



FEBRUARY
2020

STUDENTS JOURNAL

RAJKOT BRANCH OF WICASA

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FROM THE DESK OF CHAIRPERSON



Greetings and good wishes to all my Dear Student Friends – FCAs (Future Chartered Accountants)!

I am pleased to inform you all that our own Rajkot Branch of WICASA had been awarded as “Highly Commendable Branch of WICASA” under Medium WICASA Branch Category. I dedicate this award to you all CA Aspirants Students, as WICASA is solely for the students, of the students and by the students.

What a privilege I've had for this year of 2019-20! This has been an exciting time to be chairperson of the Rajkot Branch of WICASA. This success is sum total of the untiring support and hard work put in by all WICASA Committee members and guidance of Managing Committee of Rajkot Branch of WIRC of ICAI under the able leadership of CA. Bhavin Mehta and Seniors in the Profession. I am sincerely thankful to all of them, who have in one or the other way, contributed to such a successful year.

Right here at the top I want to recognize what I know everyone understands – that the team that I was fortunate to work with is the best team that has ever been assembled. I may be the person who delivers the speeches, but this was their effort and their success. I will always be grateful to this dedicated team.

As the new committee is all set to take the charge, I wish CA. Hardik Vyas, the upcoming WICASA Chairman and his team the greatest of luck to expand new horizons and take our WICASA and branch to newer heights.

Finally, let me close with a personal observation. Serving as Chairperson of the Rajkot Branch of WICASA has been the greatest professional honor of my life. I am grateful to CA. Bhavin Mehta, Immediate Past Chairman and my committee colleagues for their confidence in me and, again, to the incredible and dedicated WICASA team who honored me by allowing me to say I was their colleague.

My personal thanks to one and all for all sorts of valuable contributions and great wishes for an aspiring and successful career ahead.

As I bid adieu, I want to state that though it is an end of a tenure only, I shall be available round the clock at deepti.savjani@gmail.com else you can reach me at +91 99043 47388.

Kind regards

Deepti Savjani

CA. Deepti Paras Savjani
Chairperson



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MANAGING COMMITTEE OF RAJKOT BRANCH OF WICASA 2019-20

Chairperson	CA. Deepti Savjani +91 99043 47388 deepti.savjani@gmail.com
Ex - Officio	CA. Dhaval Doshi +91 94282 28267 doshidhaval.ca@gmail.com
Vice - Chairman	Mr. Vatsal Kamdar +91 97145 00680 kamdarvatsal@gmail.com
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Treasurer	Mr. Akshay Mungapara +91 87587 95342 mungaparaakshay@gmail.com
Managing Committee Member	Mr. Raxit Pabari +91 97245 41456 raxitpabari@gmail.com
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Statutory Compliance Due Date Calendar for the Month - February 2020

Due Date	Compliance Particulars
INCOME TAX	
7 th February 2020	Due date for deposit of Tax deducted/collected for the month of January, 2020. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income -tax Challan
14 th February 2020	Issue of TDS Certificate U/s 194IA and 194 IB
15 th February 2020	Issue of Form No. 16 To Employee
29 th February 2020	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of December, 2019
29 th February 2020	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of January, 2020
GOODS AND SERVICE TAX (GST)	
10 th February 2020	GSTR - 8 For TCS Collector
10 th February 2020	GSTR - 7 For TDS Deductor
10 th February 2020	GSTR - 1 (Monthly) For the Month of February , 2020
13 th February 2020	GSTR - 6 Input Service Distributors - For the Month of February , 2020
22 nd February 2019	GSTR - 3B (Monthly) For the Month of February, 2020
20 th February 2020	GSTR- 5 Non Resident Foreign Tax Payer
20 th February 2020	GSTR-5A NRI OIDAR Service Provider
RFD -10	Eighteen Month after end of the Quarter for which refund is to be claimed
05 th February 2020	GST Annual Return GSTR -9 and GST Annual Audit Report GSTR - 9C (CBEC has extended Due Date from 31st January,2020 to 05th February ,2020)
COMPANIES ACT 2013 (MCA)	
Within 180 Days From The Date Of Incorporation Of The Company	MCA E - Form INC 20A As per Section 10 A (Commencement of Business) of the Companies Act, 2013, inserted vide the Companies (Amendment) Ordinance, 2018 w.e.f. 2nd November, 2018, a Company Incorporated after the ordinance and having share capital shall not commence its business or exercise any borrowing powers unless a declaration is filed by the Director within 180 days from the date of Incorporation of the Company with the ROC.
30 Days From The Date Of Deployment of E-Form on MCA Portal	Form NFRA - 1 (E forms not yet deployed Ministry of ROC) Every existing body corporate other than a company governed by the NFRA Rules (Rule 3(1)), shall inform the ("NFRA") about details of the auditor(s) as on 13th November 2018.
OTHER STATUTORY LAWS	
15 th February 2020	Provident Fund Payment for January, 2020
15 th February 2020	ESIC Payment For the Month January, 2020
25 th February 2020	PF Return filling for January – 2020 (Including Pension and Insurance Scheme Forms)



