



# KOTA BRANCH OF CIRC OF ICAI

*Edition-6 June 2020*



*Spectrum*

*KOTA BRANCH OF CIRC OF ICAI*



*is Celebrating*  
*Coral Jubilee*



# KOTA BRANCH OF CIRC OF ICAI

Edition-6 June 2020



## Bestowed with Blessings of :



**Shri Om Birla**  
H'ble Speaker Lok Sabha



**CA Atul Gupta**  
President ICAI



**CA Devendra Somani**  
Chairman CIRC of ICAI

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+ MCM



सत्यमेव जयते

अध्यक्ष, लोक सभा  
SPEAKER, LOK SABHA

### संदेश

सी.ए. रजनी मित्तल जी, अध्यक्षया सी. ए. इंस्टीट्यूट कोटा ब्रान्च,

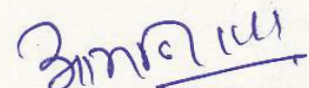
मुझे यह जानकर बेहद प्रसन्नता हुई कि 72वें चार्टर्ड एकाउंटेंट्स दिवस के अवसर पर आईसीआईए-कोटा चैप्टर अपनी स्थापना के 35 वर्ष पूर्ण करने जा रहा है।

चार्टर्ड एकाउंटेंट राष्ट्र के आर्थिक विकास का आधार हैं। वे वित्तीय क्षेत्र में अपनी विशेषज्ञता के माध्यम से औद्योगिक विकास सुनिश्चित करने में महत्वपूर्ण भूमिका निभाते हैं। देश में कॉरपोरेट शासन प्रणाली को सुदृढ़ बनाने में भी चार्टर्ड एकाउंटेंट्स का महति योगदान है।

आईसीआईए-कोटा चैप्टर ने विगत 35 वर्षों में कोटा समेत सम्पूर्ण हाडोती क्षेत्र में आमजन, व्यापारियों तथा उद्योग जगत में वित्तीय जागरूकता उत्पन्न करने का प्रशंसनीय कार्य किया है। आपकी महत्वपूर्ण राय व सुझाव क्षेत्र के आर्थिक विकास में उत्प्रेरक का कार्य कर रहे हैं।

मेरा विश्वास है कि आईसीआईए-कोटा चैप्टर भविष्य में भी इसी प्रकार व्यक्ति, समाज तथा देश की आर्थिक प्रगति में अपना महत्वपूर्ण योगदान देता रहेगा।

पुनः शुभकामनाएं।

  
(ओम बिरला)

*Message from President, ICAI*  
*CA Atul Kumar Gupta*



Dear professional brothers and sisters,

I heartily wish you all a very happy Chartered Accountants Day (CA Day). It is an occasion for the CA Fraternity to celebrate stupendous growth of our profession and also a day to reaffirm our commitment to serve the nation. This day is all the more special for the members of the Kota branch of CIRC being the Coral Jubilee Year. My special congratulations to all of you. All the best in this memorable, successful and outstanding CA week 2020 organised by Kota branch of CIRC of ICAI.

The year 2020, due to COVID 19 pandemic has given us newer challenges, a new perspective to life and a new way of living. This unprecedented situation has given us time to rethink so we must believe in changes, challenges and opportunities. Today we have various professional challenges before us. We professionals holds the prominent record of meeting change with courage and adversity with determination, thus accelerating advancement and progress through constant evolution. It is a clear message in this 2020 that every change and challenges has an inbuilt opportunity which requires knowledge focused approach, hard work, professional approach and execution techniques. On this CA Day, let us promise to not just capitalise future opportunities of success coming our way but also continue to create newer ones. The Institute of Chartered Accountants of India's relentless efforts towards greater growth and better service shall be steadily translated today in order to have a transformed tomorrow.

With these words, I congratulate Kota branch of ICAI, its entire Managing Committee led by **CA. Rajnee Mittal** for the special edition of members newsletter that is being released on the occasion of Coral Jubilee year's CA day celebrations and my best wishes are always there with the Kota branch.

**CA Atul Gupta**

President - ICAI

*Message from Chairman of CIRC of ICAI*  
*Shri Devendra Somani*



Firstly I wish you all a very happy CA Day. It's a great step taken by Kota Branch of CIRC to keep on track and continue connecting members by regular circulation of Newsletter. I am delighted to see that the Kota Branch of Central India Regional Council (CIRC) of the Institute of Chartered Accountants of India (ICAI) is bringing out its special issue of e-Newsletter on the occasion of 35th year ie, Coral Jubilee celebrations of Kota branch. I congratulate all the members of Kota on this sparkling occasion.

I am sure that the newsletter will surely help the Branch to communicate and spread information amongst its members and students in very fruitful way. I am also pleased to know that the branch is celebrating CA week on this occasion. The more you praise and celebrate your profession, the more there is in profession to celebrate.

We all have life storms, and when we get the rough times and we recover from them, we should celebrate that we got through it. No matter how bad it may seem, there's always something beautiful that you can find.

We are the sum total of everything we've ever seen, heard, eaten, smelled, been told, forgot - it's all there. Everything influences each of us, and because of that we try to make sure that our experiences are positive.

Also, I request all of you to make best possible use of this medium, Newsletter to remain connected and informed about the Branch activities. I congratulate **CA. Rajnee Mittal** Chairperson - Kota Branch, Branch committee members and all those who are involved in publishing of the Newsletter.

The joy of life comes from our encounters with new experiences, and hence there is no greater joy than to have an endlessly changing horizon, for each day to have a new and different sun.

