

RAMA'S ANUBHAV

June 2019



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AUDIT | TAX | ERP | ADVISORY

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Abki Baar Tinso Paar...

the number of seats won by BJP in 2019 Lok Sabha election has not only surpassed the magical figure of 272 but reached to an unbelievable figure 303 seats beating their own performance of the last election of 2014.

This is the best example where one's deeds follow his words and most importantly even prediction on the election result is so accurate which is not less than a miracle for the world but a mere accomplishment of planned execution for him. Heartiest congratulations to the whole team of BJP and the most beloved and respected captain of the team our PM Mr. Modi.

Most of the people were expecting that the BJP's seats in 2019 over 2014 will witness a downfall due to increasing unemployment, recession as an offshoot of demonetization and GST but somewhere in this whole picture there was a ray of opportunity which our PM could see and convert it into a successful victory.

Our life is full of challenges and each one of them carries a ray of opportunity for us and it is up to us how we look at the picture, more precisely to pay attention to problems or find for

Court Complexes 39	District & Taluka Court Complexes 3093
HC Pending Cases 4.37 M	DC Pending Cases 29.95 M
HC Disposed of Cases 103.08 K	DC Disposed of Cases in Last Month 921.76 K
HC Cases Listed Today 14.07 K	DC Cases Listed Today 600.33 K

the ray of the opportunity. When a person from such a humble background can create records one after the other, there are many takeaways for us from his inspirational role model to bring remarkable changes in our life. Nowadays, we here less of political scams but more so of the corporate and business in the news where money has been siphoned off by the management, evasion of Tax / GST. Today, it is not only the fraudsters who are booked for the wrong deeds but also the auditors/ bankers/ other professionals who are in collusion are also strictly condemned. I am sure all of us have heard about many frauds and the loss incurred by various entities / financial institutions as the

victims. Do we know what is the judicious process to make up for the losses, to punish for breach of trust that brings the traumatic condition to the victim? I am sure all of us must have heard 'Tarikh pe Tarikh, Tarikh pe Tarikh' and that is how everyone has started perceiving about our judiciary system. Hence, most of the time people are not really inclined to know about judiciary process followed against such fraudsters or accused and the verdict thereof. It is true mainly due to insufficiency of judicial authority/personnel to handle the piled-up cases and new cases coming up on a daily basis. As per the statistics of 3rd June 2019, the number of new cases coming up is far larger in numbers as compared to the cases disposed of.



Just to brief you about some of the legal recourse available for filing of complaint against the accused of their wrongdoings and seek justice from the judicial authority.

1. One can file the FIR against the accused. If the section in which the FIR has been registered, all or one of them have the provision of imprisonment for more than 7 years then the police have to arrest the person against whom FIR is registered or the accused may surrender before court and file for grant of bail. On the basis of the complaint, the investigating officer will examine the informant as well as witness and accordingly file police report under section 173 Cr. P. C. Act. On the basis of his investigation, if the Investigation Officer (IO) finds merit in the complaint, he will prepare the charge sheet and if he does not find the case fit for further proceeding, he will present his report accordingly to the court. In such a case, the complainant has the option to file a protest against the IO report within a specified time period.

1. Besides, as per section 212, (1) of the Companies' Act, 2012 the central government may assign investigation into affairs of the company to the **serious fraud investigation officer** on the receipt of report of registrar, on intimation of special resolution passed by company for investigation, in public interest or request from department of Central/State government.
2. One can approach for arbitration for an amicable solution of dispute between both the parties. In case of cases up to Rs. 5 crores, the matter is investigated by Police whereas cases above Rs. 5 Crores rests with Economic Offence Wing. But considering the time taken in various investigations and legal proceedings having complex processes most of the people have their serious doubts about getting timely justice. With the second term, citizens of India look forward to the ruling government for strengthening the existing judiciary system to repose their lost faith. So we all look forward to witnessing such change in coming time and more importantly we

should bring the change by discharging our duties more consciously in providing the Risk Advisory service that acts as fraud deterrence and prevention. As with the change in law and regulatory framework, a lot of responsibility has been conferred upon the professionals and it is our duty that we discharge it with complete sincerity and wisdom.

Wishing best of luck to all my colleagues who are appearing for the upcoming IPCC / Final CA examination.

