



AHMEDABAD BRANCH OF WIRC OF ICAI e NEWS LETTER

Vol. No. 5 | Issue No. 11 | January, 2019

OFFICE BEARERS

CHAIRMAN
CA. Nirav Choksi
98254 91291

MEMBER

CA. Rajiv Ravani

EX. OFFICIO MEMBERS

CA. Dhinal Shah, CCM
98250 29950
CA. Priyam R. Shah
Vice-Chairman, WIRC of ICAI
98240 96112

MEMBERS

CA. Shaleen Patni
CA. Aneri Sheth
CA. Darshit Khetani
CA. Hashmat Aswani
CA. Hemlata Dewnani
CA. Krunal Gandhi
CA. Mohit Tibrewal
CA. Neelo Porwal
CA. Nimesh Bhavsar
CA. Nimesh Hariya
CA. Rohit Maloo
CA. Rushabh Shah
CA. Sonu Dhing
CA. Zalak Jintanwala

Chairman Message

Dear Members,

The month of December started with the most important event of the Institute. The elections to the Central and the Regional Councils were held in the first week of December. The leaders of the profession who will usher in the changes and be at the helm of the affairs for the next three years were elected at the elections.

Ahmedabad Branch members also voted in large numbers for the elections. CA Aniket Talati was elected as the Central Council Member for the term 2019-2022 and CA Hitesh Pomal, CA Vikash Jain and CA Chintan Patel were elected as Regional Council members for the West Region for the term 2019-2022. Best wishes to all the victorious leaders from Ahmedabad. Looking at their contribution to the profession and the professionals, I have no doubt in my mind that we all are in safe hands and they will leave no stone unturned in their tenure for betterment of all of us.

History is also being created for the first time, when CA Aniket Talati got elected as a Central Council Member from Ahmedabad. For the first time in the history of ICAI, three generations from the same family have become Central Council Members. Grandfather of CA Aniket Talati, Late CA H M Talati Sir held the post of CCM in the years 1964-1973. Then father of CA Aniket Talati, CA Sunil Talati Sir, who also eventually lead the profession as President of ICAI, held the post of CCM for the term 2001-2009. And now CA Aniket Talati will hold the post. My heartiest congratulations to the entire Talati family and I admire the commitment which they show for serving the professions for so many years.

The month of December witnessed very informative sessions for the members. The 2 days FEMA Intensive Workshop was held at Ahmedabad after a long time and I must appreciate the efforts of all the faculties and coordinators for contributing their valuable time. I specially acknowledge the effort of CA Saumya Sheth for coordinating with all the learned faculties of the workshop.



Ahmedabad Branch also organized few important sessions on Income tax, Bankruptcy & Insolvency Code and GST provisions coming into effect from 01.02.2018.

The highlight of the month was the interactive meet of the members with the President of ICAI, CA Naveen N D Gupta. The session was full of information about the various initiatives which ICAI is undertaking. He also addressed the various issues which the members raised during the meeting. All in all, it was a purposeful interactive session with the President of our Institute.

The CA Students activities continued throughout the year. Activities such as Indoor Sports Meet, Industrial Visit, Study Group meetings, etc were held during the year.

Regards

Thanking You.

CA. Nirav R Choksi
Chairman



Accounting, Auditing & Company Law Updates

(Contributed by **CA. Chintan Patel**)

1. Guidance Note on Reports in Company Prospectuses (Revised 2019)

The Auditing and Assurance Standards Board (AASB) of ICAI had issued the "Guidance Note on Reports in Company Prospectuses" in 2006 to provide guidance to the members carrying out engagements to issue reports in prospectuses issued by companies. In September 2018, SEBI revised the earlier regulations and issued the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 wherein number of changes vis-à-vis ICDR Regulations 2009 have been made. Considering the numerous changes made by SEBI (ICDR) Regulations 2018, it was felt necessary to revise the Guidance Note earlier issued by the ICAI.

