



AKOLA BRANCH OF WIRC OF ICAI



NEWSLETTER

for the month of
MAY 2020

Torch Bearers Year 2020 - 21

The Institute of Chartered Accountant of India



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Chairman Message

Dear Members

My best wishes to all Members and Students on 60th Maharashtra Day

As we fight with global pandemic and we are heading towards lockdown 4.00 which might end till May end , however Akola Branch is doing its best for Members and Students by arranging webinars so that everyone is updated with latest development and sharpen their skills.

I am also glad to inform that Akola Branch through its Members have come forward ultimately to fight against COVID 19 and donated generously more than 1.5 Lakh to PM Care Fund and to ICAI Covid 19 Relief fund which will in turn donated to PM Care fund.

Akola Branch of WIRC salute efforts of Doctors Nurses Para Medical staff and Police who are putting their life in danger to keep us safe. We have interviewed couple of such warriors .

It is learned that Allotment of Bank Branch audit has commenced . To carry out Bank Branch Audit effectively ICAI has come out with new SOP/Guidelines due to arise of COVID 19 situation. I suggest members undertaking Bank Branch Audit to go through the guideline before you commence the Audit.

Taking benefit of Lockdown I suggest members to go through New Professional Ethics code will be applicable w e f 1/7/2020 .

Once lockdown is lifted/relaxed and we resume our offices I foresee many challenges such as disturbed office work, deciding upon work priority ,available of staff /articles, following social distancing norms in office .We should plan effectively for all this in advance for smooth functioning of office and work.

Chartered Accountancy Examination is postponed to July 2019 which was earlier scheduled to be held in May 2019.Members are requested to kindly take note of this.

Staff safe and Be at Home or Work from home till we resume some normalcy

CA Jalaj Baheti
Chairman Akola ICAI



Editorial Message

With the change in Financial Year, we hope the continuous fight against COVID-19 brings some change in its steady impact on the world's health and economy.

Swami Vivekananda said – *“the world is the great gymnasium where we come to make ourselves strong”*. It is time for us not to let feelings of distress overpower us, but to surge ahead by following the directions of government and follow professional medical advice. In testing times like this, I on behalf of the Institute convey my best wishes to one and all with prayer to almighty to keep you all safe and request you to take necessary precautions and keep your faith and hope alive. We need to derive strength from each-other and stand together as a community to overcome the challenges which humankind is going through currently.

The whole country stands united (with social distancing) against this dark time. Even our branch chairman has organized the Various webinars on planning documentation, IRACT, Frauds in Bank, Important analysis of financial data using excel and much more. It is time for us to take proper care of our families, spend quality time at home and persist to stay fit with online learning as COVID-19 has even hit many high profile persons through out the world.

Stay home, Stay safe - Happy Learning!!

CA PRASAD DESHPANDE

CORONAVIRUS COVID-19

Social Distancing

AVOID	USE CAUTION	SAFE TO DO
<ul style="list-style-type: none"> ● Group gatherings ● Visits to bars/restaurants ● Sleep overs ● Playdates ● Visiting the elderly with children ● Crowded retail stores ● Gyms ● Visitors to the home ● Non essential 	<ul style="list-style-type: none"> ● Visits to supermarkets ● Visit to pharmacy ● Visit to GP ● Traveling ● Check on friends and family safely ● Public transport 	<ul style="list-style-type: none"> ● Go for a walk ● Jogging ● Working in the home ● DIY in and around the home ● Reading ● Going for a drive ● Video calls

Covid Effect on India Economy



Compiled by: CA Saket Rathi

I remember the days when our government and honorable ministers were getting brutally trolled by a segment of society after this package was announced. The failure to understand government's standpoint and frustration of such people can be exposed when the troll army is asked about their understanding of the package and suggestions for improvements in the same. In an attempt to make it simpler to understand, I'm hereby compiling the package in non-technical terms. A birds-eye view of the package and some more analysis on the same should be helpful in understanding this stimulus given by government fully.