With best wishes,

**CA. Devendra Kumar Somani**

Chairman – CIRC of ICAI

## Chairperson's Message...



CA RAJNEE MITTAL  
CHAIRPERSON

Dear professional colleagues

Happy Coral Jubilee year of Kota branch of CIRC of ICAI and a very happy Chartered Accountants day.

It was a big challenge to organise CA week this year because concepts have changed in this covid-19 pandemic. It was really tough to move in conventional way so a new thought process was the need of the hour. It was a challenge to involve members on this CA day and we as Management Committee we decided to make ourselves more technologically fluent and equipped. It was decided to organise this week virtually. So after many days of brainstorming a program was designed for the members, CA students as well as their families. Great efforts have been put in by **CA Ashish Vyas**, **CA Vishnu Garg** and **CA Dinesh Jain** in designing the program. Response of members is overwhelming and working of the branch has been appreciated by almost all the members. I am really thankful for so much love and support from the branch members. This lock down and Covid-19 pandemic has connected us more closely. I have realised that every female has multiple responsibilities and it's never easy to work on additional designations. My working has been possible only with the support of whole Management Committee.

I congratulate CICASA chairman **CA Nikhil Jain** for organising wonderful CA week activities for students this is for first time in Kota branch that a separate program has been designed for students. I further congratulate **CA Devendra Kataria** for taking session for Kota branch as it is always a matter of pride to be speaker in own branch. I also congratulate **CA Kamal Goyal** and **CA Poonam Jain** on successfully coordinating yoga day program on 20th and 21st June 2020. More than 50 members participated on app and more than 100 joined live on facebook. I extend my sincere thanks to **CA Navneet Jajoo**, **CA Deepak Gupta**, **CA B.P Garg**, **CA C.A Mehta**, **CA Sanjay Khandelwal** for constant support and guidance.

I congratulate **CA Shashank Garg** on beautiful Coral Jubilee year publication of Kota branch newsletter spectrum. I sincerely thank honorable Lok Sabha Speaker **Shri Om Birla Ji**, President ICAI **CA Atul Kumar Gupta** and CIRC Chairman **CA Devendra Kumar Somani** for their kind gesture.

I, on behalf of whole management committee invite all members of Kota Branch to join CA Week Celebrations. Let's enter into the new world of celebrations in this CA week 2020.

Thanks n Regards

CA Rajnee Mittal  
M. : 86969-05577

## Editorial ...



Hello all,

Greetings of the day!

We are here again with the June Newsletter.

The response we receive from you all gives us strength and courage to gather the data, compile it and serve to you at the earliest. The series of Crossword puzzle and case study is also doing good as the members are taking interest in the same and spare their valuable time to respond.

As we are celebrating 72nd CA day and the Kota Branch is celebrating its 35th, we decided to circulate June issue of our newsletter on this auspicious day. So I would like to congratulate to one and all on this CA day.

The Kota Branch is pioneer in celebrating CA Week and not just a single day with exciting activities during the whole week. For the coming week for the Coral Jubilee celebration of our branch there are number of activities lined up. Details of the same are following in the news letter.

**Chartered Accountant**, A two letter word contains lot of pride, knowledge, respect, grace, capabilities, responsibilities and many more. This calls for commitment, credibility, performance and efficiency. Which come from practice, study and consciousness. Therefore, every one of us is supposed to give utmost endeavours for this esteemed profession.

Jim Butcher one said "Knowledge is ultimate weapon, it always has been". So with words I again salute to the Profession, Professionals and the esteemed Organisation "**The ICAI**".

I am again thankful to our chairperson **CA Rajnee Mittal** for entrusting me the duty to serve this esteemed profession in this way. My special gratitude to my mentor **CA S. K. Mahipal** and my colleague **CA Saurabh Agrawal**, who always stay beside me in this task.

CA SHASHANK GARG  
M. : 92140-90984

# GST on Director's Remuneration



Written by -

**CA Priyanka Makhija**

M. : 9928393990

## Remuneration paid to directors to attract GST.

In the rapidly changing field of taxation - GST related matters are opening the doors for Chartered Accountants to spread their arms and to widen the scope in the field of Consultation and Advisory.

**Whether Remuneration paid to the directors will be covered in the ambit of GST or not? is one of the focus topic in this line.**

As we all know it was one of the **long pending** issue under GST, hence it will be very exciting to feature out this issue in detail.

Undoubtedly, Remuneration is one of the hefty expenditure for the company, hence clarifications and notifications were issued time to time and the subject was undergoing intense study!

Finally clarification was issued on 10th June 2020 under Circular No. 140 / 10 / 2020 by GST wing of Ministry of Finance.

The Central board of indirect taxes and customs (CBIC) stated that the taxability will depend upon the facts of the cases

Now-

**1. What are those facts?**

**2. How the taxability will differ?**

**3. Under which category the services rendered will be taken?**

This we are going to discuss in this article.

First of all it is very important to study the 2 core areas of GST before heading towards the said circular-

**1. Schedule III of CGST Act, 2017-** which deals with those areas which are neither goods nor services and hence out of the scope of GST.

**2. Notification no. 13/2017 dated 28.06.2017-** which defines the list of services to be taxable under RCM.

As mentioned earlier the taxability of GST will depend upon the facts and circumstances of the contract between the employee and the company-

The Central board of Indirect Taxes and Customs (CBIC) said GST will not be levied on the if there is an employment contract and salaries paid to the directors who are the employees of the company.

