



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Ahmedabad Branch of WIRC of ICAI

FINANCIAL FREEDOM



E-NEWSLETTER

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Chairman's Message



Dear Professional Colleagues,

Greetings.

"Whole Life is an Experiment. The more Experiments you make the Better. Do more of what makes you happy."

I am glad to share that even in mid of the pandemic scenario due to COVID 19 we were actively engaged in Professional programs and also in programs for Health and Corporate Social Responsibility. This is the best time where we can identify our

weaknesses and can work on them along with sharpening our

Strengths to become the one who is competent to face the challenging future to come post lockdown.

First Time Events: Happy to share that we did following events for the first time at Ahmedabad Branch such as:

- 1] Mission Slimpossible – 21 days Fitness Challenge
- 2] Virtual Chess Tournament Season I
- 3] Green Ganesha Workshop
- 4] Model United Nations [MUN] for Students

WEBINARS: In my vision to serve the Members and Students, I am arranging various Webinars and we are getting the overwhelming response to it. The Crucial amongst it was Direct Tax Refresher Course Series, 8 Days IND AS Refresher Course Series, etc

ICAI Updates:

1] **Research Committee:** It has launched the following initiatives for the members and students at large to avail the benefits of such schemes:

1. **ICAI Doctoral Scholarship Scheme** – For details

https://www.icai.org/new_post.html?post_id=16491

2. **ICAI Research Project Scheme** - For details

<https://resource.cdn.icai.org/59494research48411project.pdf>

3. **ICAI International Research Award** - For details

<https://resource.cdn.icai.org/59392research48349awards.pdf>

4. **ICAI Awards for Excellence in Financial Reporting** – For details

https://www.icai.org/new_post.html?post_id=16508

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2] EMPANELMENT OF MEMBERS TO ACT AS OBSERVERS AT THE EXAMINATION CENTRES FOR THE CHARTERED ACCOUNTANTS EXAMINATIONS: A member who fulfills the above mentioned eligibility criteria, desirous of empanelling himself for the assignment, may do so, online at <http://observers.icaiaexam.icaai.org> on or before 20.09.2020.

3] The IASB publication of IFRS comprising IFRS Part B (Illustrative Examples and Implementation Guidance) and IFRS Part C (Bases for Conclusions) that accompany the IFRS Standards is also placed on the ICAI website for guidance in application of the Ind AS. The above e-version of updated Ind AS and related guidance material are available at:

https://www.icaai.org/new_post.html?post_id=15361

4] ICAI Cares - Medical Financial Assistance to the Members and their dependents suffering from CORONA. The Detailed Notification can be accessed on <https://www.icaai.org/post/covid19cabf>.

VIRTUAL AHMEDABAD BRANCH GST HELPDESK: Any person can lodge the grievance and it will be redressed by an GST HELP DESK COMMITTEE consisting of experts. **In case of any grievance you can Submit your details on this LINK** <https://forms.gle/3m3eyqiSvMG6iXiz7>

“In the long history of humankind those who learned to collaborate and improvise most effectively have prevailed.”

During this times Ahmedabad Branch is also to come up with more Webinars & other Initiatives to ensure that Students remain in-tune with the updates and can make the best of this time to sharpen their knowledge and skills base. Till then I request all students to remain at home.

Stay Home. Stay Safe. Stay Updated. Stay Happy.

**Thanks & Regards,
CA. Fenil Shah
Chairman.**

Ahmedabad Branch of WIRC of ICAI

EDITORIAL



We take this opportunity to wish happy and safe monsoon season to all the members. Newsletter for this month *is unique with its theme based on financial independency and avoiding the financial leverage.* As we are passing through the

time of unprecedented pandemic we have seen the leverage in terms of financial aspect is most dangerous for everyone. *As the Philip Fisher said “Zero debt is the biggest assets”, to achieve that asset we have made diligent efforts by including theory of Coffee Can Investing a great piece of paper by Robert G. Kirby which will foster our focus on passive investing.*

This September shall bear a table of less work load but GST Audits and Annual returns shall keep us to hang in tight.

The government has reflected its strong defense policy with delivery of Rafael fighter jet planes. Also a New Education Policy under groundwork phase.

This month news was full of Floods in different states, Blasts, Flight Crash and no eyes were left dry on the news of retirement of M S Dhoni and Raina. COVID-19 still a threat: With the home minister testing positive for the virus hopes plunged down which were again surfaced up with Russia's vaccine claim. India has been at the top of chart in daily new cases since last 2 weeks. But we are sure that India will come out of this in more invigorated manner.

This newsletter includes all the recent changes in Corporate law, GST, Direct & International Taxation. I also request to all the members who are willing to contribute for newsletter on any topic can share the same with us at ahmedabad@icai.org

Amidst all this, we wish a happy Independence Day to all our members.

Stay Safe, Stay Home and Stay Happy !!

Happy learning!!

CA Rahul Maliwal
Chairman, Newsletter Committee

Mission Slimpossible



Ahmedabad Branch of WIRC of ICAI
Congratulations To All Participants

MISSION
SLIMPOSSIBLE

Milestone Achieved Together through the **MISSION SLIMPOSSIBLE** Over **21 DAYS** of Virtual Fitness Challenge



“Outstanding long term results are produced primarily by avoiding dumb decisions”- Warren Buffett



Virtual Chess Tournament - I

Ahmedabad Branch of WIRC of ICAI
Jointly with
WICASA Ahmedabad

**VIRTUAL CHESS
TOURNAMENT SEASON - I**

"Team Work Divides The Task & Multiplies The Success."