TRANCHE I :

Sr. No.	Description of relief	Amount (in crores)
1	Emergency W/C Facility for Businesses, including MSMEs	3,00,000
2	Subordinate Debt for Stressed MSMEs	20,000
3	Fund for Funds for MSMEs	50,000
4	EPF Support for Business & Workers	2,800
5	Reduction in EPF rates	6,750
6	Special liquidity Scheme for NBFC/HFC/MFIs	30,000
7	Partial Credit Guarantee Scheme for 2.0 for Liabilities of NBFCs/MFIs	45,000
8	Liquidity Injection for DISCOMs	90,000
9	Reduction in TDS/TCS rates	50,000
	TOTAL	5,94,550

TRANCHE II :

Sr. No.	Description of relief	Amount (in crores)
1	Free Food Grain Supply to Migrant Workers for 2 Months	3,500
2	Interest Subvention of Mudra Shishu Loans	1,500
3	Special Credit Facility to Street Vendors	5,000
4	Housing CLSS-MIG	70,000
5	Additional Emergency Working Capital through NABARD	30,000
6	Additional Credit Through KCC	2,00,000
	TOTAL	3,10,000

TRANCHE III :

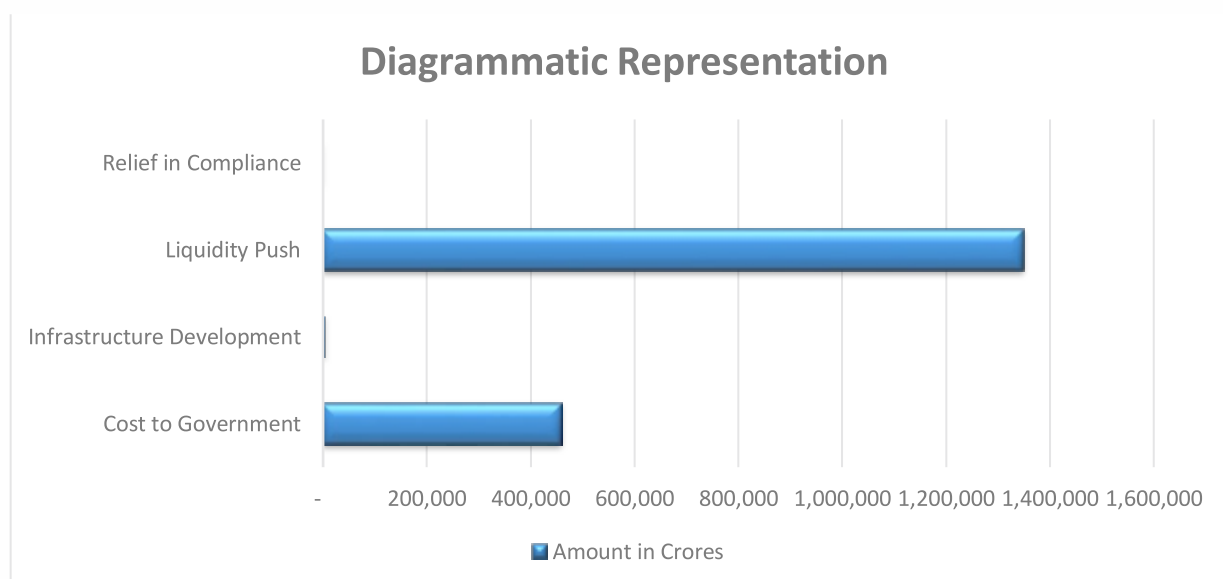
Sr. No.	Description of relief	Amount (in crores)
1	Food Micro Enterprises	10,000
2	Pradhan Mantri Matsya Sampada Yojana	20,000
3	TOP to TOTAL: Operation Greens	500
4	Agri Infrastructure Fund	1,00,000
5	Animal Husbandry Infrastructure Development Fund	15,000
6	Promotion of Herbal Cultivation	4,000
7	Beekeeping Initiative	500
	TOTAL	1,50,000

TRANCHE IV & V :

Sr. No.	Description of relief	Amount (in crores)
1	Viability Gap Funding	8,100
2	Additional MGNREGA Allocation	40,000
	TOTAL	48,100

