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AUDIT | TAX | ERP | ADVISORY

RAMA's
anubhav

August Edition- 2020

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Priya Mishra– Editor, Communicator/ **Nammika Giddi** - Creative & Art work

Dear Professional Colleagues,

Hope you are safe and taking due care of your family and loved ones!

We all know about the sad news happened Last month, Our Founder, Mr. Ram Agarwal has lost his father on which Ram Sir please accept Team RAMA's Condolence for the huge loss.

It's my first editorial! Feels honoured. Thanks, TEAM RAMA for giving me this opportunity. We are in the mid of August-2020 and Number of COVID cases in India has risen to around 2 Million and still India is fighting with CORONA. Lets talk about **"So called Lockdown"**, why I am saying so called lockdown, even though it is lockdown but you would see, people roaming around for things which are not necessary. Also, now there is no control mechanism over this by government. Unlock is necessary as there are 80% Population in India which are below poverty line and most of them are daily wagers having current mind-set of death either

by Corona or by Hunger so people choose to work rather than being jobless in order to survive in this devastated period. As it is said, "health is wealth" which is proved again and again in this pandemic period so taking precaution should be the first priority at the moment. .

Few precaution to fight back against COVID -19

1. Maintain Your Distance
It is difficult to identify who is infected and who isn't, so avoid close contact with people around you. If someone around you is coughing or sneezing, try to maintain a distance of 1 meter and cover your mouth and eyes. Since the disease spreads from person to person through the liquid droplets that are sprayed when someone sneezes or coughs, doing this can prevent the virus from entering your body.

2. Seek Medical Care Early

If you or someone you know is showing symptoms like cough, fever, or difficulty breathing, visit a doctor as soon as possible. If you are a senior with a history of

pneumonia or have symptoms of pneumonia, you need to be on the watch and report to your doctor for necessary tests. By doing so, you will protect yourself and also help prevent the spread of the virus.

3. Stay Informed and Updated

Keep a check on Coronavirus updates in your locality. Avoid parts of the city that have confirmed cases of the disease. Gather information through reliable sources like the World Health Organization or local podcast channels (and not WhatsApp videos) about current prevention methods that have been put in place and follow them. National and local authorities have the most up-to-date information on the situation in your locality.

4. Practice Food Safety

Have separate cutting boards for meat and vegetables and clean them regularly with soap. Wash your hands after handling raw food and before consuming

cooked food. Do not eat food from restaurants or stalls that don't have basic hygiene facilities like hand wash or sanitizer. Only consume meat products that have been thoroughly cooked because the heat kills the germs that may be present.

5. Travel with Caution

Avoid public transport that is crowded and carry tissues to cover your mouth when you cough or sneeze. Put used tissues only inside dustbins, don't throw them outside.

Avoid travelling altogether if you're showing symptoms like cough, fever, or cold. Avoid touching your eyes, mouth and nose while you are outside. Wear face masks in crowded regions, don't touch your mask with your hands once you've put it on.

6. Get Your Questions Answered
It is understandable if you feel anxious about the outbreak. Get facts from credible sources and take reasonable precautions by

accurately determining the risk. The World Health Organization (WHO), your healthcare provider, and your national public health authority are ideal sources of accurate information on COVID-19.


7. Wash Your Hands Frequently

There is no cure for COVID-19 yet. But the best way to counter the disease for now is to wash your hands with soap regularly.

Wash hands before eating, after sneezing, or coughing, and after coming in contact with someone who shows symptoms. Washing your hands properly can help you stay disease-free.

8. Carry A Sanitizer

Alcoholic hand rubs or sanitizers are the most convenient hygiene measure you can take. It is an effective and practical way to keep your hands clean in public places without getting your hands wet. Buy sanitizers that contain 60 to 95% alcohol.
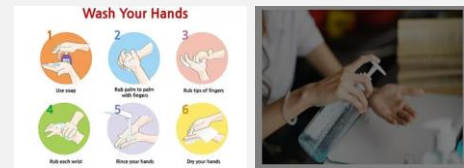
9. Use A Facemask

If you live in a region that has reported cases of COVID-19, consider wearing a Facemask before heading out. A face mask gives you basic protection against airborne germs and infections. Especially in crowded places and public transport, a Facemask is a necessary step whether you are showing symptoms or not.