CA. Fenil Shah
Curator
Chairman, Ahmedabad Branch

Chief Co-Ordinators

				
CA. Vandan Shah	Shri Bhavin Goklani	CA. Pakshal Patel	Keval Trivedi	Rahul K Nuval

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Shruti Gupta	Shubham Upadhyay	Pratham Agarwal	Harsha Harwani
			
Charvi Godhwani	Kshitij Arora	Shivam Gaur	Mansi Patel
			
Nilesh Singh	Tannu Shree Panwar	CA. Vedant Parikh	CA. CS Nilay Shah

Ahmedabad Branch of WIRC OF ICAI

**VIRTUAL CHESS
TOURNAMENT SEASON I**

Congratulations
CA Members & Family Members Category

RAJ PATEL
1st Prize

KARTIK PANDYA
2nd Prize

VANDAN SHAH
3rd Prize

AAKASH SHAH
4th Prize

RIDAM AGRAWAL
5th Prize

CA. Fenil Shah
Chairman
Ahmedabad Branch

CA. Bishan Shah
Secretary
Ahmedabad Branch

"Hope Success be a Journey & not a Destination"

BEST PLAYER OF TOURNAMENT

JEET KAKKAD

WICASA Ahmedabad Branch of ICAI

**VIRTUAL CHESS
TOURNAMENT SEASON I**

Congratulations
CA Student Category

JEET KAKKAD
1st Prize

KARAN SHAH
2nd Prize

KELLA MADHAV
3rd Prize

PUNIT PARMAR
4th Prize

DISHA BALANI
5th Prize

CA. Fenil Shah
Chairman
Ahmedabad Branch

CA. Anjali Choksi
Chairperson
WICASA Ahmedabad

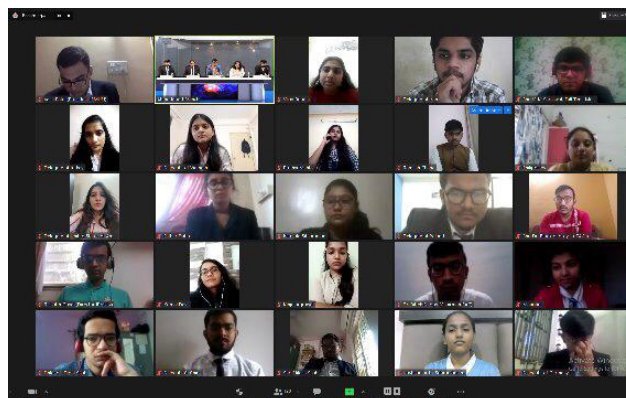
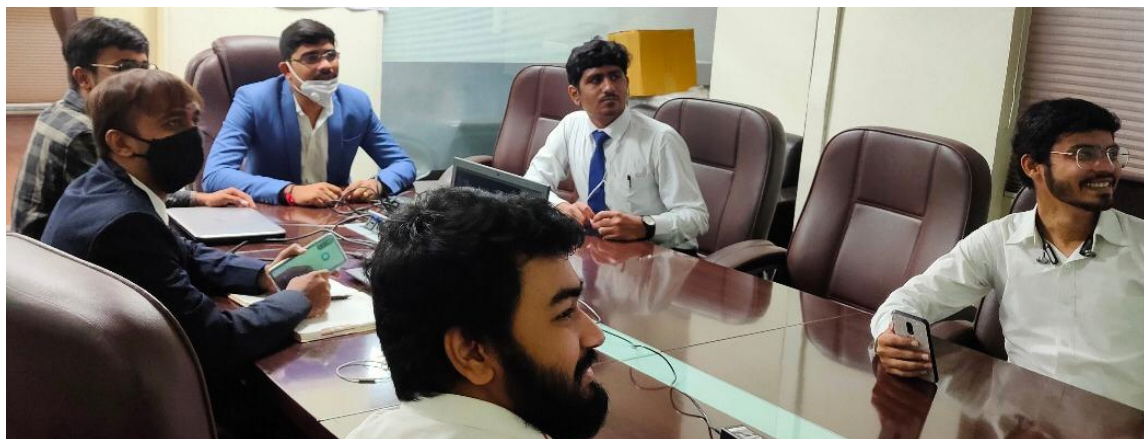
"Hope Success be a Journey & not a Destination"

Green Ganesha



Avoid Compulsive Spending, Pay off Debts and Simplify your life.

Model United Nation



As long as you stick to your own investing style, you get the good and bad of your own approach.

Coffee Can Investing

You can make more money being passively active than actively Passive. -Robert G. Kirby

Let's understand the theory of coffee can portfolio in stock market, which foster the concept of being passive to create enormous wealth

Never depend
on single **INCOME**.
Make investment
to create a
second **SOURCE**.

WARREN BUFFETT



Very few smells in this world can match the divine aroma of roasted coffee. There is no match for the gentle whiff that hits your nose every time a coffee can is opened.

Coffee cans began to be widely used in the 19th century to store roasted coffee. Being airtight, these cans not only helped in

retaining the freshness of the coffee but also helped in locking in the aroma, thus extending the life and flavor of the coffee. Coffee cans served another important purpose. Back in the day, most people used them as a container for valuables, cash, trinkets, and collectibles etc., which were to be put away for safekeeping.

Are you asking what coffee cans have to do with investing? You will soon realize that the best way to invest is to have a “coffee can portfolio”.

Robert G. Kirby, one of the greatest investment advisers ever. A native of Los Angeles, Kirby was a graduate of both Stanford and Harvard. In 1951, he began his career at the Scudder, Stevens & Clark stock brokerage in Los Angeles. But he spent most of his half-century-plus career with The Capital Group, helping build the business of investing for retirement. Kirby also has the distinction of being the only West Coast member of the Presidential Task Force on Market Mechanisms, nicknamed the Brady Commission after its chairman, Nicholas F. Brady. The commission was charged by the then President Regan with examining a massive 508 point sell-off of the Dow Jones Industrial Average (DJIA) on Oct. 19, 1987, popularly called Black Monday. To date, it is the largest single day fall, in terms of percentage, that the DJIA has had, closing the day with a staggering 22.61% fall.

There is an incident which totally changed the investment outlook of Robert Kirby. Back in the fifties, he had a husband and wife client. Kirby worked primarily with the husband who operated a portfolio in his wife's name. He made the husband follow all the guidelines, buying and selling investments to make

sure that the wife's portfolio generated, what he thought were, optimum returns.

