C.V.O.CA'S

FOR MEMBERS / SUBSCRIBERS / VOL. 24 - NO. 10 - MAY 2021

NEWS & VIEWS

From President's Desk...

Dear Professional Colleagues and Readers,

"He who conquers himself through himself, will obtain happiness." This famous saying by lord Mahavira is a great learning and inspiration to people worldwide. Though we weren't able to celebrate Mahavir Jayanti this year, his teachings like these shall always guide us to the path of light and salvation.

Amidst the devastating second wave of the COVID-19 pandemic, India has been reporting more than 3 lakh fresh coronavirus cases daily. Countries around the world are trying to help, but their efforts to send oxygen and other critical aid are unlikely to plug enough holes in India's sinking health care system to end its deadly catastrophe. With enormous funeral pyres spilling into parking lots and city parks, there are signs that India's reported overall toll of nearly 198,000 deaths could be a vast undercount. India expects to receive supplies from about 15 countries in the next few days, to help tide over the current crisis for oxygen and pharmaceuticals for COVID-19 treatment. India has called on its armed forces to help tackle the devastating crisis. With no let-up in the second wave, the Centre has asked all states and Union Territories (UTs) to take strict measures at the local level to snap the chain of coronavirus infection. Considering the unprecedented spike, several states have already started imposing stricter restrictions like night curfew and lockdown-like restrictions. The government has allowed vaccination of all persons above the age of 18 from May 1, 2021. In an effort to ramp up India's immunisation campaign, more than 20 states, so far, have announced that they will provide free Covid-19 vaccines to their people.

In the interest of welfare and well-being of students and to mitigate their hardships, The Institute of Chartered Accountants of India postponed the Final and Intermediate Chartered Accountants examinations which were scheduled to commence from May, 2021 across the globe.

Events in Retrospect

Social Media Committee organised a webinar on Paperless office -Frugal Technologies in 7 days. The idea was to give information about the affordable technology tools that can be used in everyday office work for practising Chartered Accountants. The session was well appreciated by everyone as it gave good insights about installing cost efficient systems which are useful to small sized chartered accountant firms.

Capital Market committee organised another successful informal meet on topic of sharing Investment ideas in Capital markets. The intention of organising an informal meet was to encourage members by providing them platform to share their knowledge and ideas about Capital Markets. The session was attended by more than 240 participants.

MSMEs require credit or funding to establish the business or the expansion of the business. With a view to provide insight to the benefits available to MSME entities under the MSME act and other acts the program committee organised a webinar on Subsidies, Funding and other benefits for MSME sector. The session was explained in clear and lucid language and was very well appreciated by all the viewers.

The situation worldwide right now might not be the best but keeping in mind an old Persian saying, "This too shall pass", we should never give up hope and strive towards ultimate ecstasy because, "Dawn comes after the Darkness."

Thank you all..... Always in Gratitude

CHALLENGE TO CHANGE!!!

May 1, 2021

CA Jigar Ratilal Gogri

CONTENTS

NEWS BULLETIN COMMITEE

FROM THE DESK OF CHAIRMAN

ASSOCIATION

CA Ketan Nanji Gada

DON'T SWEAT THE SMALL STUFF

Friends, since last 10 months, I am sharing with you my thoughts and some of the excerpts from the books I have read, which are fundamentals of the life. Recently I have completed reading one good small book "**Don't Sweat the Small Stuff and it's All Small Stuff**" written by Richard Carlson. It is simple way to keep the little things from taking over your life. In this time of uncertainty these simple ways are so relevant.

There are 100 small one pager strategies if implemented, will help us respond to life gracefully. I have enumerated few of these strategies in one liner, which I started implementing immediately in small ways. These are –

- Make Peace with Imperfection. When you begin to eliminate your need for perfection in all areas of your life, you will begin to discover perfection in life itself.
- Develop your compassion. Compassion develops your sense of gratitude.
- Remind yourself that when you die, your "In Basket" won't be empty. Remember, when you die there will be still be unfinished business to take care of.
- Do something nice for someone else and don't tell anyone about it. When you don't mention your kindness to others your rewards are the warm feelings, which revel in the abundant joy of giving.
- Let others be "Right" most of the time. Ask yourself "Do I want to be Right or Do I want to be happy. Many times two are mutually exclusive. Practice allowing others the joy of being right – give them the glory.
- Become more patient and create "patience practice periods"
- Ask yourself the question, "will this matter a year from now?"
- Surrender to the fact that life isn't fair.
- Allow yourself to be bored. When you allow yourself to be bored, it takes an enormous amount of pressure off you to be performing and doing something all the time. If you allow yourself to be bored (Do nothing) even for an hour and don't fight it, the feeling of boredom will be replaced with feelings of peace.
- Repeat to yourself "life isn't an emergency".
- Experiment with your back burner. Using your back burner means allowing your mind to solve a problem while you are busy doing something else, here in the present moment.
- Choose your battles wisely.

- Look beyond behavior and see the innocence.
- When in doubt about whose turn it is to take out trash, go ahead and take it out.
- Argue your limitations, and they are yours.
- Write down your five most stubborn positions and see if you can soften them.
- Agree with criticism directed toward you. Then watch it go away. Give this strategy a try. Agreeing with an occasional criticism has more value than it costs.
- Be grateful when you are feeling good and graceful when you are feeling bad.
- Be flexible with changes in your plan.
- Think what you have instead of what you want.
- Remember that you become what you practice most.
- Make service an integral part of your life.
- Do a favor and don't ask for or expect one in return.
- Become an early riser.
- Remember, one hundred years from now, all new people.
- Listen to your feelings. They are trying to tell you something.
- If someone throws you the ball, you don't have to catch it.
- Keep asking yourself "what is really important?"
- Realize power of your own thoughts.
- Live this day as if it were your last. It might be.

And it is all Small Stuff.

Thank you all..... Always in Gratitude

CA Ketan Nanji Gada

Events In Retrospect

Day & Date	Committee	Program Name	Speaker	Attendance / Views
Wednesday, April 21, 2021	Social Media Committee	Paperless office - Frugal Technologies in 7 days	CA Mr. Guru Prasad, Guru & Jana CA Ms. J Neelima, Guru & Jana	902 views
Friday, April 23, 2021	Capital Markets Committee	Informal Meeting on Investment Ideas in Capital Markets 2.0	Mr. Hiren Ved, Co-Founder, Director, CEO & CIO of Alchemy Capital Management	240 participants on Zoom
Saturday, April 24, 2021	Program Committee	MSME - Subsidies, Funding and other Benefits	CA Bhavesh Thakkar, E&Y Shri Eknath Birari, Ex Banker IOB	857 views

Navigating Newer Version Of Schedule III - A Better Tomorrow??

Compiled by:

CA Meghna Vihang Makda

Dear professional colleagues, it gives me immense pleasure to contribute my 1st article on this platform.

Recently Ministry of Corporate Affairs vide its notification dated 24th March, 2021 amended the following:

- Schedule III to the Companies Act, 2013
- Companies (Accounts) Rules, 2014
- Companies (Audit and Auditors) Rules, 2014

Amendments have been made in all three divisions i.e. Division I, Division II and Division III.

Applicability - Based on the harmonious reading and the interpretation it is concluded that these changes are effective from 1st April 2021 i.e. for Financial Statements prepared for FY 2021-22.

Purpose of Amendments - The amendments have been brought to bring more transparency by providing for enhanced disclosures including dealing with struck off companies, details of benami property, undisclosed income etc. Some of the amendments have been made to align with CARO 2020.

The various amendments in the Schedule III are divided and explained from the perspective of its usefulness to the various stakeholders and the users of financial statements: -

1. Improving Transparency and useful in Financial Analysis

- Trade payables ageing

  This disclosure is newly inserted. The following ageing schedule shall be given for Trade Payables due for payment:-

Particulars	Outstanding for following periods from due date of payment				
	< 1 Year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) MSME					
(ii) Others					
(iii) Disputed dues - MSME					
(iv)Disputed dues - Others					

  # similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

  Unbilled dues shall be disclosed separately

- Trade receivable ageing

  This disclosure is newly inserted. For trade receivables outstanding, the following ageing schedules shall be given:

Trade Receivables ageing Schedule – Indian GAAP companies – under 'Other non-current assets' and Trade receivables

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
(I) Undisputed trade receivables – considered good						
(ii) Undisputed trade receivables – considered doubtful						
(iii) Disputed trade receivables – considered good						
(iv) Disputed trade receivables – considered doubtful						

Trade Receivables ageing Schedule – Ind AS companies – under 'Non-current assets' and 'Current assets'

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
(I) Undisputed trade receivables – considered good						
(ii) Undisputed trade receivables – which have significant increase in credit risk						
(iii) Undisputed trade receivables – credit impaired						
(iv) Disputed trade receivables – considered good						

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
(v) Disputed trade receivables – which have significant increase in credit risk						
(vi) Disputed trade receivables – credit impaired						

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately

- <u>Disclosure regarding revaluation of PPE / Intangible assets</u>

  If change due to revaluationis 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment / Intangible assets then the same needs to be disclosed separately.

- <u>Disclosure regarding valuation of PPE / Intangible assets</u>

  Where the Company has revalue edits PPE/IA or fair valued investment property for disclosure purpose, the company shall disclose as to whether the revaluation / fair valuation is based on the valuation by a **registered valuer** as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

- <u>CWIP & Intangible asset under development ageing</u>

  For Capital-work-in-progress, ageing schedule shall be given

CWIP	Amount in CWIP for a period of				
	< 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total*
• Project in progress					
• Project temporarily suspended					
* Total shall be tallied with CWIP in balance sheet.					

For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development schedule shall be given

Intangible assets under development	To be completed in			
	< 1 year	1 – 2 years	2 – 3 years	More than 3 years
• Project 1				
• Project 2				
** Details of projects where activity has been suspended shall be given				

- <u>Disclosure of 11 Ratios for analysing purpose the health of the company</u>

  The Company has to disclose the following ratios:

  - Current Ratio
  - Debt-Equity Ratio,
  - Debt Service Coverage Ratio
  - Return on Equity Ratio
  - Inventory turnover ratio
  - Trade Receivables turnover ratio
  - Trade payables turnover ratio
  - Net capital turnover ratio
  - Net profit ratio
  - Return on Capital employed
  - Return on investment

Notes:

- The company shall explain the items included in numerator and denominator for computing the above ratios.
- Explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

2. Close Group Related

- <u>Disclosure on Promoters Holding</u>

  This is a new disclosure wherein the Promoter's Shareholding Details mandatorily needs to be provided irrespective of number / % of shares by all companies. Earlier only listed companies had to make specified disclosures as per the format specified by SEBI.

	Shares held by Promoters at the end of the year			% Change during the year
Sr. No	Promoter Name	No. of Share	% of Total Share	

Promoter here means Promoter as defined in Companies act 2013

Details shall be given separately for each class of assets

% Change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

- Loans or Advances granted to promoter, director, KMPs, and related parties

Loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either **repayable on demand** or **without specifying any terms or period of repayment** then following disclosure will be made:

- Amount of loan or advance in the nature of loan outstanding
- Percentage to the total Loans and Advances in the nature of loans

3. Control over Property

- Details of Benami Property held

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, then certain disclosures need to be made in the Financial Statements.

- Relationship with struck off Companies

Where the company has any transactions with companies struck off under the Companies Act, then the Company has to disclose following:

- Name of struck off Company
- Nature of transactions with struck-off Company (Investments in securities, Receivables, Payables, Shares held by stuck off company, Other outstanding balances)
- Balance outstanding
- with the Struck off company, if any, to be disclosed

- Detailed Disclosure regarding tittle deed of immovable property not held in the name of Company

Where title deed of any immovable property is not in the name of the Company, then following disclosure has to be given:

- Description of item of property
- Gross carrying value
- Title deeds held in the name of
- Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director
- Property held since which date

Reason for not being held in the name of the company

This has been aligned with requirement of CARO. Earlier only auditors were required to report in its Auditor's report. Now, first Management has to disclose in Financial Statements and then auditors have to verify the same report in CARO.

If the title deed is not in the name of the Company, then they have asked for reason as well

4. Control over movement of Funds

- Disclosure on Circular movement of funds

Case 1: Where the Company has made investment / given loan

Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding **(whether recorded in writing or otherwise)** that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on

behalf of the Ultimate Beneficiaries the company shall disclose the following:

- date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary
- date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries
- date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- declaration that relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002

Case 2: Where the Company is Intermediary Company

Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding **(whether recorded in writing or otherwise)** that the company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:

- date and amount of fund received from Funding parties with complete details of each Funding party
- date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries along with complete details of the other intermediaries' or ultimate beneficiaries
- date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
- declaration that relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002.