The CBIC issued a clarification following a ruling by the Rajasthan Authority of Advance Ruling (AAR) in April that said companies will have to pay GST on the remuneration they dole out to directors.

The part of director's remuneration that is declared as 'salaries' in the books of a company and subjected to TDS under 192 of the IT Act is not taxable being consideration for services by an employee to the employer in the course of or in relation to his employment in terms of Schedule III of the CGST Act, 2017.

However, where the directors' remuneration is in the nature of professional fees and not salary, GST will be levied on a Reverse Charge Basis.

The part of employee director's remuneration which is declared separately other than 'salaries' in the company's accounts and subjected to TDS under Section 194J of the IT Act as 'fees' for professional or technical services shall be treated as consideration for providing services which are outside the scope of Schedule III of the CGST Act, and is, therefore, taxable. However, the recipient of the said services, i.e. the company, is liable to discharge the applicable GST on it on a reverse charge basis.

With regard to independent directors who are not the employees of the said company, the CBIC said services provided by them to the company in lieu of remuneration as the consideration for the said services will attract goods and services tax (GST).

This clarification from CBIC would save a tax of 18% on the remuneration paid to executive directors of the company.

Interestingly, it further clarifies that if the company wrongly deducts TDS under section 194C / 194 J, whether it becomes taxable just because the company deducted TDS?

## The answer is No

The base will be the contract agreement between the employee and the company but for proving that there are other collaborative evidences like

-Tax is deducted by the company

- Filing by the MCA

-PT, PF, ESI compliances

are some supporting evidences which help to determine the taxability.

In a nutshell there are two important takeaways from this article

1. If there is an employment agreement between the two parties then no taxability will be attracted and

2. If there is no such contract and anything paid over and about salary to WTD or Independent directors in the nature of professional fees it will be covered under GST (RCM.)

Also, it has made very clear that Tax officers would be pushed to roll back tax notices issued in relation to taxation of director salary on account of divergent views expressed by advance ruling authorities.

With the clarification linking income tax and GST, businesses would need to now evaluate comprehensively the treatment of remuneration of directors under income tax, GST, and accounting. I hope with this am able to present the clear picture in your mind on the most heated topic.

# "Year 2020"- Today's Crisis or Future Opportunity?



Written by -  
**CA Priyanka Jain Chaudhry**  
M. : 98330 49988

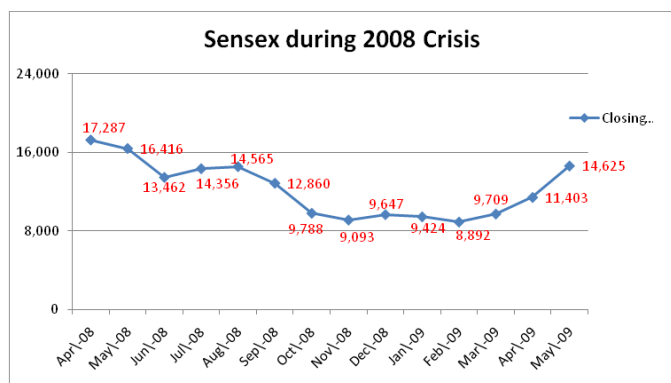
The world is going through an economic turmoil because of the pandemic and India is also facing the "VIRUS STING". Equity market is no exception to it and it has already seen more than 20% plunge in the last month, strong B/S companies also facing a downturn. In the past, such a sell off was seen during the year 2008 in Global Financial Crisis (GFC).

One cannot be accurate in estimating the range of lower levels that the market would touch due to the volatile market scenario **but one could be opportunistic during the times of market adversity**. We can see from the past of GFC in the year 2008 that market had hit the lower levels, gone through correction and had ultimately led to recovery; though it demands a longer time horizon.

Please see the chart (Sensex during 2008 Crisis) below to understand how market touched the bottom, had gone through correction and then again rose to high levels during GFC. The world is going through an economic turmoil because of the pandemic and India is also facing the "VIRUS STING". Equity market is no exception to it and it has already seen more than 20% plunge in the last month, strong B/S companies also facing a downturn. In the past, such a sell off was seen during the year 2008 in Global Financial Crisis (GFC).

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## Being Opportunistic

Past has taught us that market correction gives an opportunity to invest in or accumulate the quality stocks and thus leading to long term wealth creation. **But it should also be kept in mind that investment in these tough times should always be done in a phased manner and with a long term approach. Now, what is a quality stock?** Though we cannot define it, but we can follow some thumb rules and parameters to identify such a stock. Some of them could be:

- Fundamentally Strong Balance sheet
- Good Profitability and Margins

- Debt paying capacity
- Free Cash flows
- Ratio Analysis like ratio of return to shareholders funds, fixed asset ratio, to name a few.
- Experience and track record of Management.

However, vulnerabilities exist in the market and even the best stocks may fall because of the adverse effect of COVID-19 on their business but it's worth to note here that as and when situation improves, these will be the first to recover. There are certain sectors which are better placed after the pandemic and which might perform better even in the troubled times. These could be:

- Consumer Staples, being a necessity it does not face much of demand risk fluctuations.
- Pharma sector, selected pharma companies and specialty chemicals companies as they are much in demand because of the current healthcare conditions.
- Life insurance companies would experience an increased penetration due to the pandemic.

There are sectors which are significantly affected by COVID 19 and there is a cloud of uncertainty over their financial capacity. Sectors which are more influenced by consumer choices and are more of a lifestyle product would have reduced sales, lower footfalls; they may even have to sell their inventory pile up at losses, due to lockdown.

