emphatically ignored. Clearly, the government's bets are on a K-shaped recovery, hoping that the gains will slowly trickle down to the unemployed and the distressed, to sustain demand and ensure a pickup in growth. The zooming post-budget stock markets only validate this argument.

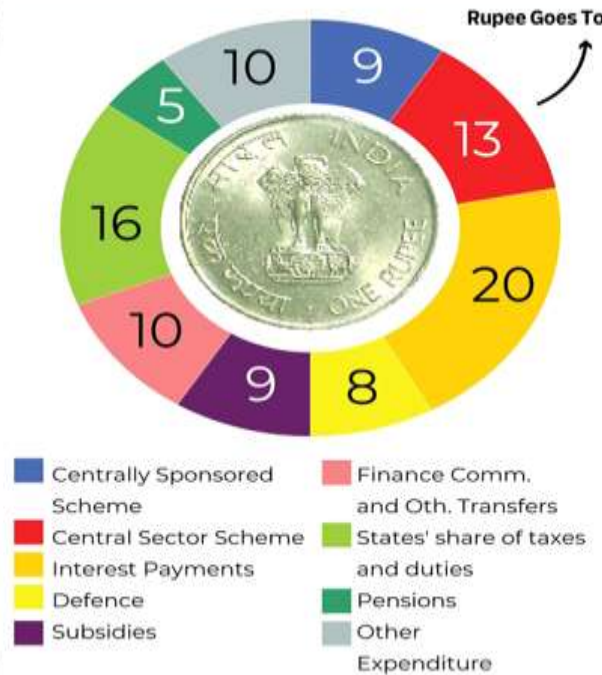


UNION BUDGET 2021-22 (In Paise)

Rupee Comes From



Rupee Goes To



- Impact of the budget on various sector**

The capital expenditure for FY-2021-22 is Rs. 5.54 lakh crore.

Fiscal deficit stands at 9.5% of GDP² which is estimated to be 6.8% in the current Financial Year.

State borrowings have been increased up-to 4% of Gross State Domestic Product (GDSP).

The FDI limit in the insurance sector has been increased from 49% to 74% under the automatic route.

The budget has proposed an outlay of Rs. 3, 05,984 Crore over five years for a revamped reforms- based result linked power distribution sector scheme. Further, it is proposed to put in place a framework giving consumers an alternative to choose among more than one distribution companies.

The government has proposed to sell stake of at least 2 public sector banks as a part of its privatization plan. Further, the government expects to raise Rs. 1 lakh crore from dis-investment in public sector banks and financial institutions.

Startups will get capital gains exemption by 1 year to 31st March 2022. Further, startups also have 1 more year to claim tax holidays.



The ones who are crazy enough to think they can color the world are the ones who do.



Budget for MSMEs has been doubled from the previous year to Rs.15, 700 crore.

Budget for Education sector of Rs. 99,300 Crore has been allocated and further steps will be taken to attract external commercial borrowings and FDI in the same.

There has been no change in the Income Tax Slabs, Income Tax exemptions and Covid cess. Further, the limit for re-opening window for IT assessment cases is reduced from 6 years to 3 years. However, in the cases of serious tax evasion cases, i.e., Rs. 50 lakh or more, it can go up-to 10 years.

Affordable housing projects are proposed to get a tax holiday for a period of 1 year.

Dividend Income has now been made taxable in the hands of recipient. Earlier, the companies were paying a tax of 15% on dividends distributed by it to shareholders.

Compliance burden on senior citizens is now reduced as citizens of 75 years and above are proposed to not file Income Tax Return (ITR) on pension income and interest income.

Budget of Rs. 2,23,846 Crore has been allocated to the Health care sector which ups 137% compared to Rs. 94,452 Crore in previous year.

Vehicle scrapping policy has been announced to phase out old and unfit vehicles. Further, all vehicles have to undergo a fitness test in automated fitness centres every 20 years in case of personal vehicles, and every 15 years in case of commercial vehicles.

- **Here is a look at the gainers and losers from Budget 2021:**

- **Winners**

- Healthcare

Finance Minister Nirmala Sitharaman put health and well being as one of the 6 crucial pillars of 'Atmanirbhar Bharat', increasing its outlay by 137 per cent to Rs 2,23,846 crore for 2021-22 from Rs 94,452 crore last year. Sitharaman also allocated Rs 35,000 crore for Covid-19 vaccines for the next fiscal.

A new scheme -- Prime Minister Atmanirbhar Swasth Bharat Yojana -- was also announced by Sitharaman with an outlay of Rs 64,180 crore over 6 years. "Main interventions under the scheme will include support for health and wellness centres (HWC), setting up integrated public health laboratories in all districts, critical care hospital blocks, and strengthening of the National Centre for Disease Control (NCDC)," Sitharaman said.



➤ Real estate

For efficient mobilisation of funds for infrastructure projects, Sitharaman announced the creation of a new Development Finance Institution (DFI) on a capital of Rs. 20,000 crore. The government aims to have lending portfolio of at least Rs 5 lakh crore in three years and finance projects under the National Infrastructure Pipeline (NIP). The move will benefit key infrastructure players like Larsen & Toubro Ltd and other firms.

Besides, to incentivize the purchase of affordable house, Sitharaman extended the period for claiming an additional deduction for the interest of Rs 1.5 lakh paid for home loans by one year to March 31, 2022.

▪ **Losers**

➤ Rural economy

At a time when farmers have gathered at Delhi's doorsteps against the three agri reform laws, there were no major announcements that may help address the ongoing unrest. Sitharaman announced an increase in agriculture credit target to Rs 16.5 lakh crore in FY 2021-22 besides giving an assurance that the procurement by the government under the minimum support price (MSP) would continue at a steady pace.

➤ Bonds

A higher-than-expected \$164 billion borrowing plan for the new fiscal year has hit India's sovereign bonds, which slid after the announcement, according to a Bloomberg report.