Linkage with Section 186(4) of the Companies Act, 2013: "The company shall disclose to the members in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security"

Role of Auditor: Auditor has to ask for the Financials of the Company to which loan / advance is given or in which investment is made and then check utilization of funds. These days financials of any company can be accessed from MCA website.

Auditor has to obtain a management representation letter in this regard.

- Use of borrowings for specific purpose

  Where the company **has not used the borrowings** from banks and financial institutions **for the specific purpose for which it was taken** at the balance sheet date, the company shall disclose the details of where they have been used.

  Earlier, only auditors were required to report on utilization of funds but now management has to report first in the Financial Statements and then the Auditor has to report.

- Disclosure in case of Company is declared a wilful defaulter

  Where a company is a **declared wilful defaulter** by any bank or financial Institution or other lender, following details shall be given:

  - Date of declaration as willful defaulter
  - Details of defaults (amount and nature of defaults)

- Compliance with number of layer of Companies

  Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship or extent of holding of the company in such downstream companies shall be disclosed.

5. Compliance with laws and Disclosures thereof

- Compliance with approved scheme(s) of arrangement

  Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, **the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company** 'in accordance with the Scheme' and 'in accordance with accounting standards'. Any deviation in this regard shall be explained.

- Pending registration charges or satisfaction with registrar of companies

  Where any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof shall be disclosed. The Company has to make sure that ROC forms for charge creation / satisfactions are filed within time limit.

- Disclosure regarding Corporate Social Responsibility

  Following disclosure for CSR has to be given:

  - amount required to be spent by the company during the year
  - amount of expenditure incurred
  - shortfall at the end of the year
  - total of previous years shortfall
  - reason for shortfall
  - nature of CSR activities

- **details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard**

where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.

- Details of Crypto Currency or Virtual Currency

Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, certain disclosures have to be made in respect of same.

- Details of Undisclosed/Surrendered Income

The Company shall give details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and shall also state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

6. Presentation related changes

- Rounding off

Earlier figures appearing in the financial statements **may be** rounded off, based on the "**Turnover**" of the company now the same has been changed to, financial statements **shall be** rounded off based on the "**Total Income**".

- Classification of Current Maturities of Long-Term Borrowings
- Presentation of PPE & Intangible Asset
- Classification of Security Deposit

The below table covers the presentation changes for above three disclosure items

Old clause	Revised clause	Type of Change
Notes		
Non-current assets (1) (a) (Property, plant and Equipment) (i) Tangible assets (ii) Intangible assets	Non-current assets (1) (a) (Property, plant and Equipment and Intangible assets) (i) Property Plant and Equipment (ii) Intangible assets	Presentation change for companies
Other current liabilities The amounts shall be classified as; (a) Current maturities of long-term debt	Other current liabilities The amounts shall be classified as; ~~Current maturities of long-term debt~~	Omission and included under the heading "Short term borrowings / Borrowings"
Long term Loans & Advances (i) Long term loans & advances shall be classified as; (a) Capital advances; (b) Security Deposits;	Long term Loans & Advances (i) Long term loans & advances shall be classified as; (a) Capital advances; ~~(b) Security Deposits~~;	Omission and included under the heading "Other non-current assets/Other Financial Assets(for Ind AS)"
Other non-current assets Other non-current assets shall be classified as; (i) Long-term Trade receivables (ii) Others(specify nature)	Other non-current assets Other non-current assets shall be classified as; (i) Long-term Trade receivables (i) (a) **Security Deposits** (ii) Others (specify nature)	New addition of 'Security Deposits' has been made For Ind AS companies – under 'Other Financial Assets'

To conclude, the above mentioned amendments has mandated several disclosures which will have major impact on all stakeholders of the Company and shall enable the government to ensure closer vigilance on the financial transactions of the Company.

◆◆◆

COMPOUNDING: MOST DESIRED; LEAST ACHIEVED

Compiled by:

CA Jeet Rasik Gala

Manali Jeet Gala

Albert Einstein is reputed to have said:"Compound interest is the 8th wonder of the world. He who understands it earns it – he who doesn't, pays it".

The latter part of the above quote has been mysteriously forgotten and for as the quote was told over and over again, compound interest became the 8th wonder, but how only a few know.

Understanding compound interest can transform your life and help you exponentially in achieving your financial independence.

We have framed this article in sixparts:

1. How Compounding Works
2. Interest Rate Expectations
3. Period of Investments
4. Income vs Wealth
5. Common Mistakes
6. Conclusion

1. How Compounding Works:

Compound interest is the interest on capital calculated based on both the initial principal and the accumulated interest from previous periods. Here's the formula for annualized compound interest.

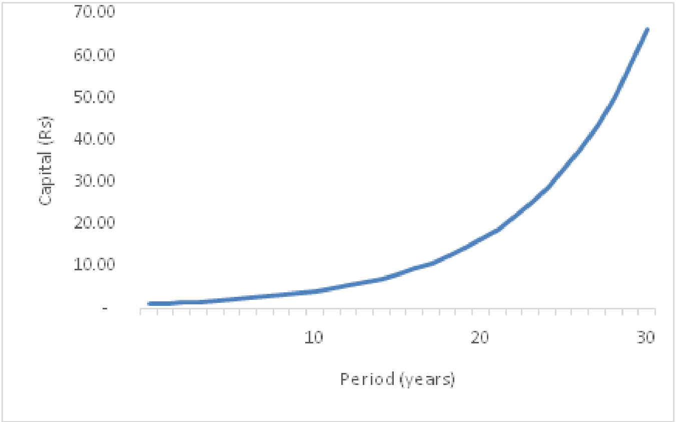
Compound Interest Formula

$$A = P(1+i)^n$$

A = final amount including principal
P = principal amount
i = interest rate per year
n = number of years invested

There are three main parts to this formula i.e. principal capital, rate of interest and length of the period, which we will discuss in a little depth. Let us first understand how compounding works.

Following is the graph for 30 years of tenor @15% CAGR.



Money doubles every 5 years @15% CAGR. Over the 30 years, we have 6 blocks of 5 years which means money becomes 64x times (2 ^ 6).

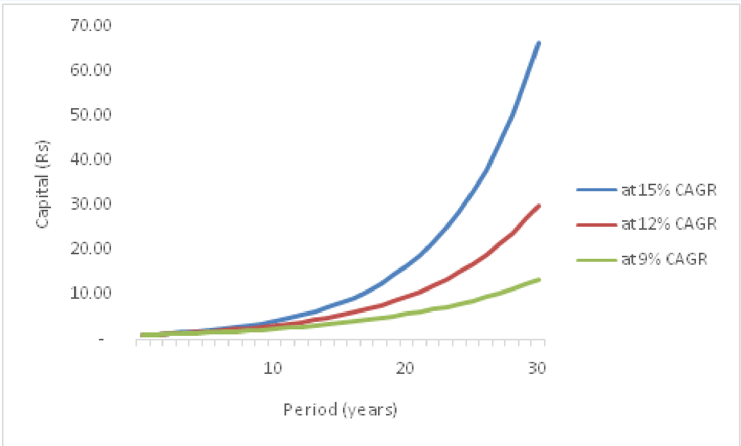
- Most of the 64x comes in the later part of the journey, which means the tenor i.e. "n" in the above formula is a very important variable for compounding to work wonders. The longer you remain invested steeper the wealth will grow.
- Compounding assumes reinvestment i.e., all the returns earned are reinvested at the same rate and there are no withdrawals.
- Higher the rate of interest, steeper the curve and vice versa.

It is a process that starts from an initial state of small significance and builds upon itself, becoming larger.

2. Interest Rate Expectations:

After you have understood how compounding works, the next step in thinking involves what and how interest rate expectations can be set to achieve our target wealth. Let us now assume 3 scenarios with equal principal, equal period but different interest rates.

There are various asset classes available such as equities, debt instruments, fixed deposits, gold, currencies, real estate, insurance products, etc. which can provide different investment returns based on different and unequal risk attached to it.



Every asset class has a journey and pace of growth of its own, only if you remain invested in them for a long period of time. Depending upon what your goals are based on your risk, you must choose these assets for investment. This is the most important aspect of compounding.

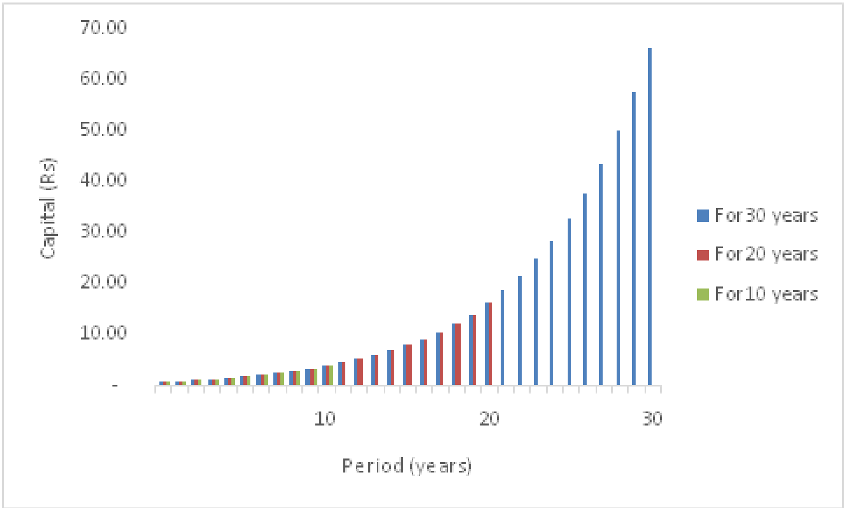
- Every incremental 1% adds great value to the power of compounding
- A person @15% takes 30 years to make as much as a person @12% in 37 years

To achieve wealth target taking benefit of compounding, the crux of the calculation above is investment CAGR, which is a different skillset in itself, which involves right asset allocation by managing risk with individual behavioral mindset. Also asset allocation needs to be seen from inflation angle too i.e. maintaining and increasing the purchasing power over a period of time.

<u>Choosing a right asset and then ensuring that asset delivers as per the expectations is very crucial to achieving the power of compounding.</u>

3. Period of Investment:

Now, this variable is something, which not everyone has the luxury to. We will show you how period is important in compounding. Let us assume 3 scenarios, with different periods, but same interest rates.



This shows that if a person starts the process of compounding early in life, they can achieve much more that what their peers can. Starting early can give you a little breather / luxury to tone down CAGR to achieve similar targets.

4. Income vs Wealth:

Let us now try to correlate how an individual can take benefit of compounding (with above average CAGR) to achieve what he is otherwise trying to achieve in his normal course of life. We assume achieving a 10% CAGR is doable and most of us achieve it, while achieving a 14% CAGR (we call it above average CAGR) is something people should be looking at.

Most of us focus more on **Income** generation (mainly salaried and professionals) so much that we don't focus with equal seriousness on **Wealth** generation. Let us assume there are 2 categories of people i.e. one with decent wealth but focusing more on Income, and other category with equal wealth but focusing more on wealth. (Ignoring people with nominal or zero existing wealth whose only choice is to focus on Income before they can even start thinking to multiplying their wealth).

This is a very critical discussion and there lies a thin line of difference to accept the meaning out of it.

Below is the comparison of the two categories assuming income generators earn more sweat earnings while wealth generators earn a higher CAGR, given their aptitude, attitude, risk appetite and skillsets towards each of them.

Particulars	Income Generators	Wealth Generators
Starting Wealth Invested	2 crores	2 crores
Investment CAGR	10%	14%
Period of evaluation	30 years	30 years
Value of Wealth at 30th year (A)	34.90 crores	101.90 crores
Long Term Average Sweat Earnings (Savings)	25 lac p.a.	10 lac p.a.
Sweat Money Accumulation at30th year (Cumulatively Reinvested at same rate) (B)	45.24 crores	18.09 crores
Total Individual Wealth (A+B)	80.14 crores	119.99 crores
Wealth Differentials	-	~50% higher
Assumptions: Risk Appetite	Low	Moderate

Now if you can plant these numbers on an excel sheet and accordingly tweak it w.r.t. your own scenarios, you shall figure out, how wealth generators can lead income generators by a mile. For you, to feature under the league of wealth generators, you need to ensure the following:

- Most of us sweat for money; then why not consider this math seriously.
- Most prefer the first route because income generators like stability (hate volatility and uncertainties), consider 14-15% CAGR as an uphill task (which it is, but not unachievable)
- Get to know how to achieve compounding at above average CAGR; then take steps towards achieving it.
- Sweat money once accumulated upto a particular corpus (say after initial 10 years of working) should then be compounded at above average CAGR. (around 15%)

Have you wondered why most of us are only concerned about a 10% hike in salaries and bonuses, and never bothered how growth in wealth can more than cope up with our salaries / profession? I think the answer to this is urge for stability in cash flows letting go of the upside in wealth!

