



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

## AHMEDABAD BRANCH OF WIRC OF ICAI

# e NEWS LETTER

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## Chairman Message

Dear Members,

The month of September has always been a go slow month as far as the activities at Ahmedabad Branch are concerned. All the Chartered Accountants, whether in practice or in industry, are busy in the month of September with finalization of accounts and filings. Now that every month has some due date or other, it has become very hectic as a Chartered Accountant to spare time for ones own self and family.



The entire year has been a year of extensions with every other due date getting extended for some reason or the other. The Government of India is trying its bit to make a massive change in the direct and indirect tax regime but this intent is not very well supported by the technology and background compliances. This has lead to a lot of confusion and clarification time and again. But as it said, Rome was not built in a day, the changes will surely take shape some day for the betterment of our country.

The month started with an interesting seminar on Application and Work Flow using excel. A joint event of Ahmedabad branch and CPA Australia was organized for benefits of members willing to know the opportunities in Australia. As ICAI has always taken active participation in nation building, Ahmedabad Branch joined its hands with Government of Gujarat and organized a mega apprenticeship fair for the benefits of the apprentices wishing to work under a Chartered Accountant. More than 166 CA firms from Ahmedabad participated in this massive exercise where more than 1300 applicants have come and around 636 were either appointed or short listed by CA firms. This is for the first time that Ahmedabad Branch has joined its hand with state level authorities for such an initiative. I must thank the CA members, Gujarat University and the Gujarat Government for making this entire event a grand success. Many more such events will be organized for the members. CA Rashmin Vaja and CA Rahul Maliwal held a seminar to discuss the provisions of Annual Return of GST and the GST Amendment Act, 2018. The last few seminars were held on FEMA and RERA, two of the most promising opportunities for Chartered Accountants. As the date of Income tax audit cases got extended, the already burdened and exhausted CA friends got some sigh of relief to enjoy the upcoming Navratri Festival.

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The WICASA continued with its activities of organizing meaningful seminars for the students of CA course. The mock tests and revision lectures for the students were the most important events which were held in the month of September.

Six months of the financial year has already elapsed and it does not even feel so. People say that Time Flies and in the present scenario this is absolutely true mainly because we are not able to keep a track of the daily activities and each day is getting completed without us taking note of it. Who is responsible for the precious moments of our life which are being missed in this daily struggle of our lives? Is it us? Is it the circumstances around us? Too much of thinking on this would leave us with no answers. So let's enjoy each and every moment of our life like there is no tomorrow. Love your work, love your life and love your family. There could be no better way to celebrate each moment.

Regards

Thanking You.

**CA. Nirav R. Choksi**  
Chairman

## Editorial



Dear Members,

September is considered as one of the busiest months of the year and this time along with deadlines relating to finalisation of audits and other statutory obligations, we also have to comply with all return filings and advisory for GST and RERA! Apart from the professional work, currently, we also get to enjoy the Tomorrow land of Gujarat – **NAVRATRI!** Navratri is our state's famed celebration festival which is most awaited by one and all. So as a professional, we need to have an expert balancing act to meet the hectic deadlines and at the same time to enjoy Navratri.

With this background, we have kept the layout for this month's newsletter considering the hectic professional work and colorful navratri festival.

I would like to take this opportunity to sincerely thank all the contributors for sending the updates and sparing their precious time for the cause of the profession. In order to make the newsletter more resourceful, we need your support by way of contribution of updates, useful suggestions, etc. I would request you to send your contributions on the topics of Direct Taxes, GST, Corporate Law, Information technology, FEMA, Ind AS, RERA, Indian & World economy and other interesting topics. Kindly email your contributions, achievements etc. on [ahmedabad@icai.org](mailto:ahmedabad@icai.org). The editorial team will publish the best contribution at its own discretion. I extend my sincere gratitude to the Editorial team for their hard work to publish this newsletter in time.

Happy Reading!

**CA. Harit Dhariwal**  
Chairman, Newsletter Committee of Ahmedabad Branch



## Income Tax Updates

(Contributed by **CA. Mohit Tibrewal**)

### 1. Press release dated 1<sup>st</sup> September, 2018 - Filing of Income Tax Returns registers an upsurge of 71% upto 31st August, 2018

