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AUDIT | TAX | ERP | ADVISORY

RAMA's anubhav

November Edition- 2020

INDEX

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

Dear Team RAMA,

Hope, you all are doing great and had a joyful Diwali time. Wish you all a very Happy and Prosperous New Year…

This year’s Diwali has been quite sober for most of us, not the kind of Diwali we ever had or most of us wish to have. I believe and hope that we find the new year much better.

We all know that this year is a testing time for all of us and everyone around the World. This has taught us to select our priorities, decide our goals, and work towards those since that is the most important.

A lot of people have started to wonder about life after Lockdown. What will it be like? What will the new normal be? The New Normal is changing frequently and so should be our approach and actions too.

Our lives have been a mixed bag during Lockdown. Most of us shifted to working at home pretty easily, but it’s been hard finding a routine and avoiding distractions. Thankfully, the Lockdown is almost over and life is gradually coming back to normal, A New Normal Though.

Considering the unimaginable long period of Lockdown and its

impact on all sorts of businesses, industries & economies, we very well contained this loss at the above level.

We continued to deliver our work during the Lockdown, wherever possible, and remained in touch with all our clients. During this difficult time, we ensured medical coverage to our eligible employees too.

Through our severe hard efforts, our pipeline for new assignments is getting better as we are passing through this tough time – we already got some new business and are hopeful for more good business in the coming days. So, we should do good work in the remaining 4 months of CFY.

Although the rise in no. of COVID-19 cases in Delhi is a matter of concern and the impact of public

gatherings due to festival season and elections are yet to know, we need to be cautious and wish that the disease would be contained soon and need for another round of Lockdown does not arise.

Positive results for vaccines developed is a good sign from three Pharma players including Pfizer and Astra Zeneca who claim to have an effectiveness of over 90%. India is also in the stage of developing 5 prominent medicines.

Govt. has also taken several initiatives to boost the economy including the latest stimulus declared by the Finance Ministry under “Atmanirbhar Bharat 3”. We should also support the “Vocal for Local” initiatives of the Govt. and look for alternate products and services from Indian entities.

State Elections of Bihar and

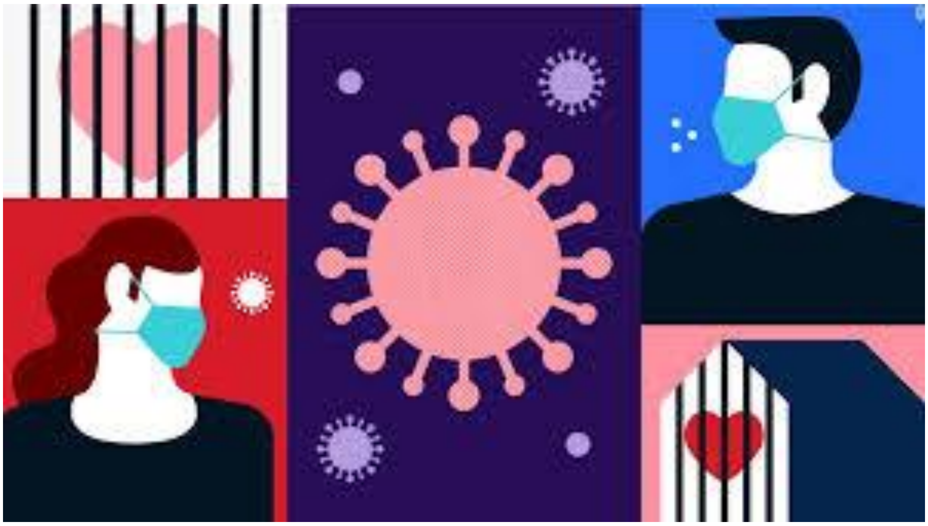
Bypolls for several states have also been just concluded. Although the combination of BJP and JDU has returned to power in Bihar, the dynamics of the government will be different. Let's hope that the selected government exhibits a clear vision in the interest of the people and fulfils its promises committed.