And **the volatile sectors** could be:

- Hotels, it could be the worst affected until demand picks up.
- Auto stocks, because of reduction in purchasing power of people
- Banks and NBFCs, because of rise in NPA and weak credit demand
- Aviation due to reduced travel plans
- Infra and construction sector as activity here has come to a slowdown and will take time to pick up. The sector also faces migrant labour issues.

## Conclusion

The investors looking for safety might opt for an investment portfolio in a structured manner which can be done through regular and staggered investment in balanced funds and alternate asset classes like gold or debt which might further reduce the market fluctuation risks.

If crisis deepens further, it may lead to survival challenge for some of the good companies operating in affected sectors as mentioned above.

**Thus, one needs to be extra watchful in these market conditions to avoid bearing burnt of such situations. After investment, review of portfolio is crucial at regular intervals but at the same time investor should be courageous or patient enough to undergo short term pains for long term wealth creation.** However, if an event occurs which affects the fundamentals of the company making it weak, it would be beneficial to exit and trim the losses since volatile market makes it tough for such a company to survive. By ending on a positive note, quoted by Henry Ford: **"Failure is simply an opportunity to begin again, this time intelligently."**



# What is the Meaning of Patience?



Written by -

**CA Deepanshi Khandelwal**

M. : 8302653881

Patience, a challenge for most of us, is ability to tolerate waiting, delay, or frustration without becoming agitated or upset. It is being able to control your emotions or impulses and proceed calmly when faced with difficult or frustrating situations.

The word patience is derived from the Latin word *pati* which means to suffer, to endure, to bear.

Patience is a virtue! Patience is also a skill. We can work on increasing our ability to be patient and engage in practices to become a more patient person.

Before looking at how to develop more patience, it is best to define what we are actually talking about. Patience (or the lack thereof — impatience) occurs in response to some sort of difficulty or delay in life that is not going according to expectation. A day can hardly be lived without encountering something that interferes with our plans, and so we might say that the “interference” or “disruptions” are a normal part of life; to expect otherwise will make it difficult to be patient.

Impatience often comes as a result of not surrendering to a situation that we really cannot fight. Getting stuck somewhere, waiting on someone late for a meeting or being sidelined by someone else's mistake are examples of the need to surrender to a reality that we cannot change.

The final component in the definition for patience is accepting or tolerating the situation without getting angry or upset. It helps to separate the feeling of anger from the behavior of anger. We can choose our behaviors, but we cannot choose our feelings. Feelings just happen. When we feel something, we have the responsibility to manage that feeling and to choose what behavior we will exhibit in response to the feeling. How do you, in the midst of a strong feeling, choose to behave?

The secret is in our thoughts. What we choose to think in response to a feeling can intensify or calm the feeling. What we think in response to a feeling will allow us to choose our response, or behavior, to that feeling. This mental process is crucial in developing the skill of patience.

What are the Benefits of Being Patient?

While developing the skill of patience is work, becoming a more patient person has many benefits. Believe it or not, patience is well researched. The following are just some of the benefits of being a patient person.

- Helps focus on long term goals

- Reduces stress levels and makes you a happier, healthier person
- Results in better decision-making and helps in making rational choices
- Helps develop understanding, empathy and compassion
- Helps you understand and appreciate the process of growth
- Builds our reputation for persistence
- Helps to develop a skill set
- Makes you a people magnet
- It can bring you peace which results in better mental health
- Patient people have a greater sense of gratitude.
- Patience transforms relationships
- **Tips on How to Develop Patience**

Patience is a skill that can be learned and practiced, and it is a result of choosing to emphasize thinking over feeling. Here are some suggestions for developing the skill of patience (I am glad that you were patient enough to wait for them).

- **Make a Conscious Effort to Slow Down**

If you have the tendency to rush around and try to hurry things up, want things done immediately and can't wait for things to take their natural course, STOP. Take several deep breaths before you act or make a move. For example, if you're in a long lineup at the grocery store or in heavy traffic, make the decision to pause and not get worked up. Do some isometrics, listen to the radio, or just enjoy the view. Getting impatient won't make things move along any faster, so why get worked up for nothing?

One last aspect of slowing down is to take a “time-out” when you encounter difficulty. A time-out is a “pause in the action” for the purpose of stepping back, looking at the situation more objectively, planning a strategy and asking for help. Once you exercise a time-out, you are able to bring your most calm, productive and patient self to the problem

- **Journal Your Thoughts and Feelings**

Taking some time daily to journal your thoughts and feelings will help you become more reflective. This likewise will allow you to observe yourself more objectively.

You may, for instance, reflect on how your day unfolded. This time of self-reflection and journaling will help you make sense of the day's events while also allowing you to learn from how the day unfolded. As you reflect and learn you begin to understand more

about yourself in various situations and can then make adjustments moving forward to help you cultivate more patience in certain instances

Say for instance that you responded rather impatiently in a specific situation. That night you would take time to write in your journal how the event unfolded, and then explore how else you might have handled the situation in a more patient and mindful manner.

You might find it helpful to ask yourself the following set of questions while working on your journal entry:

What happened in this situation?

How did I respond to this situation?

Why did I respond in this way?

What impact did my response have on other people?

How did my response make me feel?

How else could I have handled this situation?

How will I handle similar situations in the future?

- **Take on a Problem Solver Mentality**

When you are in a “problem solver mode” you immediately become more patient in the moment because you are no longer focusing on what you can't control, but rather looking at ways to find an answer to a problem you are suddenly facing. Yes, it's a slight perspective shift, but it can certainly make a world of difference.