In a few years' time, after the husband died, the wife called Kirby to say that she had inherited her husband's belongings in which she found some stock certificates. Kirby reviewed the man's holdings and was dumbfounded. The husband had piggybacked on all of Kirby's buy recommendations. The man purchased about \$5,000 of each stock in both his and his wife's portfolio. **In the case of his own portfolio, he tossed the certificates into a safe-deposit box and ignored the investments.** When Kirby made a sell recommendation, he faithfully executed the recommendation only in his wife's portfolio while ignoring selling in his own.

Kirby was shocked when he saw the value of the man's portfolio, which greatly exceeded that of his wife's. There were a number of holdings that had sunk to \$2,000, several large positions that exceeded \$100,000, and one stock was worth in excess of \$800,000. That huge position was the result of a small commitment to a company called Haloid Photographic, which later changed its name to Xerox.

The lesson that Kirby learnt was not that an investor should buy stocks hoping to find the next Xerox (or Infosys or Maruti Suzuki) but that a portfolio left alone, with negligible costs, can outperform a portfolio that is constantly tinkered with. Kirby called it the “coffee can portfolio” because it reminded him of a time when it was common for someone to place valuables in a coffee can and stick it under a mattress. Since it incurred no transaction or administrative costs, the can's value hinged solely on what was placed in it.

Kirby in his paper titled “The Coffee Can portfolio” famously said:

You can make more money being passively active than actively passive.

This paper was published in “The Journal for Portfolio Management” in 1984.

So this small anecdote has convinced people to follow the coffee can portfolio approach. Reduce your frictional costs like management fee, brokerage & taxes, and hold on to your investments for the long run, as you wouldn't know upfront which of your investments will turn into the next multibagger.

When you try to incorporate someone else's style, you often wind up with the worst of both styles.

Accounting & Company Law Updates

Compiled by: CA. Chintan Patel



1. **Compilation of Relaxations from Regulatory Compliances due to Outbreak of Covid-19 Pandemic**

ICAI has issued a publication on the **compilation of Relaxations from Regulatory Compliances due to Outbreak of Covid-19 Pandemic**.

It includes compilations of Circulars and Notifications of relaxations issued by Ministry of Corporate Affairs (MCA) and SEBI.

<https://resource.cdn.icai.org/60756clcg49381.pdf>

2. **Guidance on Review Engagements on Interim Financial Information in the Current Evolving Environment Due to COVID-19**

ICAI has issued "Guidance on Review Engagements on Interim Financial Information in the Current Evolving Environment Due to COVID-19" that highlights key areas of focus in the current environment when undertaking a review of interim financial information in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the

Independent Auditor of the Entity"

<https://www.icai.org/resource/60696aasb49345.pdf>

3. **Extension of time for submission of financial results for the period ended 30th June 2020 to 15th September, 2020**

SEBI has today vide Circular dated 29th July 2020 has extended the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half year/financial year ended 30th June 2020, to September 15, 2020.

https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020_47183.html

4. **Ind AS Amendment Rules 2020**

Companies (Ind AS) Amendment Rules, 2020 dated 24th July, 2020 specifying amendments in existing Ind AS covering:

Earlier you realise this, good it is for you; investing is all about character and temperament.



Ind AS	Key Amendment
103	<ul style="list-style-type: none"> Revised Definition of business Introduction of optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business Additional guidance to assess whether acquired process is substantive
1, 8	<ul style="list-style-type: none"> Revised Definition of Material and related guidance. Consequential changes to other standards (Ind AS 10, 34, 37)
107	Additional disclosure pertaining to interest rate benchmark reform
109	Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by interest rate benchmark (IBOR) reform
116	Practical expedient of accounting o Covid-19 Rent concessions

http://www.mca.gov.in/Ministry/pdf/Rule_24072020.pdf

1. Clarification on Extension of Annual General Meeting (AGM) for the financial year ended 31.03.2020, Companies Act, 2013

MCA vide *General Circular no. 28/2020 dated 17th August, 2020* has issued clarification on extension of Annual General Meeting for the financial year ended as at 31.03.2020.

The Ministry once again reiterated that the companies which are unable to hold their AGM for the financial year ended on March 31, 2020, despite availing the relaxations provided in MCA *General Circular No. 20/2020* ought to file their applications in *E-Form GNL-1* for seeking an extension of time in holding of AGM for the financial year ended on March 31, 2020, with the concerned Registrar of Companies *on or before 29th September, 2020*.

Also the Ministry has directed Registrars of Companies to consider all such applications (Filed in E-Form GNL-1) liberally in view of the hardships faced by the stakeholders and to grant

an extension for the period as applied for (up to three months i.e. 31st December) in such applications.

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf

Procedure to file Application seeking extension of time for holding Annual General Meeting

- Chairman /Director of the company shall call for a meeting of Board of Director for which a notice must be send at least 7 days before holding of Meeting of Board.
- To Convene a Board Meeting on the specified date.
- To pass a resolution for extension of time limit for holding annual general meeting specifying the due reason for extension of AGM.
- To file an application to Registrar of Companies in E-Form No. GNL-1.(Reason for not holding AGM along with other necessary information to be provided)
- Attach the Certified true copy of the Board Resolution in E-Form-GNL-1.
- The registrar will examine the application on the specific grounds and grant an extension.



GST Updates

Compiled by: CA. Monish Shah

Notifications

1) Notification No 60 & 61 regarding E-Invoicing has been issued on 31st July 2020 the summation of the same is as under

Applicability

W.e.f 1st October 2020, a registered person whose aggregate turnover in a financial year exceeds Rs 500 Crore shall prepare e-invoice in respect of supply of Goods/Services to a registered Person (B2B)

Imp Points about e-invoice

(a) Under E-Invoice, Invoice is prepared on ERP software/offline utility and then JSON file will be created which is required to be uploaded on portal.

(b) There is misconception that e-invoice will be generated at Government's Portal. This is totally incorrect

(c) E-invoice portal based on JSON file generate a unique Invoice Reference Number [IRN], digitally sign the e-invoice, generate QR code.