-Vishal Mandani



WELCOMING THE AMENDED SECTION 9(4) OF CGST ACT, 2017 AMIDST CONFUSIONS AROUND OLD

Post the rescinding of **Notification No (NN) 8/2017 - Central Tax (Rate) [CT (R)]**, there is a wide misconception that the draconian Section 9(4) is back with full rigor. Before we come to any conclusion on this front, let us analyse and read the events related to it in chronological order:

Section 9(4) - The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both

Main Notification:

NN 8/2017 - CT (R) - Exempts levy of CGST on intra-State supplies of goods or services or both received by a registered person from an unregistered supplier under section 9(4) of the Central Goods and Services Tax Act, 2017.

Provided that the said exemption shall not be applicable where the aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who are or are not registered, exceeds five thousand rupees in a day.

Subsequent Notifications:

NN 38/2017 - CT (R) - Deletion of the proviso in NN 8/2017 (**After deletion of this proviso, what remains is the main text of NN 8/2017**)

Extension of NN 8/2018 till 31st March 2018

NN 10/2018 - CT(R) - Extension of NN 8/2018 till 30th June 2018

NN 12/2018 - CT(R) - Extension of NN 8/2018 till 30th September 2018

NN 22/2018 - CT(R) - Extension of NN 8/2018 till 30th September 2019

NN 1/2019 - CT (R) - Rescinds the NN 8/2017 - CT(R), dated the 28th June 2017, effective from 01/20/2019 except as respects things done or omitted to be done before such rescission.

Since the original NN 8/2017 is rescinded, it is safe to say that NN 28/2018 which had exempted Section 9(4) till 30th September 2019 stands rescinded as well.

Upon reading of Section 9(4) with NN 8/2017 (Main Notification) and NN 1/2019 - CT (R) it is clear that section 9(4) is applicable from 01/02/2019.

However, we must also appreciate that by Press Release dated January 10, 2019, the GST Council has notified 01st February 2019 as the effective date for applicability of CGST (Amendment) Act, 2018. It means that from 01/02/2019, what comes into effect is the



amended Section 9(4) and NOT THE OLD SECTION 9(4).

Amended Section 9(4) reads as - The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both."

Conclusion:

"This means that the amended section 9(4) applies on to specified persons and NOT TO ALL TAXPAYERS in general. In the absence of any specified persons, we can reasonably say that this section won't play any role in determining GST Liability for taxpayers at present."

-Kartik Dave



HOW COGNITIVE TECHNOLOGIES ARE SHAPING THE FUTURE OF ERP SOFTWARE

Cognitive technologies are products of the field of artificial intelligence. They are able to perform tasks that only humans used to be able to do. These platforms include machine learning, language processing, speech and visual recognition, interaction and many other technologies. Microsoft already started working on cognitive technologies to integrate with ERP to produce better result for future technology evaluation. The goal of Microsoft is to create more personal data processing and improved productivity solely with the help of intelligent systems that are constantly getting better and better to see, speak, hear, understand, and even start to reason, which means even to think or consider, and therefrom draw logical inferences.

Automatic analysis and categorization in NAV 2018 :That Dynamics NAV 'Tenerife' (NAV 2018) will build on Azure based cognitive services means that the solution will be able to identify images and place them in the right context and with the related entities. For example, an image of a given item will automatically be analysed to determine which category is best suited to the item. The service can also be used to analyse a

photo of a person, such as one of your employees, and evaluate and categorize the person by sex and age. New integration opportunities with cognitive technology in Microsoft Nav

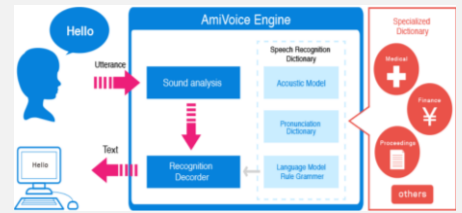
Besides an increased focus on cognitive services in NAV 2018, there will be also added completely new integration options in the latest version of Navision. For example, the Office 365 booking app can be integrated into NAV 2018, resulting in more streamlined billing process and furthermore supports PayPal as a payment service.

Face recognition : This technology automatically recognizes faces in photos, groups faces that look alike and verifies whether two faces are the same. It can be used for things like easily recognizing which users are in certain photos and allowing a user to log in using face authentication.



Speech processing: This technology can recognize speech and translate it into text, and

vice versa. A developer might use it for hands-free tools such as the ability to dictate text or to have an automated voice read out instructions. There is no need to use keyboard in future to entering data into ERP just speak in front of system.



Visual tools: This service can analyse visual content to look for things like inappropriate content or a dominant colour scheme. It also can detect and understand text in photos, such as a team name, and can sort photos by content, such as pictures of beaches, animals or food. Finally, it can automatically edit photos down to a recognizable and useful thumbnail for easy scanning.