And of course, we all know that solving problems takes patience. One can do by asking the right kinds of questions that will help in identify suitable solutions for the problem at hand. For instance, you can ask:

What's the problem here that must be solved?

Why specifically is this a problem?

How must I go about trying to solve this problem?

What kind of solutions might be of greatest value here?

- **Expect the Unexpected**

Your Expectations of any situation impact how you see things. Typically if things unfold that go against our expectations, then it's easy to become a little riled up and impatient. On the other hand, when things go as we had expected, then it's subsequently easy for us to stay calm, cool and collected.

Linked to expectations are our personal standards. Whether we are consciously aware of it or not, we all have standards that we look to uphold. These standards help us to maintain consistency through our daily actions and interactions. This is all well and good of course, it does however become problematic when we push those same standards onto other people. And this is of course when expectations come into the picture.

We expect that other people should hold the same standards as we do in various situations. However, everyone has their own set of personal standards that they adhere to. The problem is that some of these standards may not meet your expectations of them in this situation, and as such this could cause friction manifesting in

frustration and impatience.

Given this, it's important that we keep an open mind when it comes to our expectations. In fact, in order to cultivate more patience, it's helpful in some ways to expect the unexpected. In other words, don't box yourself into thinking that things should only be one way. There are always numerous ways that things could unfold, and you must be mentally ready and prepared to deal with all of them in a patient manner.

One way to prepare yourself is to reflect on how things might potentially unfold and then acknowledge how you will respond to these various scenarios. In this way, you will be ready for the twists and turns in your day when your patience is tested.

- **Avoid Using Patience as an Excuse**

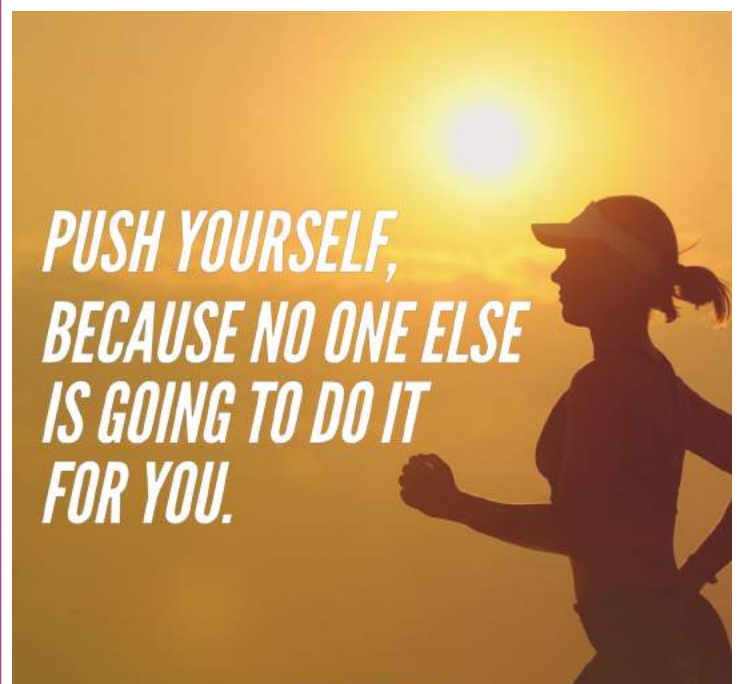
Yes, patience is a virtue, but it, of course, all depends on how you use it.

When it comes to achieving goals, some people have a tendency to use patience as an excuse for indulging in procrastination and perfectionism. This is not patience, but rather just a poor excuse that sabotages your progress.

Yes, patience is important. In fact, at times we do need patience in order to step back to gain a better perspective of the situation or the path we are traveling on. With this clarity-of-mind, we can then move forward in a more optimal way by making better choices and decisions toward our goal. However, when patience consistently leads to bouts of procrastination and/or perfectionism, then you must at that moment realize that you're fooling no one but yourself.

Use patience for self-reflection, for gaining clarity, and for making the most of opportunities. That is after all where patience will be of most value.

**"EVERYTHING HAS PERFECT TIMING; NEVER EARLY, NEVER LATE.  
IT TAKES A LITTLE PATIENCE BUT IT'S WORTH THE WAIT"**



# COVID 19 – AN OPPORTUNITY OR AN OPPORTUNITY COST



Written by -  
**CA Arpit Vijay**  
M. : 7849819319

As we all know that the ongoing novel coronavirus outbreak has severely disrupted economic and social life across the world. Beside an ever-increasing human toll, the economic costs of pandemic have also been immense. This has created widespread uncertainty about China's future global role and trade practices. It has been supplemented by growing worries about the global economy, now in its worst recession since the Great Depression of 1929.

We being a Chartered Accountant play a very crucial role when it comes to the word "Finance or Investments". It's not wrong if we can say that the synonym of Investment Management can be a Chartered Accountant, because the potential that we possess are not restricted to Audit or Tax but much beyond that. So considering all this issues whether Indian market should be considered as an opportunity or an opportunity cost from the investment point of view?

## COVID-19 OUTBREAK DEEPENS ECONOMIC CRISIS IN WORLD

The economic stimulus package announced by the various governments comes in the background of worsening economic conditions even in the overheated global labour market. The COVID-19 outbreak has brought global manufacturing to a near halt, thereby threatening millions of jobs and pushing numerous businesses under crippling debts. According to a recent survey by Teikoku Databank, 63 per cent of the companies have reported a negative impact on their businesses due to this pandemic.

