

Indore Branch of Central India Regional Council  
of The Institute of Chartered Accountants of India



# NEWSLETTER

May, 2020 ▶ Price ₹ 20



**Shri Shankar Lalwani** (Member of Parliament)  
& **Shri Manish Singh** (Collector-Indore)

*Thank you*

for accepting our request to allow  
Chartered Accountants  
to open office during Lockdown  
for working on BANK AUDIT

# Chairman's Communique



Dear Members,

First of all I want to congratulate all of you for doing Bank Audit in COVID-19 time and adding to brand building of our CA fraternity that even in toughest time we are ready to serve our country. This time we had done audit in new way with new techniques & new tools. Indore Branch conducted webinars in advance on audit through remote so we were all prepared in advance.

I would like to take this opportunity to thank our **MP Shri Shankar Lalwani** and **Indore collector Shri Manish Singh** for accepting our request to allow CAs to open office during Lockdown.

Our Prime Minister Shri Narendra Modi had acknowledged our efforts on twitter, Our Members and Students stand in solidarity with the nation in this fight against Corona Pandemic. Letter of acknowledgment is enclosed for reference.

**ICAI came out with new CPE learning called VCM "Virtual CPE Meeting", as per this now a member can avail benefit of 10 hours of structured CPE credit. I urge members to use this opportunity as along with leaning, requirement of Structured CPE is also completed sitting at home and office.**

Month of June come with lots of deadline given during lockdown period. Indore branch will organise program on latest amendment, recent changes etc., so stay tuned on ICAI you tube channel for updates.

I request members who want to contribute articles to newsletter or want to take seminar at branch to please feel free to contact through email [chairman\\_indore@icai.org](mailto:chairman_indore@icai.org) or whatsapp at 9111171111.

I would like to thank **CA Nainy Mittal, CA Rekha Kaarthic, CA Virendra Pamecha, CA Sachin Jain, CA Shubham Khandelwal, CA Nayan Jain** for their contribution of articles in newsletter.

I once again request members to Stay Safe, Stay Home & work at offices according to timeline given by local authorities.

**CA. Harsh Firoda (Chairman)**  
[chairman\\_indore@icai.org](mailto:chairman_indore@icai.org)



## MANAGING COMMITTEE

**CA. Kirti Joshi** (Vice-Chairman) **CA. Gaurav Maheshwari** (Secretary)  
**CA. Ankush Jain** (Treasurer) **CA. Samkit Bhandari** (CICASA Chairman)  
(Executive Member) **CA. Pankaj Shah, CA. Anand Jain**  
Ex. Offico Member : **CA. Kemisha Soni** (CCM)  
**CA. Churchill Jain** (RCM) **CA. Nilesh Gupta** (RCM)



# Impact of Real Estate on all business in India

CA Shubham Khandelwal



**The Covid-19** pandemic is posing critical challenges to global economies and it will have lasting impact on entire business chain. There are so many relief packages and other support measure taken by government with different department but **one of the very big issue which has to be decided by private parties i.e. Effect of Rental Premises across the India on business.**

Now very big and debatable issue of rental premises is that what should be done whether to pay rent or not and its implication on existing rental business, post covid-19 rental business and viability of business running in rental property.

## **What to be done for existing rental premises?**

Genuinely both the parties should assess the viability of business that was going on in rental premises. In following sector rental cost is extremely higher and if their business get affected for any reason it's very difficult to make it viable –

1. Showrooms in malls and premium location
2. Hotels
3. Multiplex
4. Restaurants
5. Automobile Showroom
6. Warehouses
7. Any other premises with heavy rent

Now if property owner insist for rental during lockdown period or defer the payment of rent than practically business will not be viable for coming 1-2 years or may be more depends on case to case. The last option is to vacant the property and in that situation its very difficult to get another tenant for very long period and it will impact adversely both the parties. Following are some of the solution that has to be decided by mutual consent of both the parties –

1. **Waive off** – This will be very helpful to businessman and period of waive off has to be decide on the basis of business viability and mutual consent.
2. **Revenue share** – This will be very viable for both parties and this method can sustain the business and property both for long period.
3. **Revenue share for some period only** – If property owner is not very comfortable with revenue share than he can opt for this option also. He can ask for

normal or revised rent after some period till everything gets normal.

## **What will be the future of rental business?**

In my opinion and as per all business research organization, upcoming market & change in consumer buying behavior i.e. online buying, social distancing at least for coming 2 years and it may become habit like foreign countries. Sales will get huge impact in physical market and high rental will not be viable for any type of property. So gradually rental has to be decrease if property owner want to let out property for longer period and on sustainable basis.

## **Impact of IT companies & MNCs on rental premises post covid-19 -**

Major IT companies and MNCs in Indian and also in out countries has decided to work from home not only during Covid-19 issue even for future also. All MNC's has realized that this will save huge cost and time of travel, which can be utilized in other value addition services for staff and customer.

Requirement of commercial property will also get decrease & already huge inventory is available and vacant across the India. In last couple of years without any genuine reason property rate was increased like anything and as a result rent was also increased to make property business viable. Practically all sectors across the India are affected very badly because of high rentals. So if India wants to bounce back as before with same market place than rental of our property has to come down otherwise it's not possible or viable to start new business or expand or survive for long period.

## **Real Estate, its effect on MSME and on viability of business**

If anybody do the study for any manufacturing company in India which was recently established than you will come to know that company is doing more investment in land and building not in plant and machinery which is not good for any business and

economy as a whole. Technically industry should have investment in plant and machinery to compete with global market but unfortunately our MSME and major manufacturing industries are not very viable or competitive as they have huge investment in land and building which is completely non productive investment.

Now if someone want to setup new industry, show room, office or any business and if they include the cost of real-estate in business than its very difficult to make it viable. If property rate will not get decrease than ultimately industry has to increase the cost of

product by which they can't compete with global market or with the big industry, increase inflation in India, also increase gap between lower class, medium class and super rich people.

India needs to invest in latest machine, technology, automation, manpower training and other productive investment that increase the efficiency of manpower & industry and finally we will get best and competitive product. So if India wants to promote MSME and mfg. sector than our property rate has to come down otherwise it's not possible or viable to start new industry and compete with the global market.