In the above examples we have considered wealth generators to achieve above average CAGR i.e. in the range of 14% CAGR because that much ROI is required for this option to be attractive. While the real CAGR for every year may be volatile, what matters is achieving this CAGR over a longish period of time, which in our opinion is very much POSSIBLE.

Two things to consider if you belong to income generators league:

- In wealth management activity, we can definitely ensure wealth grows steadily over a period of time (though not on annual basis if evaluated)
- Also, income generation activity carries risks too, which we don't measure as much as we measure and fear wealth growing activities.

All this debate revolves around achieving that additional and high impactful 300-400bps or so in our wealth performance, which can be achieved with higher skills and planned strategies.

5. Common Mistakes:

While compounding of returns is something which most of us dream of, only a few (may be ~5% of us) would be able to achieve them. We list down few mistakes which people commit to when they venture with their wealth management activities:

- People acquire skill sets to feature under first route (income generation), but have no endeavor to acquire any skill sets to feature under second route (wealth generation).
- People assume compounding to be a linear straight line, and hence wrong expectations are set in leading to disappointments.
- People are so OKAY to lose money or under perform in their wealth management activities; while income generation gets full focus and energy.
- Greed and fear take more control over investment decisions, than sanity of mind.
- Inability to handle volatility and unstable compounding; let alone take advantage of them.
- It's always said investment journey is a lonely one; while most of us follow herd mentality. People have to realize and strategize their own strategy and investment counters well, which will differ from their peers.
- Some people often mistake compounding with gamble i.e. they don't want to give enough time to it, but want equal results quickly. Such people must put their aggression to best use.

With the above reasons, most of us falter in the pursuit to compound returns.

6. Conclusion:

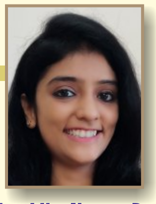
Compounding of returns is indeed very magical and a very sharp tool to increase our wealth manifold. While it looks easy, it is indeed a difficult task to achieve the target. Few points we would like to mention:

- Many are born with legacy wealth, start early and try maintaining the CAGR as high as possible and the job is done.
- Compounding is a zig zag line which requires planning, preparedness and capability to set up investment strategies.
- Learn to deal with instability and volatility because that's the key to achieving compounding
- Patience is key.To reduce the target period, don't take hasty steps
- Know what investment assets suits you; when mindset is not the one that can handle risk, avoid it.
- Avoid herd; avoid momentum
- You have to do something different, to achieve something different (higher)

Compounding is like a philosopher's stone which in ordinary in looks, easy to understand, can generate gold out of anything but when it comes to maintaining emotional discipline many people lack in that.These profound concepts about compounding can be applied while investing, while carrying out business activities and in other aspects of life too. **Unleash this beast and let it reap the benefits for you.**

THE SOFT STOP

Compiled by:



CA Shraddha Umang Dedhia

PODCASTING – STORY TELLING FOR YOUR BRAND

When it comes to knowledge sharing by professionals, we have 3 options currently:

1) Written form : Books, Articles etc.
2) Video Form :Youtube Channels, preparing videos that give information
3) Audio Form : Podcasting, pre-recorded messages.

While top 2 are quite common at the present time, (Audio Form) Podcast is gaining its due value lately. Writing the article is not easy and the difficult part in today's time is to find people who read. Videos have an edge over written form but creation of Video can be too expensive and time consuming. Further, in videos, focus has to be on appearance of person, lights, background and other animations.

This is the reason why the third alternative '**Podcasting**' is gaining popularity in knowledge sharing**.** With Smart Speakers like Alexa, Google Home, Apple Homepodetc finding way into our day to day lives, Podcasts are gaining popularity in a similar way as FM radio did in the 2000s. A human voice speaks louder and adds much more meaning through tone and infection than a printed form ever can. The journey from radio to podcasts has been a full circle. The radio was superseded by televisions, televisions by cables, cables by internet videos and with technological advancement, internet videos are now at par with podcasts. Podcasting, thus, represents a new platform for story-telling.

According to the survey reports by Stitcher, an average podcast listener stays connected for 22 minutes daily. This is one reason why including podcasting to your digital branding strategy will prove powerful. Podcasts give you an opportunity to build a deep, personalized and rich relationship with your target audience. With smart speakers, the music apps supporting adding podcasts, people prefer to listen to Podcasts more frequently while doing other work instead of holding phone in hand or sitting in front of their screen to watch a Video or holding a book and reading it. Though, Video and Books have their own advantages, Podcasting is filling up the vacuum.

Make it all about the audience, and then, you can never go wrong

But first, let us understand what is podcasting?

When you search it on Wikipedia, this is what it says "A **podcast** is an episodic series of spoken word digital audio files that a user can download to a personal device for easy listening". Streaming applications and podcasting services provide a convenient and integrated way to manage a personal consumption queue across many podcast sources and playback devices.

But if we talk about our profession here, the most commonly accepted meaning of podcast is a collection of audio calls or audio messages. It is very simple as it sounds. A consultant/ professional generally answers clients' calls every now and then explaining various concepts without client's queries to interrupt in between. To make life easier and to save on time and energy, the recorded version of such explanations/ advisory can be converted to podcasts and uploaded.

Now imagine someone calls you and asks what is “Seamless ITC” under GST? All you need to do is share the link to the podcast uploaded by you and ask them to clarify their doubts. This also does the branding for you because the person may share it with others who may have the same query. Podcasts have an edge over videos and books because these can be heard while travelling in train or driving a car. One may not have to take out special time for the same.

How to start a podcast?

Podcasting in general terms is simple - recording an audio and uploading it on some platform which can be accessed by a subscriber of that particular service. For Eg: Jio Savan Music, Gaana and other music apps have started their Podcast services too. The most commonly used host these days is Spotify and Anchor FM

The following quick steps may help you to plan a podcast:

- Come up with a concept (a topic, name, format and target length for each episode. For eg: you can start with a series of topics on GST).
- Design artwork and write a description to "brand" your podcast.
- Record and edit your audio files (such as .MP3s). A microphone is recommended.
- Find a place to host them (as mentioned above, you may begin with Spotify)
- Upload your podcast on these platforms and rest will be taken care of.

Podcasts are to radio and Netflix is to cable

Now since we know what podcasting is, let us deep dive to the FAQs:

1. What are equipments/ softwaresrequired for a podcast:

As a beginner, you can start even with the mobile phone record option. Find a place where there is no external noise and disturbance and keep your mobile on “Airplane Mode” so that your recording is not disturbed by calls/notifications.

Nevertheless, this may not suffice if you want to start recording at professional level. For the same, we recommend to use the below tools to the extent possible:

Microphone:

The foremost piece of equipment you'll want to get is a microphone. You may opt for a set that includes the microphone, a durable steel housing, and a broadcast arm that keeps the mic off the table etc. Now the good news is that apart from the normal recorder, playstore, IOS stores and web browsers also have special recording applications/ websites (Spreaker Studio, Anchor, Podbean, SoundCloud) which may assist you in having a really good podcast recorded using a very basic mic (maybe the mic of your headphones). You may choose either of it at the beginner level. Having tried both of it, we vouch that both work good provided you pick a place that is quiet for recording.

Headphones:

A pair of noise-cancelling headphones are advisable instead of normal headphones once you start recording it regularly. A successful podcast is less about the pricey equipment, and more about the experience you provide to your listeners. So we do not recommend higher spending on these equipment to start with but once you are regular, noise cancelling headphones will help in hearing it better and can help you provide better sound quality for upload.

Recording and Editing Softwares:

Most of the Podcast creators use Garageband (for Mac Users) or Audacity (for Windows), which turn your laptop or tablet into a full-fledged recording studio. Both of these companies offer free versions of their software, which lets you record live audio, edit files, change the speed/pitch of your recordings, cut and splice, and output your podcast to a digital sound file. You need good software as Podcasts cannot be like a normal phone call where you just start speaking on content and end it after 30-60 mins. While you start recording you will realize there will be a need for Intro Music, Background noise editing, lots of cuts and retakes. Good software ensures that all these things are mixed in a way that podcast looks uninterrupted recording.

2. How long should your podcast be?:

This a question that may arise to everyone planning to begin with a podcast. To answer this, we did reach out to people and also had surveys and what we then concluded is: Podcasts should be as long as it needs to be. But since this doesn't answer the basic FAQ, below are few tips that you may take care of while considering the length of the podcast. The length of your podcast depends on the frequency of uploading. So, if you ask us, this is a tip that we may wish to share:

- If you plan to podcast once or twice a week or month, the length can be 60 minutes or more
- If you plan to podcast daily, the length then should be 5 to 15 minutes

However, the ideal length that a normal user may want to listen to a podcast will be 20-25 minutes, remember 30 mins daily soap operas? That used to run on the same psychology and that's why there used to be a lot of series that used to run for half an hour daily.

3. What should be the structure of the podcast?:

All podcasts no matter what it is, who makes it, how is it made or how long it is, it follows three structures:

Interview or Q&A structure:

This is by far the most popular structure of the podcast. This is simple as it sounds and requires less time too on preparing the content. All you need to do is start interviews on specific topics or have a candid chat with industry leaders in a Q&A format. We have seen people calling leaders on podcasts while they ask them candid questions like – what made you think you wish to practice GST, what advice would you like to give our fellow professionals, etc. A tip to share here – you may also consider having an interview with someone who can guide fellow professionals on the importance of mental and physical health.

This structure works as a branding for both – the interviewer and the interviewee

Educational Structure:

This is a series of podcasts where time and now you cover a topic which educates the listeners. The topic could be technical or non-technical. To begin with – you may consider having a series of educational podcasts on Ind AS covering all Ind AS in different podcasts. For this structure, time and efforts have to be put in preparing the content.

Entertaining Structure:

Again this is a kind of series which will slow gaining demand. In such a series, you may just call people from the same profession and talk about something which may entertain the listeners. You may have a series where you cover – Financial Lessons to be learnt from Bollywood Movies or something like Management Lessons to be learnt from Mahabharat. If not this, you may also just want to call people and explore their hidden talent and show the listeners how fellow professionals could be singers or comedians.

Irrespective of what structure of the podcast you opt for, there are still some basics that you should cover in every podcast: An intro, one key takeaway from the podcast, a call to action, a thankyou or a shoutout and closing remarks.

4. What are the basic steps in publishing a podcast?:

Have a podcast cover art designed:

While this may sound bizarre, a cover art will make a difference to listeners. We have often known and taught that 'Don't Judge A Book ByIt's Cover'. But it's crazy how we always judge a book by it's cover. So think about it – there are series of podcasts shown when someone searches – podcasts by CAs, one factor that a listener may open up your podcast is your cover art. The quick tips you may consider while designing the cover art for your podcast – 1/4th text, originality, colour schemes and images that speak about the topic.

How to publish your podcast on Apple, Spotify, Google, etc?

This is the most interesting part about Podcasting. Unlike, Youtube or Instagram, where you can directly upload video or go live and have your content on its channel, Podcasting works differently. Currently, Google, Apple Podcasts or even Apps like Jio Saavanetc do have a space for Podcasts but they do not allow users to upload content directly. You need a Host for your podcast, for eg Anchor.fm where you upload your podcast, the same will be published on the platform and from the Host, it will be distributed to all the Podcast providers and based on its AI and other aspects, will show it on their platforms.

5. What after the podcast is published?

Once the podcast is published, you may consider sending a link of the same to your newsletters list, update it on your social media accounts like twitter/ linkedin, send a broadcast on whatsapp, attach the link in your email signature and lastly ask your colleagues to share it. Also, you can get regular subscribers to your post on Podcasting and you can interact with them.

So far we have known enough on why podcasting is the current need to expand your professional brand and if you are still not convinced, the following benefits may convince you to start the series:

The Benefits of Podcasting:

There are a variety of reasons for firms to podcast regularly these days. The most common motivation is generating awareness about the firm, engagement and thought leadership. There are more altruistic reasons as well, which may include sharing information/insights or creating an online community. Regardless of your motivation or objective, podcasting can provide reliable results to expand a brand for your firm. Also, an important point to note here is that there is no violation of Code of Ethics since we are not in any way targeting to solicit clients. Our aim in podcasting series should be knowledge sharing and expanding brand value for the firm.

If you're still unsure whether podcasting is right for your firm, answer the following questions:

- Are you looking to build a relationship between your firm and your audience?
- Do you have valuable information to share?
- Are you able and willing to talk about your expertise on a regular basis?
- Do you want your firm to have recognition worldwide?

If you answered yes to one or more of the above questions, then podcasting is something that you may want to just begin.