## WHY INDIA?

As the world's second most populous country and its largest democracy, India provides the perfect combination of a large, rapidly growing market economy with open and democratic social values. In the current times, India has been the largest recipient of Japan's Official Development Assistance (ODA) program which has played a key role in developing India's infrastructure through affordable loans and grants. In the recent decades, India has consistently featured as one of the world's fastest growing major economies with average growth rates around 7 per cent.

## TOP INVESTMENT OR OPPORTUNITIES SECTORS IN INDIA

As a Chartered Accountant, we can let the following sectors in India to take a boom through investments and make this COVID pandemic an opportunity for India.

1. Automobile and auto components industry: India is the 4th largest automotive market as well as the 5th largest auto-producing nation in the world, with Japanese auto giants such as Maruti Suzuki and Mitsubishi, constituting a large chunk of

this production. With a growth rate of 18.3 per cent in 2017-18, the Indian automobile industry is only set to grow stronger.

2. Chemicals industry: India is currently among the top five consumers of polymers and 4th largest producer of agro-chemicals in the world and this sector contributed 9 per cent of the total FDI inflows in India in 2018. This market is increasingly lucrative with an expected CAGR of over 10 per cent in the next five years.
3. Food processing industry: India offers a huge market for food processing industries to grow and expand because of India's vast size, offering enormous potential for global firms. India is not only the largest producer of milk in world but also the second largest global producer of horticultural crops besides being the world's largest producer, consumer and exporter of spices. With booming foreign direct investment levels, this sector has attracted a growing number of firms present in India.
4. Medical devices industry: One of the foremost areas of collaboration, the medical devices market in India is currently estimated to be worth USD 10 Bn in 2019 with an estimated CAGR of 15.8 per cent. Despite being the fourth largest market in Asia, India's domestic medical devices industry is relatively nascent- with an 80 per cent import dependency. These factors provide the right environment for better utilization of technology to ramp up the production of quality, affordable medical devices in India.
5. Consumer goods industry: India's fast-growing middle class and a rising GDP have contributed in making India a rapidly growing Fast-Moving-Consumer-Goods (FMCG) market estimated to be worth USD 104 Bn by 2020 making it the world's 5th largest consumer durables market at a CAGR of 14 per cent. In India's consumer goods sector, giants such as Panasonic and Daikin have witnessed nationwide presence and burgeoning profits, in a clear indication of economic and business successes enjoyed by International companies in India.

## AND HOW IS THIS POSSIBLE?

This is clear that the COVID situation can be converted into an opportunity by capitalizing this downfall in global economic level. But being a Chartered Accountant in Advisory how can we make this possible, that's still a big doubt, isn't it?

We are the most lucky creatures on the planet, who possess this

quality to do the postmortem of not a company but the entire specific industry or as I can say an economy too.

1. **EXPLORE THE INVESTMENT OPPORTUNITIES:** Once the sectors above have been identified as above, we can go into the deep dive of that particular sector, not only in India but also at a global level and we can use our Financial Research power as an asset to bring an investment from global level specially exploring Japanese world.
2. **UNDERSTANDING MERGERS AND ACQUISITION:** We are aware that the M&A sector is the most niche segment that is exploited by many of the top businessmen to expand their global reach. Chartered Accountants can play a very major in this sector. We have what it needs to make a M&A transaction a success; Research-Market Analyses-Goodwill Adjustments-Consolidated Balance Sheet-Valuations-Negotiations, think of a process and we Chartered Accountants are capable to exploit that.
3. **UNDERSTAND THE MARKET RISK:** Market risk considers how the changes in market prices and rates will result in investment loss. Equity Price Risk and Foreign Exchange Risk play a major role in making Market Risk an opportunity. Understanding the Arbitration, Derivative and Hedging, we can make a fortune of a difference.

## CONCLUSION

As demonstrated the ongoing COVID-19 crisis presents a golden opportunity for India to further boost their economy at global level. There is little doubt in anyone's mind that the post-COVID world will be starkly different from the one preceding it in many significant ways as the world looks towards an economic and social reset. Among other things, this pandemic has highlighted the world's over-dependence on China, particularly in areas such as medical equipment and medical textiles, as a result of which, there has been a growing consensus between and within countries including INDIA about not only promoting their domestic industries but also diversifying their reliance on China for manufacturing activities. These convergences must be fully leveraged by India as the most preferable destination to secure such investments. A deepening of the INDIA's relationship with other countries proves a win-win; promoting India as the prime place to invest in, goes a long way in that direction.



## BE ENERGETIC



Written by -

**CA Pramod Lahoty**

M. : 9414189077

Energetic Doers are cheerful and spontaneous persons. They are charming and full of energy and real persons of action. They keep a clear head and the overview even in difficult situations. This makes them popular problem solvers.

**So how can we be that energetic person who is center of attraction for everybody. By following the simple tips we all can be energetic for the entire day:**

- 1) **Hide your sorrows with a smile:** We all have heard that smile is contagious, so when u wake up in the morning see yourself and give a big smile, you will instantly feel good and all your negative thoughts would vanish.
- 2) **Positive Affirmations:** Positive affirmations play an important role. Every morning make 2 or 3 positive affirmations.
- 3) **Gratitude and Appreciation:** Appreciate yourself for even a small task that you have achieved. Show gratitude towards people, make a gratitude journal and every night before going to bed write down any 5 things you are grateful for.
- 4) **Food:** The type of food you eat plays an important role in overall functioning of your body. Always eat healthy food, avoid junk food and take plenty of water. Inculcate these healthy habits in your lifestyle.
- 5) **Exercise daily:** I cant brag enough about the benefits of exercise. Exercise can help in lifting up your mood ,can make you more energetic as well. So exercise everyday to follow the path of a healthy lifestyle.
- 6) **Music:** Listen to a good music every morning be it a devotional songs, mantras or any other music of your choice. It is a proven scientific fact that music can lift up your mood and can make u more energetic.
- 7) **Body Language:** Body language speaks a lot about you. So whenever you meet someone show interest in the conversation ,maintain good posture.