<https://resource.cdn.icai.org/53704aasb43145a.pdf>

2. Guidance Note on Audit of Banks (2019 Edition)

The Guidance Note covers in detail various aspects like knowledge of the banking industry, initial considerations, special considerations in a CIS Environment, risk assessment and internal control, various items of banks' financial statements and their peculiarities, manner of disclosure in financial statements, the RBI prudential guidelines thereon, audit procedures, reporting on Long Form Audit Reports both at central and branch level, Ghosh and Jilani Committee recommendations, special purpose reports and certificates, etc. The latest edition of 2019 has been divided in three separate sections as follows:

Section A - Statutory Central Audit

Section B - Foreign Exchange Transactions and Integrated Treasury

Section C - Bank Branch Audit other than Foreign Exchange Transactions

3. The Companies (Amendment) Ordinance, 2018

On 02 November 2018, the Hon'ble President of India promulgated the Companies (Amendment) Ordinance, 2018, an ordinance to amend the Companies Act, 2013. The twin objectives of the ordinance are promotion of ease of doing business and better corporate compliance. It shall come into force at once i.e., on 02 November 2018. Since the bill to make the amendments to the Companies Act, 2013, is pending in the Rajya Sabha, and it is considered to give a continued effect to the Companies (Amendment) Ordinance, 2018, the ordinance has been re-promulgated on 12 January 2018.

<http://egazette.nic.in/WriteReadData/2019/195181.pdf>

4. Educational Material on Indian Accounting Standard (Ind AS) 110, Consolidated Financial Statements

The Ind AS Implementation Group issued Educational Material on Ind AS 110, Consolidated Financial Statements. The Educational Material addresses all relevant aspects envisaged in the Standard by way of brief summary of the Standard and Frequently Asked Questions (FAQs) which are being/expected to be encountered while implementing the Standard.

https://www.icai.org/new_post.html?post_id=15339&c_id=240

5. The Companies (Amendment) Bill, 2018

The Companies (Amendment) Bill, 2018 was introduced in the Lok Sabha on 20 December 2018. This will replace the Companies (Amendment) Ordinance, 2018 promulgated by the President on the 2 November, 2018.

https://www.prsindia.org/sites/default/files/bill_files/Companies%20%28Amendment%29%20Bill%2C%202018.pdf



6. Ind AS Technical Facilitation Group (ITFG) clarification bulletin 17

The ITFG has considered various implementation issues received from the members. The ITFG, after due deliberations, issued clarifications on 11 Ind AS

issues through its bulletin 17.

<https://resource.cdn.icai.org/53225indasitfg42666.pdf>

International Taxation

(Contributed by CA. Mohit Balani)

JUDICIAL PRONOUNCEMENTS

1. EPAM Systems India (P.) Ltd. Vs. Assistant Commissioner of Income-tax, Circle- 17(1), Hyderabad[2018] 100 taxmann.com 335 (Hyderabad - Trib.)

- Global company specializing in software products, services and technology innovation in absence of segmental details, could not be compared with assessee a software developer.
- Where a company was having revenue from both software services and BPO services but there was no segmental data with regard to each of these transactions, this company could not be taken as a comparable to assessee, software developer
- No separate adjustment of interest on receivables is required if it has already been considered while computing working capital adjustment.

2. Firmenich Aromatics Production (India) (P.) Ltd. Vs Income Tax Officer, Mumbai [2018] 100 taxmann.com 279 (Mumbai - Trib.)