◆◆◆

TECH नी GAL

Compiled by:

CA Maitri Paras Savla

Future Of Work – Perspective On Disruption And Transformation

Dear Fellow Professionals, almost all of us have had a technological evolution during the lockdown last year. But gradually, most of us were back to the office and working regularly by the Financial year-end.We are now in Phase 2 of the lockdown. Maybe it is time to take stock of our technologicalacceptance, usage and WFH readiness. Also, maybe we now need to look at the future and ponder, what is the future of work? What disruptions and transformations will take place?

What is changing about the way we work?

If we look back in time, the global financial crisis of 2008, paved the way for sharing and gig economies, we saw data and information become more important than oil. We were introduced to E-filing around this time, it was a new concept, and if we look now, we cannot imagine a world where all the Compliance returns were not e-filed. Yes, the government sites still crash around the deadlines, but they have come a long way. Back in 2019, Work-From-Home (WFH) concept was not unheard of, yes, but it just existed in Information Technology and Startup companies, not traditional businesses and definitely not CA offices and yet today, we rely on WFH now, more than ever.

- More of our **workforce is moving online**, so the way we hire is changing. We are now preferring CV's with attributes like "WFH ready", "Own a bike and willing to travel", "Have a Laptop"etc

- The **way we measure productivity** is changing. Pre-WFH era, we were sticklers for employees logging in at 9am. Productivity was measured by attendance and the number of hours logged on for a particular task. We are now coming up with new ways of measuring productivityie. Output-based. We chartered accountants were wary of the idea of trusting employees to work outside our site, without supervision and pandemic has greatly changed that approach. Yes, how to do that precisely and effectively, that question is still asked..(more on that later)

- One more way on how the way we work is changing is that we now have **more control over our working hours**. Since we are not tied down to our offices physically, we can work during a non-conventional timeframe, that is early mornings or late nights or dynamic timings as and when required.

- **Gender and Location equality** is some refreshing and much-required change that we have seen due to pandemic. Due to flexi-hours policy and output-based productivity measurement, there are a lot of opportunities available to women who had to leave the workforce due to family commitments. Also, deserving candidates from 2nd and 3rd tier cities can now easily be employed due to the possibility of remote working. No CA, who is willing to be open to change can now ever say that they do not get good quality trained staff!

How COVID-19 shocked the system.

Today, the COVID-19 pandemic has forced all businesses to recalibrate their day-to-day operations with very little notice or preparation with technology playing a key role in facilitating this change. The entire CA community which is known for being technology resistant had to take a crash course on modern technology, almost overnight. What would we do without Zoom, Any-Desk, Microsoft 365, Google Drive etc, Tally on Cloud, Online Accounting software's like Zoho, Quickbooks and many others?Throughout 2020, enough has been said about how to set up a virtual office, what security measures to follow and how to carry on our work without going to the office, and we have somehow, through part digitization and part jugaad, have managed to work remotely and have managed to pass one full season of work under these conditions.

But the question for the future remains, Is this sustainable? is 100% work from home, the best fit for us? Let us figure it out...

Even as we were earlier talking about how the way we are measuring productivity is changing, the main question which all Chartered Accountants or Business Owners asked was, how do I maintain my productivity? and how do I check my staff's productivity? How do I determine if tasks assigned are being done on time, done regularly etcetc? You see, in pre-covid times, many of us had a home-grown system to manage and monitor work assignments. In my interviews with various CA's all over Maharashtra (for a Work from home evaluation survey), usage of Excel Sheets was most prevalent. Almost 90% of CA offices use homegrown methods, maintaining worklists on a physical notebook to maintaining a working list on Word or Excel files. These methods were most affected during the lockdown, as physical attendance became a problem, accessing these files and managing the workflow remotely became a huge hurdle. If we talk about Mumbai, the majority ofthe workflow was disrupted because of the unavailability of Local Trains and hence the workforce unable to travel to the workplace easily, even though other modes of transport were available. Availability of ready data, client readiness, inability to travel to client location for audits, businesses struggling to achieve new normal, clients and businesses trying to keep their head above water even as we chased deadlines amidst pandemic, scarcity of staff and restrictive movement. We can safely say that COVID-19 shocked our system and how did we respond?

From disruption to transformation!

Worldwide, the entire workforce across all the sectors including the service, manufacturing and trading industry has had no choice but to develop new skills and experiences during the pandemic. Having been forced into a crash course on modern/remote technologies, the result is that more people than ever have the skills and knowledge to work effectively from anywhere.

- **Adaption of Technology**

  Across businesses, there are many instances of how technology has helped transform the way we do business. For example, Fashion and clothing companies worked quickly to incorporate technology into their POS (point of sale) by using an innovative 'Virtual Try-on' feature to allow customers to try out their products. Companies like Nike and other major brands embraced technology and sold more stock online than ever.

  In CA Community, was really heartening to see the rate at which Mid to small CA firms took to technology to overcome all the hurdles faced by them. Virtual meetings and Online learning became the new norm. Many CA's I spoke to, found out new and 'Jugaadu' ways to finish the seemingly impossible tasks. For instance, Someone completed vouching by having the client-side accountant attend a remote meeting (zoom) and have a show of vouchers and physical books, inventory etc.

While many firms invested in long-overdue practice and task management systems and tools to take care of big teams. Many invested in cloud technologies to bring their machines and servers online, while others overhauled their IT infrastructure.

- **Intelligent Automation of repetitive processes**

  The value of Intelligent automation has changed the definition of the term “Workforce”. Mid to mid-large CA firms have come to understand the role of intelligent automation and how it fits into a larger organization. It's now time for Small-Mid to small firms to take notice. During pandemic/lockdown, any firms opened up new opportunities with intelligent automation by making use of tools like Proactly, which takes care of the redundant task of compliance management for various clients, online.

  We have to agree that automation has a lot of positive effects which include, client satisfaction, effective usage of self and staff's time, employee satisfaction and decreasing work and deadline related stress.

Future of work and trends to look out for

At this point,it's probably safe to say that we ARE living in the future. The trends, the technology adaptation that we were predicting for the 2030s has arrived a decade early and how? Let's speculate on what to expect in the coming few years.

- Increased prevalence of Big Data, Advanced Analytics, Artificial Intelligence and Machine Learning in the field of Tax, Accounts, Audit and Finance.
- Corporate Flexibility – Dynamic work culture, Change in Hiring requirements, Demand for WFH ready homes, diminishing requirement for a headquarter…
- E-Learning explosion – India is long due for an education overhaul, maybe we will skip the race entirely and directly jump into E-learning revolution.
- Retire the business attire – This is already happening globally.

Increased and Advanced tracking system – for Goods, people and everything under the sun.

◆◆◆

CURRENTIST

Compiled by:

CA Henik Dilip Shah

The Clueless Class

Dictionary meaning of the word "clueless" is "having no knowledge, understanding or ability". For this article, I would like to modify the meaning to "having impractical-half knowledge or being ignorant." In monetary terms, everyone knows that there are three classes, the lower class, the middle class and the upper class and that there are three classes in the middle class— the lower middle class, the middle middle class and the upper middle class. We can identify ourselves in any of the above classes and may endeavour to improve our situation. But there are situations wherein either we believe we have absolute knowledge of something (which may not be true) or we accept something as it is so strongly that even sub-consciously we won'tever think of questioning it (i.e. being ignorant)

Let's take a test

One fact which school has taught us is that we should brush our teeth at least twice a day at morning and at night. But how many of us were taught that we should keep a gap of minimum half an hour to consume anything after brushing? [1] And that we should brush our teeth at least after half hour oflast consuming anything?[2]

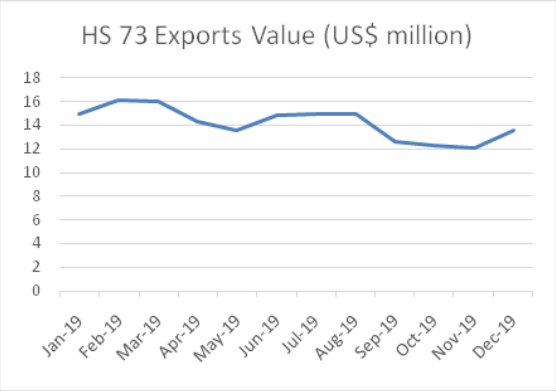
If just like me, you weren't taught the above facts, congratulations! We have half knowledge of things.

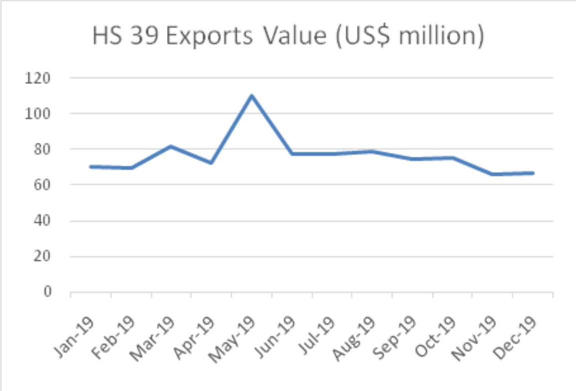
Let's take another test

Many of us must have read in newspapers that after deliberations since April 2018,under the Trump administration, the USAremoved India from its Generalized System of Preferences (GSP) in June 2019. Secretary of the Ministry of Commerce then pegged the loss of duty benefit because of such removal at around $190 million per annum.[3] Assuming an exchange rate of INR 70 per USD, loss comes to around Rs. 1330 crores per annum. Interestingly, this figure is only of the loss of duty benefit and not loss of business, as increase in duty can make India's products expensive compared to Chinese or other countries' products.

There is no official number indicating business loss.However, from the data of exports, as on the website of United Nations Commerce & Trade (comtrade.un.org/data),it can be concluded that exports of articles of iron and steel (HS Code 73) and plastic articles (HS Code 39) have reduced on an overall gradual basis, especially after June-July i.e. after removal of India from GSP. Majority of exporters of these products are actually MSMEs and this is their business loss.

We are taught half-knowledge from school and lack of questioning makes us ignorant.





(The unnatural spike seen in May 2019 in HS 39 is because of re-classification of certain items to this HS code.)

While India was suffering as above, our Honourable Prime Minister in his official capacity in September 2019, quite literally and cheekily did an alleged election campaign in favourof the same Donald Trump whose administration inflicted this loss."Abkibaar, Trump Sarkar". How many of us, without accepting this as regular propaganda, actually thought of questioning the government? How many of us did actually care if the opposition questioned or the PMO or MoEA gave its official statement?

My answer is that I did not think of questioning and I didn't even care if anyone else questioned or any official clarified. If your answer is the same as mine, congratulations! We are ignorant.

So, we have half knowledge of things and we are ignorant, therefore we belong to the clueless class.

What is the clueless class about?

Say there exists a Multi-National Conglomerate FMCG company "U". It sells its products (with similar ingredients and purposes) under various brand names targeting towards men and women, young and old, families and individuals and other bifurcations. In this example, there are five brands having products of beauty and personal care, three mainly targeted towards women, one towards men and one is unisex.

Brand "D"

- If you love your body, especially your skin and its colour, "D" products are meant for you.
- We will advertise "D" on those platforms which claim that they stand for women's rights, as if we really care.

Brand "F"

- If you don't like your skin colour, "F" products are for you, because this is what your success depends on.
- Oh wait! We will now just change the name from "F" to "G", what is in the name, right?

Brand "C+"

- You love your family and especially your young daughter, "C+" is meant for you.
- Encourage her to use our detergent- Sodium Lauryl/Laureth Sulfate based shampoo which (can actually damage her healthy scalp but) will help you maintain healthy relations with her. How? Well, we don't know!

Brand "X"

- You are a teen/young adult guy who has realised how his biology is. The next thing you want is to attract the similar-aged opposite gender, right? We have the right product— "X" deodrant.
- Don't worry, the opposite gender is not really interested in anything else other than your smell. They don't actually have any brains, just by our "X" they'll all be crazy for you!

Brand "A"

- You don't care about branding but want products showing respect to nature and cultural heritage. Brand "A" is for you, advertised by a self-proclaimed non-citizen patriot.
- How much of the content of our product is actually natural and how much of it is regular chemicals (used in above brands' products as well) is something you shouldn't think about and even if you do, we've got the labelling provisions of the law in our favour!

Found it funny? Ridiculous? Whatever you found the above description of the brands' marketing, it doesn't really matter. Because for majority of the readers of this article who invest in shares, such an FMCG stock would always be in their portfolio for long term. It would be in my portfolio too for long term. Somewhere we know that the company will make more and more profits in coming years. Having said this, we actually approve of this ridiculous marketing and also acknowledge that by such means our society at large can be induced to consumption.