By following these steps you can feel more energetic day by day.

विधि का विधान जान हानि लाभ सहिये -  
जाहि विधि राखे राम ताहि विधि रहिए।



# Kota Branch of CIRC of ICAI

## CA Week 2020

01st July 2020 to 07th July 2020

### GIST OF ACTIVITIES

**01**  
July

**Flag Hoisting**



**02**  
July

**Tree Plantation**



**03**  
July

**Food and Fruits Distribution**



**04**  
July

**Professional Webinar**



**05**  
July

**Online Games**



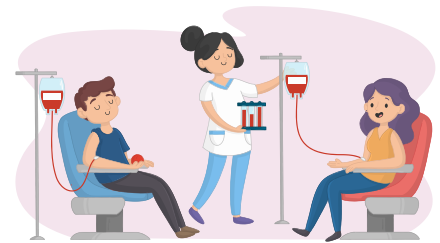
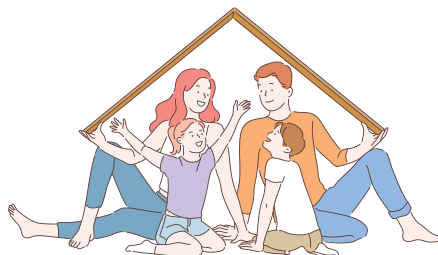
**06**  
July

**Women Activities**



**07**  
July

**Family Event**



**01** to **07**  
July July

**Blood Donation**

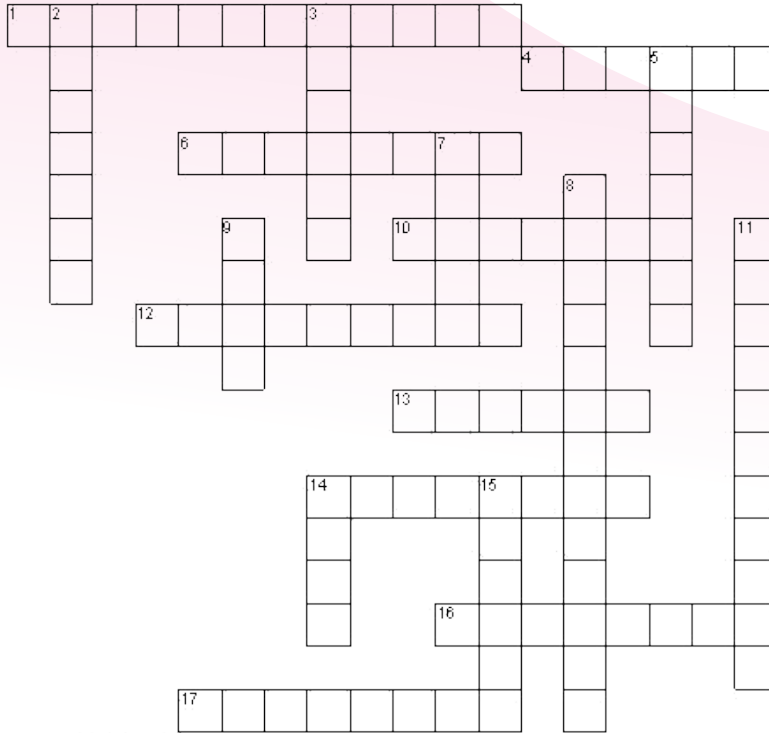


**01** to **07**  
July July

**Virtual Walk / Run**

**+ 7 Days 7 Contests**

# CROSS WORD NO. 6



Designed by :  
**CA Nikhil Jain**  
M. : 97831 82899

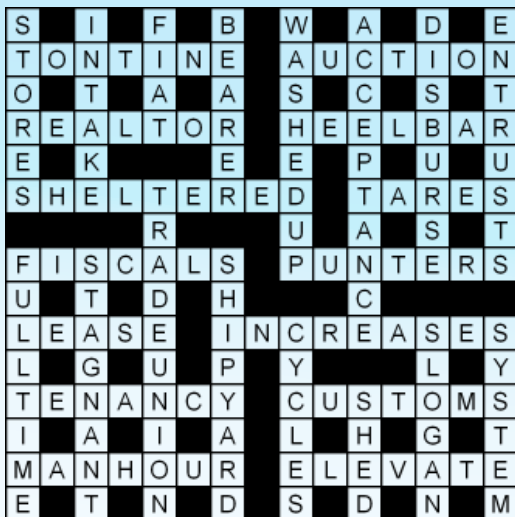
**ACROSS:**

1. rate and efficiency of work
4. ask the bank to advance money
6. money paid for a loan
10. wealth of person or business
12. promise to repair or replace
13. amalgamation of two companies
14. legal agreement
16. total sales of a company
17. share of profits paid to shareholders

**Down**

- 1DOWN:**
2. proof of payment
  3. put money into a company or business
  5. money paid to owner of copyright or patent
  7. part of the capital of a company
  8. where shares are bought and sold
  9. money lent
  11. amount of money spent
  14. neither cheque nor credit card
  15. money returned

**Solution : Cross word No. 5**



**Winner of the  
Cross Word**  
CA Pratibha Jain



**Runner Up of the  
Cross Word**  
CA Nitesh Agrawal

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](mailto:spectrum.icaikota@gmail.com) by 20th of July, 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.

