



KOTA BRANCH OF CIRC OF ICAI



Spectrum

Edition-1 Jan 2020



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Editorial ...



It is indeed a great honour to be the Newsletter Editor for the ICAI Kota Branch newsletter and I take an immense pleasure in launching this first edition for January 2020.

Welcome to the first chapter of our monthly newsletter.

A chartered accountant is known for his proficiency and updated knowledge. In this scenario of complex regimes considered to be a challenge in our professional life, its only the upgrading and sharing of knowledge which will help us move forward.

Interpretation of laws is considered to be one of the most challenging of jobs and we as chartered accountants are blessed to be chosen for this job.

A newsletter is not only a source of information but also a great platform to showcase our expertise to our fellow colleagues. Our effort is to provide a medium where one can share his thoughts and rest of fellow Chartered Accountants can take that knowledge as a tool in the changing scenario.

Calling our publication just a "newsletter" would not justify the efforts of the professionals who contributed to it. It is not only aimed at providing a lot of information, but also to provide few minutes of escape from the hectic life of a professional, also we have tried to put in trivia's, crosswords, jokes among other things so that it will be more appealing to the readers. As this issue was in fast track mode, we assure you of lot of innovation ahead.

We would like to thank the contributors of this newsletter for their support.

Lastly, we look forward for involvement of more and more members, both as a reader and as an author for the upcoming issues of the newsletter.

It will be our pleasure to receive your thoughts and suggestions to mould it for the benefit of all members.

CA SHASHANK GARG
EDITOR
M. : 92140-90984

Chairperson's Message...

Respected Members

A very happy and prosperous new year 2020 to all of you.

It gives me immense pleasure to introduce before you 'Spectrum' the first newsletter being issued by Kota Branch of CIRC of ICAI.

Our profession is strongly built on the foundation of knowledge and we at Kota Branch are determined to contribute for maximisation of knowledge by way seminars, conferences and study circle meetings taking into account the need of practitioner and industry. Spectrum is part of that effort only.

We as Chartered Accountants are considered to be Partners of Nation and this newsletter will do the work of spreading the knowledge amongst the members who are the torch bearers and are always ready to serve the nation by bridging the Gap between the policies made by the Government and getting them implemented through public at large.

My sincere thanks to all the members of e-newsletter Committee and it is the result of their sincere and dedicated efforts that issue of 'Spectrum' has seen its light of the day.

We welcome your suggestions an comments for the betterment of this newsletter.

Always ready to serve the Branch.

CA Nitu Natani
Chairperson

Key Highlights of Economic Survey 2019-20

Wealth Creation: The Invisible Hand Supported by the Hand of Trust

- India's dominance as global economic power for three-fourths of economic history manifests by design.
- Kautilya's Arthashastra postulates the role of prices in an economy (Spengler, 1971).
- Historically, Indian economy relied on the invisible hand of the market with the support of the hand of trust:
- The invisible hand of the market reflected in openness in economic transactions.
- The hand of trust appealed to ethical and philosophical dimensions.
- Post-liberalisation, the Indian economy supports both pillars of the economic model advocated in our traditional thinking.
- The survey illustrates enormous benefits accruing from enabling the invisible hand of the market.
- The exponential rise in India's GDP and GDP per capita post-liberalization coincides with wealth generation.
- The survey shows that the liberalized sectors grew significantly faster than the closed ones.
- Need for the hand of trust to complement the invisible hand, illustrated by financial sector performance during 2011-13.
- Survey posits that India's aspiration to become a \$5 trillion economy depends critically on:
 - Strengthening the invisible hand of the market.
 - Supporting it with the hand of trust.
- Strengthening the invisible hand by promoting pro-business policies to:
 - Provide equal opportunities for new entrants.
 - Enable fair competition and ease doing business.
 - Eliminate policies unnecessarily undermining markets through government intervention.
 - Enable trade for job creation.
 - Efficiently scale-up the banking sector.
 - Introducing the idea of trust as a public good, which gets enhanced with greater use.
- The survey suggests that policies must empower transparency and effective enforcement using data and technology.

Entrepreneurship and Wealth Creation at the Grassroots

- Entrepreneurship as a strategy to fuel productivity growth and wealth creation.
- India ranks third in the number of new firms created, as per the World Bank.
- New firm creation in India increased dramatically since 2014:
 - 12.2 % cumulative annual growth rate of new firms in the formal sector during 2014-18, compared to 3.8 % during 2006-2014.
 - About 1.24 lakh new firms created in 2018, an increase of about 80 % from about 70,000 in 2014.
- The survey examines the content and drivers of entrepreneurial activity at the bottom of the administrative pyramid – over 500 districts in India.
- New firm creation in services is significantly higher than that in

manufacturing, infrastructure or agriculture.