Induced to consumption. The consumer will feel happy as the brand's product either supports his/her insecurities (attract someone, skin colour leads to success) or supports his/her ideologies (standing for rights). Every consumption demands an expenditure, which means paying to buy the products. Products when consumed will give the feeling of happiness. An average person of the clueless class thus relates consumption with happiness and payment is the more prominent word in his/her mind. Something which the companies providing digital transaction processing services have very well understood.

Google **Pay**, Phone**Pe** (pay), **Pay**tm, Airtel **Pay**ments Bank. United **Pay**ments Interface (UPI), etc.

The clueless class is more into consumption and less into production. Here's another test. When was the last time that you checked into your social media like Facebook and Instagram and actually did something of what you considered productive while checking? In case you actually did something productive after learning from social media, how much time did the production take? And by how much is this time less/more of your daily average time spent on such social media?

An education system serving half-knowledge and people being casually ignorant, perfect recipe for any dictator to herd the people and swing their consumption (here consumption includes preferences and opinions too). This is why people who have some clue tend to woo and rule the clueless.

“Desh ka jawaan desh k liye seema pe khada hai, to kya tum desh k liye bank ki line mein khade nahi reh sakte?”

(Political propaganda asked this)[4]

“Nahibhai, seema pe jawaan khade hone sey desh ka faayda hai, par mera mere hi paiselene k liye bank ki line mein khade rehne sey desh ka kya faayda hai?”

(But nobody said this as the answer)

An average person finds more happiness in consumption than production.

All of us— the clueless, ignorant of any logical argument, had to stand (or make someone stand) in those long queues and get our monetary transactions done.

Ten-Fifteen years ago, there would hardly be any advertisement of products specifically for people suffering from sensitive teeth. Now you have many, because a generation exists who did not know proper brushing ritual and hence irreparably damaged their teeth's enamel layer.[5] The clueless— now have to consume a more expensive product for self-inflicted harm, because of half knowledge.

Herd is here i.e. the clueless class. But who are those with clue?

Those with clue are few, can be counted on finger-tips.

We wakeup and use many products of those few big FMCG companies in our morning routine. We go to work in any vehicle of those few automobile manufacturing companies. We directly or indirectly pay for fuel to those few petroleum companies. We work using electronics like laptops and mobile devices, manufacturers of whom are few. Capital goods' producers are few. Banks are few. We come back from work and unwind. Television channels are few. Social media options are few. When we think of our country, mainstream political parties are also few.

But the clueless are in billions.Congratulations!

The clueless are in billions, but those with clue today were also once clueless.

The biggest criticism which I have received of this theory of the clueless class is that, a common person cannot afford to be all-time vigilant and doesn't really have the time and energy to check whether he/she has absolute knowledge of anything related to him/her. I just have one answer, which is that those with clue have made the education, social, economic and political system so complex, that the clueless trying to show some endeavour are bound to face the affordability, time and energy issues. However, just remember one thing, those with clue today were once clueless, there is always hope for a better future!

Point to ponder:

We need to have more clue of our everyday life by being mindful of our consumption and increasing our focus on production. But, till what extent are we ready to endeavour?

Think over it. Think different!

References:

1. https://drswansondmd.com/long-wait-eat-brushing teeth/#:~:text=Brushing%20 your%20teeth% 20is%20great brushing%20to%20eat%20or%20drink.
2. https://www.hindustantimes.com/health-and-fitness/brushing-within-30-minutes-after-meal-can-damage-teeth/story-ig7xqhNytYV1ClJWrlj1TP.html
3. https://www.business-standard.com/article/pti-stories/india-plans-to-seek-deadline-extension-from-us-for-withdrawal-of-gsp-export-benefits-119032501039_1.html
4. https://www.hindustantimes.com/analysis/why-bjp-is-using-the-nationalism-card-to-justify demonetisation/story-WXQfhVQpsWj4VYh1GBOhoK.html
5. https://www.healthline.com/health/enamel-erosion#symptoms

INDUSTRY NINJA

Compiled by:

CA Meet Rameshchandra Gada

Talk Less, Say More - By: Connie Dieken

According to the author, face-to-face communication skills are plummeting in the twenty-first century. She believes that we need to embrace three key habits to re-boot our interpersonal aptitude. In her book Talk Less, Say More, she sets out how to use these three principles to re-engage in a world of short attention spans and get people to pay attention to you and your offerings. Read thoroughly, you'll learn how to talk less, and still make things happen.

HABIT 1: CONNECT: Give People What They Want & Value So They'll Tune In

Dieken defines 'connecting' as the ability to engage and manage people's attention in today's busy world. It's no longer enough to just make contact. We need to give people what they want and what they value in order to earn their attention, or they'll tune us out.

Today, customers now hold the power. They hold the remote control and we're just one of many TV channels. They have options, so if we want to be Must-See TV, we must connect smartly. Combine this with the fact that we've become a shortcut society. We have to win people over in a hurry before their attention spans shrinks. How do we do this?

Tactic #1: Focus on the needs of the people with whom we're communicating.

We need to manage our own attention in order to win other people's interest. Are we inadvertently coming across as self-absorbed, distracted, or rushed and losing opportunities as a result? If so it's time to change focus. Dieken advises us to try some of the following:

- Show respect.
- Don't race ahead. Take time for them to digest.
- Aim for the heart, not the head. Concentrate on people's feelings first.
- Don't be a drifter. Stick to the subject.
- Focus on people, not electronics. Put away the Blackberry and iPhone.
- Watch for eye movement. If people raise their eyebrows or their eyes dart nervously, it's a clear signal that we've touched a nerve.
- Observe their lips. The lips are among the most emotional parts of the body. Drooping or pursed lips are usually an unvoiced sign of disappointment or disagreement.

Tactic #2: Listen for Intent: What people say is often not what they mean.

That's why it's dangerous to be stuck on the exact words that others utter, since their intentions trump their words. What's more important is the emotion behind the words. We need to listen accurately to interpret what they really meant. How?

- Listen for repetition. It's normally the key issues that are repeated.
- Take note of emphasis. This can identify priorities and quick wins.
- Ensure clarity and gain respect by saying, “Let me see if I've got this right. Are you saying ...?”
- Don't be hijacked in meetings. Sometimes the concerns of a single individual can irritate everyone else in the group.

Tactic #3: Avoid Code Red. Many of us create our own personal Code Red situations during important communications that prevent us from connecting effectively.

We think only of ourselves and what we are experiencing by reacting inappropriately to comments or feedback. The antidote to losing control is to focus outwardly on our audience instead of focusing inwardly on our own needs and nuances. We are advised to:

- Follow the law of inverse proportions. The more inflammatory the question, the more calmly our answer should be delivered. Self-correct. If we make a mistake, we should acknowledge our error and correct it on the spot.
- Make midcourse changes. When we pick up on clues that our audience is upset or tuning out, we need to stay flexible and adapt.
- Don't get caught up in the “I have the floor” game. The goal is to initiate dialogue — not to launch into a lecture other could interpret as a bitter verbal attack.

HABIT 2: CONVEY: Use Portion Control to Get Our Points Across with Clarity, not Confusion.

Let's take stock. Our inbox is cluttered, our desk is cluttered... in fact, our mind is cluttered. We need shortcuts to process and understand it all. Just as we manage our incoming communications, we should also manage our outgoing communications to help cut through other people's information overload.

The key is portion control. Portion control is a smarter way to convey messages because it forces us to manage information effectively so that others can process it equally well.

Tactic #1: Use the Dominant Sense. Vision is the most dominant human sense.

Our brains process visuals up to ten times faster than mere words. Any time we can show rather than tell we can reduce the risk that the receiver will misunderstand, misconstrue or miss our message, we get results faster. The author advises we try the following:

- Show contrast. Simple graphs, before and after comparisons.
- Using contrast, we can demonstrate growth or market dominance or exploit a competitor's weakness.
- Rethink PowerPoint. Avoid too much text. Avoid too many jazzy graphics. Even PowerPoint's creators Robert Gaskins and Dennis Austin suggest PowerPoint can dress up poor content. Use PowerPoint as communicator, not camouflage.

Tactic #2: Use Social Media.

The appeal of social sites is both obvious and subtle. In the opt-in world people can quickly consent to have contact with us. However, if we annoy them or subsequently don't appeal to them, they can drop us just as quickly. So how do we get round that issue?

Post clear, simple ideas. Our job is to convey the essence of our message, not everything we know.

Once uploaded, it's there forever. Get someone else to check your posts before committing your content to perpetuity. Don't slip into business-speak or industry jargon. Be personal not corporate.

Tactic #3: Talk in Triplets.

If, we want to save time and effort in helping people understand our messages we need to structure them in threes. Triplets are so ingrained in our daily life that we probably don't notice them but subconsciously it feels right. Want some examples?

3R's - 3 idiots, 3 musketeers, Stone-Paper-Scissor.

The Author suggests that when we structure our triplets, we should put the desired choice first. It sets the standard and creates a challenging benchmark.

HABIT 3: CONVINCE: Create Commitment to Influence Decisions, Actions and Results.

The ability to positively and quickly influence others is a core leadership skill that produces superior results. It's even more important now, because speed has become critical. Convincing does not mean manipulating or arm-twisting.

The difference is intent. Manipulators focus on their own needs. They steamroll, lie or omit the truth to get what they want. Convincing is not a thunderbolt event. It's not an isolated occurrence. It's a process that unfolds incrementally to change hearts and minds and compel others to action.

If we convince in a smart manner, we'll improve our ability to sell ideas, products, services or ourselves. We will increase our ability to get things done through the actions of others.

Tactic #1: Sound decisive.

Sound like a wimp and we'll be treated like one. Using weak language strips us of power and blocks our ability to convince others. Our capacity to communicate decisions is one of the most telling measures of our power and influence. When we sound decisive, we capitalise on opportunities and conquer obstacles. If we sound self-assured, people will respond with confidence to us and our contributions.

Tactic #2: Stop Tagging and hedging.

Tagging means turning a perfectly good declaration into a question by adding a short question at the end. “Isn't that right? Okay? Why should anyone commit if we can't? Hedging means starting a sentence with weak words in order to dodge commitment. “I'm not an expert, but..” “I kind of feel like…” Hedging makes us sound like we doubt our own words. We're hiding behind words and giving ourselves a way out.

Tactic #3: Contribute to meetings.

Do you have a habit of staying quiet during meetings, especially within the presence of superiors? A prolonged silence borne out of a lack of confidence, damages our credibility. So, what is suggested?

Use planned spontaneity. If we are anxious or uncertain in new surroundings we should prepare in advance. We should review the agenda and identify an item where we can contribute. Done properly, planned spontaneity sounds like you just thought it up and earns brownie points.

Be direct. We should avoid sounding ambiguous when making requests or telling other what to do. Indirectness leads others to conclude that instructions are unimportant and can be ignored.

Don't be invisible. We should trust our gut, stop second-guessing and get in the game. Be assertive in voice, not passive.

Tactic #4: Create commitment, not compliance.

The Author suggests that by transferring ownership we shift our ideas and decisions to others so they will embrace them and act on them. People should feel as they're volunteering, not surrendering. Transferring ownership helps build morale, retention, productivity and sales. It also encourages commitment to you as the leader.

Self-discovery is the most persuasive argument. It's powerful when people feel they've arrived at a decision by themselves. Therefore, if we transfer our ideas and decisions to others so they can take ownership, we're more likely to get positive results. How do we start?

Use peer pressure. Seek commitment from key influencers. Seek out the people and stakeholders in our workplace who routinely influence other people.

Tap into trustworthy, popular people. Like Oprah Winfrey supporting Barack Obama in that early stages, ask a popular, trustworthy people to help rally the troops.

Use an alternative format. We can do this in meetings by addressing everyone as a group then keying in on powerful people who will back us up and lend their support.

Get them to take a stand. When people publicly proclaim their position, they are most likely to stay true to their decision.

In summary:

Connect to what others want and value

Convey with portion control to create clarity

Convince to personally commit and take action.

The result is applied leadership like no other!

◆◆◆

Brief Update On SEBI And Corporate Law

CA IP Neha Rajen Gada CA IP Rajen Hemchand Gada

SEBI

A. REGULATIONS

1. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2021

[Issued by the Securities and Exchange Board of India vide NotificationNo. SEBI/LAD-NRO/GN/2021/12dated March 23, 2021]

Stock Exchanges shall now be liable to pay the following to SEBI:

(a) Annual Turnover Fees; and

(b) 10% of Listing fees collected by Stock Exchanges.

2. Securities And Exchange Board Of India (Merchant Bankers) (Amendment) Regulations, 2021

[Issued by the Securities and Exchange Board of India vide NotificationNo. SEBI/LAD-NRO/GN/2021/13dated March 30, 2021]

SEBI has amended the regulations to insert underwriting related provisions and agreements with clients in this regard.