10. Disinfect Your Home
Wash your bedsheets and towels. Wipe down counters, tabletops, doorknobs, bathroom fixtures, toilets, phones, keyboards, tablets, and bedside tables every 2 days. Keeping your house tidy gives you a safe space from infections.

11. Avoid Pets and Animals

If you have symptoms including coughing, sneezing and fever, avoid contact with pets and other animals. Although there have not been reports of pets or other animals becoming sick with COVID-19, it is important to take precautions.

12. Don't Share Common Household Items

Avoid sharing dishes, drinking glasses, cups, eating utensils, towels, bedding, or other items with family members. If a patient uses these items, wash them thoroughly.

By including these simple precautions against COVID-19 in your daily routine, you can reduce the chances of getting infected.

If you are living in India, things may not turn out to be so bleak, though. Some experts surmise that India's hot and humid weather can be a defence against COVID-19, and it's heartening to see states like Kerala (that contained the deadly Nipah virus) leaving no stone unturned in its battle against the coronavirus.

There is always the threat of silent transmission of illnesses, and no estimate is present as to when a COVID-19 cure will be found. However, by staying hygienic and following simple steps like washing your hands, you would be doing your best to keep yourself and your family safe.

Lastly, I will say, this is not the end of life but these are some bad times where we have to live it happily and go ahead.

-Rohan Matra

Yes, it is proud to have a CA Degree but apart from this There is enormous benefits of having ICAI membership. Which include financial and educational as well.

Financial support to members if they are corona positive.

The Managing Committee of the Chartered Accountants Benevolent Fund (CABF) ICAI has considered the difficulties being faced by Members in the time of pandemic and has decided to grant Medical Financial Assistance to the Members and their dependents suffering from CORONA.

This help is going to be available to the Members and their dependents who are in distress and need financial assistance for treatment of Corona disease. The financial assistance will be up to INR 1.5 Lakhs and will be returnable to CABF in full, if it is not utilized for treatment of CORONA.

For detailed information please mail to covidassistance@icai.in.

Working Capital / Loan need (only for CA in Practice)

The committee for members in Practice (CMP) has taken initiative to bring out the Term Loan facility

for the practitioners as under:

(a) Minimum Loan amount Rs. 2 Lakhs and max Rs. 30 lakhs

(b) No collateral security or processing fee

(c) Takeover of high cost loans

Discount in Motor vehicle insurance

The motor Vehicle Insurance is a customized product offered by New India Assurance Company Ltd. for ICAI. The Motor Vehicle Insurance is basically designed for the members but also has been extended to the students and employees of ICAI.

The Institute of Chartered Accountants of India has recently entered into MoU with New India Assurance Co. Ltd for Motor Vehicle Insurance arranged by The Committee for Capacity Building of Members in Practice, ICAI. The motor Vehicle Insurance is a customized product offered by New India

Assurance Company Ltd. for ICAI. The Motor Vehicle Insurance is basically designed for the members but also has been extended to the students and employees of ICAI.

The Motor Vehicle Insurance for which MoU is being executed has following value added features:

- Unique Offer of 65% discount (on erstwhile Tariff Rate) for both Private car and two Wheeler

- Online application through making payment by credit card and Internet Banking

For detailed visit http://icai.newindia.co.in

Discount in purchase Quick Heal Total Security

ICAI in order to enable members to have access to antivirus software, has tied up with Quick Heal technologies Pvt. Ltd. Pune for providing access to Quick Heal Total Security at a special discounted price of Rs. 1200/- plus applicable taxes from January 1, 2018 to December 31, 2020 for single user for a period of 3 years for the Members & students of ICAI.

The aforesaid antivirus software protects the laptops and desktops and provides protection against all kinds of Internet or network-based threats. Upon installation, it acts as a shield against viruses, worms, trojans, spywares and other malicious threats. It also provides security against new and unknown threats with the antivirus software's DNAScan® Technology etc.