There has been a marked improvement in the number of Income Tax Returns (ITRs) filed during FY 2018 (upto 31/08/2018, the extended due date of filing) compared to the corresponding period in the preceding year. The total number of ITRs e-filed upto 31/08/2018 was **5.42 crore** as against 3.17 crore upto 31/08/2017, marking an increase of **70.86%**. Almost 34.95 lakh returns were uploaded on 31/08/2018 itself, being the last date of the extended due date of filing of ITRs. A remarkable increase is seen in the number of ITRs in 2 categories i.e. ITRs filed by salaried Individuals (ITR-1 & 2) as also those availing the benefit of the Presumptive Taxation Scheme (ITR-4). The total number of e-returns of salaried Individual taxpayers filed till 31/08/2018 increased to 3.37 crore from 2.19 crore returns filed during the corresponding period of 2017, registering an increase of 1.18 crore returns translating into a growth of almost **54%**. A stupendous growth has been witnessed in the number of returns e-filed by persons availing the benefit of Presumptive Tax, with 1.17 crore returns having been filed upto 31st August, 2018 compared to 14.93 lakh returns upto 31st August, 2017 registering a massive increase of **681.69%**. The increase in the number of returns reveals a marked improvement in the level of voluntary compliance of taxpayers which can be attributed to several factors, including the impact of demonetisation, enhanced persuasion & education of taxpayers as also the impending provision of late fee which would be effective on late filing of returns. This is indicative of an India moving steadily towards a more tax compliant society & reflects the impact of continuous leveraging of technology to improve taxpayer service delivery.

<http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1544733>

### 2. Press release dated 17<sup>th</sup> September, 2018 -

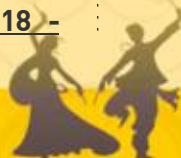
### Exemption to Interest Income on Specified Off-shore Rupee Denominated Bonds

Interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of rupee denominated bond issued outside India before the 1<sup>st</sup> of July, 2020 is liable for concessional rate of tax of Five Percent (5%). Consequently, Section 194LC of the Income-tax Act, 1961 (the Act) provides for the deduction of tax at a lower rate of five Percent on the said interest payment. Consequent to review of the State of Economy on 14<sup>th</sup> September, 2018 by the Prime Minister, Shri Narendra Modi, the Finance Minister, Shri Arun Jaitley had announced a Multi-pronged Strategy to contain the Current Account Deficit (CAD) and augment the Foreign Exchange Inflow. In this background, Low Cost Foreign Borrowings through Off-shore Rupee Denominated Bond have been further incentivised to increase the foreign exchange inflow. Accordingly, it has been decided that interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of Rupee Denominated Bond issued outside India during the period from 17th September, 2018 to 31st March, 2019 shall be exempt from tax, and consequently, no tax shall be deducted on the payment of interest in respect of the said Bond under Section 194LC of the Act. Legislative amendments in this regard shall be proposed in due course.

<http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1546434>

### 3. Press release dated 24<sup>th</sup> September, 2018 - Extension of date for filing of Income Tax Returns and Audit Reports from 30th September, 2018 to 15th October, 2018.

The due date for filing of Income Tax Returns and Audit Reports for Assessment Year 2018-19 is 30th September, 2018 for certain categories of taxpayers. Upon consideration of representations from various stakeholders, the Central Board of Direct Taxes (CBDT) extends the 'due date' for filing of Income Tax Returns as well as reports of Audit (which were required to be filed by the said







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specified date) from 30th September, 2018 to **15th October, 2018** in respect of the said categories of taxpayers. However, there shall be no extension of the due date for the purpose of section 234A (Explanation 1) of the I.T. Act, 1961 pertaining to Interest for defaults in furnishing return, and the assessee shall remain liable for payment of interest as per provisions of section 234A of the Act.

<http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1547090>

#### 4. **Press release dated 08.10.2018 - CBDT further extends date for filing Income Tax Returns and Audit Reports**

The due date for filing of Income Tax Returns and Audit Reports for Assessment Year 2018-19 is 30th September, 2018 for certain categories of

taxpayers. Central Board of Direct Taxes (CBDT) had earlier extended the date for filing of Income Tax Returns and various reports of Audit to 15th October, 2018. Upon consideration of representations from various stakeholders, CBDT further extends the 'due date' for filing of Income Tax Returns as well as reports of Audit (which were required to be filed by the said specified date) from 15th October, 2018 to 31st October, 2018 in respect of the said categories of taxpayers. However, as specified in earlier order dated 24.09.2018, assesses filing their return of income within the extended due date shall be liable for levy of interest as per provisions of section 234A of the Income-tax Act, 1961.

<http://www.pib.nic.in/PressReleaseDetail.aspx?PRID=1548972>

## Accounting, Auditing & Company Law Updates

[Contributed by **CA. Naresh Patel**]

#### 1. **Constitution of National Financial Reporting Authority (NFRA)**

The Central Government has appointed 1 October 2018 as the date of constitution of the National Financial Reporting Authority. The provisions of sub-section 1 and 12 of Section 132 of the Companies Act 2013 will also come into force from the same date. The provision of these sub-sections is related to the constitution of the NFRA and provides for matters relating to accounting and auditing standards under this act.

<http://egazette.nic.in/WriteReadData/2018/190358.pdf>

#### 2. **Companies (Indian Accounting Standards) Second Amendment Rules, 2018**

The MCA vide notification dated 20 September 2018 has notified the Companies (Indian Accounting Standards) Second Amendment Rules 2018 to amend Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance. Key changes are as below:

- Provide an option to record non-monetary government grant and asset at a nominal amount.
- Assets related grant can be deducted while calculating the carrying amount of the asset

Consequential changes to Ind AS 12, Ind AS 16 and Ind AS 38 have also been carried out. They will come into force on the date of their publication in the Official Gazette.