3. Securities and Exchange Board of India (StockBrokers) Regulations, 1992 [Last amended on March 30, 2021]

[Issued by the Securities and Exchange Board of India vide NotificationNo. SEBI/LAD-NRO/GN/202114dated March 30, 2021]

SEBI has amended the regulations to insert underwriting related provisions and agreements with clients in this regard.

4. Securities And Exchange Board Of India (Underwriters) (Repeal) Regulations, 2021

[Issued by the Securities and Exchange Board of India vide NotificationNo. SEBI/LAD-NRO/GN/2021/15dated March 30, 2021]

SEBI has repealed SEBI (Underwriters) Regulations, 1992 with effect from March 30, 2021 in light of the amendments carried out in SEBI (Merchant Bankers) Regulations, 1992 and SEBI (Stock Brokers) regulations, 1992.

B. CIRCULARS

1. Review of delivery default norms

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CDMRD /DRMP/CIR/P/2021/35dated March 23, 2021]

SEBI had received representations from market participants in the commodity derivatives segment for standardization of delivery default norms, strengthening the deterrent mechanism and ensuring adequate compensation to thenon-defaulting counterparty. In view of the same, SEBI has prescribed the extant delivery default norms to act as a deterrent.

2. Prior Approval for Change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/MIRSD/ DOR/CIR/P/2021/42dated March 25, 2021]

SEBI has prescribed the procedure for change in control of intermediaries under various circumstances like Transfer/transmission of share holding in case of unlisted body corporate intermediary, Transfer / transmission of share holding in case of a proprietary firm type intermediary, etc.

3. Transfer of business by SEBI registered intermediaries to other legal entity

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO /MIRSD/ DOR/CIR/P/2021/46 dated March 26, 2021]

SEBI has been receiving various applications for change in control of businesses. In this regard, it laid down the procedure as to how the process for change in control will be taken up. Also, in some cases, the seller will have surrender the registration certificate and the buyer needs to re-apply for fresh registration.

4. Circular on Guidelines pertaining to Surrender of FPI Registration

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/IMD/ FPI&C/CIR/P/2021/045 dated March 30, 2021]

SEBI has laid down the procedure to be followed by Foreign Portfolio Investors ('FPIs') and Domestic Depository Participants ('DDPs'). In case of surrender of FPI Registraton.

5. Reduction in unblocking/refund of application money

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/DIL1/ CIR/P/2021/47 dated March 31, 2021]

Based on various consultations with the market participants it has been decided to reduce the timelines for refund of the moneys to the investors in various occasions to “four days”.

6. Circular on Regulatory Reporting by AIFs

[Issued by the Securities and Exchange Board of India vide Circular No. SEBI/HO/IMD/IMD-I/DOF6/CIR/2021/549 dated April 07, 2021]

Based on consultation with various stake holders and recommendation of Alternative Investment PolicyAdvisory Committee, SEBI has decided that all AIFs shall submit report on their activity as an AIFto SEBI on quarterly basis within 10 calendar daysfrom the end of each quarter in the revised formats prescribed.

Further, Category IIIAIFs are also required to submit reporton leverage undertaken, on quarterly basis in the revised formats prescribed.

AIFs shall submit these reports online through SEBI intermediary Portal.

Further, changes in terms of private placement memorandum and in the documents of the fund/ scheme shall be intimated to investors and SEBI on a consolidated basis, within 1month of the end of each financial year.

Such intimation shall specifically mention the changes carried-out in the private placement memorandum and the documents of the fund/scheme, along with the relevant pages of revised sections/clauses.

CORPORATE LAW

A. Rules

1. Company (Accounts) amendment Rules, 2021

[Issued by Ministry of Corporate Affairs vide Notification No. G.S.R. 205(E) dated March 24, 2021& G.S.R. 247(E) dated April 01, 2021]

The Central Government directed all companies using accounting software for maintaining its books of accounts to use only such accounting softwares which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The impleme10 of these provisions have been made effect from April 01, 2022.

2. Companies (Audit and Auditors) Amendment Rules, 2021

[Issued by Ministry of Corporate Affairs vide Notification No. G.S.R. 206(E) dated March 24, 2021 & G.S.R. 248(E) dated April 01, 2021]

With the amendment in Rule 11 ofCompanies (Audit and Auditors) Rules, 2021, auditors will now also have to comment on the following:

(a) Whether the Company under audit has, directly or indirectly **given moneys** whether by way of loans, investments or in any other form to another entity which will in turn lend or invest or provide and guarantee on behalf of the Company under audit;

(b) Whether the Company under audit has, directly or indirectly **received moneys** whether by way of loans, investments or in any other form to another entity which will in turn lend or invest or provide and guarantee on behalf of the Company under audit;

(c) That based on the audit procedures undertaken, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statementthe auditor has not come across any material;

(d) Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013; and

(e) Whether the audit trail requirements as mentioned in the clause have been undertaken. [This clause will now be effective for financial year commencing on or after April 01, 2022]

B. NOTIFICATIONS

1. Amendment to Schedule III to the Companies Act, 2013

[Issued by Ministry of Corporate Affairs vide Notification No. 207(E) dated March 24, 2021]

The Central Government has amended Schedule III relating to preparation of Balance Sheet and Statement of Profit and loss Account. These amendments shall be effective from April 01, 2021.

2. Commencement notification dated 24.03.2021

[Issued by Ministry of Corporate Affairs vide Notification No. 1303(E) dated March 24, 2021]

The Central Government has notified the penalty provisions in Section 124(7) of Companies Act, 2013 relating to non-compliance with regard to unpaid dividend account and levy of fine provisions in section 247(3) of Companies Act, 2013 relating to valuation by registered valuers.

FEMA UPDATES

Compiled by:

CA Manoj Chunilal Shah CA Viral Vinod Satra

Investment by Foreign Portfolio Investors (FPI): Investment Limits

A.P. (DIR Series) Circular No. 14 dated March 31, 2021

a. Investment Limits for FY 2021-22 a. The limits for FPI investment in Corporate bonds shall remain unchanged at 15% of outstanding stock of securities for FY 2021-22. Accordingly, the revised limits for FPI investment in corporate bonds, after rounding off, shall be as under

(Table - 1)

Table - 1: Limits for FPI investment in Corporate bonds for FY 2021-22	
	(₹ Crore)
Current FPI limit	5,41,488
Revised limit for HY Apr 2021-Sep 2021	5,74,263
Revised limit for HY Oct 2021-Mar 2022	6,07,039

b. The revised limits for FPI investment in Central Government securities (G-secs) and State Development Loans (SDLs) for FY 2021-22 will be advised separately. Till such announcement, the current limits (as in Table - 2), shall continue to be applicable.

Table - 2: Limits for FPI investments in G-Sec and SDL				
				(₹ Crore)
	G-Sec General	**G-Sec Long Term**	**SDL General**	**SDL Long Term**
FPI investment limits	2,34,531	1,03,531	67,630	7,100

FETERS – Cards: Monthly Reporting

A.P. (DIR Series) Circular No. 13 dated March 25, 2021

1. It has been decided to collect more details of international transactions using credit card / debit card / unified payment interface (UPI) along with their economic classification (merchant category code – MCC) through a new return called 'FETERS-Cards', using the same web-portal (https://bop.rbi.org.in).

2. **Nodal offices of Authorised Dealers (ADs) may submit FETERS-Cards details on the web-portal in the following manner:**

   A. For transactions through credit card / debit card / UPI:

(i) Sale of forex by AD towards international transaction made by Indian resident (to be reported by the card issuing / transaction originating AD); and

(ii) Purchase of forex by AD under transaction by foreign resident with Indian resident (to be reported by merchant acquirer AD).

B. The information shall be submitted in the following fixed format (details given in Annex):

(i). For transactions using credit/debit card: MCC X Country X Currency X Amount (Payment / Refund) X Card Status (Present / Not present)

(ii).For transactions through UPI: MCC X Country X Currency X Amount (Payment/Refund) X QR Code Scan (Yes / No)

3. AD Banks need to report all card transactions (e.g., through PoS terminals / ecommerce (online purchase) / for transferring funds to bank accounts).

4. **Data submission by ADs:**

(I) ADs shall submit the FETERS-Cards data on the web portal (https://bop.rbi.org.in) by using the RBI-provided login-name and password, within seven working days from the last date of the month for which data are being reported. The web-portal provides detailed guidance and help material.

(ii) FETERS-Cards reporting will be implemented for the transactions taking place from April 1, 2021. Hence, details of the transactions in April 2021 may be reported in the first week of May 2021.

◆◆◆

RERA UPDATES

Compiled by:

CA Ashwin Bhawanji Shah

MahaRERA has recently issued various circulars for clarification and standardisation of process pertaining to:-

- **Standardised format for Legal Title Report**
- **Procedures for Extension of Project U/s 7(3)**
- **Procedure for Alteration of Plan of the Project under Section 14(2)**
- **Disclosure of sold and unsold units by the Promoters**

In continuous efforts for better transparency and to protect the interest of homebuyer, the MahaRERA has issued the circular, **Circular No. 28/2021 dated 08.03.2021 No.29/2021 dated 09.04.2021**.

- The format of legal title report is standardised and summary report showing flow of title needs to be signed by Advocate.It intends to bring on record disclosure of title holders viz. Land Owner, Developer etc

- MahaRERA has standardised the format of application for taking the consent of allotee in case of extension of project is required as per section 7(3) of RERA, 2016. In this application the consent of 51% allottee is to be obtained and the details of all the allottee including name, flat/unit no and signature is to be obtained and uploaded.

- For alteration of approved plans of the project as per section 14(2) of RERA, 2016 the application for consent of 2/3 allottee is to be taken in a standard format wherein the details of the allottee, signature along with the details of consent taken from the allottee with respect of total unit sold is to be mentioned.

- Promoters are also required to upload list of sold and unsold units including date of registration of agreements so that prospective buyers can verify unit wise status while booking the apartment with the Promoter.

- The requisite formats can be downloaded from MahaRera portal.

◆◆◆

DIRECT TAXES LAW UPDATE

Compiled by:

CA Haresh Padamshi Kenia

- **DTAA between GOVERNMENT OF REPUBLIC OF INDIA and GOVERNMENT OF ISLAMIC REPUBLIC OF IRAN- Section 90 of Income Tax Act.**

The Central Government , in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, vide NOTIFICATION S.O. NO. 1442(E) [NO.29/2021/F.NO.501/03/92-FTD-II], dated 1-4-2021 hereby notifies agreement between THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN for the avoidance of double Taxation and the prevention of fiscal evasion with respect to taxes on income .

- **Relaxation of certain provisions of Specified Act– Extension of due date for Completion of action under Specified Acts- - Readwith sections 139AA, 144C, 148, 149 and 151 Income tax Act and Section 168 of the Finance Act ,2016**

The Central Government vide NOTIFICATION S.O. 1432(E) [NO. 20/2021/F. NO. 370142/35/2020-TPL], DATED 31-3-2021 and in exercise of the powers conferred by section 3 (1) of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020and subsequent notifications issued under this Act, hereby extends the following due dates in view of the COVID-19 pandemic, certain time limits specified under the various tax and Benami laws

- The extended last date for intimating Aadhaar number for the purposes of linking Aadhaar with PAN is 31st March, 2021. Keeping in view the difficulties faced by the taxpayers, the Central Government has issued notification today extending the last date for the intimation of Aadhaar number and linking thereof with PAN to 30th June, 2021.

- The said notification also extended time-limits for issue of notice under section 148 of the Act, passing of consequential order under section 144C for direction issued by the Dispute Resolution Panel (DRP) and processing of equalisation levy statements to 30th April, 2021.

- **Tax Audit Report in form 3CD amended**

The Central Board of Direct Taxes exercise of the powers conferred by section 44AB read with section 295 of the Income-tax Act vide NOTIFICATION NO. G.S.R. 246(E) [NO. 28/2021/F. NO 370142/9/2018-TPL], DATED 1-4-2021 gives the Income-tax (eighth Amendment) Rules, 2021

It has amended the Tax Audit Report (TAR) in Form 3CDin order to incorporate the changes brought in the Income Tax Actby the Finance Act, 2021. These changes in Form 3CD shall be effective from the 1st day of April 2021 and shall apply for the assessment year 2021-22 are as under .

➢ **Revised Tax Audit Report in certain cases**

Rule 6G prescribes rules related to reporting of the audit of accounts to be furnished under section 44AB. For allowing filing of revised Tax Audit Report, Rule 6G is amended to insert a sub-rule (3) as mentioned below-

"The report of audit furnished under this rule may be revised by the person by getting revised report of audit from an accountant , duly signed and verified by such accountant, and furnish it before the end of the relevant assessment year for which the report pertains, if there is payment by such person after furnishing of report under subrule (1) and (2) which necessitates recalculation of disallowance under section 40 or section 43B."