Members can get coupon code to buy Antivirus by mailing to ccbcaf.software@icai.in with the subject line "Coupon Code for Anti Virus software".

ACCA (Association of Chartered Certified Accountants)

An Indian Chartered Accountant can get up to 9 exemptions out of 13 papers of ACCA (from F1 to F9). You can directly start your qualification at the professional level become an ACCA by only passing the 4 papers.

For more details visit https://www.accaglobal.com/

-**Praval Singhal**

What is ERP

Enterprise resource planning (ERP) is a system of integrated software applications that standardizes, streamlines and integrates business processes across finance, human resources, procurement, distribution, and other departments. It is used to plan, control and monitor resources such as equity or materials as well as business processes of a company efficiently and in a strategic way. Typically, ERP systems operate on an integrated software platform using common data definitions operating on a single database.

Why ERP

ERP systems improve enterprise efficiency and effectiveness in a number of ways. An ERP systems centralized database, while being a bigger target, is easier to secure than data scattered across hundreds of systems. Some of the key features of an ERP are : -

Enterprise-wide integration - Business processes are integrated end to end across departments and business units

Real-time (or near real-time) operations - Problems are identified quickly, giving the seller more time to correct the situation.

A common database - Common database enables data to be defined once for the enterprise with every department using the same definition.

Consistent look and feel – Most ERP vendors restore the consistent user interface.

Types of ERP

ERP systems are categorized in tiers based on the size and complexity of enterprises served.

Tier I ERPs support large, global enterprises and handle all internationalization issues, including currency, language, alphabet, postal code, accounting rules, etc. Oracle, SAP, Microsoft and Infor have been considered Tier I.

Tier I Government ERPs support large, mostly federal, government agencies. These vendors support the nuances of government accounting, HR, and procurement. Oracle, SAP and CompuServe's PRISM are considered Tier I.

Tier II ERPs support large enterprises that may operate in multiple countries but lack global reach.

Tier II Government ERPs focus mostly on state and local governments with some federal installations.

Tier III ERPs support mid-tier enterprises. Most handle a handful of languages and currencies but only a single alphabet.

Tier IV ERPs are designed for small enterprises and often focus on accounting.

ERP Modules

An ERP system usually consists of different modules. These are subsystems that can also be combined with each other. Each module represents a specific department of the company. The individual modules are then connected to each other and to a central database. In this way, it is possible to manage corporate processes efficiently and in a timely manner across departments.

Typical ERP modules include: (a)Procurement, (b)E-commerce, (c)Logistic, (d)Warehouse and Inventory Management, (e)Accounting and financial management, (f)Supply chain management.

ERP Software Providers

Choosing an ERP system is among the most challenging decisions IT leaders face, there is no standard solution. The system must be suitable for the respective company and be able to represent the business strategy. This makes it all the more important for companies to be aware in advance of their requirements and to communicate them clearly afterwards.

The most widely known providers include the following:

SAP has the largest market share - both in Germany and worldwide. This ERP system is aimed primarily at large companies and is available as an on-premise application and as a subscription solution in the cloud.

Oracle a database expert, also has successful ERP systems, including popular cloud solutions.

Sage has decades of experience. The Enterprise Resource Planning (ERP) systems are aimed at medium-sized businesses.

Microsoft is also an old hand in the field of software development. With "Dynamics", the company also offers an enterprise resource planning system among their brand products. This variant is also aimed at SMEs.

ERP Implementation

Companies should be aware of the importance of through preparation and introduction to the enterprise resource planning system for their business success. The following phase model of the ERP introduction in 8 steps is provided by Software Lotse and assumes that a suitable provider has already been selected.

Step 1 - Specifications: The specifications briefly and concisely reflect the needs and wishes of individual departments and are compiled by them individually.

Step 2 - Requirements: Together with representatives of the departments, the provider clarifies in workshops to what extent the specifications can be implemented. This is how the requirements are specified.

Step 3 - Installation of a test system: Employees can familiarize themselves with ERP by using a test system. It is advisable to use company test data that already exists.

Step 4 - Set-up of the ERP system: The ERP system is set up and adapted to the company's needs. Decisions determined by the specifications are now being implemented.