[http://www.mca.gov.in/Ministry/pdf/CompaniesIASecondAmendment\\_21092018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesIASecondAmendment_21092018.pdf)

#### 3. **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018**

The MCA has issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018, vide notification dated 19 September 2018. They will come into force from the date of their publication in the official gazette.

[http://www.mca.gov.in/Ministry/pdf/CompaniesCSRPolicyAmendRules2018\\_19092018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesCSRPolicyAmendRules2018_19092018.pdf)





#### 4. Commencement notification of various sections of the Companies (Amendment) Act, 2017

The MCA has issued commencement notification to notify the following sections of the Companies (Amendment) Act, 2017.

S. N.	Section no. of the Companies (Amendment) Act, 2017	Corresponding section of the Companies Act, 2013	Effective from
1.	Section 66	Amendment in section 196 - Appointment of Managing Director, Whole-time Director or Manager	12 September 2018
2.	Section 67	Amendment in section 197 - Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits	
3.	Section 68	Amendment in section 198 - Calculation of Profits	
4.	Section 69	Amendment in section 200 - Central Government or Company to Fix Limit with Regard to Remuneration	
5.	Section 70	Amendment in section 201 - Forms of, and Procedure in Relation to, Certain Applications	
6.	Section 37	Amendment in section 135 - Corporate Social Responsibility	19 September 2018

#### 5. Amendments to Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018

The MCA has also issued a notification to amend Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018 of the Companies Act to give effect to the above amendments.

#### 6. Exposure Drafts issued by ICAI

##### (a) ICAI Code of Ethics 2018

The ICAI has issued Exposure draft of ICAI Code of Ethics 2018. This code has been derived from the International Ethics Standards Board for Accountants (IESBA) Code of Ethics, 2018 issued by the International Federation of Accountants (IFAC). The last date for sending comments is 7 November 2018

<https://resource.cdn.icai.org/51979/cai-codeofethics2018.pdf>

##### (b) AS 40, Investment Property

ASB has issued an exposure draft of AS 40 Investment property. There is no corresponding standard on investment property in the existing Accounting Standards. However, AS 13, Accounting for Investments, provides limited guidance on investment properties. An appendix covering major differences between draft AS 40 and provisions of AS 13 in context of investment property is included in the draft standard. Major differences between draft AS 40 and Ind AS 40 are given in another appendix included in this draft standard. The last date for sending comments is 10 November 2018.

<https://resource.cdn.icai.org/52026/asb41739.pdf>

##### (c) AS 38, Intangible Assets

ASB has issued an exposure draft of AS 38, Intangible Assets. The major differences between draft AS 38 and Ind AS 38 are given in Appendix 1 of the AS 38. Similarly, major





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differences between draft AS 38 and AS 26 are given in Appendix 2 of AS 38. The last date for sending comments is 2 November 2018.

<https://resource.cdn.icai.org/51925asb031018.pdf>

### 7. Constitution of High Level Committee on Corporate Social Responsibility

The MCA has constituted a High Level Committee on Corporate Social Responsibility – 2018 to review the existing framework and guide and formulate the roadmap for the coherent policy on corporate social responsibility (CSR). Among other matters, the scope of work includes examining and recommending audit (financial, performance, social) for CSR, as well as analysing the outcome of CSR activities. The committee will submit its report

within three months from the date of holding its first meeting to the MCA.

[http://www.mca.gov.in/Ministry/pdf/Constitution\\_HighLevel\\_03102018.pdf](http://www.mca.gov.in/Ministry/pdf/Constitution_HighLevel_03102018.pdf)

### 8. ICAI has revised ITFG 16

The Ind AS Transition Facilitation Group (ITFG), at its meetings held on 7 September 2018, reconsidered the issue 1 of Ind AS Technical Facilitation Group (ITFG) Clarification Bulletin 16 on the basis of representations received from stakeholders. The ITFG decided to revise issue No. 1 of the said bulletin related to financial guarantee given by subsidiary to a bank in respect of a loan obtained by its parent.

<https://resource.cdn.icai.org/51647indas41303.pdf>

## GST Case Law Updates

[Contributed by CA. Monish S. Shah]

### Important Judgements:

#### 1. M/s RAJAVAT STEELS AND ANOTHER vs. State of U.P. & 3 Others [2018 (09) 27] –Allahabad High Court:

The Petitioner-Petitioner contended that the mistake was due to inadvertent human error by the person who has prepared the documents including E-way bill, as the vehicle no. is mentioned by him what he has noticed in the tax invoice and further that he has mentioned the same in all other papers/documents subsequent to issuance of invoice - Held that:-

Surprisingly, neither the mobile squad authority nor the appellate authority appreciated the claim of the petitioner that it is due to mistake or human error the vehicle number (particularly last two digits) are mentioned different which in the instant case are 83 in place of 38.