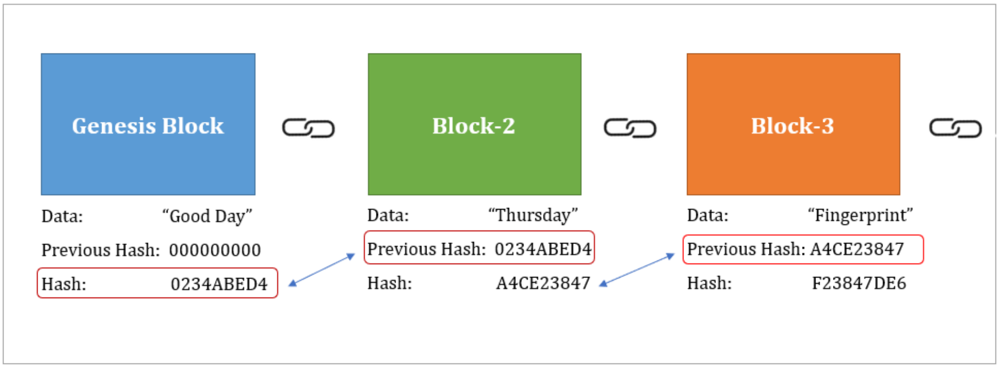
Although, the present Central Govt. is doing a satisfactory job except for some hiccups, I believe, that the Opposition should be strong so that it can keep a check on the decisions and activities of the Govt. And, signs of falling seats and vote share of the main Opposition party of India is not good for India. Let's hope, they realize this and take corrective actions.

November is a month of CA exams for students and many of our colleagues are appearing for the exams. I wish all the students the best of luck in their journey.

I pray for everyone's Healthy and Successful life.

-Amit Dubey





It is sequence of data which is refer as a block and each block contain some information which are interline to each other through a hash.

Use of hash function in block chain

All the blocks in a blockchain are connected to each other using hash function i.e. Genesis block (initial/first block) has its hash no. which become a link for another block and it is use as previous hash and also have its own hash No. which is used by third block and sequence goes on.

Reason why block chain is more secure.

Cryptography:

Block chain transactions are also secured by cryptography. Each transaction is signed with a private key and then can be further verified with a public key. If transaction data changes, the signature becomes invalid. As a result, the block is ignored and it won't make a chain.

Decentralisation:

Most block chain networks are decentralised and distributed. A system without a single point of failure is much harder to corrupt, as a hack into one part of this system will not affect others.

Better Security:

Block chain is far more secure than other record keeping systems because each new transaction is encrypted and linked to the previous transaction. Block chain, as the name suggests, is formed by a network of computers coming together to confirm a 'block', this block is then added to a ledger, which forms a 'chain'. Block chain is formed by a complicated string of mathematical numbers and is impossible to be altered once formed. This immutable and incorruptible nature of block chain makes it safe from falsified information and hacks. It's decentralized nature also gives it a unique quality of being 'trust less' – meaning that parties do not need trust to transact safely.

Consensus:

Each block chain works through a consensus model that verifies that a transaction has happened and is legitimate. Common consensus protocols include proof-of-work, proof-of-stake, proof of authority, and more.

Effect of block chain on accounting.

In old traditional method we pass double entry in the books for any transaction. But in block chain instead of double entry there is a concept of third entry (smart contract) along with double entry that triggers the double entry.

Example: A software company sale a software and provide 3 free updates for that software.

In old accounting: An accountant need to pass entry for recognise of revenue when software is sold and also when updates will have provided to customer as per IND-AS 116/ IFRS16.

In block chain accounting: - In block chain simply a "smart contract" will have executed between buyer and seller that include all the details in encrypted form i.e. when will sales complete, when to recognise revenue and other terms of contract and then this contract is entered into system.

So now when sale is completed it will automatically recognise revenue subsequently when updates delivered then also it automatically recognise the revenue.

“Smart contract is the third entry in block chain that triggers the double entry automatically.”

Effect of block chain on auditing.

Smart contracts could be another aspect of Block chain which can prove useful for auditing world. It can be embedded in a Block chain to automate business processes. Those who agree with the use of a smart contract would want to engage a CA to verify that smart contracts are implemented with the right business logic.