Steps involved in generation of e-invoice

1. Generation of Invoice and JSON
2. Uploading of JSON
3. Validation of data by IRP
4. Sharing of E-invoice

Cancellation of E-Invoice –Cancellation have to be reported within 24 hours. Any cancellation after 24hrs is not possible*

Notification No 61/2020- dated 30.07.2020 prescribed the format for e-invoice [Form GST INV-01]

Some of the mandatory and optional fields on e-invoice prescribed are given below:-

Mandatory fields on e-invoice

1. Supply type such as B2B, B2C, Export, To SEZ etc
2. Document type such as Invoice, Debit note, credit note
3. Invoice number [Maximum character-16]
4. Document date in the format DD/MM/YYYY
5. Legal Name of supplier as appearing in PAN
6. GSTIN of supplier
7. Address of supplier along with pin code

8. Supplier state
9. Supplier state code
10. Legal Name of recipient as appearing in PAN
11. GSTIN of recipient
12. Place of supply
13. Address of recipient along with pin code
14. Recipient place
15. Recipient state code
16. Item list, item price and gross amount
17. HSN, Item description
18. Taxable amount, GST rate

Optional fields

1. Trade Name of supplier
2. Supplier email id and phone number on e-invoice
3. Supplier email id and phone number on e-invoice
4. Bank details of supplier
5. Transporter id, Mode of transportation, distance of transportation, transporter name,
6. Country code of export and Port code
7. Shipping bill no if available at the time of reporting e-invoice
8. Additional currency code like USD, EURO
9. Whether tax is payable under reverse charge
10. Document period start and end date
11. PO/Contract reference number
12. Branch ID/Employee ID, Sales centre ID etc

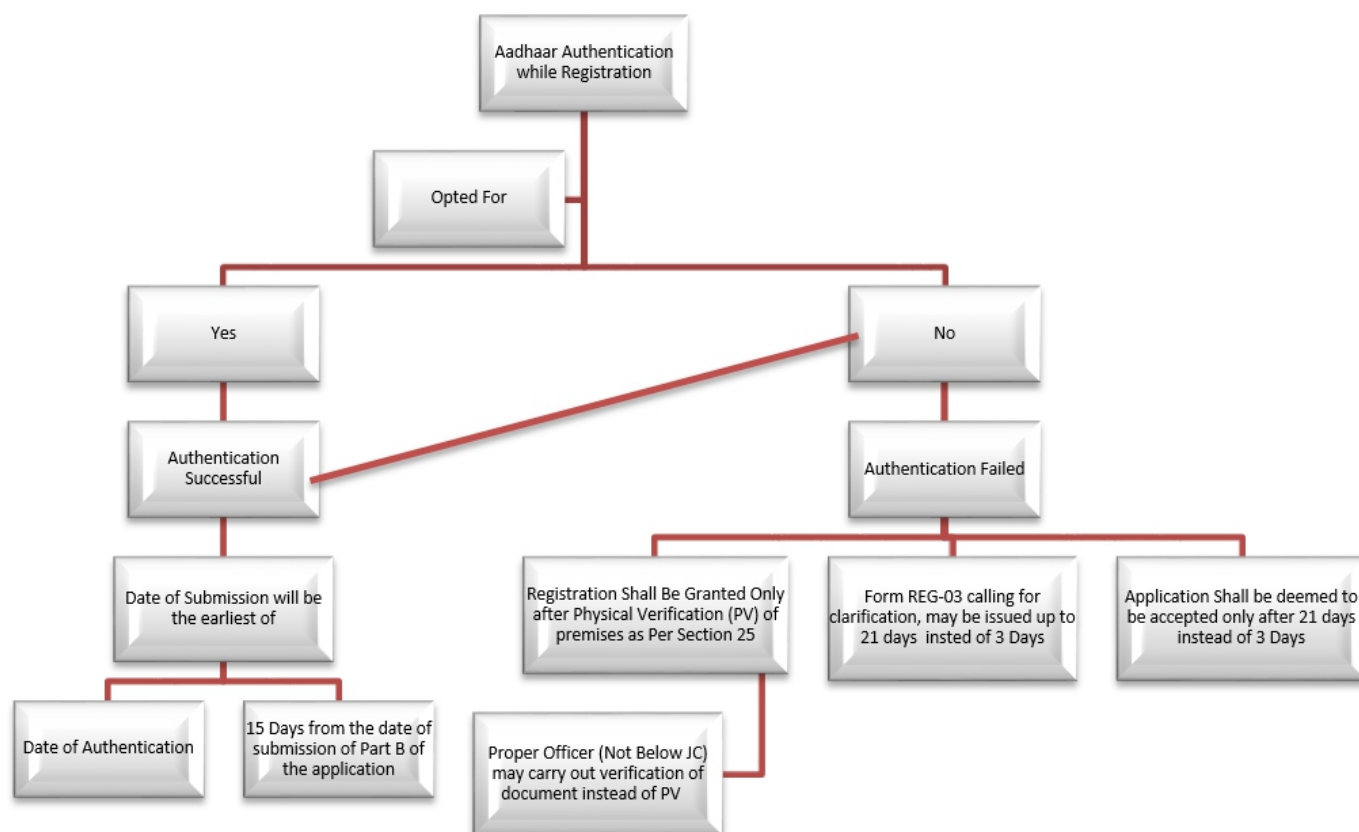
2) Notification No 62 was issued on 20/08/2020 with regards to amending registration procedure laid down in the rules

(a) If person opts for Aadhar Authentication

If a person applying for GST registration and opted for Aadhar Authentication then officer has to act upon the application within 3 working days. In simple terms, on successful authentication of Aadhaar, registration will be deemed approved within 03 working days if no SCN/query issued by officer.

(b) If person does not opts for Aadhar Authentication

If person doesn't opts for Aadhar Authentication then physical verification of his place of business will be done & only after that registration number will be issued.