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NFRA (National Financial Reporting Authority)



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Introduction

National Financial Reporting Authority (NFRA) is an Indian body proposed in Companies Act 2013 for the establishment and enforcement of accounting and auditing standards and oversight of the work of auditors. The Centre has appointed former IAS officer Rangachari Sridharan as chairperson of NFRA. After the Satyam scandal took place in 2009, the Standing Committee on Finance proposed the concept of the National Financial Reporting Authority (NFRA) for the first time in its 21st report. [3] Companies Act, 2013 then gave the regulatory framework for its composition and constitution. The Union Cabinet approved the proposal for its establishment on 1 March 2018. The establishment of NFRA as an independent regulator for the auditing profession will improve the transparency and reliability of financial statements and information presented by listed companies and large unlisted companies in India.

Composition of the NFRA

The Companies Act requires the NFRA to have a chairperson who will be appointed by the Central Government and a maximum of 15 members. The appointment of such chairperson and members are subject to the following qualifications:

- They should be having an expertise in accountancy, auditing, finance or law.
- They are required to make a declaration to the Central Government that there is no conflict of interest or lack of independence in their appointment.
- All the members including the chairperson who are in full-time employment should not be associated with any audit firm (including related consultancy firms) during their term of office and 2 years after their term.

The terms and conditions relating to the appointment of the chairperson and members have not yet been prescribed. However, the draft NFRA rules outline the following composition of the authority:

1. Chairperson is a Chartered Accountant and a person of eminence having expertise in accountancy, auditing, finance or law;
2. Member – Accounting;
3. Member – Auditing;
4. Member – Enforcement;



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5. One representative of the MCA not below the rank of Joint Secretary or equivalent (ex-officio)
6. One representative of RBI, being a member of the RBI Board is to be nominated by the RBI;
7. One representative of SEBI, being the Chairman of SEBI or whole-time member of SEBI is to be nominated by SEBI;
8. A retired chief justice of high court or a person who has been the judge of a high court for more than 5 years is to be nominated by the Central Government,
9. President of the Institute of Chartered Accountants of India (ex-officio)

The Chairman may also invite any other person to the meeting to give their expert opinion.

Role of the NFRA

The NFRA has the following responsibilities:

- Make recommendations on the foundation and laying down of accounting and auditing policies and standards;
- Monitor and enforce the compliance of the accounting standards and auditing standards;
- Oversee the quality of service of the professionals (such as auditors, CFOs, etc) and suggest measures required for improvement in the quality of service;
- Perform such other functions related to the above.

Prior to the constitution of this authority, the Central Government would prescribe accounting standards on the recommendation of ICAI. The ICAI would prescribe the same only after consulting with the National Advisory Committee on Accounting Standards who will provide their recommendations. The ICAI will now have to consult with the NFRA and examine its recommendations in this regard. Thus the National Advisory Committee on Accounting Standards is effectively replaced by the NFRA.

Powers & duties

According to Section 132 of Companies Act 2013, "NFRA is responsible for recommending accounting and auditing policies and standards in the country, undertaking investigations, and imposing sanctions against defaulting auditors and audit firms in the form of monetary penalties and debarment from practice for up to 10 years."