#### 2. M/s Shree Trading Co vs. Union of India and Others CWP No. 24275 OF 2018 – Punjab and Haryana High Court:

Unable to file TRAN-01 Form - transitional credit - Though credit of VAT is being shown on GST Portal, the credit not being reflected in his account - migration to GST Regime - Held that:- The Government has also issued a Circular No.39/13/2018- GST dated 3.4.2018 to approach the Redressal Committee concerned for redressal of issues relating to filing of Form TRAN-01 - the present petition is disposed of by granting liberty to the petitioner to file a detailed and comprehensive representation raising all the pleas, as raised in the present writ petition before the Nodal Officer within a period of five days from the date of receipt of certified copy of the order.

#### 3. K.R.FOODS LTD. Thru Director Versus U.O.I Thru Secy. Min. Of Finance And 6 Other :

Facility of deferment of payment of the Value Added Tax denied - Sick Industrial Unit - Impact of migration from VAT regime to GST regime - modified Rehabilitation Scheme sanctioned by BIFR on 24.09.2013 - Held that:- It appears that







while passing the impugned order dated 09.05.2018 whereby the Government Order dated 10.02.2014 has virtually been declared to be inoperative, the authority concerned does not appear to have taken into account the effect of the repeal and saving clause contained in section 174 of U.P. Goods and Services Tax Act, specially sub section 2(c) of section 174 of the said Act. The impugned order dated 09.05.2018 only states that under section 71 of the then prevalent U.P. Value Added Tax Act, the powers were vested in the State Government to defer the liability of payment of Value Added Tax in case of the sick units declared as such under the Act - What is, thus, noticeable here is that the authority concerned while passing the said order dated 09.05.2018 has clearly ignored the provisions of section 174(2) (c) of U.P. Goods and Services Tax Act.

**4. HINDUSTAN PETROLEUM CORPORATION LTD. THRU. AUTH. SIGNATORY VERSUS COMMISSIONER OF COMMERCIAL TAX, U.P. AND OTHER:**

Seizure of goods - penalty - E-Way bill - case of petitioner is that State E-Way bill though not required was still downloaded from the portal of the U.P.GST before the interception/seizure memo dated 24.2.2018 - Held that :-

The matter is squarely covered by the judgment of this Court in the case of SATYENDRA GOODS TRANSPORT CORP. THRU. PROP. BHUWAN KOHLI & A VERSUS STATE OF U.P. THRU. PRIN. SECY. TAX & REGISTRATION & OTHERS [2018 (4) TMI 807 - ALLAHABAD HIGH COURT] where it was

held that on the relevant date i.e. 17.12.2017 there was no requirement of carrying T.D.F. Form-1 in the case of an inter-State supply of goods. In fact on the relevant date there was no prescription of the documents to be carried in this regard under Rule 138 of the C.G.S.T. Act 2017, accordingly, the seizure and penalty imposed upon the petitioners based on the notification dated 21.7.2017 issued under Rule 138 of the U.P.G.S.T. Act 2017, which was not applicable, is illegal.

**5. M/s. Ashoka Enterprises Versus State Of UP and 2 others:**

Personal presence of Officials - Generation of E-way bill - Section 129 (3) of the UPGST 2017 - Held that :- we required the presence of respondent 3 to explain his conduct on the allegations made against him in the pleadings and the respondent no.2 to suggest the ways and means to remedy the situation but it appears that we were misled by the petitioner and at the time of first hearing neither the fact had been pointed out by learned Standing Counsel appearing for the State-respondents nor we noticed the same and without noticing the fact we required the respondents no. 2 & 3 to be present in person.

Sri Manish Goel, learned Additional Advocate General has also placed before us the previous record of the assessee for the period 1999 till 26.03.2018 showing that penalty has been levied for evasion of the tax against the petitioner firm at least 25 times which goes to show that he is a habitual evader of tax.





## International Taxation

[Contributed by **CA. Mohit Balani**]

### JUDICIAL PRONOUNCEMENTS

**1. DCIT VS. Globe Ground India P. Ltd. [2018] 97 taxmann.com 282 (Delhi - Trib.)**

TPO has no power to decide on commercial expediency of availing certain services and, all that he had to ascertain is to what was arm's length price.

**2. Global Vantage (P.) Ltd. Vs. ACIT, New Delhi [2018] 97 taxmann.com 172 (Delhi - Trib.)**

Use of a foreign enterprise as a tested party cannot be rejected summarily without assigning any reason

**3. MobilyInfotech India (P.) Ltd. Vs. DCIT [2018] 97 taxmann.com 2 (Bangalore - Trib.)**

Company which had high brand value and in which extraordinary event of acquisition of foreign company took place, was to be excluded

**4. OSC Services (P.) Ltd. Vs. DCIT, Gurgaon [2018] 97 taxmann.com 299 (Delhi - Trib.)**

Where merger and acquisitions took place during year in a company, said company could not be selected as comparable

A company operating as a KPO providing data analytics and data process solutions cannot be compared with ITES provider.