- Where assessee sold similar products to AEs as well as Non-AEs, in view of fact that there were

huge differences between two transactions on account of volume, geographical locations, functions performed and risk assumed, CUP could not be used as most appropriate method for determining ALP of international transactions

3. Jabil Circuit India (P.) Ltd. V. ACIT, Mumbai [2018] 100 taxmann.com 165 (Mumbai - Trib.)

- Where TPO rejected ALP of cost allocated to assessee and made additions by stating that assessee failed to produce supporting documents/evidence to substantiate that services were rendered by AE, however, it was found that assessee's allocation of expenses was based upon a global agreement between AEs and was supported by CPA certificate, additions so made were to be set aside

4. Suzuki Motorcycles (I) (P.) Ltd. Vs. DCIT [2018] 100 taxmann.com 295 (Delhi - Trib.)

- Where T.P. adjustment made by TPO in respect of AMP expenses was based on bright line test, since issue of applicability of Bright line test was pending consideration of Apex Court, matter was to be remitted back for re-consideration



Quick Connect RERA

[Contributed by CA. Maitri Thakkar & Ravi Bajaj]

Synopsis of Gujarat RERA Orders

In the recent times, GujRERA has notified the following orders:

Order 11 - Proforma for Declaration by way of Affidavit to be submitted along with Project Completion Compliance:

The project completion compliances which the promoter is required to comply before the project end date (as mentioned in Registration Certificate), has been online facilitated by GujRERA. As a part of such compliance, the promoter is required to sign and submit a declaration, supported by an affidavit whose format has been provided in this Order. It is confirming document that the Building Use permission has been received and the Co-operative Society for the project has been formed and registered and briefing details related thereto.

Order 15- Submission of Annual Audit Report – Form 5 by chartered Accountant for promoter of a Registered Project.

GujRERA has made available the online facility of e-filing the Form 5 within extended time limit, i.e. 31st October, 2018 along with a SOP. Every promoter is required to submit annual audit report electronically, i.e. the auditor has affix his digital signature using utility on GUJRERA portal.

Order 16 - Real Estate Registration Application Withdrawal:

With reference to Section 9 read with Rule 10 (Gujarat RERA General Rules), the real estate agent is required to get registration for marketing registered projects under RERA. If the real estate agent applies for withdrawal of application for registration before expiry of period of 30 days from the date of application of registration, fee to the extent of 10% paid under rule 10(2) shall be retained as processing fee by the authority and remaining amount shall be refunded to the applicant. After 30 days, the full registration fee will be deducted as processing fee.

Order 18 - Order/ Guidelines for formation of association of allottees

As per the section 17 of RERA, Association of Allottee has to be formed under the Gujarat Co-operative Society Act, 1961. It has been clarified further in said regards that. Under this order that the AOA can be formed by way of society under Gujarat Co-operative Society Act, 1961 or as a company under section 8 of Companies Act, 2013 and not a company or LLP.

Circular No. 11/2018 – Clarification about land cost consideration in form-3

The Authority on addressing various representations stating that the ASR Value of the project land in certain areas of the state tends to be higher than the indexed cost of acquisition. To reflect transparency and for better disclosure, GujRERA authority has permitted to submit in Form 3 - "Indexed cost of acquisition OR "Prevailing ASR Value", whichever is higher, *at the time of registration of real estate project*.

Circular No. 12/2018 – Revision of online registration and scrutiny process:

Since the inception of RERA, the registration process comprised of online application followed by submission of hard copy to the GujRERA. For the ease of doing business and to avoid variances in the documents uploaded (online) and submitted (physically), the authority implemented *e-office* in the GujRERA office. From 06/12/2018, the registration application, document and Query submissions will be done through GujRERA portal and E-mail. The major exchange of information would be done on e-mail (*e.g. request for Acknowledgement, Acknowledgement Number, details of fees paid*). The Application tracking by the promoter can be done of portal. Also the process of obtain pre-approval for change in RERA Bank Account as required by Gujarat Bank Directions, 2018 is also facilitated under Promoter login by e-office.

Circular No. 13/2018 – Advertisement of RERA Registered projects:



There have been ambiguity with regards to Advertisement post RERA registration, due to which the promoters also faced various penal actions. To provide guidance to promoters, media organizations and advertising industry intermediaries and thus to ensure appropriate compliance, the GujRERA has clarified the following:

- I. Advertisement in newspaper, brochures and leaflets should contain the Gujarat RERA website address(www.gujrera.gujarat.gov.in) and the RERA Registration number.