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ZIPPY ZONE – CROSSWORD

Rules of Crossword

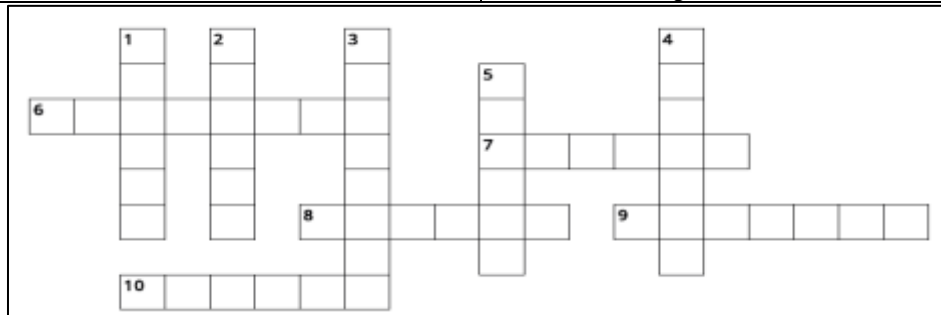
- Solution of the Crossword shall be submitted by 10th of the month.
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- Solution shall be sent on Official Mail ID wicasaahmedabad@icai.org.
- Subject line of such mail shall be "Solution of Crossword".
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- Image or screenshot as may be applicable shall be clear and visible.
- Along with image or screenshot candidate is required to mention Full Name, Registration No., and Stage of CA curriculum in the mail.
- Also Answers to questions of crossword shall be mentioned in e-mail with corresponding question No. divided in two categories Up and Down.
- Grammatical mistake and spelling mistakes while mentioning in mail will be considered and may amount to disqualification of answer.
- Winner shall be selected on basis of first come first basis whose solution is correct.
- Winner shall be announced in next month newsletter.

Across

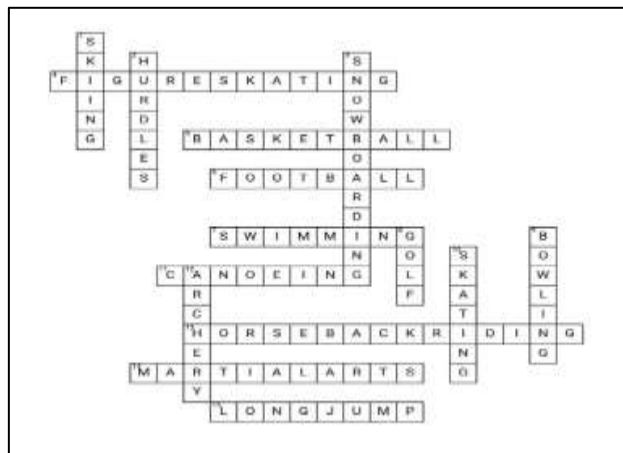
6. By which name Holi is recognized as in Orissa?
7. Does the Holi festival mark the end of winter and the Beginning of?
8. The Holi also marks the demise of ... who tried to kill Lord Krishna.
9. The famous 'Lath maar Holi' is played at which place?
10. The name of Hiranyakashipu's sister was?

Down

1. Holi is Festival of...
2. A special delight that people make at their home is ...
3. In which Hindu month, Holi is celebrated?
4. The popular Drink prepared in HOLI...
5. There are many legends associated with Holi. Hiranyakashyap insisted everybody in his kingdom to worship him but his devout son, Prahlad became a follower of which god?



SOLUTION OF PREVIOUS MONTH CROSSWORD



INTERPLAY BETWEEN 194Q AND 206C(1H)

The Income Tax Act, 1961 is a comprehensive statute that focuses on the different rules and regulations that govern taxation in the country. It provides for levying, administering, collecting and recovering income tax for the Indian government.

Indian Income Tax act has the provisions for tax collection/deduction at source. In these provisions, certain persons are required to collect/deduct a specified percentage of tax from their buyers on exceptional transactions. Most of these transactions are trading or business in nature.

The Central Board of Direct Taxes inter alia, has brought about changes in the TCS provision- Section 206C(1H) of the Income Tax Act, 1961 with effect from 1st October, 2020 through the Budget 2020 i.e. Finance Act 2020 and insert new TDS provision- Section 194Q of the Income Tax Act, 1961 with effect from 1st July, 2021 through Budget 2021 i.e. Finance Act 2021. These changes shall affect a wide range of businesses across various industries.

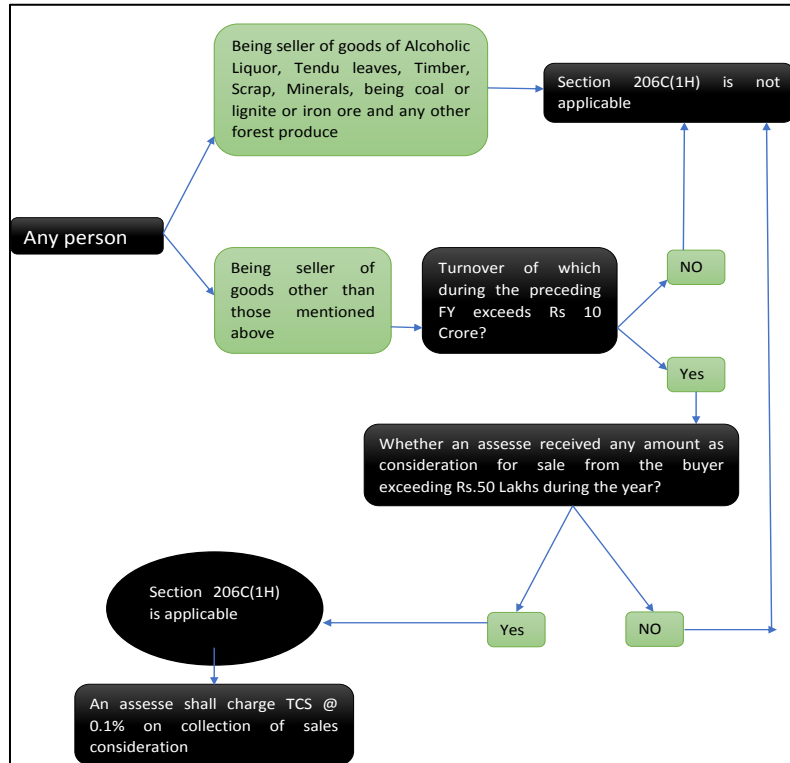
- **Overview of the section:**

According to section 206C(1H) of the Income Tax Act, 1961- (inter alia) every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent of the sale consideration exceeding fifty lakh rupees as income-tax.