Company engaged in providing diversified services, i.e., ITes and certain other technical services involving software testing, verification and validation of software, in absence of segmental information, could not be compared with ITES provider

**5. Topcon Singapore Positioning (P.) Ltd. Vs. DDIT, International Transaction [2018] 96 taxmann.com 603 (Delhi - Trib.)**

It is not open to TPO to go beyond role of determining ALP and intrude in exclusive domain of Assessing Officer to determine, income taxable in hands of assessee

Where T.P. proceedings were started afresh on remand by Tribunal, non-issuance of draft assessment order would vitiate final assessment order

**5. Principal Commissioner of Income-tax-13, Mumbai vs. Tecnimont (P.) Ltd [2018] 96 taxmann.com 223 (Bombay)**

Interest chargeable on delayed recovery of export receivables and expenses from AEs should be taken at LIBOR rates for determining ALP of notional interest on delayed recovery





## Quick Connect - RERA

[Contributed by **CA. Sandesh Mundra and Maitri Thakkar**]

**Q. What is meant by term phase? Is it development planned phase / Marketing phase or could it be any other method viz sanction plan or any other plan?**

**A.** The interpretation of the term phase is the most crucial and subjective part of RERA, as the same has not been explicitly defined anywhere. The general meaning of phase can be construed as to “**construction of the components separated by time lag**”. It can also be interpreted as the structures for which different plans have been passed. However, it should be noted that despite a single plan pass, if the layout clearly demarcates the buildings/blocks/towers then, phase wise registration is possible.

RERA allows Promoter to distinguish project into various phases. In such case each such phase needs to be separately registered and all the compliance requirement including certification and maintenance of separate account shall be phase wise except Conveyance. The Selection of Phases and timing of construction activities of each such phases has no link to each other except to ensure that respective phase gets completed before timeline promised by the Promoter.

Various crucial factors including the following need to be considered while deciding about phase wise registration:

- **Reduced penalty in case of defaults** – Generally penalty gets levied on the estimated cost of the project.
- **Additions/Alterations in Plan** – The act requires previous written consent of at least two-thirds of the allottees in case of any alterations or additions (other than minor additions or alterations as defined under Act) in the project plans and building specifications or the common areas within the project.

- **Timeline to complete various phases** – In case of a single registration of entire project, any internal delay in the completion of different blocks/towers can be adjusted within the timeline of Project completion, which is usually decided keeping certain contingencies in mind. In case of phase wise registration the promoter is exposed on each and every count.
- **Project Accounting** – In case where the company maintains a single set of books of accounts of the entire project, the direct costs and the common expenses needs to be bifurcated amongst all the phases by taking proper basis.
- **Marketability of the Phases vis a vis entire Project** – Marketing strategies would require restructuring in case of phase wise registration.
- **Formation of Association of Allottees phase wise** – The requirement to create Association of Allottees would be triggered on completion of each phase separately.
- **Cost factor , Cash Flow and Project Finance requirement** – A separate bank account needs to be maintained for each project (i.e phase), as per the provisions.
- **Implication under Income tax, GST, etc** – The concept of registering project in phases is only limited to RERA. For all other statutes the entire project is offered for taxation and eligibility of benefits would have to be calculated considering entire project and not phase wise.

Therefore, any documentary evidence from relevant plan passing authorities, differentiating a particular building/ block/ tower as different phase can be registered separately under RERA, taking into consideration the aforesaid points and other relevant provisions of the Act, Rules and Regulations.





## FEMA Updates

(Contributed by **CA. Saumya Sheth**)

### A. External Commercial Borrowing (ECB) – Liberalisation

In view of foreign exchange fluctuations, Reserve Bank of India (RBI) has liberalized few aspects of policy related to External Commercial Borrowings (ECB) with effect from 19 September 2018<sup>1</sup>. Further, ECB Policy has also been relaxed for Oil Marketing Companies (OMCs) vide Circular issued on 3 October 2018<sup>2</sup>. Comparison between new ECB policy and revised ECB policy is as under:

Particulars	Old ECB Policy	Revised ECB Policy	Applicable from
<b>ECBs by companies engaged in manufacturing sector upto USD 50 million</b>	Minimum average maturity period was 3 years	Minimum average maturity now revised to 1 year. Hence, even for 1 year, ECB can be obtained for companies engaged in manufacturing sector	19 September 2018
<b>Oil Marketing companies</b>	ECBs can be raised only from direct or indirect equity holder with minimum average maturity period of 5 years	Oil Marketing Companies (OMCs) can now raise ECB even for working capital purposes with minimum average maturity period of 3 years / 5 years from all recognized lenders under the automatic route.	3 October 2018
<b>Individual Limits for OMCs</b>	Under the automatic route, OMCs could raise ECBs upto USD 750 million per year	Individual limit of USD 750 million per year has been waived off for OMCs. However, overall ceiling for ECBs shall continue to be USD 10 billion or its equivalent.	3 October 2018
<b>Hedging Requirements for OMCs</b>	Mandatory hedging of 100% of ECB exposure was required	Mandatory hedging requirements have been waived off for OMCs. However, OMCs should have a Board approved forex mark to market procedure and prudent risk management policy, for such ECBs.	3 October 2018