## Activity for the month May-2020

No.	DATE	PROG.	TOPIC	FACULTY /GUEST
1	1st May	Webinar	Transfer Pricing : Basics & Documentation	CA Chaitanya Maheswari
2	2nd May	Webinar	IRAC Norms - Discussion on circulars issued by RBI on COVID-19 Regulatory Package	CA Amarjeet Chopra, CA Ajay Kumar Jain
3	3rd May	Webinar	Learning Principles of Bhagavad Gita	CA Pankaj Gupta Indore
4	3rd May	Webinar	Brain trust session on Income Tax	CA S N Agrawal , CA Anil Garg, CA Vijay Bansal , CA Pankaj Shah
5	4th May	Webinar	Fitness of Mind, Body & Soul	Madhav Maheshwari, CA Pooja Chordia
6	5th May	Webinar	Economy and Capital Market	CA Gautam Jain
7	6th May	Webinar	Basics of FEMA and Impact of COVID-19 on International Trade	CA Ankit Vijaywargiya
8	8th May	Webinar	An Overview & Practical Audit Approach for Cash Credit Facility	CA Ankush Jain
9	10th May	Webinar	How to Initiate Bank Audit from Home?	CA Samkit Bhandari
10	11th May	Webinar	NPA Classification & Provisioning Norms and Insights about MOC	CA Ankush Jain
11	13th May	Webinar	Bank Audit : Insights of Memorandum of Changes (MOC)	CA Ankush Jain
12	14th May	Webinar	RERA : Basic Overview & Practical Aspects	CA Anand Jain
13	16th May	Webinar	Stock Market - Analyse Through Technical Charts	CA Amit Chandak
14	24th May	Webinar	De-stress to unlock the potential within	Ms Jaina Desai , Mr Janak Patel
15	25th May	Virtual CPE Meeting	Identifying Unusual Entries in TALLY	CA Premlata Daga

# Relief Measures in GST in view of COVID-19

CA Rekha Kaarthic



An enabling section 168A has been inserted in the CGST Act, 2017 empowering the Government to extend due dates for various compliances

The section 168A(1) provides for extending the time limits prescribed in the CGST Act, 2017 in respect of actions which can not be completed or complied with due to force majeure. This power shall also be exercisable retrospectively.

Wherever the last date for filing of appeal, refund applications etc., under the Central Excise, Customs and Service tax is from 20th March to 29th June 2020, the same extended to 30th June 2020.

Taxpayers opting for the Composition Scheme for the financial year 2020-21 allowed to file their option in FORM CMP-02 till 30th June 2020.

## Following are the various notifications of GST with regards to relaxation of due dates

**Notification No. 35/2020- Central Tax, dated 03.04.2020:** Notification under section 168A of CGST Act for extending due date of compliance which falls during the period from the 20th March 2020 to the 29th June, to 30th June 2020.

Any time limit for completion or compliance of any action under the GST law for adjudication and appeals, by any authority or by any person, which falls during the period from 20th March 2020 to 29th of June 2020 stands extended till 30th June 2020.

**Notification No. 36/2020 – Central Tax dtd. 3rd April 2020 :** The taxpayers having an aggregate turnover of more than rupees 5 crore rupees in the previous financial year, the return in FORM GSTR-3B of the said rules for the month of May, 2020 shall be furnished electronically through the common portal, on or before the 27th June, 2020.

The taxpayers having an aggregate turnover of up to rupees five crore rupees in the previous financial year, whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep, the return in FORM GSTR-3B of the said rules for the month of May, 2020 shall be furnished electronically through the common portal, on or before the 12th day of July, 2020:

The taxpayers having an aggregate turnover of up to rupees five crore rupees in the previous financial year, whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi, the return in FORM GSTR-3B of the said rules for the month of May, 2020 shall be furnished electronically through the common portal, on or before the 14th day of July, 2020.

**Notification No. 37/2020 – Central Tax dtd. 28th April 2020 :** The facility & the CGST rules governing form PMT-09 shall come into effect from 21st April 2020.

## Key points to understand in GST PMT-09

The CBIC has recently introduced Form PMT-09 (i.e. a challan) for shifting wrongly paid Input Tax Credit. This enables a registered taxpayer to transfer any amount of tax, interest, penalty, etc. that is available in the electronic cash ledger electronic cash ledger, to the appropriate tax or cess head under IGST, CGST and SGST in the electronic cash ledger. Therefore, if a taxpayer has wrongly paid SGST instead of CGST, he can now rectify the same using Form PMT-09.

It is to be clearly understood that this challan is only for shifting the amount available in the electronic cash ledger. Therefore, in case an amount has been misreported in the GSTR-3B, the same cannot be rectified by filing PMT-09. In such case, only an adjustment in the next month's return can be made.

### Illustration

Mr. Tejas had to pay Rs.50 as State Tax under the major head and Rs.15 as interest under the minor head and he has wrongly paid Rs.15 under State tax head and Rs.50 as interest under the minor head.

In this case, he can file PMT-09 to shift the amount from the major head (i.e. State tax) to the minor head (i.e. interest). This shifting of the amount can be done from minor head to major head as well.

An amount can also be transferred from one minor head to another minor head under the same major head. (Major head refers to- Integrated tax, Central tax, State/UT tax, and Cess and Minor head refers to- Tax, Interest, Penalty, Fee and Others.)

**Notification No. 38/2020–Central Tax dtd. 5<sup>th</sup> May, 2020:** It States that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 21st day of April, 2020 to the 30th day of June, 2020, also be allowed to furnish the return under section 39 in FORM GSTR-3B verified through electronic verification code (EVC). In the said rules, after rule 67, with effect from a date to be notified later, the following rule shall be inserted, namely: —67A. Manner of furnishing of return by short messaging service facility.- Notwithstanding anything contained in this Chapter, for a registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B for a tax period, any reference to electronic furnishing shall include furnishing of the said return through a short messaging service using the registered mobile number and the said return shall be verified by a registered mobile number based One Time Password facility

**Notification No. 39/2020–Central Tax dtd. 5<sup>th</sup> May, 2020:** In the said notification (i) in the first paragraph, the following proviso shall be inserted, namely: - —Provided that the said class of persons shall not include those corporate debtors who have furnished

the statements under section 37 and the returns under section 39 of the said Act for all the tax periods prior to the appointment of IRP/RP; (ii) for the paragraph 2, with effect from the 21st March, 2020, the following paragraph shall be substituted, namely: - —2. Registration.- The said class of persons shall, with effect from the date of appointment of IRP / RP, be treated as a distinct person of the corporate debtor, and shall be liable to take a new registration (hereinafter referred to as the new registration) in each of the States or Union territories where the corporate debtor was registered earlier, within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later

**Notification No. 40/2020–Central Tax dtd. 5<sup>th</sup> May, 2020:** Provided that where an e-way bill has been generated under rule 138 of the Central Goods and Services Tax Rules, 2017 on or before the 24th day of March, 2020 and its period of validity expires during the period 20th day of March, 2020 to the 15th day of April, 2020, the validity period of such e-way bill shall be deemed to have been extended till the 31st day of May, 2020.