TOTAL STIMULUS ANNOUNCED IN ALL TRANCHEs	11,02,650
EARLIER MEASURES BY GOVERNMENT INCLUDING PMGKP	1,92,800
RBI MEASURES TAKEN EARLIER TO COMBAT COVID-19 CRISIS	8,01,603
OVERALL STIMULUS UNDER THE ATMANIRBHAR PACKAGE	20,97,053

The above summary makes it avidly clear that the stimulus is addressed to all the sectors of the economy. If I have to divide the above package in categories, I would categorize them in following viz. liquidity push, infrastructure development, compliance relief and other schemes which are cost to government. I've made an attempt to draw a diagrammatic representation of the above package in terms of the categories listed above.



From the above diagram, it is very clear that the focus of government is on pushing liquidity in the market to break the inertia of lockdown. It is fundamental economics that demand can only be pushed by infusion of liquidity in the market and that is it impossible to get the ball of economy rolling without a steady demand in place.

Every action is subject to criticism. But in this case, the critics have missed out on few critical aspects which again unearths the lack of basic understanding and knack of pointless criticism developed by few people in our country. Below is the list of such critical aspects :

- Is the COVID – 19 situation in India totally under control?
- Have we found a cure / vaccine for COVID – 19?
- Under the present circumstances, how many people are ready to resume business as usual and take full responsibility of themselves and their families for any repercussions?
- What is the solution if this COVID -19 crisis deepens in the next few days?

The government has been careful and pragmatic in not opening the treasury doors and empty itself in a go. It understands that this is only the beginning of crisis and till the time mankind finds a remedy of this disease, the slowdown in economy will continue to exist. If government exhausts all its resources today, what would be the fate of people if the crisis deepens further? The prudence of government should be appreciated. There is always a scope for improvement which can be brought to the table by way of constructive criticism. This can be achieved only if you apply yourself in a pragmatic manner to understand the situations in sense and spirit.

To conclude, I would like to emphasize that this stimulus by the government under such testing times is nothing less than an assurance to us that the lender of last resort is vigilant and ready to help. The government will partner with us in this revival plan of economy and will share the burden with us. It has to been seen as the beginning of relief packages and measures taken by the government to strengthen the base of economy.



GST Updates



Complied by:
CA Apoorv Deshpande
Khamgaon

Detailed Analysis of FORM PMT-09: “A savior in disguise”

Background:

Ever since the inception of GST Law in the nation, the practitioners and taxpayers have alike, encountered many nuances and practical difficulties. Some of these have been promptly addressed while some have been long overdue. One of such measures which was being anticipated since a long time has finally seen the light of the day in form of “Form PMT-09” on 21/4/2020. Earlier in such cases, taxpayers can claim the refund of the amount which may have been deposited under the wrong head in GST by filing a refund application in FORM RFD-01 under the category “Excess balance in electronic cash ledger”. The process of filing a refund claim and its disbursement can sometimes lead to blockage of funds for the taxpayer. Earlier launched by CBIC via notification no. 31/2019 CT on 28th June 2019, PMT 09 is the prescribed challan for relocating the falsely or erroneously paid ITC. For example, if you have paid CGST instead of SGST, you can rectify it by using this form.

What this form facilitates:

The CBIC has recently introduced [Form PMT-09](#) for transfer of amount from one head to another head pertaining to the Electronic Cash Ledger. This enables a registered taxpayer to transfer any amount of tax, interest, penalty, etc. that is available in the electronic cash ledger, to the appropriate tax or cess head under IGST, CGST and SGST in the electronic cash ledger.

Hence, attributing to a mis-filled challan/ system glitch or any human error, which is bound to happen when operating and complying with a new system, if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using Form PMT-09 by reallocating the amount from the CGST head to the SGST head.

We can briefly understand the nature of the form as under:

- If the wrong tax has already been utilized for making any payment, then this form is not useful. This Form only allows transfer of the amounts that are available in the electronic cash ledger.
- For instance, in case an amount has been misreported in the GSTR-3B, there is no way to rectify the same as the [GSTR-3B](#) is non-editable. In such case, only an adjustment in the next month's return can be made.
- The amount once utilized and removed from cash ledger cannot be transferred interhead through this form.
- Major heads: Integrated tax, Central tax, State/UT tax, and Cess.
- Minor heads: Tax, Interest, Penalty, Fee and Others.