<sup>1</sup><https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11375&Mode=0>

<sup>2</sup><https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11384&Mode=0>



## B. Foreign Direct Investment in India

### (I) Dispensation with requirement to file Form ARF within 30 days of receipt of funds pertaining to share capital from foreign investor

As mentioned in September 2018 newsletter, earlier all Indian companies receiving share capital from foreign investor were required to file Form ARF within 30 days of receipt of share capital from foreign investor. Said Form ARF has been merged with Form FC-GPR with effect from 1 September 2018 and is required to be filed online through filing of Single Master Form (Form SMF) on the FIRMS database.

RBI has now amended FDI Regulations governed by **FEMA 20 (R)/2017-RB dated November 07, 2017** and omitted the requirement to file ARF within 30 days of receipt of funds towards share capital. Hence, going forward, with respect to receipt of funds relating to share capital from foreign investor, Form ARF would not be required to be filed separately and its details would be included in Form FC-GPR.

### (II) Downstream investment

#### Old FDI regulations

Under earlier FDI Regulations governed by FEMA 20(R), Form DI was required to be filed by Investor Indian company within 30 days of making downstream investment when following conditions were satisfied:

- i) Investor Indian company makes investment in another Indian company; and
- ii) Such Investment qualifies as indirect foreign investment;

***'Indirect Foreign Investment'*** has been defined to mean downstream investment received by an Indian entity from:

***(a) Indian entities (excluding investment vehicle) provided:***

*Such Indian entity (Investor IE) has received foreign investment*

**and**

*the investor IE is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India;*

***(b) Investment vehicle***

*by resident Indian citizens or is owned or controlled by persons resident outside India*

It may be noted that Form DI was required to be filed within 30 days of investment even when capital instruments were not allotted by recipient Indian company.

***However, Form DI was not required to be filed when either the investor entity or investee entity was not an Indian company.***







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### Amended FDI regulations w.e.f. from 1 September 2018

Under the amended FDI Regulations, Form DI is now required to be filed in all situations where downstream foreign investment is being made by an Indian entity irrespective of whether investor or investee entity are Indian companies or not. Further, Form DI is now required to be filed within 30 days of allotment of capital instruments and not within 30 days of making investment.

Thus, care needs to be taken to ensure that Form DI is appropriately filed by Indian investor entities in all cases of indirect foreign investment being made into investee Indian entities. Comparison between applicability of filing of Form DI under different scenarios under old FDI regulations and new FDI regulations are as under:

Scenario	Investor entity making downstream investment	Investee entity	Applicability of Form DI under old FDI regulations	Applicability of Form DI under New FDI regulations
Scenario 1	Indian LLP / Any Indian entity (excluding Indian company)	Indian company	Not applicable	Applicable
Scenario 2	Indian company	Indian LLP / Any Indian entity (excluding Indian company)	Not applicable	Applicable
Scenario 3	Indian company	Indian company	Applicable	Applicable
Scenario 4	Indian investment vehicle	Indian company / Any other Indian entity	Not applicable	Applicable



Lecture Meeting on RERA on 18 & 22.09.2018



# Lets Excel in Excel

(Contributed by CA. Hemlata Dewnani)

## Advance Pivot Table

In the previous months article, we have learnt Basic pivot table with Some additional features. In current article, we will learn Grouping in pivot table. It summaries the data and shows subset of data to analyse. We do have sales register with the following details mentioned over here :

**Raw Data**

INV_DATE	SALESREP_NO	UNIT_PRICE	QTY	SALES_BEF_TAX	GST@18%	SALES_PLUS_TAX
4-Aug-17	111	6.00	150	900.00	162.00	1,062.00
6-Sep-17	125	6.00	40	240.00	43.20	283.20
9-Oct-17	116	6.00	580	3480.00	626.40	4,106.40
9-Nov-17	103	6.00	139	834.00	150.12	984.12
10-Dec-17	117	6.00	106	636.00	114.48	750.48
16-Jan-18	112	6.00	43	258.00	46.44	304.44
17-Feb-18	124	6.00	1570	9420.00	1695.60	11,115.60
13-Mar-18	114	6.00	2605	15630.00	2813.40	18,443.40

**Basic pivot table**  
(For this please refer August month Article for reference)

Row Labels	Sum of SALES_BEF_TAX	Sum of GST @ 18%	Sum of SALES_PLUS_TAX
4-Aug-17	900	162	1062
6-Sep-17	240	43.2	283.2
9-Oct-17	3480	626.4	4106.4
9-Nov-17	834	150.12	984.12
10-Dec-17	636	114.48	750.48
16-Jan-18	258	46.44	304.44
17-Feb-18	9420	1695.61	1115.6
13-Mar-18	15630	2813.41	8443.4
Grand Total	31398	5651.64	37049.64