**Notification No. 41/2020–Central Tax dtd. 5<sup>th</sup> May, 2020:** The due date to file GST-9 and 9C for the FY 2018-19 is extended upto 30<sup>th</sup> September 2020.

### The notification is as follows:

In exercise of the powers conferred by sub-section (1) of sec. 44 of the CGST Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), read with rule 80 of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the said rules), and in supersession of notification No. 15/2020-Central Tax, dtd. 23rd March, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, 6 THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(i)] Sub-section (i), vide number G.S.R. 198(E), dated the 23rd March, 2020, except as respects things done or omitted to be done before such supersession, the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing of the annual return specified under section 44 of the said Act read with rule 80 of the said rules, electronically through the common portal, for the fy 2018-2019 till the 30th Sept., 2020.

## Levy of Late Fees under GST

As per notification No. 31/2020- Central Tax, dtd. 03.04.2020, NIL rate of interest for first 15 days after the due date of filing return in FORM GSTR-3B and reduced rate of interest @ 9% thereafter has been notified for those registered persons whose aggregate turnover in the preceding financial year is above Rs. 5 Crore. NIL rate of interest has been notified for those registered persons having turnover up to Rs. 5 Crore in the preceding financial year. It has been depicted in the table below:

S. No	Turnover (INR)	Tax Period	Condition if FORM GSTR 3B file on or before
1	> 5 Crore (Rate of Interest : Nil – First 15 days Thereafter - 9%)	Feb., 2020 to April, 2020	24 <sup>th</sup> June, 2020
2	>1.5 Crore upto 5 Crore (Nil Rate of Interest)	February, 2020 and Mar., 2020	29 <sup>th</sup> June, 2020
		April 2020	30 <sup>th</sup> June, 2020
3	Upto 5 Crore (Nil Rate of Interest)	Feb., 2020	30 <sup>th</sup> June, 2020
		March, 2020	03 <sup>rd</sup> July, 2020
		April, 2020	06 <sup>th</sup> July, 2020

## Overview of GST Due Dates

1. The due date of GSTR-1 and GSTR-3B for February, March and April 2020 is extended to the last week of June 2020.
2. CMP-02 due date is extended to 30th June 2020. Further, CMP-08 and GSTR-4 filing is also extended up to 30th June 2020.
3. ITC-03 due date is extended to 31<sup>st</sup> July, 2020
4. GSTR 9 & 9C due date is 30<sup>th</sup> June, 2020
5. All compliance under GST where the time limit expires between 20th March 2020 and 29th June 2020 are extended up to 30th June 2020.
6. The last date to avail the scheme is extended up to 30th June 2020 for the Sabka Vishwas Scheme.
7. Implementation of new GST return system, e-invoicing and QR Code has been deferred to 1st October 2020. Therefore, present return (**GSTR1, GSTR2A & GSTR 3B**) will continued till Sep. 2020
8. Present IGST and cess exemptions on the imports made under the AA/EPCG/EOU schemes will continue up to 31st March 2021
9. A new scheme “ **Know Your Supplier** ” has been introduced to know basic details of the supply

## Workplace Safety Measures Form COVID-19

### CORONAVIRUS SAFETY

Tips to Reduce Risk of Infection



- Keep Distance of 3 feet from each other in Workplace
- Stay away from Physical Contact, for example, Shaking Hands or Hugging
- Avoid open Gatherings as much as Possible
- Refrain from utilizing the Cafeteria, Candy Machines, and Microwave
- Keep Hand-Cleanliness routine from Liquor-based hand Sanitizers and Antimicrobial Wipes



## 1. REVISED DEFINITION OF MSME

In exercise of the powers conferred by sub-sec. (1) read with sub-sec. (9) of sec. 7 of the 'Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) and in supersession of the notification of the Government of India, Ministry of Small Scale Industries, dtd. the 29th Sept., 2006, published in the Gazette of India, Extraordinary, Part II, Sec.3, Sub-sec.(ii), vide S.O. 1642(E), dtd. the 30th Sept. 2006 except as respects things done or omitted to be done before such supersession, the Central Govt., hereby notifies the following criteria for classification of MSME, namely:—

(i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed Rs. 1 crore and turnover does not exceed Rs. 5 crore;

(ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed Rs. 10 crore and turnover does not exceed Rs. 50 crore;

(iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed Rs.50 crore and turnover does not exceed Rs. 250 .

This notification shall come into effect from 1st. July 2020.[Vide Notification S.O. 1702(E) dtd. 1<sup>st</sup> June 2020 F.No. 2/1(5)/2019-P&G/Policy (Pt.-IV)]

## 2. CBDT extends reregistration date of charitable and religious trusts to October 1

The CBDT has extended the period of reregistering charitable and religious trust under the Finance Act, 2020 to October 1. In view of the unprecedented humanitarian and economic crisis, the CBDT decided that the implementation of new procedure for approval/ registration/notification of certain entities shall be deferred to October 1, 2020.

Accordingly, the entities approved/registered/ notified under sec. 10(23C), 12AA, 35, and 80G of the Act will be required to file intimation within three months from October 1 - by Dec. 31, 2020.

CBDT said in a statement concerns over the implementation of new procedure from June 1 were raised due to corona virus pandemic and subsequent lockdown. The Finance Act, 2020 rationalised the

procedure relating approval/registration/notification of certain entities referred to in sections 10(23C), 12AA, 35, and 80G of the Income-Tax Act, 1961. As per the new procedure, the entities already approved/registered/notified under these sections would be required to file intimation by August 31.