Step 5 - Data preparation for the implementation: Master data and other data from the old system is prepared for the ERP system and cleaned up in the meantime.

Step 6 - Training and documentation: The users of the company should receive extensive training so that they can benefit from best possible know-how. It is recommended to motivate these users to create their own documentation.

Step 7 - Data import: The data prepared and cleaned in step 5 is imported into the new system.

Step 8 - Live operation: The enterprise needs to switch from the old system to the new system.

Final Thoughts

ERP helps improve the financial performance of your organizations, reduce costs, and increase revenue. By connecting partners, customers, and employees through the Cloud, ERP provides businesses a competitive edge that also enhances security and customer experiences.

-Avik Datta

A)   Notification No 61/2020 –

Central Tax Dated 30th July, 2020 enhancing threshold for preparing E-Invoice to Rs **500 Crores**. Earlier the authority had said that the limit for preparing E-Invoice was Rs 100 Crores. However, irrespective of the turnover, e-invoicing shall not be applicable to the following categories of registered person:

1. SEZ Unit (Exempted vide Notification No. 61/2020-CT dated 30.07.2020)

2. Insurer or a banking company or a financial institution, including a NBFC;

3. A Goods Transport Agency;

4. A registered person supplying passenger transportation service; and

5. A registered person supplying services by way of admission to the exhibition of cinematograph films in multiplex screens

The provisions shall come into effect from **1st October, 2020**.

B)   Notification No. 60/2020–

30th July, 2020 revised Format/Schema for e-Invoice under GST by replacing existing FORM GST INV-01 with new FORM GST INV-1.

Format/Schema for e-Invoice (Rule 48)

Note1: Cardinality means whether reporting of the item(s) is mandatory or optional as explained below:

1. It means that reporting of item is optional and when reported, the same cannot be repeated.

2. It means that reporting of item is mandatory but cannot be repeated.

3. It means that reporting of item is mandatory and can be repeated more than once.

4. It means that reporting of item is optional but can be repeated more than once if reported. For example, previous invoice reference is optional but if required one can mention many previous invoice references.

Note 2: Field specification Number (Max length: m, n) indicates 'm' places before decimal point and 'n' places after decimal point. For example, Number (Max length: 3,3) will have the format 999.999

C) Notification No. 59/2020–

Central Tax extended due date of GSTR-4 for Financial Year 2019-20 to 31st August 2020 which earlier was 15th July 2020. GSTR–4 is a GST Return which is required to be filed by a GST composition dealer. A dealer opting for the GST composition scheme is required to furnish only 1 return which is GSTR 4. It is to be noted that GSTR–4 filing is not yet been implemented on GST Portal.

-**Khushboo Parmar**

'Forensic auditing' covers a broad spectrum of activities, with terminology not strictly defined in regulatory guidance. Generally, the term 'forensic accounting' is used to describe the wide range of investigative work which accountants in practice could be asked to perform. The work would normally involve an investigation into the financial affairs of an entity and is often associated with investigations into alleged fraudulent activity. Forensic accounting refers to the whole process of investigating a financial matter, including potentially acting as an expert witness if the fraud comes to trial.

The investigation is likely to be similar in many ways to an audit of financial information, in that it will include a planning stage, a period when evidence is gathered, a review process, and a report to the client. The purpose of the investigation, in the case of an alleged fraud, would be to discover if a fraud had actually taken place, to identify those involved, to quantify the monetary amount of the fraud (i.e. the financial loss suffered by the client), and to ultimately present findings to the client.

TYPES OF INVESTIGATION
The forensic accountant could be asked to investigate many different types of fraud. It is useful to categorise these types into three groups to provide an overview of the wide range of investigations that could be carried out. The three categories of frauds are corruption, asset misappropriation and financial statement fraud.