- The survey notes that grassroots entrepreneurship is not just driven by necessity.
- A 10 percent increase in registration of new firms in a district yields a 1.8 % increase in Gross Domestic District Product (GDDP).
- Entrepreneurship at the district level has a significant impact on wealth creation at the grassroots.
- The birth of new firms in India is heterogeneous and dispersed across districts and sectors.
- Literacy and education in a district foster local entrepreneurship significantly:
 - The impact is most pronounced when literacy is above 70 percent.
 - The new firm formation is the lowest in eastern India with the lowest literacy rate (59.6 % as per the 2011 Census).
 - Physical infrastructure quality in the district influences new firm creation significantly.
 - Ease of Doing Business and flexible labor regulation enable new firm creation, especially in the manufacturing sector.
 - The survey suggests enhancing the ease of doing business and implementing flexible labor laws can create maximum jobs in districts and thereby in the states.

Pro-business versus Pro-markets

- Survey says that India's aspiration of becoming a \$5 trillion economy depends critically on:
 - Promoting a 'pro-business' policy that unleashes the power of competitive markets to generate wealth.
 - Weaning away from 'pro-crony' policy that may favor specific private interests, especially powerful incumbents.
- Viewed from the lens of the Stock market, creative destruction increased significantly post-liberalisation:
 - Before liberalization, a Sensex firm expected to stay in it for 60 years, which decreased to only 12 years after liberalisation.
 - Every five years, one-third of Sensex firms are churned out, reflecting the continuous influx of new firms, products and technologies into the economy.
- Despite impressive progress in enabling competitive markets, pro-crony policies destroyed value in the economy:
 - An equity index of connected firms significantly outperformed market by 7 % a year from 2007 to 2010, reflecting abnormal profits extracted at common citizens' expense.
 - In contrast, the index underperforms market by 7.5 % from 2011, reflecting inefficiency and value destruction inherent in such firms.
- Pro-crony policies such as discretionary allocation of natural resources till 2011 led to rent-seeking by beneficiaries while competitive allocation of the same post 2014 ended such rent extraction.
- Similarly crony lending that led to wilful default, wherein promoters collectively siphoned off wealth from banks, led to losses that dwarf subsidies for rural development.

Secret Diary

of an Entrepreneur



AJAY PIRAMAL
Chairman, Piramal Group

I owe my success to	The grace of the Lord
Strength	Humility
Weakness	Art
Inspiration	Bhagavad Gita
Life Lesson	Your deep driving desire can become your destiny
Best gift	Values that my parents have given me
People you admire the most	Jamsetji Tata, who really built the foundation of Indian Industry & then gave everything back to society; Bill Gates & some of the masters that this country has produced such as Ramakrishna Paramahansa, Swami Vivekananda
Sounding board	Nitin Nohria
Success means	Being happy & spreading happiness around
Wealth means	The privilege to make a positive difference in the world
Indulgence	Indian modern art
Favourite Artists	Francis Souza and Shri Raza
Greatest gratification	When I see the work of the foundation, where we try to make a difference to the lives of ordinary people
Advice to kids	To live a life based on values

*"If you are dispassionate, you'll win
-that's my greatest learning from
the Bhagavad Gita"*



Changes in new ITR 4 Sugam AY 2020-21

- If having Passport, its number is to be given
- If incurred aggregate expenses exceeding Rs. 2 lakh on foreign Travel for self or for others, then amount to be specified
- If deposited aggregate amount exceeding Rs. 1 crore in one or more current accounts then aggregate of amount deposited in all such accounts to be specified.
- If spent amount exceeding Rs. 1 lakh on electricity consumption then specify such aggregate amount.
- If any assessee owns property in co ownership then he will not be eligible to file ITR 1 Sahaj or 4 Sugam.
- In case of 44AD or 44ADA or 44AE now the assessee will be required to give opening balance of cash in hand and opening balance of bank accounts and also will be required to give total amount received in cash during the year total Amount deposited in bank during the year, total amount of cash outflow out of cash balance during the year, total amount of withdrawal from Bank during the year and closing balance of cash in hand and closing balance of banks.
- Now there will be no need to provide figures of unsecured loans, sundry debtors, sundry creditors, amount of closing stock, etc. as was required in earlier years.