Imp Note

(a) Once registration application is submitted, an authentication link will be shared on GST registered mobile numbers and email ids mentioned in the GST application

(b) Taxpayer need to complete Aadhar authentication of all Promoters/ Partners/ Authorized Signatories/ Karta etc. as mentioned in the application

(c) Persons already registered on GST portal are not required to undergo Aadhar authentication

Important AAR/AAAR

1) Business of supplying online journals. - Own an online educational journal portal called J-Gate, which is a platform for various educational journals. - The appellant charges the subscribing institutions an annual subscription fee, depending on the disciplines from which the journals are required to be accessed - Held, The supply of services in the nature of subscription to the J-Gate by the educational

institutions is eligible for exemption from GST under sub-item (v) of item (b) of serial no. 66 of Notification No.12/2017- Central Tax (Rate) dated 28.06.2017 as amended by Notification No.2/2018- Central Tax (Rate) dated 25.01.2018. - AAR set aside in toto. (Informatics Publishing Ltd. - KARNATAKA APPELLATE AUTHORITY FOR ADVANCE RULING)

2) "Cast Protector" - functionally used for keeping orthopaedic fracture casts dry during bathing and showering - Cannot be considered as a pharmaceutical product - It is a reusable water proof plastic covering that keep the casts / wounds dry while coming to contact with water. - It comes under the classification HSN 3926 90 99 'Other articles of plastics and articles of other materials of headings 3901 to 3914 -Other'. (Dynamic Techno Medicals Pvt. Ltd. - KERALA AUTHORITY FOR ADVANCE RULING)

Direct Tax Updates

Compiled by: CA. Mohit Tibrewal



1. Press Release dated 04.08.2020 – IT Department hopes to complete all faceless E-Assessments by mid-September:

3,130 tax personnel, including 600 IT officers are busy implementing the Faceless e-Assessment scheme of Income Tax. Out of 58,319 cases selected for faceless assessment, already 8,700 cases have been disposed off. The scheme, first announced by the Finance Minister Ms. Nirmala Sitharaman in the 2019 budget speech, is seen as a big leap towards transparent tax administration.

This is the first time that the department personnel are doing the faceless e-assessment. The work has picked up since July, after having addressed all the issues related to infrastructure, manpower, hardware and software. Their target is to finish all the cases by mid-September.

The Income Tax Department in October 2019 rolled out the faceless e-assessment scheme that eliminates physical interface between an assessing officer and an assessee. Eight cities – Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Ahmedabad and Pune are covered under the scheme. The cases taken up for

faceless e-assessment include a mix of returns filed by individuals, businesses, MSME as well as big companies.

How the faceless e-assessment works?

The National e-Assessment Centre in Delhi is the single point of contact for the taxpayer as well as for all units conducting assessment. It is the NEC which issues notices under Section 143(2) to the assessee for which the assessee is required to respond within 15 days of receipt of notice. Upon the issue of a notice, NEC allocates the case to any Assessment Unit through an automated allocation system, ensuring anonymity.

The conventional system of scrutiny assessment involved a high level of personal interaction between the tax payer and the Income Tax Department officials. Under the faceless e-assessment system, the tax payer would not know by whom his /her return is being assessed or in which city. The anonymity and the absence of human interface will go a long way in addressing the issue of harassment as well as curb instances of corruption.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1643289>



International Taxation

Compiled by: CA. Twinkle S Shah



INTERNATIONAL TAXATION

A. Judicial Precedents

1. Decision of High Court of Delhi in case of Mastercard Asia Pacific [TS-411-HC-2020(DEL)]

- In case of Mastercard Asia Pacific (assessee or Mastercard) Authority for Advance Ruling (AAR) had held that Mastercard had a Fixed place PE, Service PE and Dependent agent PE in India under Article 5 of the India-Singapore DTAA in respect of the services with regard to use of a global network and infrastructure to process card payment transactions for Customers in India. Against the said order, Master Card had filed an appeal before High Court which is pending for disposal.
- In the present writ petition, Mastercard argued that without prejudice to the appeal filed against order of AAR, since new Equalisation Levy (EL) is not payable when a PE exists [Section 165A(2)(i)] and as it is the Tax Department's case that Mastercard has PEs in India, assessee is not liable to pay EL. Accordingly assessee files present application for stay from payment of EL, pending the main matter [i.e. challenge to AAR order on PE issue]. The assessee submits that there cannot both - levy of income tax [arising from PE] and EL at the same time, as it will result in double taxation.
- The High Court disposes off Mastercard's writ

petition seeking stay of EL payments in view of the affidavit filed by the Revenue wherein it categorically accepted that 1) no EL is payable by Mastercard as Tax Department is bound by the AAR order [which specifically states that assessee has PE in India] 2) **The Revenue has no desire of collecting the EL in respect of income tax already been paid by Mastercard, either by way of TDS or advance tax** and 3) In case if Mastercard succeeds in the writ petition, it would be eligible to receive income-tax refund along with statutory interest & at that time, Mastercard would be liable to pay EL with interest.

B. CBDT Notifications

- CBDT inserts new Rule 114AAB specifies that provisions of Sec. 139A shall not apply to a non-resident if:
 - (i) The non-resident does not earn any income in India, other than the income from investment in Category I or Category II Alternative Investment Fund [AIF] located in IFSC in India, and
 - (ii) TDS on such income is deducted by Specified Fund in accordance with Sec. 194LBB and
 - (iii) The non-resident furnishes the specified details and documents to the Specified Fund, class or classes of persons to whom provisions of Sec. 139A for mandatory obtaining PAN shall not apply.



RERA Updates

Compiled by: CA. Mahadev Birla

Real Estate (Regulation and Development) Act, 2016 (RERA,2016)

Section-11 “Function and duties of Promoter in respect of Quarterly Updation of Project Information's”

As per provision of section 11(1) of RERA, 2016, every promoter has to update the project related information on quarterly basis. Following are the information which require to be up-to-date on quarterly;

- Booking of plot or apartment
- Booking of garage
- Approval taken and the approval taken after the commencement certificate
- Development Status of the project
- Form-1 Architect Certificate
- Form-2 Engineer Certificate
- Form-3 Chartered Accountant certificate

These information's is required to update on every quarter however in the last quarter in which project end date falls, promoter has to update/file the following additional information's/Documents

- Form-4 Architect Certificate for completion of Project.
- Affidavit cum declaration documents indicating transfer of amenities.
- BU Map as approved by the Competent Authority.
- Latest Revenue Record (Form 7/12, property card).
- Society registration certificate.
- Society registration date.