Corruption
There are three types of corruption fraud: conflicts of interest, bribery, and extortion. Research shows that corruption is involved in around one third of all frauds.
- In a conflict of interest fraud, the fraudster exerts their influence to achieve a personal gain which detrimentally affects the company. The fraudster may not benefit financially, but rather receives an undisclosed personal benefit as a result of the situation. For example, a manager may approve the expenses of an employee who is also a personal friend in order to maintain that friendship, even if the expenses are inaccurate.
- Bribery is when money (or something else of value) is offered in order to influence a situation.
- Extortion is the opposite of bribery, and happens when money is demanded (rather than offered) in order to secure a particular outcome.

Asset misappropriation
By far the most common frauds are those involving asset misappropriation, and there are many different types of fraud which fall into this category. The common feature is the theft of cash or other assets from the company, for example:
- Cash theft – the stealing of physical cash, for example petty cash, from the premises of a company.
- Fraudulent disbursements – company funds being used to make fraudulent payments. Common examples include billing schemes, where payments are made to a fictitious supplier, and payroll schemes, where payments are made to fictitious employees (often known as 'ghost employees').
- Inventory frauds – the theft of inventory from the company.

- Misuse of assets – employees using company assets for their own personal interest.

Financial statement fraud

This is also known as fraudulent financial reporting, and is a type of fraud that causes a material misstatement in the financial statements. It can include deliberate falsification of accounting records; omission of transactions, balances or disclosures from the financial statements; or the misapplication of financial reporting standards. This is often carried out with the intention of presenting the financial statements with a particular bias, for example concealing liabilities in order to improve any analysis of liquidity and gearing.

CONDUCTING AN INVESTIGATION

The process of conducting a forensic investigation is, in many ways, similar to the process of conducting an audit, but with some additional considerations. The various stages are briefly described below.

Accepting the investigation

The forensic accountant must initially consider whether their firm has the necessary skills and experience to accept the work.

Forensic investigations are specialist in nature, and the work requires detailed knowledge of fraud investigation techniques and the legal framework. Investigators must also have received training in interview and interrogation techniques, and in how to maintain the safe custody of evidence gathered.

Planning the investigation

The investigating team must carefully consider what they have been asked to achieve and plan their work accordingly. The objectives of the investigation will include:

- Identifying the type of fraud that has been operating, how long it has been operating for, and how the fraud has been concealed
- Identifying the fraudster(s) involved
- Quantifying the financial loss suffered by the client
- Gathering evidence to be used in court proceedings
- Providing advice to prevent the reoccurrence of the fraud.

Gathering evidence

In order to gather detailed evidence, the investigator must understand the specific type of fraud that has been carried out, and how the fraud has been committed. The evidence should be sufficient to ultimately prove the identity of the fraudster(s), the mechanics of the fraud scheme, and the amount of financial loss suffered. It is important that the investigating team is skilled in collecting evidence that can be used in a court case, and in keeping a clear chain of custody until the evidence is presented in court. If any evidence is inconclusive or there are gaps in the chain of custody, then the evidence may be challenged in court, or even become inadmissible. Investigators must be alert to documents being falsified, damaged or destroyed by the suspect(s).

Evidence can be gathered using various techniques, such as:

- Testing controls to gather evidence which identifies the weaknesses, which allowed the fraud to be perpetrated
- Using analytical procedures to compare trends over time or to provide comparatives between different segments of the business
- Applying computer assisted audit techniques, for example to identify the timing and location of relevant details being altered in the computer system
- Discussions and interviews with employees
- Substantive techniques such as

reconciliations, cash counts and reviews of documentation.

The ultimate goal of the forensic investigation team is to obtain a confession by the fraudster, if a fraud did actually occur. For this reason, the investigators are likely to avoid deliberately confronting the alleged fraudster(s) until they have gathered sufficient evidence to extract a confession. The interview with the suspect is a crucial part of evidence gathered during the investigation.

Reporting
The client will expect a report containing the findings of the investigation, including a summary of evidence and a conclusion as to the amount of loss suffered as a result of the fraud. The report will also discuss how the fraudster set up the fraud scheme, and which controls, if any, were circumvented. It is also likely that the investigative team will recommend improvements to controls within the organisation to prevent any similar frauds occurring in the future.
CONCLUSION
In summary, a forensic investigation is a very specialist type of engagement, which requires highly skilled team

members who have experience not only of accounting and auditing techniques, but also of the relevant legal frame work. Forensic accountants must therefore receive specialist training in such matters to ensure that their credibility and professionalism cannot be undermined during the legal process

-**Irbaz Qazi**

The Consumer Protection Act, 2019, that came into effect on 20 July, broadens the definition of a consumer and provides her with a wider range of powers by recognising online transactions as well as provides the ability to institute complaints from place of residence or work.