With the help of real-time auditing and reporting, the burden of work on CFOs lessen, and they can play a strategic and creative role to ensure that they deliver future business value. In simple words, we can say that Block chain will help in redefining the role of CFO, it will open their horizons of work for them.

Some feel that is a threat to the auditors as the technology will overshadow their work. But the fact of the matter is that the auditor must learn how to use this technology so that they can save their time that goes in manual auditing and analysis. With the help of Block chain, they can ensure better data analysis and using their time for formulating more strategic work.

-**Praval Singhal**

Overview of Microsoft dynamics 365 finance and operations cross app capabilities 2020 release wave 2

Dynamics 365 Finance continues to focus on automating common tasks to reduce the number of manual processes and add insights and intelligence in Finance. Asset leasing enhances the core capabilities of Finance and the global coverage for Finance continues to expand in this release wave.

Overview:-

Finance and Operations cross-app capabilities apply to all Finance and Operations apps like Dynamics 365 Finance, Dynamics 365 Supply Chain Management, Dynamics 365 Commerce, and Dynamics 365 Project Operations.

To enable businesses everywhere to accelerate their digital transformation, we are continuously enhancing the platform and services that support Finance and Operations apps with new capabilities. As we add product enhancements at a rapid pace, we deliver frequent updates (eight updates per year) that help customers stay current in a consistent, predictable, and seamless manner. Most capabilities introduced with the 2020 release

wave 2 will be persona opt-in enabled, which allows customers to adopt new features at their own cadence. The key driver for all of the new, core capabilities is to increase productivity and return on investment.

This release wave keeps the focus on fundamentals to enhance the user experience. It also continues the journey of making Finance and Operations data and business processes seamlessly available to Dynamics 365 applications (via Common Data Service), Microsoft Power Platform, Azure Data Lake, and other Dynamics 365 applications.

As Finance and Operations apps continue to integrate with Common Data Service natively, admin experiences will link Lifecycle Services with the Power Platform admin centre. The first of these experiences to light up will be a unified support experience across the admin portals. This wave will also enable provisioning and trial experiences for Project Operations and a new, improved test and demo environment type that supports end-to-end experiences (including add-ins) for all Finance and Operations apps that can leverage all the new experiences.

A: Cross App Features:-

- Embedded drill-through links supported in application reports
- New Grid Control
  - **General improvements**
  - **Reorder columns**
  - **pinned marking column**
  - **Size To Available width columns**
  - **Mathematical formulas**
  - **Totals**
  - **Fast data entry**
- New task recorder capabilities
- Saved views – general availability
- Upgrade three jQuery components libraries

This includes moving jQuery to version 3.5.0 (from 2.1.4), jQuery UI to version 1.12.1 (from 1.11.4), and jQuery Tip to version 3.0.3 (from 2.2.1). Enabling this feature means that Finance and Operations apps will use these updated libraries.

✓ Prevent accidental upload to Azure DevOps (October 2020)

✓ Modernized user interface (December 2020)

- New HTML editor control
- Grouping with subtotals in grids – general availability

✓ This feature is only available with the new grid control and is targeted to become generally available with 10.0.16. Users will be able to expand or collapse groups as desired, which can help create a summarized view of data. Subtotals will also be shown at the group header level.

- Version 10.0.13-Users can expand or collapse individual groups. The expand/collapse state of individual groups is not saved in personalization because it is data-specific.

- Version 10.0.14-Users can select or unselect all rows within a group with a single action.

- Users can choose to show or hide the name of the grouping column in the group header rows.

B: Data Process Integration:-

Overview:-

Seamless data exchange between Finance and operations apps and common Data Services

This release wave will support new out-of-the-box scenarios of the dual-write framework. The dual-write framework provides a seamless experience that allows you to converge business processes between Finance and Operations apps and customer engagement apps in Dynamics 365. Administrators configure data entities in Finance and Operations apps to synchronize near real-time with Common Data Service.