In Pivot table you can group dates, number and text fields. You can Automatically see the subtotal of selected fields

We can group the dates column mentioned in left hand column of pivot table in months first. Do the right click on Dates → select Group → months → ok

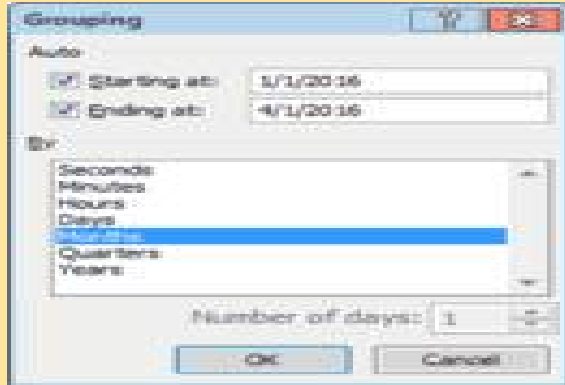
we can also group dates and times by other time periods, such as months for GST returns, quarters can be used for TDS return, days For cash expenditure, hours for production data, etc); shown in Table 1 below :





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we can group it by month and Quarter both also. By following the same procedure once again for Quarter in months column. Results are shown in Table 2 below :



**Table 1**

Qtr1
Jan
Feb
Mar
Qtr3
Aug
Sep
Qtr4
Oct
Nov
Dec
Grand Total

**Table 2**

You can also Ungroup..... the data by same right click .Select ungroup than Click OK.

As required, the final Advance pivot table (shown below) displays the total monthly sales under Quarter Group

**ADVANCE PIVOT TABLE**

RowLabels	Sum of GST @ 18%	Sum of SALES_BEf_TAX	Sum of SALES_PLUS_TAX
<b>Qtr1</b>	<b>4555.44</b>	<b>25308</b>	<b>29863.44</b>
Jan	46.44	25830	4.44
Feb	1695.6	9420	11115.6
Mar	2813.4	15630	18443.4
<b>Qtr 3</b>	<b>205.2</b>	<b>1140</b>	<b>1345.2</b>
Aug	162	900	1062
Sep	43.2	240	283.2
<b>Qtr4</b>	<b>891</b>	<b>4950</b>	<b>5841</b>
Oct	626.4	3480	4106.4
Nov	150.12	834	984.12
Dec	114.48	636	750.48
Grand Total	5651.64	31398	37049.64

Go to Design Tab → Sub total → selec show sub totals at Top of the group

If it is Number or Amount in left hand column that is row label we can create slabs under which amount can be all for better comparision. Thats is we can create range i.e equal range and Group it accordingly





## Motivational Story

(Contributed by CA. Aneri Sheth)

### \*The Carpenter Story\*

An elderly carpenter was due to retire.

He told his employer of his plans to leave the business and start a life of leisure with his wife and extended family.

He would miss the money, but the time was right and he was ready to hang up his hammer.

His boss was disappointed as the carpenter had been a loyal and diligent worker for many years, so he was sad to see him go.

He asked for one last favour, requesting that the carpenter could build one last house before retiring.

The carpenter agreed, but it was soon clear that his heart wasn't in it.

He took shortcuts, used inferior materials and put in a half-hearted effort.

In the end, the final product was well short of his usual standards, a disappointing way to end his career.

When the job was finished, the employer taking a look around, handed the keys to the carpenter and said, "This is your house, it's my gift to you."

The carpenter was shocked and embarrassed.

If only he had known, he would have made sure that everything was perfect.

If he had known the consequences, he would have demanded excellence from himself.

We're not that different.

We do our business or profession, working as we see fit.

Some work with passion, some without caring.

Some with excellence, some with low standards.

Some with diligence, some without effort.

Show perseverance & put equal persistence in all our work.

We are all in the process of building our own lives. Think that each & every action that we take represents each block that we are building. And we have to reside in those build blocks.

If you're not happy with what you see, perhaps it's a direct consequence of what you've been building over the years.

Choose your blocks & Build wisely.