Be ready for future technology.

-Rakesh Borigam



What is Zero Rated Supply

In any country, the export of goods and services plays a major role in maintaining a country's economic growth. Therefore, in order to boost the same, the government provides such businesses with certain reliefs and perks. One such relief provided in the Indian Taxation system; GST is Zero-Rated Supplies.

When is a Zero-Rated Supply applicable

In India, GST is not applicable to any exports, which makes all the exports in India, Zero Rated Supplies. As per Section 16 of the IGST Act, zero-rated supply is applicable in case of following supplies of goods and services:

- Export of goods or services or both;
- Supply of goods or services or both to a Special Economic Zone developer
- Supply of goods or services or both to a Special Economic Zone unit.

Difference Between Exempted, Zero Rated, Nil Rated and Non-GST.

The Difference between exempted supplies, Zero-Rated Supplies, Nil Rated Supplies and Non-GST supplies are as follows:

• Exempted

Applicable for Good and services that come under basic essentials for living and are exempted under GST to attract any tax on their supplies in India.

• Zero-Rated

Applicable on the supply of goods and services overseas and to Special Economic Zones and attract a GST of 0%. A registered exporter under GST can claim ITC available on such supply of goods and services

• Nil Rated

Applicable on goods and services supplied within Indian boundaries and attract a GST of 0%. Input tax credit can be claimed on such supplies.



• Non-GST

Supplies which don't come under the scope of the GST are termed as Non-GST supplies. However, other tax can still be applicable to supply of such goods and services as per the jurisdiction of the state or the country.

• GST Refund for Zero Rated Supply

Although, the exported supplies are accounted as zero-rated supplies, the goods and services used by the supplier may not be exempted from any tax. Thus, the supplier shall be eligible to claim input tax credit in respect of such goods or services used for the supplies

Under GST, an exporter claiming a refund on account of 'zero-rated' supplies can choose between the following 2 options



Export the goods or services without making payment of IGST under a bond/LUT and claim a refund of the accumulated ITC.

- Export the goods and services by paying IGST and claim a refund of the same.

Refund procedures for Export of goods

Under GST, the refund procedure for Zero-Rated Supplies does not require a filing of any refund application (GST RFD-01) separately. The registered supplier can use the shipping bill as a refund claim in itself.

As per the GST law, the shipping bill under consideration as a refund claim is required to fulfil the following two conditions:

- A person carrying the export goods should file an export manifest;
- Applicant should have filed his GSTR-3B returns appropriately.

Once the above two conditions are met, the refund process can be initiated by the department.

Refund procedures for Export of Services and Supplies to SEZ

The exporter can pay IGST and claim the refund under GST. In this case, the refund claim has to be filed in Form GST RFD-01. While filing for his/her refund claim, the exporter is also required to file the followings:



- A Statement containing Number and Date of Invoices;
- Bank Realization Certificates / Foreign Inward Remittance Certificates
- In case of SEZ supply, the exporter is required to file the following along with the refund claim:
 - A Statement containing Number and Date of Invoices; and
 - Proof of Receipt of goods or services which is authorized by the specified officer of SEZ
 - Details of payment made
 - The declaration that the SEZ or developer of SEZ has not claimed the input tax credit of the taxes paid by the supplier

5. Provisional Refund

The exporters and suppliers of SEZ are entitled to a 90% refund on a provisional basis. The applicant shall be granted his/her provisional refund within 7 days of the refund claim and the same shall be credited directly to the applicant's bank account. However, the exporter cannot avail his/her provisional refund if he/she has been prosecuted for any offence under the GST law or earlier law in the last 5 years.

-Shruti Ghadigaonkar



I'll share how creativity works, how to find your hidden creative genius, and how to create meaningful work by learning how to make creative thinking a habit. I've tried to present the basics of everything you need to know to start mastering creativity, even if you don't have much time. At the end of this page, you'll find a complete list of all the articles I have written on creativity.

What is Creativity?

Creative thinking is not about generating something new from a blank slate, but rather about taking what is already present and combining those bits and pieces in a way that has not been done previously.

Is There Such a Thing as 'Naturally Creative'?

While we often think of creativity as an event or as a natural skill that some people have and some don't, research actually suggests that both creativity and non-creativity are learned.

According to psychology professor Barbara Kerr, "approximately 22 percent of the variance [in creativity] is due to the influence of genes."

This discovery was made by studying the differences in creative thinking between sets of twins.