## 3. ITAT To Launch E-Filing Portal

Hon'ble Justice (R) Pradeep P. Bhatt, the President of the ITAT, has announced that an e-filing portal will soon be launched. The President has pointed out that E-Filing is a norm and a standard expectation of the stakeholders today, and in line with the e-Governance policy of the Govt. of India. He has also stated that the facility of E-filing shall enable an economical and seamless filing of appeals and applications by the parties before the Tribunal. This initiative shall be of immense use to taxpayers, tax consultants and other stakeholders

## 4. Sec. 271 AAD Penealty Provision Applicable now

Section 271AAD of the Income-tax Act, 1961, which imposes penalty for false entries etc. in the books of account which was inserted by the Finance Act, 2020 will be effective from 1st April 2020.

Sec 271AAD says:"Without prejudice to any other provisions of this Act, if during any proceeding under this Act, it is found that in the books of account maintained by any person there is—

1. a false entry; or
2. an omission of any entry which is relevant for computation of total income of such person, to evade tax liability,

the Assessing Officer may direct that such person shall pay by way of penalty a sum equal to the aggregate amount of such false or omitted entry."

The scope of this section is very large which gives very wide power to the Assessing Officer. It starts with "without prejudice to any other provisions of this Act", it means the penalty u/s 270A and 271AAD can be invoked simultaneously for the false entry or penalty u/s 271AAC and 271AAD can be invoked for bogus purchases.



The Seamless Input Tax Credit is the Soul of GST Law; however which has been affected by the many express provisions in the GST law which deny or holds the ITC. One of the provisions is the addition in output liability (to that extent of ITC) in case of non-payment of amount towards the value of supply within 180 days from the date of invoice along with payment of interest (18% p.a.) from the date of availment of credit till the date of added to the output liability.

However, the GST law provides the facility of re-credit of ITC on payment of amount towards the value of amount however interest paid earlier is not refund back to the taxpayer which is extra burden in the business without any contractual liability between the supplier & recipient. Moreover this type of provisions is revenue neutral provision as credit is the reversed and reclaimed.

In light of current situation of economy due to COVID19 pandemic, the govt. should take urgent view on this provision to amend as soon as possible to give relaxation to the Industry, MSMEs, and Traders etc. Before understand and analysis the provisions, let us read the legal provisions first:

### LEGAL PROVISIONS

#### **Second Proviso to Section 16(2) of the CGST Act, 2017**

Provided further that where a **recipient fails to pay** to the supplier of goods or services or both, **other than the supplies on which tax is payable on reverse charge basis**, the amount towards the value of supply along with tax payable thereon **within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed** by the recipient shall be added to **his output tax liability, along with interest thereon**, in such manner as may be prescribed:

#### **Third Proviso to Section 16(2) of the CGST Act, 2017**

Provided also that **the recipient shall be entitled to avail of the credit of input tax** on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon Rule 37 of the CGST Rule, 2017

**(1)** A registered person, who has availed of input tax credit on any inward supply of goods or services or both, but fails to pay to the supplier thereof, the value



CA. NAYAN JAIN (JARAK)  
canayanjain@rediffmail.com

## Interference of Govt. in Ease of biz terms Non payment of Amount within 180 days

of such supply along with the tax payable thereon, within the time limit specified in the second proviso to subsection(2) of sec. 16, shall furnish the details of such supply, the amount of value not paid and the amount of input tax credit availed of proportionate to such amount not paid to the supplier in FORM GSTR-2 for the month immediately following the period of 180 days from the date of the issue of the invoice:

Provided that the value of supplies made without consideration as specified in Schedule-I of the said Act shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16: *[Provided further that the value of supplies on account of any amount added in accordance with the provisions of clause (b) of sub-sec. (2) of sec. 15 shall be deemed to have been paid for the purposes of the second proviso to sub-sec. (2) of sec. 16] [Inserted vide Notification no. 26/2018-CT dt. 13.06.2018]*

**(2)** The amount of input tax credit referred to in sub-rule (1) shall be added to the output tax liability of the registered person for the month in which the details are furnished.

**(3)** The registered person shall be liable to pay interest at the rate notified under sub-sec.(1) of sec. 50 for the period starting from the date of availing credit on such supplies till the date when the amount added to the output tax liability, as mentioned in sub-rule (2), is paid.

**(4)** The time limit specified in sub-sec. (4) of sec. 16

shall not apply to a claim for re-availing of any credit, in accordance with the provisions of the Act or the provisions of this Chapter, that had been reversed earlier.

### SCHEDULE

#### **ACTIVITIES TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION**

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
2. Supply of goods or services or both between related persons or **between distinct persons as specified in section 25**, when made in the course or furtherance of business:  
Provided that gifts not exceeding Rs. 50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both
3. **Supply of goods - a)** by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or **b)** by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
4. Import of services by a **person from a related person** or from any of his other establishments outside India, in the course or furtherance of business

#### **Section 15(2)(b) of the CGST Act, 2017**

The value of supply shall include

Any amount that the **supplier is liable to pay** in relation to such supply but which has been incurred by the recipient of the supply and **not included in the price actually paid or payable** for the goods or services or both;

#### **Section 2(98) of the CGST Act, 2017**

**“Reverse Charge”** means the **liability to pay tax by the recipient** of supply of goods or services or both instead of the supplier of such goods or services or both under **Sec. 9(3) or Sec. 9(4)** of the CGST Act, 2017 or **Section 5(3) or Sec. 5(4)** of the IGST Act, 2017.

#### **Section 2(66) of the CGST Act, 2017**

“Invoice” or “Tax invoice” means the tax invoice referred to in section 31

#### **POINTS TO BE NOTED FROM THE PROVISIONS**

Where the recipient of goods/services or both have **failed to pay the supplier within 180** days from invoice date, input tax credit availed, in proportion to such

unpaid consideration shall be added to the recipient's output tax liability along with interest @ 18% pa.

Non-payment of the value of invoice **must be disclosed in FORM-GSTR 2 filed for the month immediately following the expiry of 180 days from the date of issue of invoice** i.e if the 180 days is expire in the month of March then the same is to be added in the output liability in GSTR-2 return for the month of March.

This provision shall not apply to supplies that are liable to tax under **reverse charge [9(3) or 9(4) of the CGST Act, 2017 or 5(3) or 5(4) of the IGST Act, 2017]** and supplies made without consideration as specified in **Schedule I**.