- ii. Large size outdoor publicity billboard and hoardings must contain authority website address and RERA Registration number in a font which would be easily readable with bare eyes by viewer.

The small hoardings (*e., road divided, street light poles*) **must contain 8 digit unique code out of RERA Registration number (e.g. CAA02222)**

- iii. Every audio visual media or audio announcement on Radio shall mention abridged RERA Registration no. and authority website address in clearly Audible manner. (*e.g. Radio, T.V., Video clips, Audio Clips, Media streaming, Digital Media Content, etc.*)

Quick Connect

(Contributed by **CA. Jainal Shah**)

GLOBAL ROLLOUTS- DYNAMICS ERPS

1. EXECUTIVE SUMMARY

When planning for Global deployment of an ERP, organizations may wonder about the right implementation approach. They may have questions like whether to deploy on all the geographical sites and companies at the same point of time or to go with a phased manner of rollout approach or may choose the 'out-of-the-box' vanilla features in the first phase or to go with the detailed comprehensive business process mapping?

Generally, smaller organizations having operations within smaller, defined geographic regions will be fine with a full-fledged big bang approach of implementation. However, larger corporations with multiple geographic reach will find Rollout Implementation as a better option.

The key areas this paper will focus on are:-

- What is the "Rollout" approach?
- What kind of Program Management is required?
- Benefits and challenges

2. ROLL OUT APPROACH

2.1 PHASED MANNER

Dynamics ERP global rollouts, by their very nature, have far reaching implication on organizations as a whole. The two most frequent used ERP implementation strategies are a big bang or a phased rollout.

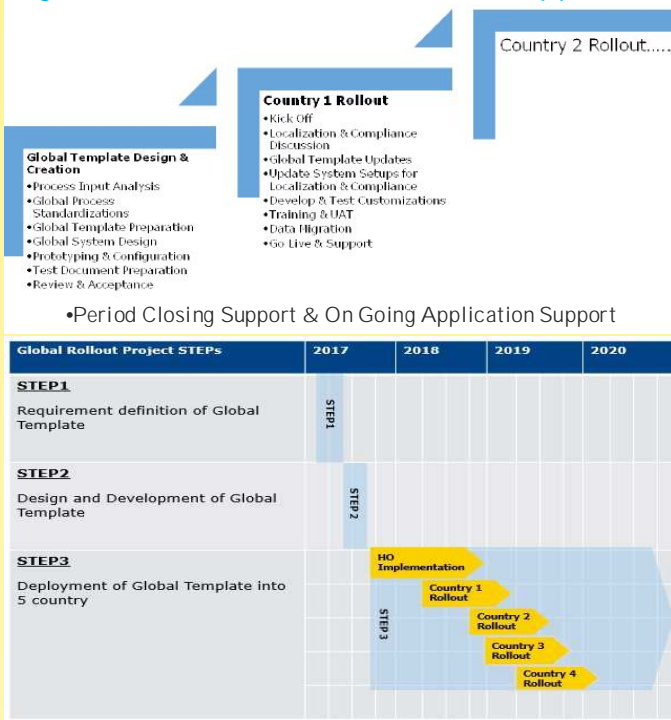
Big bang approach, as the name suggest, where all the modules go live at the same point of time. But where there are multiple group companies and regions are involved then phased rollout is the only best suitable option that companies are going with.

Phased rollout is mainly divided in to 3 steps where first, all the global organization wide standard processes are analyzed, mapped and documented. First, the HQ will go live with the must have features and side by side different companies / countries rollouts are started. And once each company / country starts stabilizing on the Dynamics 365 platform, then feature enhancements are considered and developed as per the need of the respective local company in turn to map the remaining business processes and compliance to local statutory and regulatory requirements are met.