### Forthcoming Events of Ahmedabad Branch of WIRC of ICAI

S. No.	Date	Name of the Seminar / certificate course / others	Venue	Program Details	Fees	CPE Hrs.
1	20-10-18	Outreach Programme on Ind AS 115 & Ind AS 116	ICAI Ahmedabad Branch	<a href="https://icaiahmedabad.com/event.php?id=MTE10Q==">https://icaiahmedabad.com/event.php?id=MTE10Q==</a>	Rs. 250 Plus GST	2
2	21-10-18	Indoor Sports Meet 2018	Club07, Off. S.P. Ring Road, Shela, Ahmedabad	<a href="https://icaiahmedabad.com/event.php?id=MTE10A==">https://icaiahmedabad.com/event.php?id=MTE10A==</a>	Rs. 200/- + GST Per Participant / Per Sports	
3	1-12-18	Certificate Course on Concurrent Audit of Banks	As per circular	<a href="https://icaiahmedabad.com/event.php?id=MTE1Nw==">https://icaiahmedabad.com/event.php?id=MTE1Nw==</a>	As per circular	30





## AHMEDABAD BRANCH OF WIRC OF ICAI



Lecture Meeting on Applications of Work Flow for Professional Excellence on 01.09.18



Lecture Meeting on Amendments in Tax Audit on 02.09.18



ICAI Convocation 2018 on 02.09.18



CAP Australia - Information Session in Association with ICAI on 04.09.18



Pre Meeting on Mass Recruitment Fair supported by ICAI, Ahmedabad branch on 06.09.2018



Mass Recruitment Fair supported by ICAI, Ahmedabad branch on 07.09.2018



Seminar on GST on 08.09.2018



Lecture Meeting on FEMA on 17.09.2018

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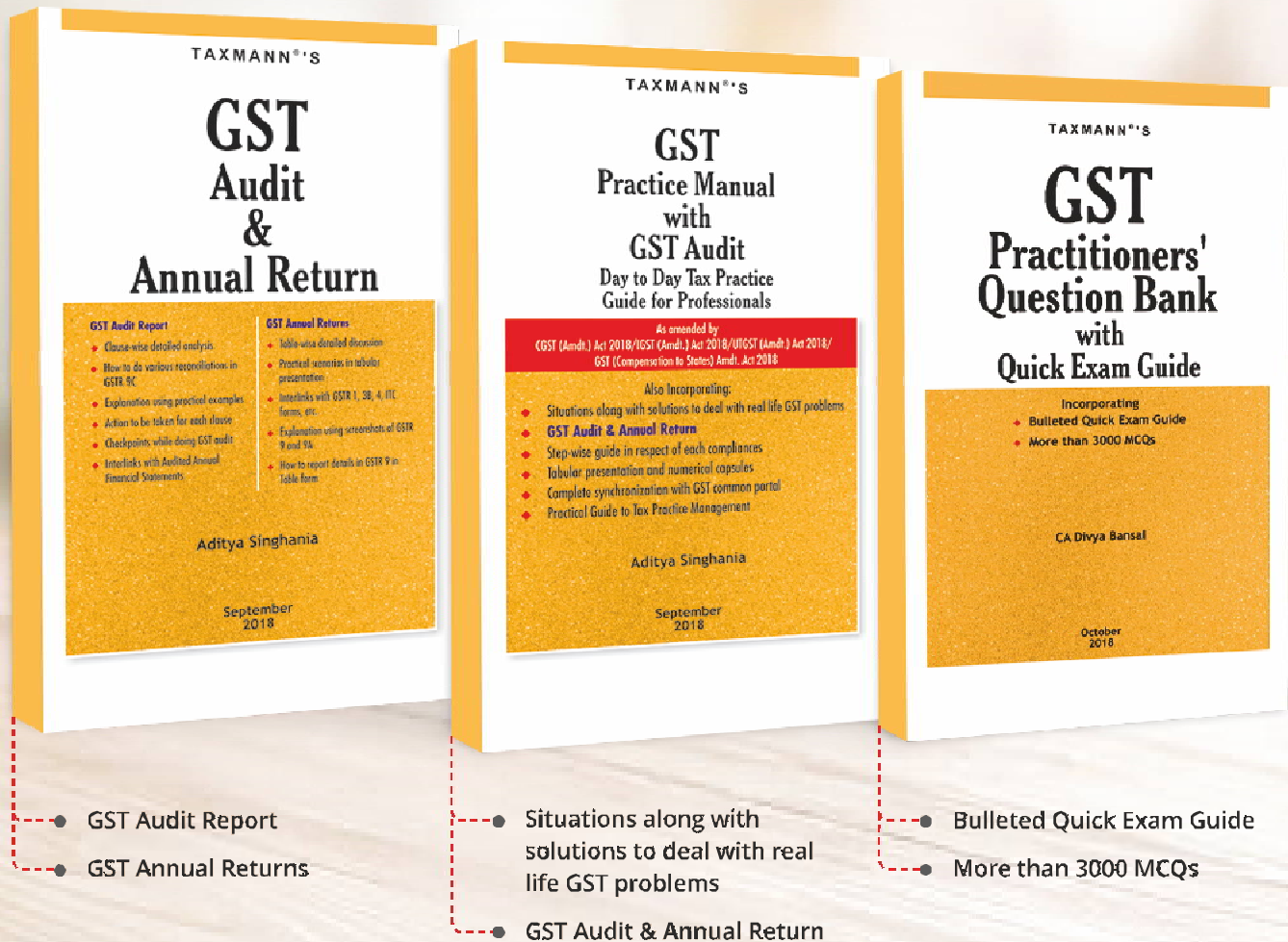
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