All of this to say, claiming that "I'm just not the creative type" is a pretty weak excuse for avoiding creative thinking. Certainly, some people are primed to be more creative than others. However, nearly every person is born with some level of creative skill and the majority of our creative thinking abilities are trainable.

How to Be Creative?

Step 1: Give yourself permission to create junk

In any creative endeavour, you have to give yourself permission to create junk. There is no way around it. Sometimes you have to write 4 terrible pages just to discover that you wrote one good sentence in the second paragraph of the third page.

Creating something useful and compelling is like being a gold miner. You have to sift through pounds of dirt and rock and silt just to find a speck of gold in the

middle of it all. Bits and pieces of genius will find their way to you, if you give yourself permission to let the muse flow.

Step 2: Create on a schedule

No single act will uncover more creative genius than forcing yourself to create consistently. Practicing your craft over and over is the only way to become decent at it. The person who sits

around theorizing about what a best-selling book looks like will never write it. Meanwhile, the writer who shows up every day and puts their butt in the chair and their hands on the keyboard — they are learning how to do the work.

If you want to do your best creative work, then don't leave it up to choice. Don't wake up in the morning and think, "I hope I feel inspired to create



something today." You need to take the decision-making out of it. Set a schedule for your work. Genius arrives when you show up enough times to get the average ideas out of the way.

Step 3: Finish something

Finish something. Anything. Stop researching, planning, and preparing to do the work and just do the work. It doesn't matter how good or how bad it is. You don't need to set the world on fire with your first try. You just need to prove to yourself that you have what it takes to produce something.

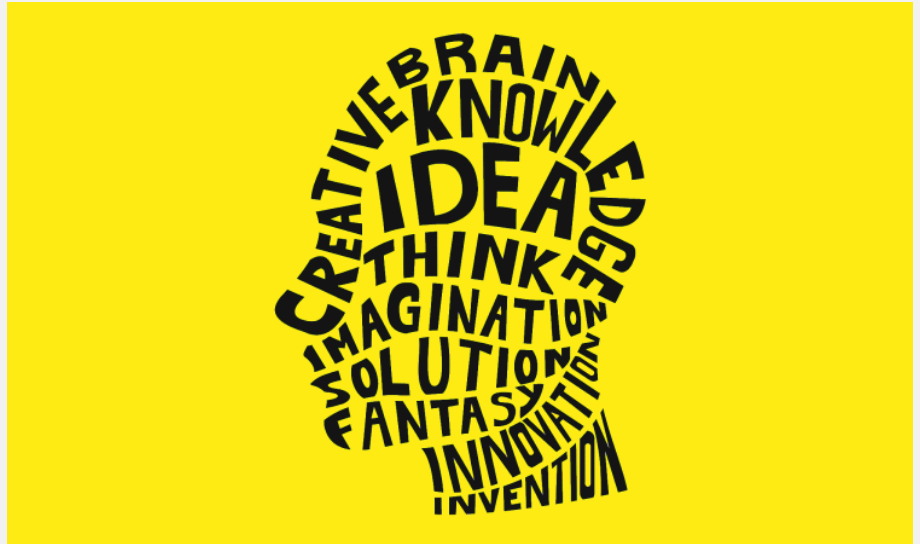
There are no artists, athletes, entrepreneurs, or scientists who became great by half-finishing their work. Stop debating what you should make and just make something.

Step 4: Stop judging your own work

Everyone struggles to create great art. Even great artists.

It is natural to judge your work. It is natural to feel disappointed that your creation isn't as wonderful as you hoped it would be, or that you're not getting any better at your craft. But the key is to not let your discontent prevent you from continuing to do the work.

You have to practice enough self-compassion to not let self-judgement take over. Sure, you



care about your work, but don't get so serious about it that you can't laugh off your mistakes and continue to produce the thing you love. Don't let judgment prevent delivery.

Step 5: Hold yourself accountable

Share your work publicly. It will hold you accountable to creating your best work. It will provide feedback for doing better work. And when you see others connect with what you create, it will inspire you and make you care more.

Sometimes sharing your work means you have to deal with haters and critics. But more often than not, the only thing that happens is that you rally the people who believe the same things you believe, are excited about the same things you are

excited about, or who support the work that you believe in — who wouldn't want that?

The world needs people who put creative work out into the world. What seems simple to you is often brilliant to someone else. But you'll never know that unless you choose to share.

How to Find Your Creative Genius

Finding your creative genius is easy: do the work, finish something, get feedback, find ways to improve, show up again tomorrow. Repeat for ten years. Or twenty. Or thirty.