Major benefit from such phased rollout is higher success rate and less risk of failure, and further skills and experience gained at each rollout helps to smooth the processes in to the next rollouts.

Dynamics 365 – Global Rollout Approach



2.2 GLOBAL TEMPLATES

In any global rollout there are main two phases which is analysis and implementation. In the Analysis phase standard business process requirement definition of the global template is outlined and documented. Later design and development of the global templates is done in the second step.

In these templates, it is very important to define the owners for each of the templates which are part of the deliverables. Instead of defining the tasks centrally, it is better to allow a degree of freedom to local rollout consultants as they are the local compliances and business process experts.

While using such global templates, it is crucial to define the master template owner who will determine what functions, processes and features

are matched with global standards and can be added in the templates and which others are locally driven. And it is recommended to provide a shared repository for the accurate document management within all the stake-holders of the project.

2.3 COUNTRY SPECIFIC LOCALIZATION

Global templates are defined based on the 'Out-of-the-box' vanilla feature plus adding the 'must-have' processes of the organization which required across all the rollouts. But it is very important to understand the local requirements in relation to the regional legal compliances in respect to the tax, accounting, auditing are reporting needs.

Microsoft Dynamics localization is available for major ~35 countries. So the implementation partner need to confirm the availability of the Microsoft localization standard pack or any further customization is required in to that.

One caution is required to be taken here, that such country specific localization should never be assumed by the team. Each requirement should be drafted properly and tested thoroughly in to localization pack.

2.4 ROLLOUT EXECUTION TEAM

In the global rollout execution, multiple stakeholders come together from the different regions and geographies. A balanced combination of the offshore and onshore team is the key for the success, so utmost care is required in selecting the internal and external project team and stakeholders for both global build and local deployments.

Communication is one of the key factors for the success of the rollouts, bilingual consultants are preferred who have command of a second and relevant language. They are handy in bridging the gap between the local business users and the implementation team.

Additionally, below are the few points that are crucial from the perspective of selecting a proper execution team.



- o Consider using local implementation partner's team for the accurate implementation of the country specific localizations.
- o As a part of the proper movement of the remote team of consultants, there should be proper track of the visa status and the expiry dates.
- o It may be difficult to have the inclusive environment where all stakeholders communicate at the same point, even using the video conferring so it is critical to establish routine communication process.

2.5 PROGRAM MANAGEMENT

The large and complex nature of a global ERP Rollouts requires a similarly expansive & robust program governance model.

Rollout program management plan consists of the following synopsis which should be covered in the local project plan.

- i. Project Overview containing basic information, project objective, timelines and progress
- ii. Global Rollout Plan
- iii. Project tasks plan and status overview
- iv. Project scope for each rollout location
- v. Deliverables of each phase
- vi. Project team formations
- vii. Project operation policies consists of steering committee, project conditions, interfaces etc.
- viii. Rollout schedules with dates and deliverable

3 BENEFITS & CHALLENGES

3.1 BENEFITS

- Higher success rate
- Process standardization

- Better learning curve
- Optimized resource utilization
- Well defined test case scenarios
- Easy change management

3.2 CHALLENGES

- o Working in an eco-system which consists of multiple stakeholders
- o Communication challenges
- o Task management
- o Budget control
- o Local regulatory and legal compliance challenges
- o Longer implementation timeframes

4 CONCLUSION

Dynamics ERP global rollouts, by their very nature, have far reaching implication on organizations as a whole. Therefore, it is crucial to look at the potential effect of the rollout approach on each companies and locations. Risk mitigation and change management need to be a critical project governance focus during the life of the project.

If the first rollout of the implementation is successful and a team immediately experiences the benefits of the new system, then it creates confidence and enthusiasm within the organization. And once the rollout is been done then organization may think up to have a centralized support centre for further enhancements and change requests. And all these will ultimately lead to lowering the Total Cost of Ownership. So have the best approach and processes in your hand to have the successful rollouts.