The filing procedure is as follows:

The procedure is explained step-wise:

1. Login to the Taxpayer's Account on the GST Portal
2. Click the Services > Ledgers > Electronic Cash Ledger
3. Click on "File GST PMT-09 For Transfer of Amount", then the following window is displayed with following details
 - > Cash ledger balance-available for transfer: In this table, we will able to view the balance available in an electronic cash ledger.
 - > Cash ledger balance-preview of updated balance: In this table, we will able to view the updated balance of cash ledger after updating the details as per the requirement (Under Major head / Minor head).
 - > Add record: In this table, we will enter the details in "Transfer amount from" and "Transfer amount to" column as per the requirement.
4. We need to enter the details in "Add record" table to proceed the Form.

This is practically demonstrated with the help of the following example:

Say, my electronic cash ledger balance is Rs. 1000 (Rs. 500 under CGST and SGST respectively) under tax head and I need to transfer the CGST amount in SGST head with same minor head i.e. tax. Let's see with the help of a screenshot:

- a. In Cash ledger balance-available for transfer , Rs. 1000 balance will be reflected under tax head.

As per the example I need to transfer the CGST amount in SGST head with same minor head i.e. tax. The following details I have entered:

Transfer Amount From: In this table, we need to enter the details of the head (Major,Minor and Amount available) from which amount needs to be transferred.

Transfer Amount to: In this table, we need to enter the details of the head (Major,Minor and Amount) where we need to transfer the amount.

iii. After entering the details in add record, amount will get updated in Cash ledger balance-preview of updated balance after clicking on save tab.

5. When we saved the details, the entered details will get reflected with processed records.
6. Click on "Proceed to file", then following screen is displayed.
7. Click on declaration box and select the authorized signatory.
8. Click on "File GST PMT-09" and enter the OTP.
9. The success message is displayed and ARN will received.
10. After successfully filing of PMT-09, amount will get updated to cash ledger.
11. A taxpayer can also view the filed PMT-09 with the same path (Services > Ledgers > Electronic Cash Ledger)and can be downloaded in PDF Format.

The CBIC has also issued an advisory to facilitate Filing the Form PMT 09 smoothly.

Company Law Updates



**Compiled by:
CA Prasad Deshpande**



1. Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme 2020

The Fresh Start scheme and modified LLP Settlement Scheme incentivize compliance and reduce compliance burden during the unprecedented public health situation caused by COVID-19. The USP of both the schemes is a one-time waiver of additional filing fees for delayed filings by the companies or LLPs with the Registrar of Companies during the currency of the Schemes
http://www.mca.gov.in/Ministry/pdf/Press_3003202_0.pdf

Key Features of the Scheme:

Valid from 1st April 2020 to 30th September 2020.

It gives longer timelines for corporates to comply with various filing requirements under the Companies Act 2013 and LLP Act, 2008 and also significantly reduce the related financial burden on them, especially for those with long standing defaults, thereby giving them an opportunity to make a “fresh start”.

It gives an opportunity to inactive companies to get their companies declared as 'dormant company' under section 455 of the Act by filing a simple application at a normal fee. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements.

The immunity is only against delayed filings in MCA 21 and not against any substantive violation of law.

NON-APPLICABILITY OF COMPANIES FRESH START SCHEME, 2020 (CFSS-2020):

Not apply in the following cases: -

Final notice for striking off the name of the company under section 248 of the companies act, 2013 already issued by the ROCs;

- The company made an application for striking off the name of the company from ROCs;

- Companies amalgamated under the scheme of compromise & arrangement;

- The company applied for dormant status under section 455 of the companies act, 2013 before the scheme introduction

Vanishing Companies;

Documents related to Increase in authorized share capital (Form SH -7);

- Charge related documents (CHG -1, CHG -4, CHG -8 & CHG -9);

Link to Schemes:

(a) Companies Fresh Start Scheme, 2020

http://www.mca.gov.in/Ministry/pdf/Circular12_300_32020.pdf

(b) LLP Settlement Scheme, 2020

http://www.mca.gov.in/Ministry/pdf/Circular13_300_32020.pdf

FAQs issued by ICAI:

(a) FAQs on the Companies Fresh Start Scheme:

<https://resource.cdn.icai.org/58908clcg48020.pdf>

(b) FAQs on the LLP Settlement Scheme, 2020 (Original and Modified):

<https://resource.cdn.icai.org/58902clcg48009llpfaq.pdf>

2. Special Measures under Companies Act, 2013 (CA- 2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak

Ministry of Corporate Affairs has announced series of measures for Companies and LLPs to support in Covid -19 outbreak. The measures are summarized

Sr. No.	Point	Relief Measure
1	Relaxation in filing of any document, return, statement etc., required to be filed in the MCA - 21, Registry	The MCA has decided to provide relief to all the Companies/ LLPs from additional fees for late filing during the period starting from 01st April 2020 to 30th September 2020, in respect of any document, return, statement etc. irrespective of the due date.
2	Relaxation in mandatory requirement of holding meetings of the Board of the companies	One time relaxation: For the next two quarters i.e. April- June and July - September the condition of maximum 120 days gap between two board meetings shall be 180 days.

3	Extension of filing of Commencement of Business Certificate for newly incorporate companies	An additional period of 180 is granted to the newly incorporated Companies to file a declaration for Commencement of Business i.e. now the period allowed is 180+180 days= 360 days.
4	Names reserved for 20 days for new company incorporation. Spice+ Part B needs to be filed within 20 days of name reservation	Names expiring any day between 15th March 2020 to 31st May would be extended by 20 days beyond 31st May 2020.
5	Names reserved for 60 days for change of name of company. INC 24 needs to be filed within 60 days of name reservation	Names expiring any day between 15th March 2020 to 31st May would be extended by 60 days beyond 31st May 2020.

3. Opportunity to regularize status of DIN and Companies

DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR -3KYC/DIR -3 KYC -Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification(ACTIVE) Eform are encouraged to become compliant once again in pursuance of the General Circular No. 11 dated 24th March, 2020 & General Circular No.12 dated 30th March 2020 and file DIR -3KYC/DIR -3KYC -Web/ACTIVE as the case may be between 1st April, 2020 to 30th September, 2020 without any filing fee of INR 5,000/INR 10,000 respectively

4. Covid-19 Disruptions –

Advisory on Accounting and Assurance related issues for F.Y - 2019 -20 ICA Issued an accounting and auditing advisory, with guidance on incorporating the impact of disruptions caused by COVID -19 on financial reporting and auditing.

The note provides guidance to companies and auditors on measuring impairment of assets, evaluating contingent liabilities and the ability of business to remain operational. The guidance note has also called on companies to evaluate whether they will be able to continue as a going concern.

<https://resource.cdn.icai.org/58829icai47941.pdf>



“A good book is the best of friends, the same today and forever”

ROC Due Dates



Compiled by:
CA. Prasad G. Deshpande

FORM	PARTICULAR	DUE DATE
DIR-3 KYC	KYC OF DIRECTOR	30/09/2020
DPT-3	Return of Deposit	30/09/2020
MSME-1	Form for outstanding payments to MSME	31/10/2020
AOC -4 (F.Y.19-20)	Form for filling financial Statement	29/10/2020 (AGM 30/09/2020)
MGT-7	Annual Return	28/11/2020 (AGM 30/09/2020)
ADT-1	Notice to register for appointment of Auditor	14/10/2020
CRA-2	Form of appointment of cost auditor by the company	Within a period of 30 days of the Board meeting or within 180 days of the commencement of Financial year, whichever is earlier
LLP-11	Annual Return of LLP	30/09/2020
LLP-8	Statement of Account & Solvency	30/10/2020
AOG-4 XBRL (FOR F.Y.1920)	Form for filling XBRL of financial Statement	29/10/2020 (AGM 30/09/2020)

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