By virtue of provision Section 5(3) of the IGST Act, 2017 that Importer of Service would not be require to pay the amount even if the payment is not made within 180 days from the date of invoice **however the same is not applicable for the Importer of Goods as the same is not covered under Sec. 5(3) though akin to reverse charge**. The recipient may contra the provision as the invoice under Sec. 2(66) & Sec. 31 shall be issued by the registered person and the supplier is not registered under the GST law then the reversal by adding in the output liability is not require for the Importer of Goods also.

For the purpose of **supplies made without consideration as specified in Schedule-I of the said Act shall be deemed to have been paid for the purposes of the second proviso** to Sec.16(2), hence no requirement of reversal of ITC by way of adding in Output liability.

Any amount included for the purpose of value of taxable supply as per Sec. 15(2)(b) shall be deemed to have been paid for the purposes of the second proviso to sub-sec.(2) of sec. 16] [Inserted vide Notification no. 26/2018-CT dt. 13.06.2018]

The recipient is **again eligible to take the credit of input tax once the amount is paid and the time limit of Sec. 16(4) shall not apply** to reclaim the credit i.e the recipient is eligible to reclaim credit after the due date of furnishing of the return under sec. 39 for the month of Sept. following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier

## ANALYSIS & PRACTICAL IMPLICATIONS

### 1. What do you understand the term “Recipients Fails to Pay”?

This term is not defined in the GST law, however we have refer the Cambridge Dictionary the meaning of **Fails is “to not do something that you should do”** that means if someone is require to pay the amount when due as per contractual agreement then the person is said to be fails to pay the amount if not paid by that due date.

Generally in case of long terms works contracts the contractual agreement between the supplier and the recipient is having retention clause **by virtue of which certain percentage of money is being retained and is agreed upon which will be paid after 1 years or 2 years**, can it still be called a failure to pay such amount. Where such amount of money (being retained in terms of the contract entered into in this behalf) is not due under the contract, can there be a failure to pay such amount?

Thus valid questions arise whether the express provisions of the GST law overrides the contractual obligations between the supplier and recipient as per their business terms.

In our personal view if the amount is not due to be paid, there cannot be failure to pay the amount to supplier and 2nd proviso to section 16(2) should not be invoked, however one needs to wait and watch how the judiciary holds the view on the same.

It is also worthwhile here to mention here that **when the provision is invoke when the recipient fails to pay when due as per above situation or non-payment within 180 days from the invoice**, this will create a number of complexity to operationalize the provision.

### 2. Whether a proportionate reversal of the ITC by adding into the output liability is required in case of post purchase discount (financial credit note) given by the supplier of the goods or services by virtue of recipient fails to discharge full value of invoice?

A proportionate reversal of the credit is not required to be done by the recipient in case of a post purchase discount (financial credit note) given by the supplier to the recipient. This is subject to their fulfilling the other conditions stipulated by law and that the GST paid by them for the said goods/ service is not reversed or

reimbursed/ re-credited etc to them in any manner by the supplier or on his behalf, after the credit has been availed by the recipient.

**Note:-** Issuance of financial credit note is a confirmation document accepting the discharge of obligation to the extent of the value when something is not payable then it cannot be said fails to pay.

Refer [AAAR-MRF LIMITED DATED 24.06.2019](#)

### 3. Provision cannot takes much heights despite of non-starting of Form GSTR-2

As per Rule 37(1) the registered person requires to furnish the detail of amount of value not paid and the amount of input tax credit availed of proportionate to such amt. not paid to the **supplier in FORM GSTR-2**.

As per Rule 37(2) the amount of ITC referred in rule 37(1) shall be added to the output tax liability of the registered person

As on date there is no mechanism/machinery provision to file Form GSTR-2 on the portal i.e Form GSTR-2 has not made operational till now. In such a scenario when there is no mechanism to reflect the amount in returns, how the provisions will be worked in this scenario. If the provision is not amended or operationalize Form GSTR-2, this provision can be challenged.

### 4. Proposal to amend Proviso to Section 16(2) in 28<sup>th</sup> & 29<sup>th</sup> GST Council Meetings

In relation to proposal to amendment of deletion of word "along with interest thereon" of proviso to Section 16(2), the minute book of the 29<sup>th</sup> GST Council Meetings Para 12 states that

“He stated that the original formulation of the second proviso under Sec. 16(2) of the CGST Act, 2017 **was more beneficial to MSME and deletion of the phrase "along with interest thereon" would reduce the incentive for timely payment to supplier, especially to MSME**. He, therefore, requested the Council to agree not to amend the second proviso under Sec. 16(2) of the CGST Act, 2017, which was earlier approved by the Council in its 28th Meeting held on 21<sup>st</sup> July, 2018. The Council agreed to this proposal”

### 5. Significance of Date of Issue of Invoice

“.....within a period of 180 days **from the date of issue of invoice by the supplier**.....”

As per Sec.2(66) “Invoice” or “Tax invoice” means the tax invoice **referred to in sec. 31**



By reading the provision of Sec. 31, the GST Law requires that an invoice – tax invoice or bill of supply – is issued on the occurrence of certain event, being a supply, **within the prescribed timelines.**

The prescribed timelines in case of supply of goods or service should take significance to attract the proviso to Section 16(2) i.e **180 days should be seen from the due date of issue of invoice or the actual date of issue of invoice i.e date mentioned on the invoice**

In our view to attract the said proviso the 180 days should be seen from the due date of issue of invoice as per Section 31 of the CGST Act, 2017 not the actual date of issue of invoice.

#### 6. Illustrative Practical Issues

■ When the lump sum amount paid by the recipient to number of invoice without any particular identity of invoice.

■ In case of retention of money due to disputes of invoice or terms of contracts though the supplier has paid the tax amount to the government, no revenue loss to the government.

■ Retention money kept in case of government contracts, civil contracts etc.

■ Issue of lump sum financial credit note at the end of tax period for the supply made during the year such as yearly targeted discount

■ Intentionally higher credit period is allowed to the recipient, creates the problems ease of business

*Disclaimer:- The above write-up is only for highlighting the issues or for educational purpose and the author view is personal, it cannot be taken as advice or surety on issue, kindly take professional opinion of legal counsel before acting on the basis of above write-up. The view taken in the write-up may be varied from the person to person.*

## Letter of appreciation by Prime Minister Shri Narendra Modi to ICAI President for contribution in PM-CARES fund by CA Fraternity



सत्यमेव जयते

प्रधान मंत्री  
Prime Minister

New Delhi  
वैशाख 09, शक संवत् 1942  
29<sup>th</sup> April, 2020

**Shri Atul Kumar Gupta Ji,**

Heartfelt gratitude for the invaluable contribution to PM-CARES Fund by The Institute of Chartered Accountants of India that has strengthened the efforts of the nation in its fight against the Corona pandemic. Your contribution will further our endeavour of providing civil assistance and enhancing disaster management capabilities.