Inspiration only reveals itself after perspiration.

-Mahima Oza



A Crypto Currency is a digital or virtual currency that uses cryptography to secure, create & control its transactions. Unlike traditional currencies, which are issued by central banks, crypto currency has no central monetary authority. Bitcoin is the first crypto currency which came to public notice in 2009. Following numbers of other crypto currencies, such as Ethereum, Ripple, Litecoin, Cardano etc. exist in the market. Crypto currency can be exchanged for other currencies, products, & services.

Key facts:

- The total crypto currency market capitalization increased more than 4X since early 2016.
- The current number of unique active users of crypto currency wallets is estimated to be between 2.9 million & 5.8 million.
- Bitcoin is the most widely supported crypto currency among exchanges, wallets & payment companies. The leading crypto currencies are Ethereum, Bitcoin Cash, Litecoin, & Ripple.
- Vanuatu, a Pacific Island Nation, located in the South Pacific Ocean became the first nation to accept Bitcoin in Exchange for as payment for its citizenship program.



- While countries such as the United States, Canada, Australia, Japan, India, Hong Kong, etc. allow trade & investments in crypto currencies; there are countries such as Algeria, Egypt, Saudi Arabia, Iran, Pakistan, China, etc. where crypto currencies are totally banned.

How does a Crypto Currency work?

The technology behind Crypto functioning is known as Blockchain. A Blockchain is a public ledger that keeps records of all prior bitcoin transactions. These data units or blocks use cryptographic validation to link themselves together. The entire network is used to monitor & verify both the creation of native tokens through mining, & the transfer of tokens/coins between users.

Miners are individuals or organizations who, with the use of powerful computers carry out mining process. Mining is the process by which transactions are verified & added to the public ledger, block chain, & also the means through which new coin are released.

Advantages:

- As a decentralized currency, Crypto currency cannot be manipulated by governments & central authorities of any country.
- Unlike bank transactions, Crypto transactions are completely anonymous. A person can only know the addresses of crypto on which the payment has been sent & received. But to whom these addresses belong cannot be identified. This anonymity feature



- offers security against fraud & identity theft.
- Due to dramatic rise in its popularity among the masses it is gaining wide acceptance as a payment method.
- The fee for crypto transactions is relatively low as compared to other digital transactions such as credit cards & other modes.
- The mechanism behind crypto generation is highly complex which prevents duplication or creation of fake currency.

Disadvantages

- Highly unstable in nature, huge price change over a short period, of crypto poses a serious question to consider it as a future currency.
- With government of different countries having different attitudes towards considering crypto currency as a legal tender, people unaware of its mechanism consider it to be a risky investment.
- The anonymous nature of crypto transaction attracts its usage for illegal & illicit activities such as tax evasion, weapons procurement, gambling etc.
- Crypto transactions are irreversible in nature. Funds sent to a wrong address cannot be traced back & result in loss of all the transferred



- money.
- If the storage device in which crypto currencies are stored gets damaged or lost. Then the lost Bitcoins cannot be recovered by any means.

Crypto Currency Rates as of 13th-May-2019

Crypto Currency	Rates in USD	Rates in INR
Bit-Coin	\$ 7,061.29	496,691.14
Ethereum	\$ 185.75	13,065.66
Lite-Coin	\$ 87.63	6,163.89
Sky-Coin	\$ 1.07	75.26
Ripple	\$ 0.31	21.81
Cardano	\$ 0.07	4.92

Legality of Crypto Currency by country or territory

- The legal status of Crypto instruments varies substantially from Country to

Country & is still undefined or changing in many of them. Whereas the majority of countries do not make the usage of bitcoin itself illegal, though its status as money (or a commodity) varies, with differing regulatory implications. While some Country has explicitly allowed its use & trade, others have banned or restricted it. **For References:**

- Cryptography is associated with the process of converting ordinary plain text into unintelligible text and vice-versa. It is a method of storing and transmitting data in a particular form so that only those for whom it is intended can read and process it.

-Farhan Parkar



Ankush Jaiswal- 05th -June

Bhagyashree Sawant- 06th -June

Mittal Sarvaiya- 07th -June

Dinesh Mali- 08th-June

Mahima Oza- 18th -June

Nitin Champawat- 20th -June

Macwin D'souza- 27th -June

Mr. Mohit Maheshwari

Ms. Hiral Chandan

Mr. Akhilesh Yadav

***Thank You
&
Goodbye***

Until Next Time



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