Finance and Operations data in Azure Data Lake Storage (Public Preview Mar 2021**):**

- **Tables in Azure Data Lake Service**:

This is a feature that was made available in 2020 release wave 1 for a limited set of regions and customer environments. This feature is now available in all supported regions. The feature is also available to all customer environments. You can unlock a new set of ready-made insight apps that combine business data (including tables and entities) from your Finance and Operations apps with signals from machines, sensors, and clickstreams. Modernize your on-premises legacy data warehouse by leveraging Azure Data Lake and Azure Synapse and bring data from your on-premises systems including Microsoft Dynamics AX 2012 and AX 2009. You can easily mash up data from current Finance and Operations apps, legacy systems, and data from devices and sensors. By using Azure Synapse, you can consume data in the lake using T-SQL and familiar tools. You can discontinue the use of existing services such as Entity store and Bring your own database (BYOD) seamlessly with the transition into Azure Data Lake Storage.

- **Finance and operations data in common data service – Phase 3**

  - Microsoft is making the dual-write framework a seamless experience by harmonizing the converging concepts between Finance and Operations apps and customer engagement apps in Dynamics 365. This allows businesses to exchange near real-time data in a synchronous, bidirectional fashion beyond application boundaries, giving users a unified experience.

  - Knowing every business is unique, Microsoft have made the dual-write framework extensible. This includes enabling custom entities, as

- well as extensions to existing entities, to fully use Common Data Service and surrounding tools for your most important business data.

- In 2020 release wave 1, Microsoft delivered features that provide multimastering capabilities for customers, vendors, and products, along with an introduction of the company concept in Common Data Service. They also covered end-to-end scenarios like on-demand pricing from Finance and Operations apps, integrated quotes, orders, invoices, and assets along with some reference data from finance, tax, accounts receivables, and accounts payables. In all, 112 entities are supported. For more information, see Data in Common Data Service – phases 1 and 2.

- These scenarios can be further enriched by customers and partners so that they extend across Finance and Operations apps and Common Data Service.

-**Suraj Meshram**

Update on Blocking of E-Way Bill (EWB) generation facility, after 1st December, 2020

1. In terms of Rule 138E (a) and (b) of the CGST Rules, 2017, the E-Way Bill (EWB) generation facility of a taxpayer is liable to be restricted, in case the taxpayer fails to file their FORM GSTR-3B returns / Statement in FORM GST CMP-08, for tax periods of two or more.
2. From 1st December, 2020, onwards, the blocking of EWB generation facility would be made applicable to all the taxpayers (irrespective of their Aggregate Annual Turnover (AATO)) In terms of Rule 138 E (a) and (b) of the CGST Rules, 2017, on the EWB Portal.
3. Thus, on 1st December 2020, the System will check the status of returns filed in Form GSTR-3B or the statements filed in Form GST CMP-08, for the class of taxpayers to whom it applies, and restrict the generation of EWB in case of:

- Non filing of two or more returns in Form GSTR-3B for the months up to October, 2020; and
- Non filing of 02 or more statements in Form GST CMP-08 for the quarters up to July to September, 2020

1. This blocking will take place periodically from 1st December' 2020 onwards.
2. To avail continuous EWB generation facility on EWB Portal, you are therefore advised to file your pending GSTR 3B returns/GST CMP-08 statements immediately.

-Shruti Ghadigaonkar

Work From Home – Pros and Cons

Working from home may sound like an ideal situation – especially if you've never done it before. What could be better than simply rolling out of bed and arriving at your home office in moments, without the hassles of first making yourself presentable and then commuting to a workplace with a boss and colleagues who may drive you crazy?
In reality, though, just like working in an office, remote work comes with pros and cons. To explore both the benefits of working from home as well as the drawbacks.

Pro: You have flexibility to take care of appointments and errands.

One of the hardest things about committing to a 9-to-5 desk job is that it prevents you from being able to handle almost anything else that comes up in your life, whether attending a routine dentist appointment or picking a sick kid up from school. When you work from home, while you still have to meet your deadlines and be available when you say you will be, you generally have wider bandwidth to tend to other responsibilities without jeopardizing your job.

Con: There is no physical separation between work and leisure time.