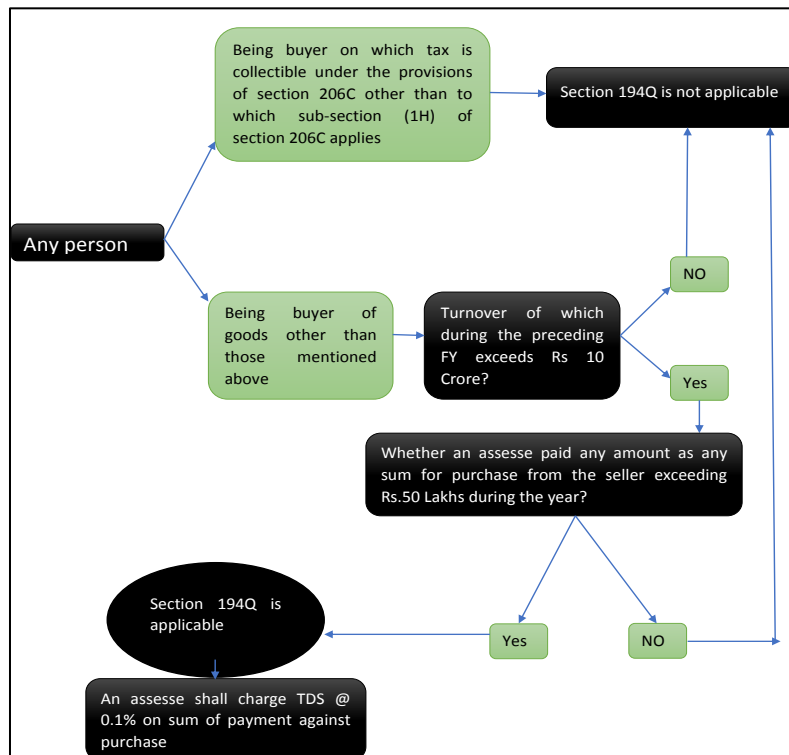
And on the other side according to section 194Q of the Income Tax Act, 1961 (inter alia) any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.



• **Applicability for 206C(1H): TCS on sale of goods**



• **Applicability for 194Q(TDS on purchase of goods w.e.f. 01.07.2021)**



- **Relevant additional points:**

- **For Section 206C(1H):**

Buyer means a person who purchases any goods, but does not include the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State, a local authority and a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette specify.

Seller means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify.

Goods has not been defined under Income Tax Act, 1961 and hence reference is made to section 2(7) of the Sale of Goods Act, 1960 which defines goods to mean every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.

If the buyer does not provide PAN to the seller then the applicable rate shall be 0.5 per cent instead of 0.1 per cent.

- **For Section 194Q:**

Buyer means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify.

Seller means a person who sales any goods, but does not include the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State, a local authority and a person exporting goods outside India or any other person as the Central Government may, by notification in the Official Gazette specify.

Goods has not been defined under Income Tax Act, 1961 and hence reference is made to section 2(7) of the Sale of Goods Act, 1960 which defines goods to mean every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.

The provisions of this section shall not apply to a transaction on which, a tax is deductible under any of the provisions of Income Act, 1961; and tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

- **Issues in compliance:**

In section 206C(1H), it is specified under the proviso that as the provisions of section shall not apply, if the buyer is liable to deduct tax at source under any other provision of this Income Tax Act, 1961 on the goods purchased by him from the seller and has deducted such amount.

And similarly in section 194Q, it is specified under sub-section (5) that provisions of this section shall not apply to a transaction on which, a tax is deductible under any of the provisions of Income Act, 1961; and tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

Here comes the point of issue in complying the sections. As in one section it is written that section 206C(1H) does not apply if buyer is liable to deduct tax at source under any of the other provision. And in another section it is written that section 194Q applies to the transactions on which section 206C(1H) applies.

But as in both sections it is specified that *if any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty. Every guideline issued by the Board shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income tax authorities and the person liable to comply the provision.*

It can be further notified by CBDT in regards to the issues faced by an assessee in complying section 206C(1H) and section 194Q of the Income Tax Act, 1961.

- **FAQs with respect to applicability:**



The ones who are crazy enough to think they can color the world are the ones who do.



▪ **206C(1H):**

- If Turnover during previous FY exceed Rs.10 crore but consideration received from any buyer doesn't exceeds Rs. 50 lakhs during the year whether the provision applies or not?
 - ✓ *NO. Because under section it is mentioned that collection from buyer is greater than Rs. 50 lakhs against sale proceed. So if it doesn't exceed than the section 206C(1H) is not applicable*
- If Turnover during previous FY doesn't exceed Rs.10 crore but consideration received from one buyer exceeds Rs. 50 lakhs during the year whether the provision applies or not?
 - ✓ *NO. As the condition of exceeding turnover of Rs. 10 crore during the previous financial year for applicability of section 206C(1H) does not complied. Hence the same section is not applicable*
- Whether TCS is to be collected on total invoice amount i.e. including indirect taxes or on base value?
 - ✓ *TCS shall be collected on the amount of collections received against sale. So this is basically levied on collection and hence no point of invoice value or base value is relevant.
And in case if it is levied on invoice for ease of an assessee then it should be levied on invoice value (i.e. value including indirect taxes)*
- If collection from buyer received of Rs.65 Lakhs against sale proceeds than TDS shall be charge on Rs.65 Lakhs or Rs.15 Lakhs?
 - ✓ *TCS shall be charge on the amount of Rs.15 Lakhs. As provision specifies that TCS shall be collected on amount of collection received against sale of value exceeding Rs.50 Lakhs and not on all receipts.*
- Whether TCS u/s 206C(1H) has to be collected on export sales?
 - ✓ *NO. The provision is not applied on goods exported outside India*

▪ **For Section 194Q:**

- Goods are purchased of Rs. 85 Lakhs in June 2021 and payment against that purchase made upto 30th June, 2021 is Rs.40 Lakhs. For the period beginning from 7th July, 2020, the payment of outstanding amount is Rs. 45 lakhs. Whether the purchaser is liable to deduct TDS u/s 194Q?