## Case Study



### Subject: DT | Topic: Capital Gains (exemption)

If I've converted my Capital asset (land) into stock in trade & developed 15 flats. Now I've sold 10 flats (in F. Y. 18-19) at that time I claimed exemption for proportionate cap gain u/s 54EC for 40L. Now when I'll sell the remaining 5 flats (in F. Y. 19-20) then the remaining cap gain would be taxable, so would I'll be able to claim the exemption u/s 54 EC for only 10L or complete 50L again?

### Subject : Company Act | Topic : Appointment of auditor

M/s ABC and co. is audit firm having partners A,B & C. whose tenure in R Ltd. listed entity has expired. M/s XY is appointed as statutory auditor for next year. A joins M/s XY, 3 months after appointment of XY as auditor of R Ltd. Whether XY is disappointed for appointment or not and why ?

### Subject: DT

In Capital gains, expenses on transfer are reduced from sale consideration while the same are allowed as deduction u/s 37 in case the asset sold is included in block of assets. Now consider the following situation:

Opening WDV = 100000 , Asset sold for 110000 and expenses on transfer = 20000. Now block of asset would be computed as follows :

Opening	100000
Less: Sale	110000 (20000 allowed u/s 37)
	-----
	Nil (Section 50 attracted)
	-----

Now as per Section 50, capital gains shall be computed as follows:

Sale Consideration	110000
Less : Expenses on transfer	20000
Less : COA (Opening WDV)	100000
Short term capital loss	10000

But section 50 is attracted in case of short term capital gain since it states that excess of net sale consideration over WDV will be treated as short term capital gain.

What will happen in this situation?



**CA Navneet Jajoo**  
M. 9829888823

Answers of the above questions are invited from the members at the Mail id: [spectrum.icaikota@gmail.com](mailto:spectrum.icaikota@gmail.com) by 20th of July, 2020. First two replies with correct answers shall be published in next news letter with names of the members

## Solution to the Case Studies of May Edition

Ans 1. SECTION 46. Notice to return defaulters. — Where a registered person fails to furnish a return under section 39 or section 44 or section 45, a notice shall be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed.

The section clearly says, that in case of default in filing returns to be filed u/s 39 i.e. GSTR 3/3B, u/s 44 i.e. Annual Return and u/s 45 i.e. Final Return, notice is to be issued for non-filing of return. Therefore if GSTR 1 is not filed, notice u/s 46 cannot be issued.

Section 62: Assessment of Non-filers of returns:

(1) Notwithstanding anything to the contrary contained in section 73 or section 74, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgment taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

(2) Where the registered person furnishes a valid return within thirty days of the service of the assessment order under sub-section (1), the said assessment order shall be deemed to have been withdrawn but the liability for payment of interest under sub-section (1) of section 50 or for payment of late fee under section 47 shall continue.

Assessment of non-filers can be done after issuance of notice u/s 46 only in case of GSTR 3/3b, Annual Return or Final Return. Therefore the assessment is wrong and cannot stand.

Remedy available to the assessee is to file an appeal and the main ground will be that notice and order are bad in law due to above reasons.

Ans 2. Relevant Provisions of Law: -

1. Medical Services of Doctor are exempt wide notification 12/2017 CTR entry no. 74
2. Medical shop and professional services combined cross the limit of aggregate turnover exempt from registration and therefore registration was compulsory.
3. Removal of Difficulty order 01/2017 dated 13.10.2017 allows a composition taxable person to provide exempt services and also they will not be counted for purpose of aggregate turnover to ascertain eligibility for composition.
4. Limit of Services of 5 lacs or 10% of aggregate turnover of previous year whichever is higher was introduced in CGST Amendment Act, 2018 effective from 01.02.2019.

Solution:-

For the FY 2018-19, medical services being exempt can be provided without any problem till 31.01.2019 by virtue of removal of difficulty order.

From 01.02.2019, limit of Rs. 5 lacs or 10% of turnover of previous year will be counted. Thus from 01.02.2019 to the date the limit of 5 lacs is covered till 31.03.2019, the tax payer may continue in composition scheme. After that he will have to pay tax at regular rates and ITC will not be available.

FY 2019-20

Case I: The tax payer is allowed to continue in composition till 31.03.2019 subject to limit of Rs. 5 lacs:

The benefit of composition scheme will be available from 01.04.2019 till the gross receipts of professional services reach Rs. 1350000/- i.e. (10% of 13500000)

After that, the tax payer should pay tax at regular rates.

ITC from the date of being regular may be taken in GSTR 3B for the month of April 2020.

Case II. The tax payer is not allowed to continue in composition till 31.03.2019 as the limit of Rs. 5 lacs may have been exhausted.

The assessee will have to pay tax on regular rates from 01.04.2019

ITC may be taken in GSTR 3b of April 2020.

Point to consider- As per notification no.13/2017 of central tax (rate) definition of body corporate has to be taken as per sec 2(11) of companies Act,2013 which excludes LLP from the definition of body corporate.



**Winner of the  
Case Study**  
**CA Ankit Gupta**



**Runner Up of the  
Case Study**  
**CA Tushar Dhingra**