Pursuant to the NFRA Rules, 2018, the powers of the NFRA were extended to include the governing of auditors of companies listed in any stock exchange, in India or outside of India, unlisted public companies above certain thresholds, and other companies specified in Rule 3 (1) therein. Rules 7 and 8 allow for the monitoring of accounting and auditing professionals of the companies referred to in Rule 3 (1). Companies under Rule 3 (2) and 3 (3) are required to disclose information of their auditors to the NFRA through Form NFRA-1

NFRA v/s ICAI

Prima facie, there appears to be a conflict in the roles and responsibilities of NFRA and ICAI; since the Institute of Chartered Accountants (ICAI) is also working with the said objectives. Hence, one





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can argue that there are two parallel organizations operating with the same objective. With the establishment of NFRA which will act as a watchdog for companies including auditors, gets an upper hand and as clarified in the rules published recently, NFRA gets the ultimate authority to impose a monetary penalty as well as debar an auditor or audit firm in case of misconduct.

The key differences between the roles and responsibilities of NFRA and ICAI are in the following areas:

- **Scope** : As per the rules notified recently, the establishments that will be controlled by NFRA include the following:
 - all listed companies; (securities can be listed in India or outside India)
 - unlisted companies with a paid up capital of Rs 500 crore or more; or an annual turnover of Rs 1,000 crore or more; or outstanding loans, debentures and deposits of Rs 500 crore or more
 - insurance companies,
 - banking companies and
 - companies engaged in the generation or supply of electricity
 - large offshore subsidiaries and associates of the above companies provided their income or net worth exceeds 20 % of the income or net worth of the parent.
- **Authority** : NFRA rules, gives authority to NFRA to protect the public interest and the interests of investors, creditors and others associated with companies. As specified in the Companies Act, the rules provide that the NFRA may direct auditors in improving audit quality. This was so far a sole responsibility of ICAI. With NFRA rules, there is a clear dilution of power rested with ICAI.
- **Penal Action against misconduct** : NFRA has also been given wide powers of investigation including into professional misconduct of an auditor. The law states that once the action or investigation is initiated by NFRA; no other body corporate shall initiate or continue any proceedings against the same matter. This restricts ICAI's power to act against the misconduct of its members/auditors.
- NFRA advises the Central Government whereas ICAI will advise NFRA in creating high-quality accounting standards, etc.

Conclusion

Considering the wide scope and powers vested with NFRA, the powers entrusted with ICAI are diluted. From a listed or large companies perspective NFRA is an important body and they are required to comply with the norms laid by NFRA. However, ICAI will help in creating these rules and will govern small and unlisted companies as usual.

Although, the real success of NFRA would totally depend upon the bureaucracy which would consist in it otherwise it would be simply just giving the power from one Authority to the other which is



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UNION BUDGET 2020 HIGHLIGHTS



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The analysis of Budget is divided into 2 major categories: (a) Direct Tax (b) Indirect tax with major focus on the Amendment proposed for the Direct Tax.

The budget was very high on hopes for individual taxpayers as the hopes for tax relief was very high. The major themes for this budget were “**Aspirational India, Economic Development and Building a Caring Society.**”

The budget speech was longest speech ever by any finance minister but still Nirmala Sitharaman act failed to energize the stock market as the market reacted negatively.

In this article we would discuss some of the Important points of Tax Proposals of Direct Tax & then of Indirect Tax.

DIRECT TAX – Important Points

1. Corporate tax for new manufacturing Companies & power generation companies brought to 15% and existing companies to 22%.
2. Govt. has exempted individual with income up to Rs. 5 lakh
3. New Simplified tax system for FY 2021-22 are as

Taxable Income Slab (₹)	Existing Tax Rates	New Tax Rates
0-2.5 Lakh	Exempt	Exempt
2.5-5 Lakh	5%	5%
5-7.5 Lakh	20%	10%
7.5-10 Lakh	20%	15%
10-12.5 Lakh	30%	20%
12.5-15 Lakh	30%	25%
Above 15 Lakh	30%	30%