- ✓ *The provisions of section 194Q came into effect on and from 7th July, 2021. Hence, for payment in June, 2021, there will be no liability to deduct TDS even if the payment is made on or after 07th July, 2021.*
- TDS is an additional tax burden levied on the transactions or not?
 - ✓ *TDS is not an additional tax but is in the nature of advance income-tax/TDS for which the seller would get the credit against his actual income tax liability and if the amount of TDS is more than his tax liability, the seller would be entitled for refund of the excess amount along with interest.*
- TDS require to deduct by buyer on each and every transactions or not?
 - ✓ *NO. Because the provisions of section 194Q shall not apply to a transaction on which:
tax is deductible under any of the provisions of this Act; and
tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.*
- Whether TDS u/s 194Q shall be deducted on import of goods?
 - ✓ *NO. The provision is not applied on goods imported.*

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 ARTICLESHP: ASHOK DHARIWAL & CO.
 SRN: WRO0650758
 CA INTERMEDIATE STUDENT



ZIPPY ZONE – WORD SEARCH

Rules for Word Search

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Find as many
as AUDIT
related terms.

SOLUTION OF PREVIOUS MONTH WORDSEARCH



THE SOCIAL SECURITY CODE, 2020

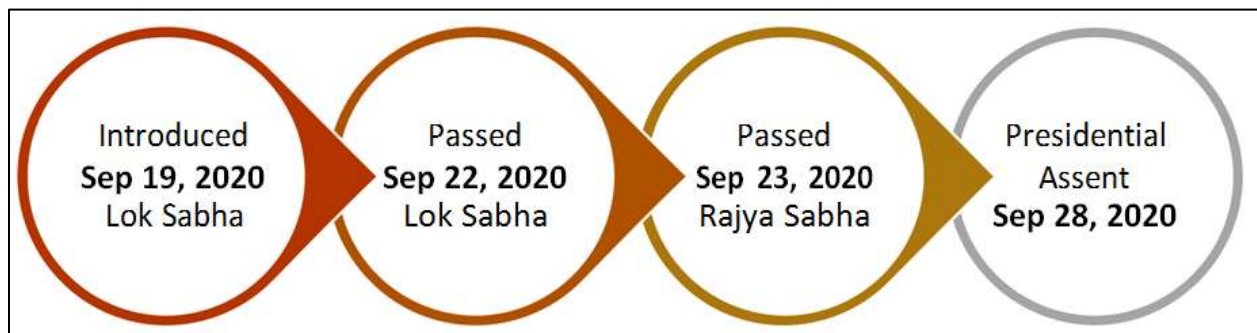
Part I : Evolution

Labour Laws falls under the **Concurrent List** of the Constitution. Therefore, both Parliament and state legislatures can make laws regulating labour. The central government has stated that in India there are over **100 state and 40 central laws** regulating various aspects of labour such as resolution of industrial disputes, working conditions, social security, wages and retirement benefits. Revamping labour regulations has been an area of focus for the government.

The Second National Commission on Labour (2002) found existing legislation to be complex, with archaic provisions and inconsistent definitions. To improve ease of compliance and ensure uniformity in labour laws, it recommended the **consolidation of central labour laws** into broader groups such as: (i) industrial relations, (ii) wages, (iii) social security, (iv) safety, and (v) welfare and working conditions.

In 2019, the Ministry of Labour and Employment introduced four Bills to consolidate 29 central laws. These Codes regulate: (i) Wages, (ii) Industrial Relations, (iii) Social Security, and (iv) Occupational Safety, Health and Working Conditions. While the Code on Wages, 2019 has been passed by Parliament, Bills on the other three areas were referred to the Standing Committee on Labour. The Standing Committee had submitted its report on all three Bills. The government has replaced these Bills with new ones on September 19, 2020.

Parliamentary Flow of The Code on Social Security, 2020

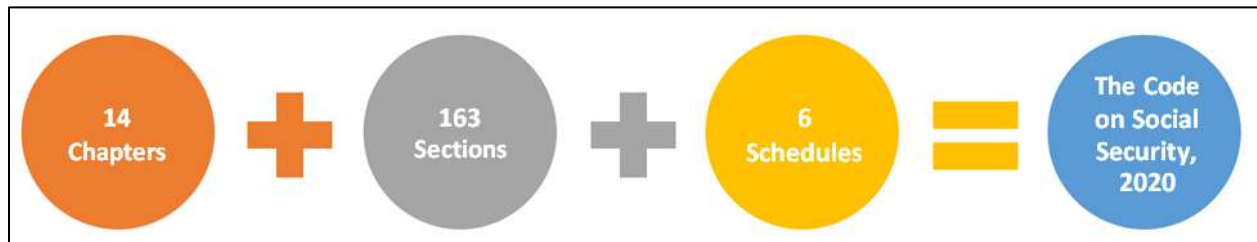


“The Code on Social Security 2020 (“SS Code”), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement and employee benefits.”

This Code is far from being a mere consolidation of previous legislations. It has enhanced the coverage, extended the benefit to all workers in the organised / unorganised sectors, introduced concepts of providing maximum benefits under minimum governance and reflects uniformity in approach across the four labour codes. The effective date of implementation and the issue of relevant schemes and rules is awaited.