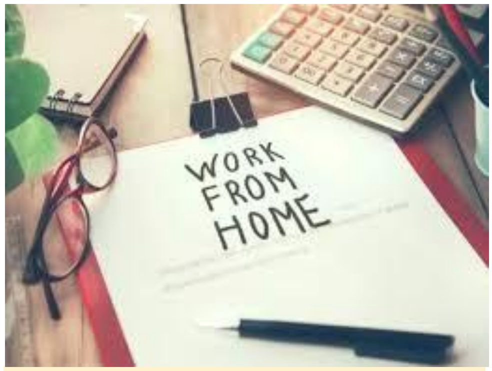
Many who work from home lamented that they often find themselves working around the clock, since their labour has no definite start or end times. As a result, they sometimes feel like they are literally always at work, making it difficult to shift to the post-work relaxation mode that many office workers take for granted.

The absence of an obvious division between the personal and professional realms means some remote workers get distracted by housework.

Pro: There are fewer interruptions from meetings and chitchat.

It's easier to get into a flow state of deep work when you're in your home office without colleagues dropping by and sitting down impromptu to talk about their weekends. Limiting unnecessary interruptions from your colleagues is a big plus of working from home and is one reason why many remote workers are more productive than office-based workers. While you may need to dial in for specific meetings, you'll likely get a break from attending several others – many of which may be unnecessary to your role – that confront staff workers daily.

Con: It is easy to misread cues via electronic communications.



While few who work from home expressed feeling "lonely" as is typically assumed, many did point to the difficulty of getting the tone right in digital communication systems, such as email, chat, social media and text.

"Just like in relationships, it can be easy to misconstrue tonality of someone's messages. We're often blind without body language and facial expressions to rely on, and we assume the worst. Therefore, there needs to be extra effort made in maintaining positive communications," says Michael Sunderland, managing director of Full Stack Talent.

Pro: There is no commute time or expense.

You can save a lot of money and avoid wasting hours that others spend simply getting to and from work when your office is right down the hall. Avoiding traffic battles and long-distance schleps tops the list of benefits for some of those who work from home.

Con: You have to make the effort to get a change of scenery.

What can be a blessing can also become a curse in the form of cabin fever. Some freelancers and others who work from home lamented that the place they work during the day is the exact same place they'll be sitting later that evening and that getting involved in their work often translates to spending a huge portion of the day indoors. Many stressed the importance of scheduling lunches and other meetings to keep them in the mix and avoid the rut of never leaving the house.

Remote work has clear benefits, but no situation is perfect. Understanding the reasons to work from home – as well as the reasons not to – can go a long way in learning how to work from home successfully.

These smart words of Ms. Robin Madell has helped me to understand the importance of work life as well as personal life space. Hope it gives us a broader picture of how to balance work life and personal life.

-Priyanka Patil

Role Of Foreign Direct Investment (FDI) In India

Introduction:

Apart from being a critical driver of economic growth, Foreign Direct Investment (FDI) has been a major non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges like tax exemptions, etc. For a country where foreign investment is being made, it also means achieving technical know-how and generating employment.

The Indian Government's favourable policy regime and robust business environment has ensured that foreign capital keeps flowing into the country. The Government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defence, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.

Market size

According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 469.99 billion during April 2000 and March 2020, indicating that Government's effort to improve ease of doing business and relaxing FDI norms has yield results.

FDI equity inflow in India stood at US$ 49.97 billion in 2019-20. Data for 2019-20 indicates that service sector attracted the highest FDI equity inflow of US$ 7.85 billion, followed by computer software and hardware at US$ 7.67 billion, telecommunications sector at US$ 4.44 billion, and trading at US$ 4.57 billion.

During 2019-20, India received the maximum FDI equity inflow from Singapore (US$ 14.67 billion), followed by Mauritius (US$ 8.24 billion), Netherlands (US$ 6.50 billion), USA (US$ 4.22 billion) and Japan (US$ 3.22 billion).

Investments/ Developments

Some of the significant FDI announcements made recently are as follows:

- On September 08, 2020, Byju's (an Indian education technology firm) raised US$ 500 million in a new round of funding led by Silver Lake, a US-based private equity company; this move pushed the company's valuation to US$ 10.8 billion.
- In September 2020, Cashaa, a London-based neobank, raised US$ 5 million (Rs 360 million) in funds from O1ex, a Dubai-based blockchain investment and advisory firm, for its worldwide expansion,

including India, Africa and Caribbean markets. In India, the company plans to tap the growing crypto user market by launching a neobank for crypto banking system.