Today when humanity is passing through an unprecedented situation due to the Corona pandemic, India's fight against it is moving ahead with great vigour and steadfastness. All the 130 crore countrymen are discharging their duties with a sense of dedication and discipline in the face of this challenge.

Public-private partnership has played significant role in helping the nation scale new heights. Besides, industry leaders have always come forward during difficult circumstances and in times of disaster to serve the countrymen.

Every contribution is crucial in the fight against Corona. Through peoples' participation and awareness, we will surely be able to defeat Corona. I once again thank you for your contribution towards the PM-CARES Fund.

With best wishes for good health and well-being.

Yours

(Narendra Modi)

**Shri Atul Kumar Gupta**  
President, ICAI  
ICAI Bhawan  
Indraprastha Marg  
Post Box No. 7100  
New Delhi - 110 002

# Brief Analysis of Atam Nirbhar Package of 20 Lakh Crore

CA NAINY MITTAL



There is a serious threat in our lives. A pandemic situation declared by WHO, which is named as Covid -19. Now, the situation is dangerous as the effective treatment for the virus is in sight, the medical experts have told people to remain in house as far as possible and maintain social distancing, so as to prevent virus from entering in to somebody body because it can be spread from human to human. But at the same time we have to look after economy too. for this Government have taken several actions among all 20 lakh crore package is the key to boost the economy.

Here in this article will cover all the related points of atam nirbhar package of 20 lakh crore.

## BREAK UP 20LAKH CRORES

Cost to Government (subsidy or cash outflow)	₹3,20,902 Crore
Loan and other liquidity measures (no cost or cash outflow to government)	₹16,60,050 Crore

## Key Points of Atam Nirbhar Package of 20 lakh Crore. Break up of Rs.20 Lakh Crore

Part A - Business Support given by government			
S.No	Nature of Support	Amt. (Cr.)	Remarks
1	EPF Contribution paid by the Govt. for co's. having upto 100 employees, 90% drawing salary upto Rs.15,000 pm	2,500	Benefits both employee and Employer. Cost to Govt.
2	Income Tax Refunds	18,000	No Cost to the government
3	Collateral Free Loan to Business	3,00,000	No/minimum cost to the Govt. Collateral Free Loan
4	Subordinate Debt to MSME	20,000	Govt. Cost Rs.4,000 Cr.
5	Equity infusion	50,000	Govt will take share in the company. It is an investment and not cost to Govt.
6	TDS rate reduction	50,000	No cost to Govt.
7	MUDRA Loan	1500	Cost to Govt.

Part B - Government help to People			
S.No	Nature of Support	Amt. (Cr.)	Remarks
1	PM Garib Kalyan Package	1,70,000	5 Kg wheat, Rs.500 to Jan Dhan Account, etc.
2	Farmers	17,400	Rs.2000 to the account of farmers
3	Emergency Health Response Package	15,000	To meet COVID cost
4	Kisan Card Loan	2,25,000	No Cost to Govt.
5	Loan to Farmers	86,600	No Cost to Govt.
6	Support to Migrant workers	14,502	Cost to Govt.
7	Rural Infrastructure	4,200	Not relief package

8	Street Vendors	5,000	Cost to Govt
9	CAMPA Funds	6,000	Cost to Govt
10	Emergency funds to farmers	30,000	Cost to Govt
11	Housing Loan Interest Subsidy	70,000	Cost to Government

### Part C: Government to the Banks and Financial Institutions

1	Reduction in Cash Reserve Ratio (CRR) (resulted in more money in the hands of banks to lend)	1,37,000	No Cost to Govt
2	Targeted Long-Term Repo Operations (TLTRO) and MSF - helped	2,87,050	No cost to Govt (no money outflow)
3	Special Refinance facility and Special	1,30,000	No/ Min Cost to Govt
4	Partial Credit Guarantee	45,000	No /Min Cost to Govt
5	Payment to DISCOM (Loan)	90,000	No Cost to Govt
6	Working Capital Agri Entities	6,700	No cost to Govt
7	Refinancing NABARD	29,500	No Cost to Govt

### 1. Increase the confidence and growth of country during Covid-19 Pandemic.

As the situation is very critical to boost the confidence of India in its abilities and not to make itself isolated. Steps is being taken to fight the situation and the integration of the global value chain to be made in this regard.

### 2. Schemes:

It had been highlighted with schemes like Direct Benefit Transfer based on Jan Dhan Yojana account; PM Awas Yojana, Ujjwala Yojana; Swacch Bharat Abhiyan; PM Fasal Bima Yojana; PM Kisan Yojana, etc schemes to recall the success of Modi government.

### 3. Make in India "Concept to be Build"

Business to be done in easy and simplified way and the own brands to be manufactured in India. India will make its own brand and raise them to global level.

### 4. Need to help the various sectors: Sitharaman Announces

"After the July budget we met several times and we made sure to address the needs of various sectors that were felt should be addressed," finance Minister Nirmala Sitharaman said. She added that the aim of the government has been to address issues of various sectors since it has come to power.

### 5. Stimulus package as announced by the Prime Minister to come in various tranches

"I shall come out beginning today to come out and discuss various tranches that will be a part of the plan laid out by the Prime Minister," the Finance Minister said, making it clear that the stimulus package will come in various parts for various industries.

### 6. Finance Minister announced Collateral free loans for the MSME'S Sector

Collateral-free automatic loan to be up to Rs 3 lakh crore will be given, moratorium of 12 months tenure of 4 years .

**Eligible - Borrower with Rs. 25 Crore outstanding and Rs. 100 Crore turnover . 45 Lacs units can resume operations and safeguard jobs. Scheme can be availed till 31st Oct. 2020**

### Second scheme

-Functional MSMEs which are NPAs or under Stress, 2 Lacs MSMEs are likely to benefit by this scheme. Under the schemes government will facilitate provisions of Rs 20,000 crore as subordinate debt

### Thirdly: Equity infusion fund of fund Rs 50,000 crore for MSMEs

Fund of funds with corpus of Rs. 10,000 Cr. will be set off. Will provide equity funding with growth potential and viability.