Part II : Arrangement of the Code



Part III : Laws Consolidated under The Industrial Relations Code, 2020



Part IV : Notable Amendments

- **Changes in definitions:**
 - **Appropriate government:**

Erstwhile Regime	New Regime
Establishment under control of CG, Railways, Major Ports, Mines and Oilfields, Appropriate Government is Central Government	Establishments under authority of CG, Specified Controlled Industries , Railways, Major Ports, Mines and Oilfields, Air transport services, telecommunication entities, Banking companies and Insurance Companies Appropriate Government is Central Government Establishments having branches in more than one state, Appropriate Government is Central Government

▪ **Wages**

In the erstwhile statute every act had its own definition of wages like:

Provident Fund

Includes – Basic, DA, Retaining Allowance and cash value of food concession
Excludes – HRA, overtime allowance, bonus, commission or any other similar allowance. Test of universality specified by the Supreme Court in February 2019

Includes – All remuneration paid in cash

Excludes – Perquisites, Employer PF / ESI contributions, LTA, sum paid to defray special expenses and gratuity

Employee State Insurance

Maternity Benefit Act

Includes – Basic salary, dearness allowance, HRA, other cash allowances, incentive bonus, value of food grains and other articles
Excludes – Other than incentive bonus, overtime wages, employer contribution to PF and gratuity

Includes – Any privilege or benefit which is capable of being estimated in money

Excludes – Travelling allowance or value of any travelling concession, employer PF contributions and sum paid to workman to cover special expenses

Employee Compensation Act

Gratuity

Includes – Basic salary and Dearness Allowance
Excludes – Bonus, Commission, HRA, overtime wages and any other allowances



Now in The SS Code, 2020 Wages are defined as follows

Meaning and Inclusions

Means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, in terms of employment, express or implied, where fulfilled, be payable to a person employed in respect of his employment, and includes

- Basic pay • Dearness allowance; and • Retaining allowance, if any

Specific Exclusions

- 1) Statutory bonus payable but not forming part of remuneration;
- 2) Value of house accommodation and utilities (such as light, water, medical attendance, etc.);
- 3) Employer contribution to provident fund / pension together with accretions;
- 4) Conveyance allowance or value of travelling concession;
- 5) Sum paid to defray special expenses due to nature of work;
- 6) House rent allowance;
- 7) Remuneration payable under any award settlement;
- 8) Any overtime allowance;
- 9) Any commission payable;
- 10) Any gratuity payable on termination;
- 11) Any retrenchment comp/ benefit payable or ex gratia payment made.

Conditional Inclusions

Where the aggregate of specified exclusions as highlighted:

- exceeds one-half or such other notified percentage of all remuneration calculated under this clause,
- amount which exceeds such one-half or other percent, so notified shall be deemed as remuneration and shall accordingly be added under this clause

Conveyance/value of travel concession, house rent allowance, remuneration payable under award or settlement and overtime allowance shall be taken for computation of wage – for the purpose of equal wages to all genders

Value of Remuneration in Kind

Where an employee is given remuneration in kind

- in lieu of either the whole or part of the wages payable to him
- value of such remuneration as does not exceed 15% of total wages payable to him

Shall be deemed to form part of wages of such employee.

Other Changes

- (i) expanding the definition of “employees” to include workers employed through contractors,
- (ii) expanding the definition of “inter-state migrant workers” to include self-employed workers from another state,



- (iii) expanding the definition of “platform worker” to additional categories of services or activities as may be notified by the government
- (iv) expanding the definition of “audio-visual productions” to include films, web-based serials, talk shows, reality shows and sports shows, and
- (v) exempting construction works from the ambit of “building or other construction work” if the total cost of construction work exceeds Rs 50 lakhs (and if they employ more than a certain notified number of workers).

▪ **Social Security funds for unorganised workers, gig workers and platform workers:**

The central government will set up such a fund. Further, state governments will also set up and administer separate social security funds for unorganised workers.

▪ **National social security for gig workers and platform workers:**

Establishment of a national and various state-level boards for administering schemes for unorganised sector workers.

In addition to unorganised workers, the National Social Security Board may also act as the Board for the purposes of welfare of gig workers and platform workers and can recommend and monitor schemes for gig workers and platform workers.

The National Social Security Board will comprise of a different set of members including:

1. Union Minister for Labour and Employment as Chairperson;
2. Secretary, Ministry of Labour and Employment as Vice-Chairperson;
3. forty members to be nominated by the Central Government, out of whom—
4. seven members representing unorganised sector workers;
 - a. seven members representing employers of unorganised sector;
 - b. seven members representing eminent persons from civil society;
 - c. two members representing the Lok Sabha and one from the Rajya Sabha;
 - d. ten members representing Central Government Ministries and Departments concerned;
 - e. five members representing State Governments;
 - f. one member representing the Union territories; and
5. the Director General Labour Welfare, as Member-Secretary, ex officio.

▪ **Role of aggregators**

Aggregators are “digital intermediaries or a market place for a buyers or users of a service to connect with the seller or the service provider”, are specifically required to contribute to the social security fund.

The SS Code, 2020 states that schemes for gig workers and platform workers may be funded through a combination of contributions from the central government, state governments, and aggregators.



For this purpose, the Bill specifies a list of aggregators in Schedule 7. These mention nine categories including ride sharing services, food and grocery delivery services, content and media services, and e-marketplaces.

Any contribution from such an aggregator may be at a rate notified by the government falling between 1-2% of the annual turnover of the aggregators.

However, such contribution cannot exceed 5% of the amount paid or payable by an aggregator to gig workers and platform workers.

- **Gratuity**

The SS Code, 2020 reduces the gratuity period from five years to three years for working journalists.

- **Offences and Penalties:**

The maximum imprisonment for obstructing an inspector from performing his duty has been reduced from one year to six months.

Similarly, the penalty for unlawfully deducting the employer's contribution from the employee's wages has been changed from imprisonment of one year or fine of Rs. 50,000 to only fine of Rs 50,000.

- **Additional powers during an epidemic:**

The SS Code, 2020 adds new clauses which may become applicable in the cases of an epidemic. For example, the central government may defer or reduce the employer's or employee's contributions (under PF and ESI) for a period of up to three months in the case of a pandemic, endemic, or national disaster.

- **Opt out from Voluntary Coverage**

The existing law provides a voluntary coverage for establishments where the strength of employees is less than the threshold (i.e. 20 employees any time during the year). Accordingly, PF laws are not mandatory to such establishments.