To comply the above requirement, Gujarat Real Estate Regulatory Authority (GujRERA) has issued the Standard Operating procedure for quarterly updation and these updation is defined as “RERA return” compliance. These updation or filing of RERA return is to be made online.

Initially GujRERA has considered the dynamic rolling quarter (3 months) of a project defined with respect to a specific logic unique to each project for which the Promoter is liable to submit the mandatory RERA Return before the end date of the quarter shown in the

promoter login.

However, this system of filing RERA return has changes and GujRERA has issued order no. GujRERA/Order-34 dated 6th May, 2020 to implement the Financial Quarter based RERA return filing effective from 7th July, 2020. This financial quarter-based filing of RERA return was implemented due to implementation of new system i.e. RERA 2.0 by GujRERA.

However, GujRERA has differed the implementation of RERA 2.0, till the further notice is issued, by issuing an order no. GujRERA/Order-40 dated 28th July, 2020.

After deferment of implementation of RERA 2.0, GujRERA has issued Order No. GujRERA/Order-41 dated 31st July,2020 wherein, it was decided to to differ the Financial Quarter based RERA return filing process/system and to continue with the existing system of dynamic rolling quarter.

In this order GujRERA has clarified the following points:

- Exemption is granted to file Quarterly RERA Return for which due date was 7th April, 2020, 7th May, 2020 and 7th June, 2020.
- Time period of filing the Quarterly RERA return is extended to 7th September, 2020 in respect Quarterly RERA return for which due date of filing was 7th July,2020 and 7th August,2020.
- There is no change in due date for filing the Quarterly RERA Return which due on 7th September, 2020.
- Further, all the future quarterly updation i.e. Quarterly RERA return will filed as per due date i.e. 7th October, 2020, 7th November,2020 and 7th December,2020.

<https://gujrerarajarat.gov.in/regulatoryOrder>



Regulatory Updates

Compiled by: CA. Gautam Pai

Make-in-India Incentive scheme

Production Linked Incentive Scheme: Promotion for manufacturing of critical Key Starting

Materials, Drug Intermediaries and Active Pharmaceutical Ingredients in India

Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India

Background

The Government of India has identified pharma industry as one of the critical sectors in achieving the vision of making India 'self-reliant' or 'Atmanirbhar'. Traditionally, India largely depends on import of some of the basic raw materials such as the bulk drugs that are required to produce the finished dosage formulations.

With the aim to reduce India's dependence on import of bulk drugs and to promote domestic manufacturing, the Government of India has notified a Production Linked Incentive Scheme ('PLI scheme') for promotion of domestic manufacturing of critical Key Starting Materials ('KSMs'), Drug Intermediaries and Active Pharmaceutical Ingredients ('API'), which was introduced by the Department of Pharmaceuticals ('DOP') vide notification dated 2 June 2020. Further, the detailed implementation guidelines for the PLI scheme were issued by the DOP vide notification dated 27 July 2020 ('the Guidelines').

PLI scheme proposes to provide financial incentives to selected applicants who meet the threshold investment

and domestic sales criteria of the notified products.

Overview of the PLI scheme

An overview of the PLI scheme, as per revised notifications and guidelines is provided below:

- The objective of the PLI scheme is to attain self-reliance and reduce import dependence in critical KSMs, DIs and APIs that are used to produce the finished dosage formulations
- The PLI scheme offers financial incentives on the incremental sales made by selected applicants subject to achievement of prescribed threshold investment and minimum annual production capacity
- The PLI scheme would be implemented through a Nodal Agency which shall act as Project Management Agency (PMA) and recommendations / approvals shall be granted by an Empowered Committee ('EC'), which shall be chaired by CEO, NITIAayog

Key parameters of the PLI scheme

The relevant parameters of the PLI scheme are tabulated below:

Table 1.0: Key parameters of the PLI scheme

Sr No	Key parameters	Key provisions under the PLI scheme
1	Scheme tenure	FY 2020-21 to 2029-30
2	Target segments	41 products have been identified as eligible under the PLI scheme which have been categorized under four target segments (refer Table 2.0 below)
3	Quantum of incentives	The incentive for selected applicants will be calculated by multiplying the net domestic sales with the rate of incentive. The rate of incentive under each target segment have been mentioned in Table 2.0 below. Further, the incentives would be available subject to a maximum cap prescribed for each target segment, product and applicant under the Guidelines.
4	Total incentive outlay	INR 6,940 crores



Sr No	Key parameters	Key provisions under the PLI scheme
5	Application Window	Application window shall be open only for a period of 120 days from the date of issuance of guidelines i.e. 120 days from 27 July 2020. For every target segment, one application needs to be made. However, an applicant can apply for more than one target segment.
6	Eligible entity	Manufacturer registered in India is eligible to apply and entity could be proprietorship firm or partnership firm or LLP or a company
7	Eligible investment	<p>Only investment in greenfield projects are eligible; eligible investment for the purpose of meeting the minimum investment threshold (as per Sr. No. 8) to include the below:</p> <ul style="list-style-type: none"> a. Plant & Machinery - Purchase and lease of new plant, machinery, equipment and associated utilities (along with related expenditures as mentioned therein) by the applicant b. R & D Facility - Expenditure shall include only capital expenditure on R&D and product development related to eligible products only c. Land - Expenditure incurred on land required for the project / unit shall not be considered for determining the threshold investment d. Building - Expenditure on construction of building where new plant and machinery are installed i.e. associated infrastructure shall be allowed but limited to 20 per cent of the investment in new plant and machinery <p><i>No second hand / used / refurbished plant, machinery, equipment, utilities or R&D equipment shall be used to manufacture the eligible products</i></p>
8	Minimum investment threshold	Minimum investment threshold has been prescribed (refer Table 2.0 below). Investments made on or after 1 April 2020 shall be considered for determining the investment threshold.
9	Minimum annual production capacity	Minimum annual production capacity to be committed by the applicant depending on the target segment (determined for each target segments specified in the Guidelines).
10	Net-worth criteria	Net-worth of the applicant (along with that of group companies) shall not be less than 30 per cent of the total proposed investment.