- In September 2020, Unacademy, an Edtech platform, raised US$ 150 million from SoftBank Group (a Japanese conglomerate), boosting its valuation to US$ 1.45 billion.
- On 21 August 2020, the Government of Singapore announced investment of Rs 4.5 billion (US$ 63.84 million) in the qualified institutional placement (QIP) offering of mall developer Phoenix Mills Ltd.
- On 14 August 2020, Israel-based Coralogix, provider of machine-learning based log analytics and monitoring solution, announced a strategic expansion into India with a commitment to invest over US$ 30 million in the next five years.

Road ahead

India is going to be the most attractive emerging market for global partners (GP) investment for the coming 12 months as per a recent market attractiveness survey conducted by Emerging Market Private Equity Association (EMPEA).

Annual FDI inflow in the country is expected to rise to US$ 75 billion over the next five years as per the report by UBS.

The Government of India is aiming to achieve US$ 100 billion worth of FDI inflow in the next two years.

Recent Global News

- A unit of Abu Dhabi Investment Authority (ADIA) invested Rs 5,683.50 crore (US$ 806.28 million) in Jio Platforms, taking the total capital raised by its digital services subsidiary to around Rs 1 trillion (US$ 14.19 billion) in just seven weeks.

This investment comes two days after Reliance Industries Ltd (RIL) announced two large investments by foreign investors adding up to Rs 13,640.4 crore (US$ 1.94 billion) in Jio Platforms.

So far, Jio Platforms has raised Rs 97,885.65 crore (US$ 13.89 billion) from seven marquee global investors.

- The Government of Singapore has invested Rs 450 crore (US$ 63.84 million) in the latest qualified institutional placement (QIP) offering of mall developer Phoenix Mills Ltd.

Sor far, Phoenix Mills has raised Rs 1,100 crore (US$ 156.05 million) through its QIP.

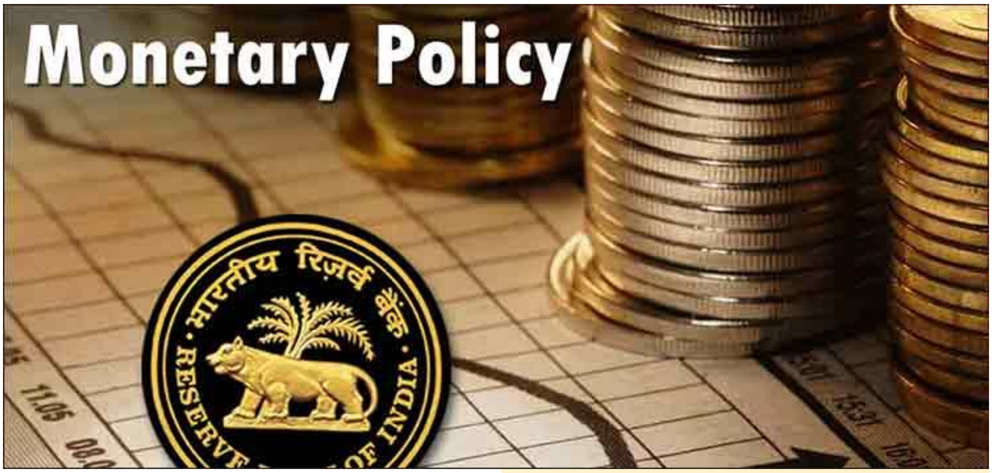
- Google plans to invest US$ 10 billion over the next five to seven years to help accelerate the adoption of digital technologies in India.

The US$ 10 billion funds are expected to be invested in partnerships, operations, infrastructure, the digital ecosystem, and equity investments. Google will focus on several key areas:

1. Providing affordable access and information for every Indian in their own language, including Hindi, Tamil, and Punjabi
2. Developing new products and services focused on India's unique needs
3. Encouraging businesses as they continue or embark on their digital transformation
4. Utilising technology and artificial intelligence for social good, in areas like health, education, and agriculture

The future for development of India seems bright in light of the above.