However, once the establishment is covered voluntarily, there is no option available to opt out even if the employee strength continues below the threshold (i.e. below 20 employees). Under the new Code, the opting out from voluntary coverage is provided.

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- **Aadhar based identity**

The SS Code 2020 mandates an employee or a worker (including an unorganized worker) to provide his Aadhaar number to receive social security benefits or to even avail services from a career centre.

Thus code provides for obtaining Aadhaar for foreigner employees if they qualify as 'resident' under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (Aadhaar Act). As per the Aadhaar Act, an individual qualifies as a 'resident' where he or she has been in India for 182 days or more in the 12-month period immediately preceding the date of application for enrolment of Aadhaar.

- **Maintenance of Records:**

The Code facilitates the maintenance of records digitally and physically as may be applicable. Digitisation will help in exchange of information amongst stakeholders / funds setup by the government and will ensure compliance and also facilitate governance.

Part V : Social Security Organizations

Chapter II of code deals with establishment, composition and functioning of various Social Security Organizations.



One of the novel features of the code is the identification and constitution of Social Security Organizations specifically responsible for select category of benefits.

Various Social Organization hitherto spread across multiple legislations have now been organized in the code depending on the nature of the welfare provisions.

Part VI : Features of Various Chapters

▪ **Employee Provident Fund:**

1. Applies to all establishments with 20 or more employees; restrictive definition of employee – covers only those with salary below threshold wage ceiling to be notified.
2. Contribution to be done at 10% (12% for notified establishments) by employer and employee including for contract employees – similar to current provisions.
3. Maximum of 1% of wages towards EDLI, administration charges not to exceed 0.25% of EDLI.
4. Schemes for PF, pension and Insurance to be framed – to cover aspects such as eligibility of employees to join the fund, time and manner of contributions, recovery, administration charges, forms to be used, etc.
5. Period of limitation (five years) for initiation of enquiry and two years for completion of the same.

▪ **Employee State Insurance:**

1. Applies to every establishment with 10 or more employees.
2. No threshold for establishments carrying out hazardous or life threatening occupation;
3. Provides sickness, pregnancy related, disablement, dependents, medical treatment related benefits as also for funeral expenses;
4. Mandates that all employees of covered establishments need to be insured – onus on employer;
5. Recovery of expenses met by the Corporation on account of failure to insure from defaulting employer;
6. Contributions due on the last day of the wage period – rates to be notified;
7. Primary responsibility for payment of contributions on employer – recovery provided for;
8. Presumption of accident arising out of employment;
9. Schemes for gig, platform and unorganized workers to be framed for providing eligible benefits.

▪ **Gratuity**

Individuals on fixed term employment included for gratuity on pro-rata basis irrespective of period of service.

▪ **Other subsumed legislations**

- i. Provisions relating to Employees' State Insurance mutually exclusive to those providing for maternity benefit, employees' compensation.
- ii. Specific provision for creation of social security boards for unorganized workers.
- iii. Provides for funding of notified schemes for unorganized workers through Corporate Social Responsibility Fund besides other funding mechanisms (partly by Central / State Governments, contributions collected etc.)
- iv. It is pertinent to note that although code endeavors to address the present-day practices for women and the employers, it does not make any mention of paternity benefits. Large multinational companies and corporates have a practice of extending similar benefits like paid leave to their male employees as part of paternity benefits pursuant to their HR Policy.



Part VII : Challenges and Issues

▪ **Definition of Appropriate Government:**

The central government will continue to be the appropriate government for a central PSU even if the holding of the central government in that PSU becomes less than 50%.

It is unclear as to why the central government should continue to exercise jurisdiction over an establishment in which it does not own controlling stake.

▪ **Fragmented setup**

The National Commission of Labour (2002) recommend that there should be a functional integration of the administration of existing schemes.

However the code continues to retain the existing fragmented set up for the delivery of social security benefits.

These include:

- (i) A Central Board of Trustees to administer the EPF, EPS and EDLI Schemes,
- (ii) An Employees State Insurance Corporation to administer the ESI Scheme,
- (iii) National and state-level Social Security Boards to administer schemes for unorganized workers, and
- (iv) Cess-based labour welfare boards for construction workers.

▪ **Unclear Provisions on gig workers and platforms workers**

The SS Code, 2020 introduces definitions for “gig worker” and “platform worker”.

Gig workers refer to workers outside the “traditional employer-employee relationship”.

Platform workers are those who are outside the “traditional employer-employee relationship” and access organisations or individuals through an online platform and provide services for payment.

The code also creates provisions for unorganised workers. An unorganised worker is defined as one who works in the unorganised sector, and includes workers not covered by the Industrial Disputes Act, 1947, or other provisions of the code (such as provident fund or gratuity). It also includes self-employed workers. The code mandates different schemes for all these categories of workers. However, there may be some overlap between their definitions. Let us understand with an illustration given below.

Consider a driver working for an app-based taxi aggregator like Ola or Uber. Here, there is no employee-employer relationship. Appointment letters are not issued, social security benefits are absent, work hours are not regulated by the employer, and the driver may choose to work for a competitor taxi aggregator. Therefore, the nature of the work involved may lie outside the purview of a ‘traditional employer-employee relationship’, making him a ‘gig worker’.

However, the driver is able to pursue this job only through an online platform. This would meet the definition of a ‘platform worker’ as well.



With such overlap across definitions, it is unclear how schemes specific to these categories of workers will apply.

▪ **Mandatory linking of Aadhaar**

Mandatory requirement of linking aadhaar violates the Supreme Court's Puttaswamy-II judgement. In its judgement, the Court had ruled that the Aadhaar card/number may only be made mandatory for expenditure on a subsidy, benefit or service incurred from the Consolidated Fund of India. Applying this principle, the Court has struck down the mandatory linking of bank accounts with Aadhaar.

Since certain entitlements such as gratuity and provident fund (PF) are funded by employers and employees and not by the Consolidated Fund of India, making Aadhaar mandatory for availing such entitlements may violate the judgement. However The Employees' Provident Fund Organisation (EPFO) had made Aadhaar linking with PF accounts mandatory in 2015. After the judgement, the EPFO issued orders against the enforcement of these provisions.