The central government, repealing the older Act of 1986, has notified certain provisions under the Act which pertain to Consumer Protection Councils, Consumer Disputes Redressal Forum, mediation, product liability, punishment for manufacturing, selling, distributing spurious or adulterated goods and products.

How Does it Empower Consumers?

The new act does so by recognising those engaged in offline as well as online multi-level transactions. This aims to protect those rendered vulnerable in the wake of rapidly-developing digital technology.

Under the new notified provisions, a consumer can now institute a complaint from her place of residence or where she works for gain. This comes as a significant change from the earlier version of the Act under which a complaint could be initiated only in the place where the transaction took place.

Central Consumer Protection Authority

The Act includes rules for the establishment of the Central Consumer Protection Authority (CCPA) to protect and enforce the rights of consumers.

The CCPA will be empowered to conduct investigations into violations of consumer rights and institute complaints and prosecution, order recall of unsafe goods and services as well as discontinue unfair trade practices and misleading advertisements.

It will also have powers to impose penalties on manufacturers, endorsers and publishers of misleading advertisements.

This provision, however, is yet to be notified. The Ministry has stated that the gazette notification for establishment of the Central Consumer Protection Authority and rules for prevention of unfair trade practice in e-commerce are under publication.

What Will The Central Consumer Protection Council Do?

Central Consumer Protection Council will be constituted as an advisory body on consumer issues and will be headed by the Union Minister of Consumer Affairs, Food and Public Distribution with the Minister of State as Vice Chairperson and 34 other members from different fields.

The Council, which has a three-year tenure, will have a minister in charge of consumer affairs of two states from each region – North, South, East, West, and Northeast.

How Does It Change The Dispute Resolution Process?

A number of changes have been introduced to the dispute resolution process, including the pecuniary jurisdiction of the commissions and empowering them to review their own orders.

The changes in the pecuniary jurisdiction are as follows:

• The pecuniary jurisdiction of District Commissions has

increased from ₹20 lakh earlier to up to ₹1 crore.

- Pecuniary jurisdiction of State Commissions increased from ₹1 crore to Rs 10 crore.

- National Commission can hear cases above ₹10 crore, up from the earlier threshold of ₹1 crore.

Therefore, simplifying the consumer dispute adjudication process in the consumer commissions by enabling a consumer to file complaints electronically as well as video-conferencing for hearing cases by the commissions.

The new provisions also include deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.

Stricter Watch on E-Commerce

This rule, like the CCPA, is yet to be notified and is under publication, according to the ministry. Under this act every e-commerce entity is required to provide information relating to

- Return of goods

- Refund

- Exchange

- Warranty and guarantee

- Delivery and shipment

- Modes of payment

- Grievance Redressal Mechanism

- Payment methods

- Security of payment methods

Importantly, the rules stipulate that e-commerce entities must also include country of origin.

E-commerce platforms have to acknowledge the receipt of any consumer complaint within forty-eight hours and redress the complaint within one month from the date of receipt under this Act.

Introduces the Concept of Product Liability

The new Act introduces the concept of product liability and brings within its scope, the product manufacturer, product service provider and product seller, for any claim for compensation.

The basis for product liability action is:

- Manufacturing defect

- Design defect

- Deviation from manufacturing

Not conforming to express warranty

- Failing to contain adequate instructions for correct use

- Service provided-faulty, imperfect or deficient

-**Damini Dubey**

Vikalp Shah	02-Aug
Durvesh Nikal	09-Aug
Divya Agrawal	18-Aug
Avik Datta	23-Aug
Harshil Mehta	24-Aug
Suraj Meshram	27-Aug
Ajit Jain	29-Aug

Thank You

&

Goodbye

Stay Safe

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