Sr No	Key parameters	Key provisions under the PLI scheme
11	Domestic Value Addition (DVA)	<p>Minimum Domestic Value Addition (DVA) has been prescribed at 90 per cent in case of fermentation-based products and 70 per cent in case of chemical synthesis-based products (subject to other conditions as specified in the Guidelines).</p> <p>However, the applicant shall be entitled to 50% of the eligible incentive if it manages to achieve the following DVA:</p> <ol style="list-style-type: none"> Between 80-90% in case of fermentation-based product Between 60-70% in case of chemical synthesis-based product <p>The aforesaid relaxation shall be available only for a period of 12 months during the tenure of the PLI scheme.</p>
12	Maximum applicants	Approvals for financial incentives under the PLI scheme shall be limited to 2 applicants (fermentation-based products) and 4 applicants (chemical synthesis-based and other chemical synthesis-based products) based on rank. However, waitlisted approvals will also be provided for each product.
13	Rank-based selection	Selection of applicants under the PLI scheme shall be done on the basis of ranks allocated to the applicants based on weighted average of annual production commitment (35%) and proposed sales price of products (65%).
14	Gestation period for commencement of production	<p>The gestation period for commencement of production is mentioned below:</p> <ol style="list-style-type: none"> Fermentation-based products - from FY 2023-24 Chemical synthesis-based products - from FY 2022-23

Financial incentives available under the PLI scheme

Incentive is the financial benefit to be provided to each selected applicant based on domestic sales of eligible product i.e. 41 products which are divided into four

target segments, detailed list of products has been specified in the Guidelines.

The year-wise financial benefit provided for each type of target segment has been listed in the table below:

Table 2.0: Details of the incentives available along with the minimum investment threshold and minimum production capacity with respect to each target segment.

Target Segment	No. of products covered	Threshold Investment (INR in crores)	Max. no. of applicants	Year 1 to 4	Year 5	Year 6
Fermentation based KSMs / DIs	4	400	2 per product	20%	15%	5%
Fermentation based niche KSMs / DIs / APIs	10	50	2 per product	20%	15%	5%
Key Chemical Synthesis based KSMs / Dis	4	50	4 per product	10%		
Other Chemical Synthesis based KSMs / DIs / APIs	23	20	4 per product	10%		

Consider the full costs of Health Insurance



Note: Application for availing financial incentives under the PLI scheme would not affect the eligibility of the applicant to avail incentive benefits under other schemes such as Industrial Policies provided by different State Governments.

Other operational aspects of the PLI scheme

Some of the other operational aspects of the PLI scheme are as mentioned below:

- Application shall be made online along with payment of non-refundable fee of INR 50,000 or INR 1,00,000 depending upon the eligible product
- An applicant can apply for more than one eligible product by filing separate applications along with application fee for each eligible product, however, this will be subject to maximum number of applicants prescribed for eligible product under each segment
- The incentives under the Scheme shall be available on the sales of the eligible products to domestic manufacturers only
- Application for disbursement of incentives can be filed on a half yearly or annual basis
- Disbursement amount to be transferred directly in the bank account of the applicant or through any other mechanism of adjustment in the name of applicant only

Key points for consideration

While the objective of the PLI scheme is to promote

domestic manufacturing of KSMs, DIs and APIs in India and reduce the import dependency of the said products (listed down in the target segment), there are many restrictions and eligibility criteria under the PLI scheme which may not be in lines with this objective.

Some of the restrictions which may be turn out to be a hindrance in fulfilling the objective are the requirement of greenfield investment, minimum investment threshold, maximum number of applicants, minimum DVA, etc. Further, given the limited application window of 120 days (from the date of notification of Guidelines i.e. 27 Jul 2020), the pharmaceutical companies are expected to plan their new investment from commercial perspective after considering financial arrangement, assessing economic feasibility, business plan for next 10 years, etc. within such a short span of time.

Also, the expectation of the DOP and the Indian Government to commence the production of fermentation-based products and chemical synthesis-based product within 2 years and 1 year respectively seems to be practically difficult.

Having listed down certain issues as mentioned above, we hope that more clarifications would be provided by the DOP for the open areas and various concerns of the pharmaceutical industries would be duly addressed in implementation of the this PLI scheme and help India move one step ahead in getting self-reliant. Will try to cover various issues in a separate article in detail.

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Please note that the Ahmedabad Branch of WIRC of ICAI Landline Telephone no. is now Changed to **079-6810 3989** in place of **079 - 3989 3989** from **13th August, 2020**.

With Regards,

Team Ahmedabad Branch of WIRC of ICAI

www.icaiahmedabad.com

Compiled by: CA. CS. Hemlata Dewnani

INDEX & MATCH



For Example we have GSTN number wise Filing Status table below:


	A	B	C	D	E
1					
2	Sr no	GSTN	Name	Filing Status	Frequency
3	1	27BUTPD9328Q1ZN	ABC	Filed	Monthly
4	2	24AAAAA1111N1ZR	DEF	Not filed	Quarterly
5	3	26AAAAA9999N1Z6	GHI	Filed	Quarterly
6	4	23AAAAA9669N1ZN	JKL	Not filed	Quarterly
7	5	24AAAAA2222S1ZR	MNO	Filed	Monthly
8	6	29AAAAA7777J1ZN	PQR	Not filed	Monthly
9	7	24HHHHH6666J1ZX	STU	Filed	Monthly
10					
11					
12	GSTN	24AAAAA2222S1ZR			
13	Frequency				
14					

=MATCH(B14,B3:B11,0)

=INDEX(E3:E11,5)

Replace the value 5 in the INDEX function (see previous example) with the MATCH function (see first example) to lookup the Frequency of GSTN =INDEX(E3:E11,MATCH(B14,B3:B11,0))

1. To find the position of April in the range A2:A13, use the MATCH function. The result is 4 and Position of Chocolate flavour from B1:D1 is 1. So jointly we can find value of chocolate flavour Sales during April Month