Part VIII : The key takeaways

The introduction of a uniform definition of 'wages' merits a careful review by employers in respect of the salary structure, particularly the payment made in excess of 50% of remuneration on account of excluded components and 15% addition for remuneration paid in kind.

However, a further clarification from the Government on inclusion/exclusion of stock awards and tax borne by the employer (applicable generally to expatriate employees) as 'benefits in kind' is required. There is a potential increase of the cost of expatriate assignment to India in case all such benefits are included under the purview of PF.

Under the existing law, bonus is excluded from the definition of 'basic wages' for the purpose of PF contribution. Under the new Code, only bonus payable under any Law which does not form part of remuneration payable under the terms of employment is excluded from the definition of 'wages' for PF purposes. So a clarification is required in this regard, especially for 'performance bonus,' 'joining bonus,' 'guaranteed bonus,' etc. generally paid by the company to its employees.

Expatriate employees generally receive assignment-specific allowances such as Spousal Assistance Allowance, Hardship Allowance, Children Education Allowance, Assignment Premium, etc. and these are not specifically mentioned in the above exclusion list of wages. The treatment of such allowances under the new code should be analyzed and accordingly the impact on expatriate's salary structure.

Introduction of limitation period will provide certainty to establishments in respect of past years matters and also ease the burden of maintaining supporting documents/ books for a longer period.

Further, the requirement of mandatorily obtaining Aadhaar by foreign nationals may require attention, considering the practical difficulties in applying and obtaining the Aadhaar, which is based on biometrics of the individual.



New legislative enactment facilitates maintenance of records in electronic form thereby making it easy for establishments for maintaining such records and makes it easier for compliance and ensures seamless governance under labour laws.

Aggregators will also have to look at the impact on account of the proposed contribution to social security fund, which could be between 1% to 2% of their turnover, limited to 5% of the payouts being made to gig workers / platform workers etc.

The first step towards a sustainable solution would be recognition of these challenges and accordingly fine tuning the domestic legal framework. The attempt to define "gig workers" and "platform work" is indeed a step towards this direction. Additionally, insertion of Chapter IX and introduction of social security schemes for gig and platform workers is a promising provision.

Part IX : Conclusion

In India, our social security has spanned over a multiplicity of labour laws that our state and central governments have implemented over the course of many years. Complying with multiple laws at both the state and center levels has been no less than a nightmare for many businesses, posing a very real and practical hindrance to the ease of doing business in India. Therefore, the new social security code is a welcome change.

The Rules that are to be made and notified by the central and state governments must be in keeping with the spirit of the changed legal and economic milieu. At the working levels, implementation will be key. While the mind of the legislature has changed to facilitate ease of doing business, time will tell if the mindset of the bureaucrats has also changed. That is the key question that awaits answers.

Companies should keep a closer watch on the schemes and rules to be notified by the Government. They may also start re-visiting the existing salary structure of employees in order to understand the potential impact it may have on their workforce and the steps they may need to take to be compliant under the new code.

The employer would have to keep tabs to ensure smooth transition to the new Code, as after all, well begun is a job half done.

NAME: MAULIK KESARIYA
SRN: WRO0555144
CA FINAL STUDENT



ZIPPY ZONE – SUDOKU

Rules for Sudoku

- Solution of the Sudoku shall be submitted by 10th of the month.
- Only one mail from candidate shall be allowed.
Repetitive mails from single candidate will amount to disqualification.
- Solution shall be sent on Official Mail ID
wicasaahmedabad@icai.org.
- Subject line of such mail shall be “Solution of Sudoku”.
- Solution shall be either hand written in paper and then photo of such solution shall be shared through e-mail or it can be solved on digital devices like Laptop, Mobile phones and like devices then screenshot of such solution shall be shared on mail.
- Image or screenshot as may be applicable shall be clear and visible.
- Along with image or screenshot candidate is required to mention Full Name, Registration No., and Stage of CA curriculum in the mail.
- Winner shall be selected on basis of first come first basis whose solution is correct.
- Winner shall be announced in next month newsletter.

1			3					
	6			7	2			
			9		7			
		7		4	5		1	
	1	3				6		9
4							6	
						1	8	
		2	6		5	3		

SOLUTION OF PREVIOUS MONTH SUDOKU

8	7	1	9	2	6	3	4	5
3	4	9	8	5	1	7	2	6
2	5	6	4	7	3	8	9	1
1	3	2	6	8	5	4	7	9
5	9	8	7	3	4	1	6	2
7	6	4	2	1	9	5	3	8
9	1	5	3	4	2	6	8	7
6	8	3	1	9	7	2	5	4
4	2	7	5	6	8	9	1	3

WALL OF FAME

BEST ARTICLE-FEBRUARY 2021



NAME: Maulik Kesariya
SRN: WRO0555144
CA Final Student

WINNERS OF ZIPPY ZONE- FEBRUARY, 2021

Name: Aayushi Agarwal
SRN: CRO0602743
CA Final Student

Name: Gauri Rajesh Patel
SRN: WRO0690119
CA Intermediate Student

Name: Shah Jenilkumar Rajendra
SRN: WRO0655927
CA Final Student

PAST EVENTS - GLIMPSES

AHMEDABAD BRANCH OF WICASA
Presents

For the first time in the history of Ahmedabad Branch of WICASA for
CA Students & CA Office Staff Members

SEMINAR [Physical & Virtual] ON
**TECHNICAL ANALYSIS OF FINANCE BILL
(BUDGET) 2021 : DIRECT TAXES**
Faculty



CA. PALAK PAVAGADHI
Speaker

Day & Date
Tuesday, 2nd February 2021

Time
03:00 PM to 5:00 PM

Registration Fees
Rs 30 Per CA Student / Staff Member

Venue
Physical Participants: ICAI Bhawan, Ahmedabad
Virtual Participants: Zoom details will be shared on date of session to Registered Participants.