- **Changes in Clause 8A to report exercise of option under section 115BAC/115BAD**

The Finance Act 2020 has introduced two new concessional tax rate regime under section 115BAC for Individuals and HUF and section 115BAD for cooperative societies. The two provisions are applicable from AY 2021-22. Ans in order to incorporate the same in the Tax Audit Report, Clause 8a of Form 3CD is changed to include these two sections - section 115BAC and section 115BAD also.

- **Adjustment in WDV of Assets For exercising option under sections 115BAC/115BAD**

There was amendment in Form 3CD for the AY 2020-21 where in Clause 18(ca) was introduced to report the adjustment in WDV of the block of assets if lower tax regime under section 115BAA is exercised by the assessee.This clause was valid for AY 2021-22 only.

The finance Act 2020, introduced two new concessional tax rate regimes under section 115BAC for Individuals and HUF and section 115BAD for cooperative societies. The two provisions are applicable from AY 2021-22. In cases of section 115BAC and section 115BAD also, additional depreciation is not allowed and hence requires adjustment in WDV of the block of assets. Hence Clause 18(ca) is substituted with thenew sub-clause (ca) which is applicable for AY 2021-22 only.

- **Higher safe harbour rule of 20% between actual sales consideration and stamp duty value under section 43CA and section 56(2)(x) - Amendment in Clause 17 of form 3CD**

In order to boost demand in the real-estate sector and to enable the real-estate developers to liquidate their unsold inventory at a rate lower than the Stamp duty rate and giving benefit to the home buyers, the finance Act 2021, has amended the provision of section 43CA and Section 56(2)(x) of the Act and it provides for increase the safe harbour from 10% to 20% under section 43CA for the period from 12th November 2020 to 30th June 2021 in respect of the only primary sale of residential units of value up to Rs. 2 crore.

Consequential relief by increasing the safe harbour from 10% to 20% was also allowed to buyers of these residential units under section 56(2)(x) for the said period. Therefore, for these transactions, the Stamp duty rate shall be deemed as a sale/purchase consideration only if the variation between the agreement value and the stamp duty rate is more than 20%.

These changes are now incorporated in Form 3CD from AY 2021-22. For this purpose, existing clause 17 is substituted with the new Clause 17 incorporating the above amendment.

- **Depreciation of Goodwill - Changes in Clause 18 of Form 3CD**

Finance Act, 2021 brought an amendment by which depreciation under section 32 on goodwill is denied. It is further provided that the block containing the goodwill as an asset shall be modified and depreciation on goodwill as appearing in that block at the WDV as of 1.4.2020 shall not be claimed from AY 2021-22 and such value of goodwill will be excluded from the block. The block needs to be modified to that extent. Accordingly, Form 3CD has made the necessary changes in clause 18. A new sub-clause (cb) is inserted in Clause 18 of Form 3CD for reporting the adjustment in WDV of the block of assets -

- **Adjustment in brought forward of losses if option u/s 115BAC/115BAD is exercised - Changes in Clause 32 of form 3CD**

  The new tax regime under section 115BAA, section 115BAC and section 115BAD do not allow certain deductions and if the option under these provisions is exercised then the brought forward losses need to be modified to the extent they are related to such restricted disallowed deductions. Similar to changes in clause 8a and clause 18, Clause 32 of the Form 3CD is also amended to include section 115BAC and section 115BAD in the reporting requirement

- **Clause 36 related to DDT Omitted**

  Finance Act 2020 has abolished the Dividend Distribution Tax (DDT) and reverted the classic system of taxation of dividend income in the hands of the shareholders/recipients. Hence companies are not required to pay any dividend distribution tax from FY 2020-21. Accordingly, Clause 36 of the existing Form 3CD is omitted from reporting requirement from AY 2021-22.

- **New Income Tax Return Forms for AY 2021-22**

The Central Board of Direct Taxes In exercise of the powers conferred by section 139, read with section 295 of the Income-tax Act, vide NOTIFICATION G.S.R. 242(E) [NO. 21/2021/F.NO. 370142/5/2021-TPL], DATED 31-3-2021, gives the Income-tax (7th Amendment) Rules, 2021. It shall come into force from 01.04.2021. It notifies the Income Tax Return Forms (ITR Forms) ITR-1 to ITR-7 for the Assessment Year 2021-22.

The CBDT vide Press note dated 01.04.2021 indicated that , keeping in view the ongoing crisis due to COVID pandemic and to facilitate the taxpayers, no significant change have been made to the ITR Forms in comparison to the last year's ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 have been made. Accordingly, the notified ITR forms do not contain any major amendments or changes compared to the preceding year except a few to incorporate the changes or amendments in the Finance Act of the relevant year.

CBDT has amended Rule 12 of the Income Tax Rules,1962 to incorporate the changes related to ITR forms for the AY 2021-22. There is no change in the manner of filing ITR Forms as compared to last year. The following changes are notified for the ITR forms ITR-1 to ITR-7 for the AY 2021-22

- In Rule 12(1), the year '2021' is replaced for the figure '2020' to make the changes applicable for AY 2021-22.
- ITR-1 cannot be used for return filing if the tax has been deducted under Section 194N. Thus, a person is ineligible to file his return of income in ITR-1 for AY 2021-22 if tax is deducted under section 194N.
- ITR-1 cannot be used for return filing if the tax has been deferred in respect of ESOPs allotted by an eligible start-up under section 191 (2) or section 192 (1C) of the Act.
- ITR-4 cannot be used for return filing if the tax has been deferred in respect of ESOPs allotted by an eligible start-up under section 191 (2) or section 192 (1C) of the Act

- **Deferment of reporting requirement under Clause 30C and Clause 44 of Tx Audit report in Form -3 CD– Section 119, read with section 44AB of Income tax Act.**

CBDT vide CIRCULAR NO. 5/2020 [F. NO. 370142/9/2018-TPL], DATED 25-3-2021 issued following instruction to Subordinate authorities

Section 44AB of the Income-tax Act, 1961 read with rule 6G of the Income-tax Rules, 1962 requires specified persons to furnish the Tax Audit Report along with the prescribed particulars in Form No. 3CD. The existing Form No. 3CD was amended vide Notification No. GSR 666(E) dated 20th July, 2018 with effect from 20th August, 2018. However, the reporting under clause 30C and clause 44 of the Tax Audit Report was kept in abeyance till 31st March, 2019 vide Circular No. 6/2018 dated 17-8-2018, which was subsequently extended to 31st March, 2020 vide Circular No. 9/2019.Vide circular no. 10/2020, dated 24-4-2020, it was further extended to 31st March, 2021.

In view of the prevailing situation due to COVID-19 pandemic across the country, it has been decided by the Board that the reporting under clause 30C and clause 44 of the Tax Audit Report shall be kept in abeyance till 31st March, 2022

- **Clarification on provision of Direct Tax VIVAD SE VISHWAS Act, 2020 - Faq No. 70 of Circular No. 21/2020 modified relating to Search cases.**

CIRCULAR NO. 4/2021 [F. NO. IT (A)/1/2020-TPL], DATED 23-3-2021

- Sections 10 and 11 of Vivad se Vishwas empower the Central Government/Central Board of Direct Taxes to issue directions or orders in public interest or to remove difficulties. In order to facilitate the taxpayers, clarifications under the said sections in form of answers to frequently asked questions (FAQs) were issued vide Circular No. 9/2020 dated 22nd April, 2020 (covering FAQ 1-55) and Circular No. 21/2020 dated 4th December, 2020 (covering FAQ Nos. 56-89).

- FAQ No. 70 of Circular No. 21/2020 clarified eligibility for search case under Vivad se Vishwas. It was clarified that if the assessment order has been framed in the case of a taxpayer under section 143(3)/144 of the Income-tax Act based on the search executed in some other taxpayer's case, it is to be considered as a 'search case' under Vivad se Vishwas

- Several representations have been received seeking further clarity with regard to the classification of a case as a 'search case' for the purposes of Vivad se Vishwas. The matter has been examined. In order to remove any uncertainty in this regard, and in exercise of powers under sections 10 and 11 of Vivad se Vishwas, it is hereby clarified that a 'search case' means an assessment or reassessment made under sections 143(3)/144/147/153A/153C/158BC of the Income-tax Act in the case of a person referred to in section 153A or section 153C or section 158BC or section 158BD of the Income-tax Act on the basis of search initiated under section 132, or requisition made under section 132A of the Income-tax Act. The FAQ No. 70 of Circular No. 21/2020 stands modified to this extent.

- **Amendment of Rule 10DA, Rule 10DB and Form No. 3CEAB relating to maintenance and furnishing of information and documents by constituent entity and furnishing of Report in respect of an international group**

The Central Board of Direct Taxes, in exercise of the powers conferred by sub-section (1) and sub-section (4) of section 92D and sub-section (8) of section 286, read with section 295 of the Income-tax Act, vide NOTIFICATION G.S.R 250(E) [NO. 31/2021/F.NO.370142/19/2019-TPL], DATED 5-4-2021, gives the Income-tax (9th Amendment) Rules, 2021. It shall come into force on the 1st day of April, 2021 relevant to the Assessment Year 2021-22. It amends rule 10 DA , 10 DB and form 3CEAB.

- Rule 10 DA prescribes the maintenance and furnishing of information and documents by constituent entity of an international group under section 92D in respect of an international group.

- Presently , rule 10DA(2) requires furnishing of the information in Form 3CEAA to the Joint Commissioner on or before the due date for furnishing the return of income as specified under sub-section (1) of section 139. The 9th Amendment Rules has substituted the word 'Commissioner' to 'Director'. Hence, now it requires furnishing of the information in Form 3CEAA to the Joint Director on or before the due date for furnishing the return of income as specified under sub-section (1) of section 139.

- Presently, rule 10DA(4) provides that where there are more than <u>one constituent entities resident in India of an international group</u> required to file the information and document under Rule 10DA(2), the Form 3CEAA may be furnished by any one constituent entity under the following circumstances-

  (i) the international group has designated such entity for this purpose; and

  (ii) the information has been conveyed in Form No. 3CEAB to the Joint Commissioner on this behalf thirty days before the due date of furnishing Form No. 3CEAA

- The 9th Amendment Rules, 2021 substituted the 'constituent entities resident in India of an international group' with 'constituent entities'. Hence, now it henceforth covers all the constituent entities whether are resident in India or not of the international group. Now, Form 3CEAA is required to be filed by any one of the entities designated in Form 3CEAB for both resident and non-resident entities. The Corresponding amendment is notified in Form 3CEAB to modify the heading of the form to omit the words 'resident in India'. Further, similar to sub-rule(1), the amendment in sub-rule (4) provides for the furnishing of information to the Joint Director in place of the Joint Commissioner

- It also amends rule 10DB which deals with the furnishing of Report in respect of an International Group under section 286 of the Act and it presently prescribes that the income-tax authority for the purposes of section 286 shall be the Joint Commissioner as may be designated by the Director-General of Income-tax (Risk Assessment). This is now substituted with a new sub-rule from 1-4-2021. The 9th Amendment Rules now substitutes the Joint Commissioner with the Joint Director and Director General of Income-tax (Risk Assessment) with Principal Director General of Income-tax (Systems) or the Director-General of Income-tax (Systems).

- Presently rule 10DB (6) provides that for the purpose of Section 286(7) an international group shall furnish the report if the total consolidated group revenue, as reflected in the consolidated financial statement for the accounting year preceding such accounting year does not exceed Rs 5500 crore. The 9th Amendment Rules now increased the limit to Rs. 6400 crore. Thus, for CbCR (Country-by-Country Reporting) related compliances to be applicable, the International group's consolidated group revenue shall have to exceed Rs. 6400 crore applicable from 1-4-2021.

- **Determination of Income for TDS on Payment to Non-residents u/s 195 – Insertion of Rule 29BA andForm 15E**

The Central Board of Direct Taxes , in exercise of the powers conferred by section 195, read with section 295 of the Income-tax Act, vide NOTIFICATION NO. G.S.R. 194(E) [NO. 18/2021 F. NO. 370142/24/2019-TPL], DATED 16-3-2021, gives the Income-tax (5th Amendment) Rules, 2021. It shall come into force with effect from the 1st day of April, 2021.

It inserts new Rule 29BA and Form 15E in the Income Tax Rules, 1962 for determining the sum chargeable to tax for the purpose of TDS on payments to non-residents as per section 195(2) of the Income Tax Act. This is the facility provided by the Income Tax department for online filing of applications seeking a determination of tax to be deducted at source on payment to non-residents.