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4. 70 exemptions and deduction removed. Remaining exemptions and deductions to be reviewed and rationalised in coming years.
5. Dividend distribution tax current is 15% plus surcharge, Company will need not to pay DDT, recipient will required to pay tax in their hands.
6. To make foreign funds available interest paid withholding tax rate reduced to 5%.
7. Start-up definition limit increased to 100 crore from 25 crore
8. Co-operative societies to be taxed at 22% + 10% surcharge and 4% cess with no exemption/deductions.
9. Cooperative societies exempted from Alternate Minimum Tax (AMT)
10. 100% tax exemption to the interest, dividend and capital gains income on investment made in infrastructure and priority sectors before 31st March, 2024 with a minimum lock-in period of 3 years by the Sovereign Wealth Fund of foreign governments.
11. Additional deduction up to Rs. 1.5 lakhs for interest paid on loans taken for an affordable house extended till 31st March, 2021.
12. Date of approval of affordable housing projects for availing tax holiday on profits earned by developers extended till 31st March, 2021.
13. Tax Audit Limit under section 44AB of the Income Tax has been increased from 1 Crore to 5 Crore for small retailer, trader and shopkeepers having businesses carrying out less than 5% business transactions in cash.
14. Limit of difference between circle rate and transaction value in capital gain on property has been increased from 5% to 10%.
15. For registration of charitable organisation completely electronic and provisional registration also provided for 3 years if charitable activities to be started.
16. Unique registration number (URN) to be issued to all new and existing charity institutions.
17. Face-less assessment scheme and Faceless Appeals will also be possible.
18. Vivad se Vishwas Scheme (No dispute but trust Scheme), Just pay disputed tax amount and no interest or penalty till 31st March, 2020 thereafter this scheme will remain 30th June, 2020 with some interest or penalty.
19. Instant PAN through Aadhar.
20. Withholding Tax of 5% under section 194LD for interest payment to Foreign Portfolio Investors (FPIs) and Qualified Foreign Investors (QFIs). in
21. Withholding tax of 5% under section 194LD to the interest payment made on the Municipal Bonds.
22. Withholding tax rate reduced from 5% to 4% on interest payment on the bonds listed on its exchange in order to incentivise listing of bonds at IFSC exchange.
23. Claiming deduction for donation, it is proposed to pre-fill the donee's information in taxpayer's return on the basis of information of donations furnished by the done
24. Necessary amendments to the provisions of the Income-tax Act for Losses of merged banks
25. Income Tax Act to mandate the Central Board of Direct Taxes (CBDT) to adopt a Taxpayers' Charter. The details of the contents of the charter shall be notified soon.



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INDIRECT TAX – Important Points

1. GST: Cash reward system envisaged to incentivise customers to seek invoice.
2. Simplified return with features like SMS based filing for nil return and improved input tax credit flow to be implemented from 1st April, 2020 as a pilot run.
3. Dynamic QR-code capturing GST parameters proposed for consumer invoices.
4. Electronic invoice to capture critical information in a centralized system to be implemented in a phased manner.
5. Aadhaar based verification of taxpayers being introduced to weed out dummy or non-existent units.
6. GST rate structure being deliberated to address inverted duty structure.
7. Customs duty raised on footwear to 35% from 25% and on furniture goods to 25% from 20%.
8. Basic customs duty on imports of news print and light-weight coated paper reduced from 10% to 5%.
9. Customs duty rates revised on electric vehicles and parts of mobiles.
10. 5% health cess to be imposed on the imports of medical devices, except those exempt from BCD.
11. Lower customs duty on certain inputs and raw materials like fuse, chemicals, and plastics.
12. Higher customs duty on certain goods like auto-parts, chemicals, etc. which are also being made domestically.
13. Customs Act being amended to enable proper checks of imports under FTAs.
14. Excise duty proposed to be raised on Cigarettes and other tobacco products, no change made in the duty rates of bidis.
15. Anti-dumping duty on PTA abolished to benefit the textile sector.





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Ms. Shyama Somaiya



The best thing
about me...

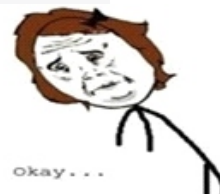
I'm a limited
edition.

There are no
other copies!

Bet you're thinking
thank the good lord!

Ms. Arti Fataniya

8+ hours
of sleep:



Okay...

Just under
8 hours of
sleep:



Even worse...

3 or less
hours of
sleep:



Out of my way everybody,
I've got places to be
and people to see!