- Sufiyan Rawoot



The Monetary Policy Committee (MPC), in its first meeting with three new external members, today unanimously voted in favor of keeping the policy Repo Rate unchanged at 4.0%. It also voted in favor of maintaining an accommodative stance as long as it is necessary - at least during the current financial year and into the next financial year - to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward. The Reverse Repo Rate was also kept unchanged at 3.35%.

RBI also announced number of liquidity and regulatory measures to “provide impetus towards reviving the economy”

Increased the size of each OMO (open market operation) auction to INR 20,000 crore from INR 10,000 crore currently. This should help improve the liquidity and ease yields.

To conduct OMOs in SDLs (specification & descriptive languages) to improve liquidity and facilitate efficient pricing in FY21. This will be conducted for a basket of SDLs comprising securities issued by States. While more details are awaited on the modalities of the same, till now, RBI has conducted OMOs in G sec only and this step should help soften the yields and spreads for SDLs.

On tap TLTROs (targeted long term repo operations) up to INR 1 lakh crore with tenors of up to three years (floating rate linked to the policy rate) which can be availed by end-March 2021. The fund availed under this scheme should be utilized for investing in NCDs (Non-convertible debentures), corporate bonds, commercial papers or extending loans and advances to specific sectors. This should help improve the credit flow to specific sectors.

Extend the dispensation of enhanced HTM (held to maturity) limits of 22% (from 19.5%, done on September 1, 2020) of NDTL (net demand & time liability) by one year to 31 March 2022 for SLR (Statutory Liquidity ratio) securities bought between September 1, 2020 to March 31, 2021. Further, HTM limit would be restored from 22% to 19.5% in a phase wise manner starting June 2022.

Rationalized the risk weights for individual housing loans and linked it to Loan to Value ratios (LTV) only instead of current differential risk weights determined based on size as well as LTV ratio. This should reduce the capital adequacy requirement of lending institutions and incentivize lending to real estate sectors.

After 8 months, RBI provided its CPI (consumer price index) estimates for next 12 months in which it expects inflation to soften from Q3FY21 onwards and reach near targeted 4% by Q1FY22. RBI noted that CPI has remained at elevated level, despite muted aggregate demand, due to price rise in food, fuel and core components on account of supply side disruptions, cost push pressure, higher margins and taxes. However, it expects that it should moderate driven by easing restrictions; recovery in supply side, high food grain and horticulture production, range bound crude oil prices, etc. Hence, it considers current elevated inflation as "transient" in nature and recognizes the need to focus on reviving growth.

While RBI expects GDP to contract by 9.5% in FY21, it expects the economic conditions to improve sequentially from the lows seen in Q1FY21 (refer table for detailed growth expectations). However, it expects the recovery to be uneven with sector specific factors playing a dominant role in pace of revival. Sectors like agriculture, FMCG, two wheeler, passenger vehicles, tractors, power generation, pharma, etc. are likely to better off. However, revival in urban demand, contact intensive services, private investments etc. is likely to be at subdued pace and activity in these sectors could take some time to reach to pre-covid level.

Conclusion and Outlook

RBI's decision of keeping the policy repo rate unchanged was largely in line with consensus expectations. However, the additional measures announced by RBI to improve liquidity, credit flows to specific sectors and conducting OMOs for SDLs came

in as a positive surprise. In his statement, RBI also mentioned that it is ready to conduct OMOs to assuage pressure of increase in supply of SLR securities due to likely increase in fiscal deficit.

-Yash Goyil

Moments to Celebrate

Name	Designation	Date of Birth
Yash Gohil	Article	02-Nov
Rekha Yadav	Sr Analyst	03-Nov
Dipesh Chordiya	Consultant	04-Nov
Praval Singhal	Consultant	05-Nov
Anchal Jaiswal	Sr Analyst	05-Nov
Ankit Somani	Sr. Manager	06-Nov
Laloo Yadav	Article	18-Nov
Monil Shah	Article	22-Nov

Dharmendra Maurya – Senior Consultant

Akhilesh Yadav – Senior Consultant

Thank You

&

Goodbye

Stay Safe

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