Registration Fees: Rs 30 Per CA Student / Staff Member

For Registration visit: www.icaiahmedabad.com



AHMEDABAD BRANCH OF WIRC OF ICAI
Presents Virtual You Tube Live

RANKERS TALK
CA FOUNDATION LEVEL

AIR 1st RANK: **Rohit Agrawal** (Mumbai)
AIR 2nd RANK: **Aditi Bhattacharya** (Mumbai)
AIR 3rd RANK: **Chiranjeev Bhatnagar** (Mumbai)
AIR 4th RANK: **Shreyas Nayak** (Mumbai)

WATCH THE TALK LIVE ON YOU TUBE CHANNEL OF "AHMEDABAD BRANCH OF WIRC OF ICAI"

Date: 25th February, 2021 Thursday
Time: 06:00 PM to 07:30 PM

AHMEDABAD BRANCH OF WIRC OF ICAI
Presents Virtual You Tube Live

RANKERS TALK
CA INTERMEDIATE LEVEL

AIR 1st RANK: **Shreyas Thakur** (Mumbai)
AIR 2nd RANK: **Rishabh Sankar** (Mumbai)
AIR 3rd RANK: **Shreyas Agrawal** (Mumbai)
AIR 4th RANK: **Aditi Bhattacharya** (Mumbai)
AIR 5th RANK: **Chiranjeev Bhatnagar** (Mumbai)
AIR 6th RANK: **Shreyas Nayak** (Mumbai)

WATCH THE TALK LIVE ON YOU TUBE CHANNEL OF "AHMEDABAD BRANCH OF WIRC OF ICAI"

Date: 25th February, 2021 Thursday
Time: 07:30 PM to 09:00 PM

AHMEDABAD BRANCH OF WIRC OF ICAI
Presents Virtual You Tube Live

RANKERS TALK
CA FINAL LEVEL

AIR 1st RANK: **Rohit Agrawal** (Mumbai)
AIR 2nd RANK: **Aditi Bhattacharya** (Mumbai)
AIR 3rd RANK: **Chiranjeev Bhatnagar** (Mumbai)
AIR 4th RANK: **Shreyas Nayak** (Mumbai)

WATCH THE TALK LIVE ON YOU TUBE CHANNEL OF "AHMEDABAD BRANCH OF WIRC OF ICAI"

Date: 26th February, 2021 Friday
Time: 08:30 PM to 10:00 PM





AHMEDABAD BRANCH OF WICASA
Presents

SPORTS WEEK 2021

For CA Students & their Family Members

Sports to Participate

- VOLLEYBALL
- KABBADI
- TUG OF WAR
- BADMINTON
- SQUASH
- BOWLING
- CARROM
- LUDO
- POOL
- CHESSE
- TENNIS
- FOOTBALL
- TABLE TENNIS

Dates : 31st Jan to 05th Feb, 2021

Chief Co-ordinators
CA. Fenil Shah
Chairman, Ahmedabad Branch

CA. Anjali Choksi
Chairperson,
WICASA Ahmedabad Branch

CA. Harit Dhariwal
Chairman,
Students Committee Ahmedabad Branch

For Dates, Venue & Registration visit
www.icaiahmedabad.com

For any queries or assistance contact
Mr. Jayprakash – 7405223375
Mr. Akshat – 7043149486
Mr. Vraj - 9687706601
Mr. Het - 9898160843

AHMEDABAD BRANCH OF WIRC OF ICAI
Presents Jointly With
AHMEDABAD BRANCH OF WICASA

CA CYCLIFY 2021

VIRTUAL CYCLOTHON for making CYCLING
as Part of LIFE (Cycling for Life) for CA Members,
CA Students & their Family Members.

Sunday, 21st Feb, 2021
Cycling Task to be done anytime
between 06:00 AM to 11:30 PM

#CACYCLIFE

MANNER OF PARTICIPATION

REGISTER – READ DETAILED RULES – DO CYCLING – SUBMIT DATA
Participant can use OWN Cycle or rent bike & an RENT Free Using
FROMOCODE in MYRBT app "ANADCA" & get Free Ride worth Rs 50.

Registration Fees – Rs 50 per Person

For Registration & Detailed Rules visit
www.icaiahmedabad.com

Chief Co-ordinators
CA. Fenil Shah
Chairman, ICAI Ahmedabad

Co-ordinators
CA. Anjali Choksi
CA. Harit Dhariwal
CA. Vraj Choksi
CA. Het Choksi

AHMEDABAD BRANCH OF WIRC OF ICAI
Presents Jointly With
AHMEDABAD BRANCH OF WICASA

अभिव्यक्ति

PHYSICAL & VIRTUAL Program to Express Oneself

Types of Participation

- Poetry
- Storytelling
- Stand up Comedy
- Singing
- Monologue

Day & Date
Sunday, 21st Feb, 2021

Time
06.00 PM Onwards

Registration Fees
Rs 50 Per Participant

Eligible Participants
CA Members, CA Students, Family Members of
CA Members & Students and
Open for Other persons subject to selection by Jury.

For Registration & Detailed Rules visit www.icaiahmedabad.com

Venue
Virtual: Participation Details will be shared after Registration
Physical: ICAI Bhawan 123, Sardar Patel Colony,
Nr. Usmanpura Underbridge, Narangpura, Ahmedabad, Gujarat 380014

Chief Co-ordinators
CA. Fenil Shah
Chairman, ICAI Ahmedabad
CA. Anjali Choksi
Chairperson, WICASA Ahmedabad

Co-ordinators
CA. Harit Dhariwal
Chairman, Students Committee
CA. Vraj Choksi
CA. Het Choksi



FUTURE ACTIVITIES



Chartered Chef Fireless Cooking

2nd March, 2021 | 5PM - 7PM

Eligible Participants:

- CA Members (Male/Female)
- Spouse of CA members (Male/female)
- CA Students

Categories

1. Mock tails
2. Salad
3. Desserts
4. Sandwiches
5. Chaat
6. Starters

Venue: - "ICAI Bhawan", 123 Sardar Patel Colony,
Nr. Umanpura Underbridge, Naranpura, Ahmedabad-380014

Members - Rs 100
Students - Rs 50



INTERNATIONAL
Women's Day

Stay tuned for many more upcoming events...