Compiled by :
CA Saurabh Agarwal
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Stricter reporting regime coming soon for auditors



Move to provide warning signals to regulators of impending disasters in corporates. The Ministry of Corporate Affairs (MCA) is expected to take a major step to revamp the auditor's report that accompanies company balance-sheets, placing more onus on statutory auditors to fulfill their professional responsibilities. The move is expected in February.

Besides overhauling the Companies Auditors Report Order (CARO), the government is also likely to make changes to the secretarial audit reporting that is mandated under the company law, sources said.

The entire effort will be to provide early-warning signals to policy-makers and regulators of impending disasters in corporates, they said. Indications are that the MCA may even ask statutory auditors to digitally file the new CARO instead of waiting for the auditor report to form part of the annual report.

The aim is to tighten the working of auditors and also push managements to conform to more elaborate disclosures on their state of affairs.

Draft recommendations

Already, an MCA-appointed Group, which was tasked to look into the current CARO and suggest changes, has submitted the draft recommendations to the Corporate Affairs Ministry. The National Financial Reporting Authority — the regulator of the audit profession — is likely to meet this month-end to deliberate on the changes needed to the existing CARO, the sources said.

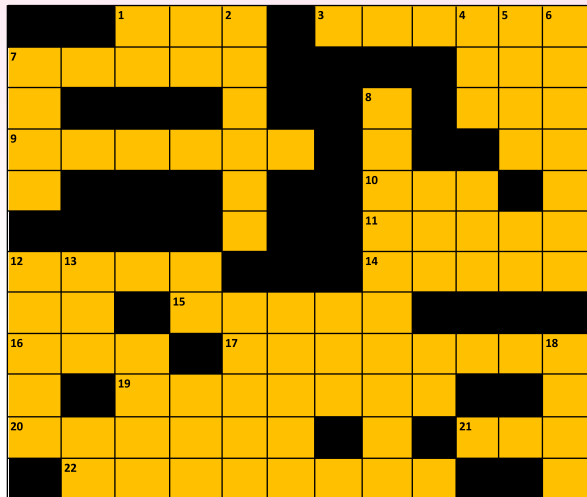
Once the NFRA firms up its views and conveys them to the MCA, the new CARO is expected to get notified in February, they added.

The audit profession, which had an exceptionally challenging year in 2019, is hoping that unlike in 2016, when CARO was last revised, the Government will give it enough time to conform to the new norms.

In 2019, the audit fraternity came in for severe criticism for its role in the blowout of IL&FS, collapse of Dewan Housing & Finance Ltd, and the crisis at PMC Bank. Several large divergences were also observed in the audited accounts of YES Bank, SBI and other banks. Year 2019 also saw a spate of resignations by both statutory and internal auditors.

Compiled by :
CA Siddharth Mittal
M. : 98295-62248

CROSS WORD NO. 1



ACROSS (LEFT TO RIGHT)

1. COUNTRY WITH ZERO INCOME TAX (3)
3. A MALICIOUS COMPUTER APPLICATION (6)
7. A SUBSIDIARY OF INDIAN RAILWAYS (5)
9. PORTAL PROVIDING ONLINE PAYMENT SYSTEM
10. A TYPE OF INSURANCE POLICY FOR BUSINESS (3)
11. RIGHT TO KEEP POSSESSION OF PROPERTY IN CASE OF A DEBT (4)
12. PROFIT OR SURPLUS FROM A TRANSACTION (4)
14. A TAX MAINLY ON START UPS
15. MESSAGING NETWORK USED BY BANKS AND OTHER FINANCIAL INSTITUTIONS (5)
16. AN INSTRUMENT TRADED AT EXCHANGES IN THE US REPRESENTING A FIXED NUMBER OF SHARES OF A FOREIGN COMPANY THAT IS TRADED IN THE FOREIGN COUNTRY (3)
17. SCIENTIFIC TESTS OR TECHNIQUES USED IN CONNECTION WITH THE DETECTION OF CRIME (8)
19. PROFESSIONAL WHO DEALS WITH THE MEASUREMENT AND MANAGEMENT OF RISK AND UNCERTAINTY (7)
20. INFORMAL METHOD OF TRANSFERRING MONEY WITHOUT ANY PHYSICAL TRANSFER (6)
21. A FINANCIAL MEASURE INDICATING PROFITABILITY OF A COMPANY, MOSTLY USEFUL FOR INVESTORS (3)
22. FAST AND EXTREME CHANGES IN THE PRICE OR VALUE.(8)