	F5			=INDEX(B2:D13,MATCH(F3,A2:A13,0),MATCH(F4,B1:D1,0))			
	A	B	C	D	E	F	G
1	Month	Choclate	Starwberry	vanila			
2	January	2188	1413	1990			
3	February	1739	1075	1815	Month	April	
4	March	1147	1168	1835	Flavour	Choclate	
5	April	1118	1628	1011	Sales	1118	
6	May	2037	1664	1672			
7	June	1766	2108	1819			
8	July	1323	1901	1034			
9	August	2074	1215	1644			
10	September	1481	1239	1724			
11	October	1182	1817	1343			
12	November	1252	1219	1827			
13	December	1236	1723	1082			

TO be Continued



Important Due Dates

Compiled by: CA. Mahavir Shah

FOR COMPLIANCE FOR SEPTEMBER - 2020

Sr. No.	Act	Compliance	Due Date
1	GujRERA	In case of Promoter : Quarterly Return for Project having original due date of 7th July,2020	07-09-2020
2	Income Tax	Tax Deducted/Collected (TDS/TCS) during the month of August-20 to be deposited	07-09-2020
3	GST	GSTR-7 for the month of August-20 for persons required to deduct TDS under GST	10-09-2020
4	GST	GSTR-8 for the month of August-20 for e-commerce operator required to collect TCS under GST	10-09-2020
5	GST	GSTR-1 for the month of August-20	11-09-2020
6	GST	Payment of GST & Filling of GSTR-3B for taxpayers having turnover upto Rs.5 Crore in preceding F.Y. for following State - Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep - May 2020 - June 2020 - July 2020	12/09/2020 23/09/2020 27/09/2020
7	GST	GSTR-6 for the month of August-20 for Input Service Distributor (ISD)	13-09-2020
8	GST	Payment of GST & Filling of GSTR-3B for the month of June-20 for taxpayers having turnover of upto Rs.5 Crore in preceding F.Y. for following States - Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi - May 2020 - June 2020 - July 2020	15/09/2020 25/09/2020 29/09/2020
9	Income Tax	Payment of 2nd Instalment of Advance Tax for the F.Y. 2020-21 / A.Y. 2021-22	15-09-2020
10	PF / ESIC	Payment of PF / ESIC for the month of August-20	15-09-2020
11	GST	Payment of GST & Filling of GSTR-3B for the month of August-20 , for taxpayers having turnover of more than Rs.5 Crore in preceding financial year	20-09-2020
12	GST	GSTR-5 & 5A by Non-resident taxable person & OIDAR for the month of August-20	20-09-2020
13	MCA	Application in Form GNL-1 for extension of AGM for F.Y. ended on 31st March, 2020	29-09-2020
14	GST	GSTR-9 Annual Return for FY 2018-19	30-09-2020
15	GST	GSTR-9C Annual Audit and Reconciliation Statement for FY 2018-19	30-09-2020
16	MCA	Filing of DIR-3 KYC, DPT-3, MSME-1 without late filing fees	30-09-2020
17	MCA	Availing benefits of Company Fresh Start Scheme – 2020	30-09-2020

Have an emergency fund



Motivational Story

Compiled by: CA. CS. Hemlata Dewnani

POWER OF SILENCE

Maulingaputta, one of the great philosophers of Gautam Buddha's time, had debated with many other great saints and defeated them. Now his only desire was to defeat Gautam Buddha. He came to Gautam Buddha with his five hundred great scholars and he asked, with humbleness, "I want an open discussion with you, with the condition that if I win you and your disciples will have to become my disciples, or if you win I and my disciples will all become your disciples."

Gautam Buddha said, "Settled. But there is one thing you have to remember. You will not start your discussion right now. My routine is: for two years you and your disciples have to sit silently amongst my ten thousand disciples. You are not to ask a single question in these two years, you have just to listen. And after two years I will remind you that the time has come, you can start the discussion."

The condition was accepted. Maulingaputta was not just an egoistic scholar, he was a sincere enquirer. Because of this reason, he agreed with Gautam Buddha, "I will wait for two years." And he sat by the side of Gautam Buddha.

As he was agreeing, laughter was heard from a faraway corner. Under a tree, a strange fellow was sitting – a follower of Gautam Buddha, but very strange. He rarely spoke; except for this laughter, nothing is mentioned about that man in all the great scriptures of Buddhism. This man's name was Mahakashyapa and his laughter became the beginning of Zen. He had not spoken anything, but Maulingaputta was shocked: "Why should this person laugh?"

Gautam Buddha said, "You can ask him. He ordinarily never speaks, never laughs. He is not a man who belongs to ordinary humanity. He is a very silent fellow. You can ask him."

Maulingaputta asked Mahakashyapa, "Why have you laughed?"

He replied, "There is not much in it. Just beware of the

strategy of this guy Gautam Buddha. He deceived me, and in the same way he is going to deceive you too. I laughed because again he is at his game. Two years ago I had come, and he made me sit under this tree silently for two years. I even forgot the calendar. Two years of silence is such a long time. For a few days I remembered that one day has passed, two days have passed, one week has passed... Then slowly, slowly I forgot all about it. One day he suddenly said, 'Mahakashyapa, this is the day you had come for, two years ago – to have a discussion with me. Now stand up and start your discussion. What do you want to say?'"

Mahakashyapa said, "You have destroyed everything that I could have said two years ago. This silence has been such a cleansing. It has taken away all the nonsense that I have carried, thinking that it is scholarship, it is knowledge. This silence has transformed me. I don't have anything to ask."

He said to Maulingaputta, "The same is going to happen to you. If you really want a discussion, don't accept the condition, have the discussion today. We have never been entertained by Gautam Buddha in all these years; it will be a great joy."

But Maulingaputta had agreed. And he could understand the point that unless you are utterly silent you cannot absorb the presence, the grace, the beauty of the master.

He sat by his side for two years, and after two years when Buddha said, "Now two years are over. You can start your discussion," he said, "Mahakashyapa was right. I have nothing to say, everything has dropped. Just allow me first to touch the feet of Mahakashyapa and then I will touch your feet. He had provoked me and I had felt humiliated by his laughter. I have to ask his forgiveness."

He went to Mahakashyapa and touched his feet.

Conclusion : Try to work on yourself rather than searching everything outside. Find time for yourself and all your Queries will be resolved