Fund of fund will be operated through a mother fund and a few daughter fund. Will encourage MSME to get listed on main board of stock exchange.

Fund Structure will help leverage Rs. 50,000 Cr of funds at daughter funds level

This will be a step towards self reliant India and support Make in India.

This will open more business opportunities for MSME business sectors.

#### **Definitions of MSMEs changed**

##### **Fourthly: E-Market Linkages:**

E- market linkages for MSME to be promoted to act as a replacement for trade fairs and exhibition. Fintech will be used to enhance transaction based lending using the data generated by E market place.

MSME receivables from Govt and CPSEs to be released within 45 days.

##### **Fifthly :Opportunity for MSME to participate in Tenders Up to Rs. 200 Cr.**

Indian MSMEs and other companies have often faced unfair competition from foreign companies. Global tenders will be disallowed in government procurement tenders up to Rs 200 cr.

This will be a step towards self reliant India and support Make in India.

This will open more business opportunities for MSME business sectors.

MSME receivables from Govt and CPSEs to be released within 45 days.

E-Market linkage for SMEs since trade fairs and exhibitions may not be held post corona virus in place of trade fairs, all receivables to be cleared within next 45 days, the finance minister Nirmala Sitharaman said.

##### **7. Rs 2500 crore EPF support for business and workers for three more months**

To ease financial stress as businesses get back to work, Government decides to continue EPF support for business & workers for 3 more months providing a liquidity relief of Rs 2,500 crore, Finance Minister Nirmala Sitharaman said.

The move is expected to help 3.67 establishments or 72 lakh employees with a liquidity relief of Rs 2500 crore.

##### **8. EPF contribution reduced for business and workers for 3 months – Rs 6750 cr liquidity support**

Statutory PF contribution of both employee and employer will be reduced to 10% each from existing 12% for all establishments covered by EPFO for next 3

months CPSEs and State PSUs will however continue to contribute 12% as employer contributions. This scheme will be applicable for workers who are not eligible for 14% EPF support under PM Garib Kalyan Package. This will provided relief to about 6.5 lakh establishments covered under EPFO and about 4.3 cr such employees Will provide liquidity of Rs 6750 cr to employers and employees over 3 months.

##### **9. Rs 30,000 crore special liquidity scheme for NBFCs, MFIs and HFCs**

The government launches Rs 30,000 crore Special Liquidity Scheme for non-banking financial companies, microfinance companies, housing finance companies. Under this scheme Stressed Asset Fund (SAF) whose special securities would be guaranteed by the government and purchased by the Reserve Bank of India (RBI) This facility would supplement the liquidity measures taken so far by the government and RBI **and Rs 45,000 crore partial credit guarantee scheme for NBFCs**

The government announces Rs 45,000 crore liquidity infusion through a Partial Credit Guarantee Scheme 2.0 for NBFCs: FM Nirmala Sitharaman.

##### **10. Rs 90,000 crore liquidity injection for DISCOMs**

To give a fillip to DISCOMs with plummeting revenue and facing an unprecedented cash flow problem, Government has announced Rs 90,000 Crore as Liquidity Injection for DISCOMs. With demand reduction, DISCOMs are facing an unprecedented cash flow problem.

##### **11. Central agencies will provide an extension of up to 6 months to contractors**

In what can be called a major relief to contractors, all Central agencies will provide an extension of up to 6 months, without cost to contractor, to obligations like completion of work covering construction and goods and services contracts. Government agencies to partially release bank guarantees, to the extent contacts are partially completed to ease cash flow.

##### **Secondly: Extension of registration and completion date of real estate projects under RERA**

The Ministry of housing and urban affairs will advise States/UTs and their Regulatory Authorities to extend the registration and completion date suo-moto by 6 months for all registered projects expiring on or after 25th March, 2020 without individual applications.

### Thirdly

**Relief to Contractors :** In relief to contractors, the finance ministry announces extension of up to 6 months, without cost to the contractors. These central agencies includes Railways, Ministry of Road Transport and Highways, Central Public Works Dept. It will cover construction work and goods and services contracts, completion of works and intermediate milestones, and also concessional period in PPP contracts. Government agencies to partially release bank guarantees, to the extent contracts are partially completed, to ease cash flows.

#### **12. FM Sitharaman: Rs 52,606 crore transferred to 41 crore Jan Dhan account holder**

Rs 52,606 crore transferred to 41 crore Jan Dhan account holders, Rs 18,000 crore grain transfers; Ujjwala, divyang and old age also benefited, says FM Nirmala Sitharaman.

#### **13. FM Sitharaman lists business reforms in 'Mission Atamnirbhar Bharat'**

FM lists business reforms: public sector bank clean up, recap, FDI liberalization, Ease of Doing, IBC, GST, and NHAI TOT, power sector reforms, privatization of airports, cleaning up of coal mining sectors.

#### **14. Due Dates had been extended.**

Due date of all IT Return filings extended from July 31 to November 30

Vivaad se Vishwas scheme extended till December 31, 2020

Date of assessments getting barred as on Sep 30, 2020 extended to December 31, 2020

Date of assessments getting barred as on March 31, 2021 extended to September 30, 2021

**15. All pending refunds to charitable trusts,** non-corporate business, LLPs and co-operatives will be processed immediately.

#### **16. For cash-desperate discoms Rs 90K Cr Liquidity Injection for DISCOMs**

– Unprecedented cash flow problem accentuated by demand reduction

– DISCOM payables to power generation and transmission companies is currently close to Rs 94,000 cr – PFS/REC to infuse liquidity of Rs 90,000 to

DISCOMs against receivables – Loans to be given against state guarantees for exclusive purpose of discharging liabilities of Discoms to Gencos

#### **17. For NBFCs Rs 30,000 Cr Special Liquidity Scheme for NBFCs/HFCs/MFIs**

– Govt will launch a Rs 30,000 crore special liquidity scheme – Under this investment will be made in both primary and secondary market transactions in investment grade debt paper of NBFCs/HFCs/MFIs

– Will supplement RBI/govt measures to augment liquidity– Securities will be fully guaranteed by govt of India– This will provide liquidity support

#### **18. To provide more take-home salaries and also increase cash-in-hand for employers**

The government will bear the cost of EPF contribution of both employer and employee (24 per cent) for the next three months. However, this is only for those establishments which have up to 100 employees and 90 per cent of them earn less than Rs 15,000

#### **19. TDS and TCS**

This means that lower TDS and/or TCS will be deducted from these (interest, dividends etc.) at the time of payment thereby increasing the amount paid to the same extent. This is aimed at increasing the liquidity in the hands of the recipients such as fixed deposit holders, holders of dividend plans of mutual fund units and shares and landlords of premises given out on rent.