DOWN (UP TO DOWN)

2. NET WORTH OF A PERSON AT ANY POINT IN TIME ALIVE OR DEAD (6)
4. CURRENCY OF AN ASIAN NATION (3)
5. A LEADING PRIVATE BANK (4)
6. VERY SMALL AMOUNT WHICH IS MUCH LESS THAN SOMETHING IS REALLY WORTH. (7)
7. RATE AT WHICH THE CENTRAL BANK OF A COUNTRY LENDS MONEY TO COMMERCIAL BANKS (4)
8. SECURITY OBTAINED BY LENDER IN ADDITION TO PRIMARY SECURITY (10)
12. DIAGRAM SHOWING THE RELATIONSHIPS BETWEEN TWO OR MORE THINGS (5)
13. CURRENCY OF AN ISLAMIC COUNTRY (3)
18. A TAX ON TAX (4)

Designed by : **CA Sanjay Khandelwal**
M. : 99294-22950

You may please take the printout and fill the same, and scanned copy may please be sent at the Mail id: spectrum.icaikota@gmail.com by 17th of March, 2020. Answers along with first two correct entries shall be published in next news letter with names of the members and a surprise gift is also ready for you.

नव वर्ष का अभिनंदन




नव वर्ष का अभिनंदन, नया वर्ष वरदान बने ।
नई नई बातें निकले, और नई पहचान बने।।
नया वर्ष नव उम्मीदें, नए स्वप्न परवाज करें।
नई उमंगे दिल में रख, नए क्लाइंट आगाज करें।।
जीएसटी की तारीखें, बस थोड़ी सी हो जाए।
रिटर्न दुगने, ऑडिटी तिगुनी, फीस चौगुनी हो जाए।।
नाम सीए का आपके पहले, गर्व से सीना भर जाए।
काम समय पर पूरा हो, खुशी-खुशी हम घर जाएं ।।
भरे रिटर्न सही वह निकले, ना उल्टा सा नोटिस आए ।
फीस समय पर पाकर भैया, गाल गुलाबी हो जाए।।
नई नई ऑडिट मिल जाए, बैंक ब्रांच more मिले।
दाल बाटी की गोठ करें नित, फीस ऐसी घनघोर मिले।।
खूब पढ़े और खूब बढे, सरकार हमारा मान करें।
सीए अर्थ की रीढ़ मानकर, सब अपना सम्मान करें ।
व्यापार विकास, क्लाइंट विकास, विकास देश का हो जाए।।
चहुं ओर आनंद यूं फैले, मन खुशियों से भर जाए।
स्वस्थ रहें और, मस्त रहें, हर पल और महान बने।।
नव वर्ष का अभिनंदन नव वर्ष वरदान बने.....

कृत:

सी.ए. कुमार विकास जैन

94141-81304



1. Chartered Accountant Chatting 
CA1 - Bhai Need Your Support
She is Online N Said " I Love You"kya Karu????
CA2- Bhai.....sabhse Pahale Screen Shot Le
Documentation Jaruri Hai
2. CA: Smartphone Dikhana
Shopkeeper : budget Kya Hai???
CA: Budget is an Estimate of costs, Revenue & resources over a specified.....
Shopkeeper Died *
3. Difference between gud CA & great CA?
Ans: A good CA knows the Income Tax Act but a great CA knows the Income Tax Officer.... :

Compiled by :
CA Saurabh Jain
M. : 92141-27777

Case Study



1. Identify a transaction when the supplier and the recipient of the Goods are both in same state but IGST is Payable.
2. Madhya Pradesh Government issues a Work Order to a Contractor of Rajasthan State for Construction of Road. How Much TDS of GST will be deducted?
3. A Hotel registers itself with OYO Hotels. Individual receipts of the Hotel are less than 20 Lacs. Identify the GST implications.

Compiled by: **CA Devendra Kataria**

M. : 97853-31073

Answers of the above questions are invited from the members at the Mail id:spectrum.icaikota@gmail.com by 17th of March,2020. First two replies with correct answers shall be published in next news letter with names of the members

Ranthambore RRC Tour - 25-26 January 2020



All set to go for RRC at Ranthambore



At the entrance



CPE seminar held at RRC in the benign presence of Ex Officio Member of the Branch CA Churchil Jain



Flag Hoisting under the guidance of our Seniors



Glimpse of sanctuary Visit



In the Lap of Nature in a beautiful winter morning..

Editorial Board:

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Members are requested to send their articles, suggestions etc. at Mail id:spectrum.icaikota@gmail.com