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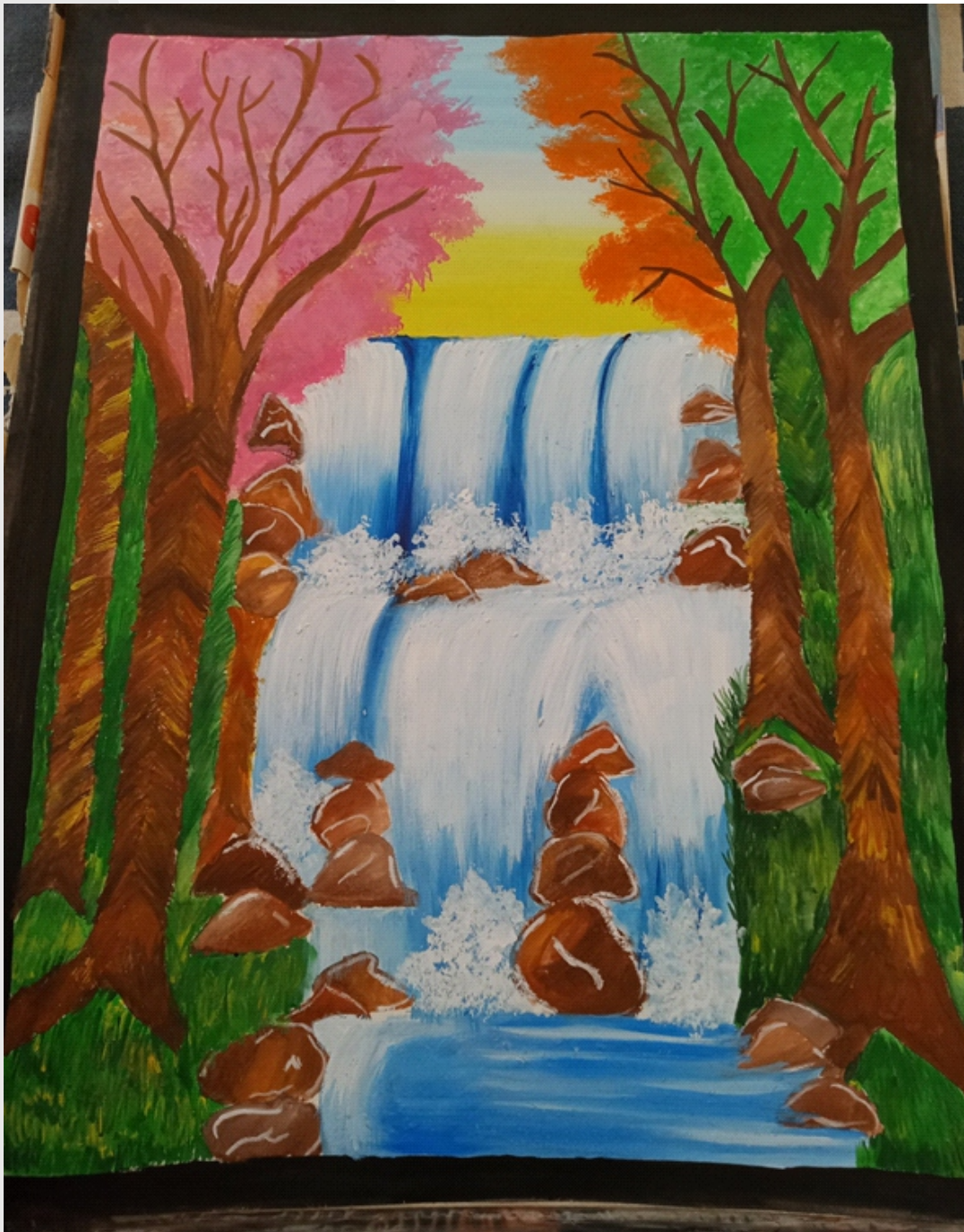
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Sketch Painting Art By
Simran Tarwani





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By Chintan Daxini





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Rajkot Branch of WICASA has been Awarded Highly Commendable WICASA Branch among all the branches of Western Region under Medium category for the year 2019-20





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MANAGING COMMITTEE OF RAJKOT BRANCH OF WICASA 2019-20



(Standing From L to R) Mr. Naimish Dudhatra, Managing Committee Member, Mr. Kaushal Sommanek, Secretary, CA. Dhaval Doshi, Ex - Officio Member, CA. Deepti Savjani, WICASA Chairperson, Mr. Vatsal Kamdar, Vice - Chairman, Mr. Akshay Mungapara, Treasurer (Seating From L to R) Ms. Shyama Somaiya, Managing Committee Member, Ms. Arti Fataniya, Managing Committee Member, Mr. Raxit Pabari, Managing Committee Member, Mr. Manan Gokani, Managing Committee Member, Ms. Tanvi Daftari, Managing Committee Member

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