**20. Ministry of Housing and Urban Development** to issue directions to regulatory authorities for treating “COVID-19” period as “Force Majeure” for real estate projects: FM Nirmala Sitharaman.

**21. All govt agencies such as Railways,** Highways, CPWD, etc will give up to 6 months extension to contractors to comply with contract conditions. Govt agencies will partially release bank guarantees to the extent of completion of contracts, says FM.

**Disclaimer:** The Article is based on the Relevant Provisions and as per the information existing at the time of the preparation. In my opinion the article is correct and true when it had been prepared. In no event I shall be liable for any direct and indirect result from this Article.



# CLOUD BASED ACCOUNTING



CA Sachin Jain

## Imagine an accounting environment where :

1. You don't need to call your accountant or visit your or their office premises to access your financial information.
2. With just a few clicks you have the access to your financial data, only requirement being a mere internet connection which is obviously available with everyone now a days.
3. No regular data backup to be taken and stored in physical drives and thereby no arrangement to be made for their safe custody.
4. You can automatically send recurring invoices to your customers once their information is entered into the system.
5. You do not need to give reminder to your accountant to generate invoices every month.
6. Your Vendor can be paid automatically on the set due date , you don't need to rush to the bank or access internet banking to process payment.
7. You don't need to purchase and install a accounting program directly to your computer.
8. You can restrict your employees from accessing any of the confidential financial information.

**At a time where the physical world has been replaced by the virtual, we take a look at the technology that makes it all possible – CLOUD BASED ACCOUNTING!!**

### What is Cloud Accounting?

In the simplest terms, cloud computing means storing and accessing data and programs over the Internet instead of your computer's hard drive. Traditionally, accounting was executed using software hosted locally on a desktop computer's hard drive .

Cloud accounting, on the other hand, is accounting that is executed using software that is hosted remotely on the cloud – i.e., online.

All application functions are performed off-site, not on the user's desktop. In cloud computing, users access software applications remotely through the Internet or other network via a cloud application service provider. Cloud accounting software is similar to traditional, on-premises, or self-install accounting software, only the accounting software is hosted on remote servers, similar to the SaaS (Software as a Service) business model. Data is sent into “the cloud,” where it is processed and returned to the user.

### What's the difference between cloud accounting and traditional accounting software?

There are a several key distinctions between cloud accounting and traditional, on-site accounting. For one, cloud accounting is more flexible. Accounting data can be accessed from anywhere on any device with an Internet connection, rather than on a few select on-premises computers. Secondly, unlike traditional accounting software, cloud accounting software updates financial information automatically and provides financial reporting in real-time. This means account balances are always accurate and fewer errors take place due to manual data entry. They are also better able to handle multi-currency and multi-company transactions more efficiently.

In the on-premises world, every time a firm grows, they encounter greater software license and maintenance costs as well as new licenses and fees for database, systems management and other software. The firm might also have to make expensive capital purchases of new hardware, such as servers. With

cloud solutions, businesses don't get stuck with permanent, expensive equipment and licenses when your business contracts are up and, likewise, there are no big spikes in costs when it expands a little.

Also, cloud accounting requires far less maintenance than its traditional counterpart. The cloud provider completes the backups, updates occur automatically and nothing needs to be downloaded or installed on a company computer.

### **Benefits of Cloud based Accounting system**

#### **Work from anywhere with an internet connection:**

Cloud accounting software means you no longer need to worry about maintaining spreadsheets or installing a programme on one machine. The cloud allows you to log in to your business's account anywhere with an internet connection. Once you sign up, you can get started straight away.

#### **Real Time Data :**

Automated bank feeds allow you to keep track of your business's balance sheet in real time. You can also view a variety of reports that give an up-to-date snapshot of your business finances. Online accounting software makes it easier to get closer to your business and gives you a clearer picture of your finances as a whole.

#### **Save Time With Automation :**

Most cloud-based accounting solutions let you create automatic workflows that save you time. For example, you can enter your vendor's information into the system and set up a workflow that automatically pays that vendor on the due date each month. You can also automatically send recurring invoices to your customers once their information is entered into the system.

**Data Backups :** Losing valuable data can become costly and time-consuming for any business. Cloud technology allows accountants and CAs to focus on their important tasks and become more productive by offering regular automatic backups. Cloud data backups are excellent for providing redundancy and security for accounting businesses that want to ensure their critical data is available even in times of disaster like earthquakes or cyberattacks.

### **Competitive Edge:**

While cloud computing is increasing in popularity, there are still those who prefer to keep everything local. That's their choice, but doing so places them at a distinct disadvantage when competing with those who have the benefits of the cloud at their fingertips. If you implement a cloud-based solution before your competitors, you'll be further along the learning curve by the time they catch up. A recent Verizon study showed that [77% of businesses feel cloud technology gives them a competitive advantage](#), and 16% believe this advantage is significant.

### **Time and Cost Saving :**

The cost-saving benefits that cloud computing brings are vital. It eliminates unnecessary expenses on maintenance, server failures, and other associated costs. This is because when you opt for cloud hosting services, the provider takes the responsibility of handling all such tasks that eventually reduce both capital as well as operating costs.

### **CONCLUSION**

Cloud computing has become highly beneficial to accounting firms over the last few years. The possibilities and features of cloud accounting holds are endless in terms of time and cost. All accounting work that is processed and completed on the cloud enhances the growth of a business and also meet the needs of rapidly changing markets.

Economic crisis, Natural disasters, Medical emergencies, are situations that can hit a business without any warning and therefore, the need of the hour is to embrace tech disruptions at the earliest and be future ready at all times.





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Indore (M.P.) Tel. : 0731-2570052-53, 4298198  
Mail : [indore@icai.org](mailto:indore@icai.org) [www.indore-icai.org](http://www.indore-icai.org)

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