Presently before this amendment ,under section 195(2) of the Act, if a person who is responsible for paying any sum to a non-resident which is chargeable to tax under the Act considers that the whole of such sum would not be income chargeable to tax in the case of the recipient, he can make an application to the Assessing Officer to determine the appropriate proportion of such sum chargeable. This provision is used by a person making payment to a non-resident to obtain a certificate/order from the Assessing Officer for lower or nil withholding tax. This process is manual. In order to use technology to streamline the process, which will not only reduce the time for processing of such applications but shall also help tax administration in monitoring such payments, Finance (No. 2) Act, 2019 has amended the provisions of section 195(2) to provide for filing of online applications for a lower or nil TDS certificate under section 195. After the amendment, a non-resident can apply online in electronic form for a lower or nil TDS certificate under section 195 from the sum payable to a non-resident. This was subject to the rules to be prescribed by the CBDT in this regard. It amended the provisions of section 195 (2) to allow for prescribing the form and manner of application to the Assessing Officer and also for the manner of determination of the appropriate portion of sum chargeable to tax by the Assessing Officer. Once such sum or income is determined after the application is filed online in the prescribed form, tax shall be deducted under section 195(1) only on that proportion of the sum which is chargeable to tax. A similar amendment was also made in section 195(7) which is applicable to a specified class of persons or cases.

- The application is required to be made in Form 15E electronically.
- Form 15E shall be verified by digital signature or through electronic verification code (EVC).
- The Assessing Officer after examining the application so made in Form 15E, shall determine the sum that is chargeable to tax in India.
- The Assessing Officer shall be required to issue a certificate mentioning the appropriate proportion of such sum chargeable to tax.
- The Assessing Officer shall take into consideration the followings while examining the application-
  (i) tax payable on estimated income for the previous year in which application is filed
  (ii) tax payable on preceding four previous year's income
  (iii) outstanding demand under the Income Tax Act/Wealth Tax Act
  (iv) advance tax, TDS/TCS for the previous year in which application is filed

- The certificate shall be valid only for the payment to non-resident named therein and for such period of the previous year as may be specified in the certificate, unless it is cancelled by the Assessing Officer at any time before the expiry of the specified period.
- The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall prescribe the procedures, formats and standards for online filing of the application in Form 15E.

- **Registration Procedure u/s 12AB for Trust and Others- Jurisdiction for Online Registration and Cancellation**

The Central Board of Direct Taxes vide NOTIFICATION NO. G.S.R. 212 (E) [NO. 19/2021/F. NO. 370142/4/2021-TPL], DATED 26-3-2021, gives the Income-tax (6th Amendment) Rules, 2021. It shall come into force on the 1st day of April, 2021. It notifies the new registration procedure for Charitable Trusts and other institutions under section 12AB and section 10(23C) through Income-tax (6th Amendment) Rules, 2021.It further notifies the procedure for furnishing the statement of donation received by NGOs/Trusts under section 80G(5).

The new registration scheme for Charitable Trusts and others was first introduced in the statute by the Finance Act, 2020 and was made effective from 1st June 2020. However, due to the COVID-19 pandemic outbreak and consequent nation-wide lockdown, the registration procedure under new section 12AB was postponed and deferred to 1st October 2020. This was further deferred to 1st April 2021. Both the renewal of registration u/s 12A or section 12AA, as well as renewal of approval under section 80G, was deferred.Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 rationalized the procedure relating to approval/ registration/ notification of certain entities referred to in sections 10(23C), 12AA, 35 and 80G of the Act effective from 1st April 2021.

Under the new registration regime under section 12AB,it is provided that the registration will remain valid for a period of 5 years and shall be required to be renewed after every 5 years, unlike the present system of perpetual registration once granted.

- It amends Rule 5C and 5F
- It Substitutes Rule 2C, 11AA, 17A and Form no. 10A;
- It Substitutes Form No. 3CF for Form Nos 3CF-I, 3CF-II AND 3CF-III;
- It Inserts Rules 5CA & 18AB and Form Nos. 10AB, 10AC, 10AD, 10BD, and 10BE;
- It OmitsForm no. 56

The notification no 19 / 2021 has also introduced various forms for approval and registration as detailed below. These forms for application for registration or approval are required to be furnished to the Principal Commissioner or Commissioner authorised by the Board in this behalf

Form Name	Related Rules	Purpose
Form 10A	Rules 2C or 5CA or 11AA or 17A	Application for registration or provisional registration or intimation or approval or provisional approval
Form 3CF	Rules 5C, 5D, 5E and 5F	Application for registration or approval
Form 10AB	Rules 2C or 11AA or 17A	Application for registration or approval
Form 10AC	Rules 2C or 11AA or 17A	Order for registration or provisional registration or approval or provisional approval
Form 10AD	Rules 2C or 11AA or 17A	Order for registration or approval or rejection or cancellation
Form 10BD	Rule 18AB	Statement of particulars to be filed by reporting person under section 80G(5)(viii) and section 35(1A)(i)
Form 10BE	Rule 18AB	Certificate of donation under section 80G(5)(ix) and under section 35(1A)(ii)

Amendment in Rule 5C

Rule 5C is amended which deals with filing of an application for the purpose of grant of approval for the exemption u/s 35(1)(ii)/(iii)for scientific research association or university etc.The amended Rule 5C has substituted Form No. 3CF-I and Form No. 3CF-II with a new Form 3CF for application for approval u/s 35(1)(ii)/(iii). Now Form No 3CF is required to be furnished online electronically and shall be verified by the person who is authorised to verify the return of income under section 140 of the Act with digital signature (DSC) or EVC. If the return of income of the applicant is required to be furnished under digital signature, then furnishing Form 3CF with DSC is compulsory else the forms can be furnished with EVC.

New Rule 5CA inserted

It inserts new rule 5CA for filing of application for intimation under 5th proviso to section 35(1). The application for intimation under the 5th proviso shall be made in Form 10A.The Certain documents are required to be submitted along with Form No. 10A. Readers are requested to refer to detailed notification for specified documents to be submitted. Form Nos. 10A is required to be furnished online electronically and shall be verified in the similar manner as provided under Rule 5C above. On receipt of an application in Form No. 10A, the Principal Commissioner or Commissioner shall issue a sixteen-digit alphanumeric Unique Registration Number (URN) to the applicants.If, at any point of time, it is noticed that Form No. 10A has not been duly filled in by not providing, fully or partly, or by providing false or incorrect information or documents or by not complying with the requirements of Rule 5CA(3) or (4),then the Principal Commissioner or

Commissioner after giving an opportunity of being heard, may cancel the Unique Registration Number (URN) so issued and such Unique Registration Number (URN) shall be deemed to have never been issued.

Amendment in Rule 5F

Rule 5C is amended which deals with filing of an application for the purpose of grant of approval for the exemption u/s 35(1)(iia)for a scientific research company.The amended Rule 5C has substituted Form No. 3CF-III with a new Form 3CF for application for approval u/s 35(1)(iia).Form No 3CF is required to be furnished online electronically.Form 3CF shall be verified by the person who is authorised to verify the return of income under section 140 of the Act with digital signature (DSC) or EVC. If the return of income of the applicant is required to be furnished under digital signature, then furnishing Form 3CF with DSC is compulsory else the forms can be furnished with EVC.

Substitution of Rule 11AA

Rule 11AA is substituted with new rule. Rule 11AA deals withrequirements for approval of an institution or fund under section 80G(5)(vi).An application under clause (i) or clause (iv) of the first proviso to section 80G(5) for the grant of approval of a fund or institution shall be made in Form 10A. Where application is made under clause (i) or clause (iv) of the first proviso to section 80G(5), the application shall be made in Form 10AB.The Certain documents are required to be submitted along with Form Nos. 10A or 10AB. Readers are requested to refer to detailed notification for specified documents to be submitted. Form Nos. 10A/10AB is required to be furnished online electronically and shall be verified in the same manner as rule 5C above. The procedure as regard issue and cancellation of Unique Registration Number (URN) are also similar to as provided under rule 5CA above.

Where an application for approval is made by a new institution or fund under clause (iv) of first proviso to section 80G(5), the provisional approval shall be effective from the date of order in Form 10AC.Where an application is made in Form 10AB, the order of approval or rejection or cancellation shall be in Form 10AD and in case approval is granted, sixteen digit alphanumeric number Unique Registration Number (URN) shall be issued, by the Principal Commissioner or Commissioner.

Substitution of Rule 17A

Rule 17A is substituted with new rules. Rule 17A deals with application for registration of charitable or religious trusts, NGOs, etc. under sub- clause (i) or sub-clause(ii) or sub-clause(iii) or sub-clause(iv) or sub-clause(v) or sub-clause(vi) of clause (ac)of sub-section (1) of section 12A. An application under clause (i) or clause (vi) of section 12A(1)(ac) for the grant of approval of a fund or institution shall be made in Form 10A. Where application is made under clause (ii)/(iii)(iv) or clause (v) of section 12A(1)(ac), the application shall be made in Form 10AB. The certain documents are required to be submitted along with Form Nos. 10A or 10AB. Readers are requested to refer to detailed notification for specified documents to be submitted. electronically and shall be verified in the same manner as rule 5C above. The procedure as regard issue and cancellation of Unique Registration Number (URN) are also similar to as provided under rule 5CA above.

Where an application for approval is made by a new Trust under section 12A(1)(ac)(vi) during previous year beginning on 1st day of April, 2021, the provisional registration shall be effective from the assessment year beginning on 1st day of April, 2022.Where an application is made in Form 10AB, the order of registration or rejection or cancellation shall be in Form 10AD and in case registration is granted, sixteen digit alphanumeric number Unique Registration Number (URN) shall be issued, by the Principal Commissioner or Commissioner.

Insertion of New Rule 18AB

Rule 18AB is inserted in relation to Furnishing of Statement of particulars and certificate under section 80G(5)(viii)/(ix) or under section35(1A). it requires furnishing of statement of donation received and issue of donation certificates to the donors for claiming deduction from the gross total income. This notification has framed the rules for furnishing such statements and certificates of donation to donors.Such statements are required to be filed electronically from the financial year 2021-22. Statement of particulars required to be furnished by any research association, university, college or other institution or company or fund ("reporting person") under clause (viii) of sub-section (5) of section 80G or under clause (i) to sub-section (1A) of section 35 shall befurnished in respect of each financial year, beginning with the financial year 2021-2022, in Form No. 10BD and shall be verified in the manner indicated therein.The reporting person shall report the aggregate amount of donation received from each person in the financial year for which the statement is furnished.Where donation is received from more than one person, the proportionate amount of each person shall be reported. Where no proportion is specified by the donors, the same shall be proportioned equally.The statement of donation in Form 10BD is required to be furnished online electronically.Form No. 10BD shall be verified by the person who is authorised to verify the return of income under section 140 of the Act with digital signature (DSC) or EVC.

If the return of income of the applicant is required to be furnished under digital signature, then furnishing Form 10BD with DSC is compulsory else the forms can be furnished with EVC.The reporting person is required to furnish a certificate of donation (as referred to in clause (ix) of sub-section (5) of section 80G or in clause (ii) to sub-section (1A) to section 35), to the donor in Form No. 10 BE specifying the amount of donation received during financial year from such donor, beginning with the financial year 2021-2022.The certificate of donation in Form 10BE is required to be generated and downloaded from the income tax portal to be implemented by the Pr. DGIT/DGIT (Systems).The certificate of donation is required to be furnished to the donor on or before the 31st May, immediately following the financial year in which the donation is received.The statement of donations received in a financial year shall be required to be furnished by 31st May, immediately following the financial year in which the donation is received.

Readers are requested to read the detailed notification referred here in above.

GST UPDATES

Compiled by:

CA Nitin Dhanji Kenia CA Bharat Kalyanji Gosar

NOTIFICATIONS - CENTRAL TAX:

- **Notification No. 06/2021 - Central Tax dated 30th March, 2021.**

  An invoice issued by a specified registered person, whose aggregate turnover in a financial year exceeds five hundred crore rupees to an unregistered person shall have Dynamic Quick Response (QR) code. It is also provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code. This Notification seeks to waive penalty payable for non-compliance of this provisions between 01/12/2020 to 31/03/2021 subject to the condition that the said person comply with the provisions of the said Notification from 01/07/2021.

◆◆◆

PRINTED AND PUBLISHED BY MANOJ SHAH ON BEHALF OF C.V.O. CHARTERED AND COST ACCOUNTANTS' ASSOCIATION - 304, JASMINE APARTMENT, DADA SAHEB PHALKE ROAD, DADAR (EAST), MUMBAI - 400014. TEL: 022-24105987. **EDITOR:** RAMESH CHHEDA