Lets Excel in Excel

(Contributed by **CA. Hemlata Dewnani**)

Timeline in Pivot table

Timelines make it faster and easier to select time periods in order to filter PivotTables, PivotCharts, and cube functions. A Timeline is just like a slicer, Difference is it just filter the dates.

Single data is used with different perspectives such as TDS Quarterly, GST monthly, MIS reports etc. So we need to verify the data accordingly.

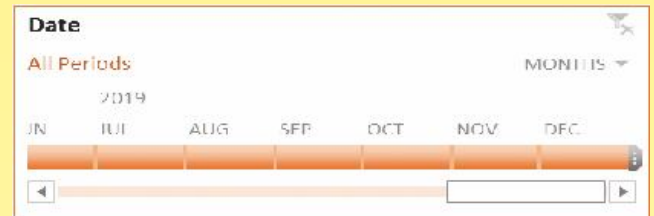
Instead of adjusting filters to show dates, you can use a PivotTable Timeline—a dynamic filter option that lets you easily filter by date/time, and zoom in on the period you want with a slider control.

1) Click Inside the pivot table/charts to bring up the pivot table tools

Pivot table of Datewise Amount outstanding from the parties

Row Labels	Sum of Pending
02-Oct	7056
09-Oct	73958
24-Oct	5782
21-Nov	13125
24-Nov	16071
27-Nov	12180
04-Dec	7742
12-Dec	8558
14-Dec	23908
24-Dec	8044
25-Dec	9440
Grand Total	185864

- 2) Go to Pivot Table Tools → Analyze → Filter → Insert Timeline.
- 3) Select the date you wish to use and press ok. A pop up window will be opened



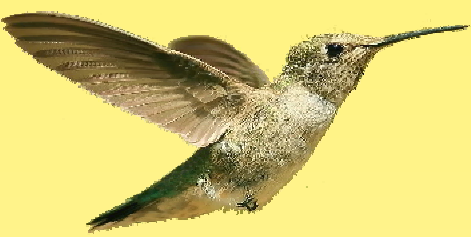
Simply by selecting from the components of Timeline filter as per the requirement from this window, your Pivot will be filter accordingly. so we can change the view accordingly as per the need

- A) Clear Filters** : It is to clear all the timelines.
- B) Time level** : There are Four Different levels such as Years, Quarters, Months or Days etc
- C) Timeline** : Use the timeline to filter dates for the period you want. You can filter dates for days, months, quarters and years. For eg we want to file Quarter 2 TDS return than Quarter wise to be selected. You can also select more than a day, month, quarter & year but only in sequence.
- D) Scroll bar** : Use the scrollbar to get to scroll through the days, months, quarters and years.



OBITUARY

CA. Sandesh Mundra, a young and dynamic member of our branch left for Heavenly Abode on 29/12/2018. Our heartfelt condolences and prayers for the departed soul and the bereaved family.



353rd Batch of Certificate Course on Concurrent Audit on 01/12/18



Seminar on Getting Tally ERP 9 connected with GST on 01/12/2018



Roadshow on Competition Law, Ahmedabad on 18/12/2018



2 Days FEMA Intensive Workshop on 24/12/2018 & 25/12/2018



Celebrated Christmas with Lesser Privileges Kids on 25/12/2018



Seminar on Income Tax on 29.12.2018



Congratulations



CA. Aniket Talati, Past Chairman and Regional Council Member of Ahmedabad Branch has been elected as a Central Council Member of ICAI for the year 2019-2022.

Members of Ahmedabad Branch has been elected as a Regional Council Members of ICAI for the year 2019-2022.



CA. Vikash Jain



CA. Chintan Patel



CA. Hitesh Pomal

DISCLAIMER: The Ahmedabad branch of WIRC of ICAI is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Newsletter. The members, however, may bear in mind the provision of the Code of Ethics while responding to the advertisements.