



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Pune Branch of WIRC of ICAI

NEWSLETTER
AUGUST 2023

ISSUE NO. 08

Subscribers copy not for sale.



CHAIRMAN'S MESSAGE

Dear Members & Students,

Wishing you all a very Happy 75th Independence Day!

Let's celebrate the day that gave us the freedom of thought, actions, faith and speech! Happy Independence Day!

In the month of August, we have organised National Conference on GST which was inaugurated by Hon'ble Shri. Sudhir Mungantiwar Saheb, Cabinet Minister Forests, Cultural Affairs and Fisheries, Government of Maharashtra, India, CA. Umesh Sharma, Vice Chairman, GST & Indirect Taxes Committee, CA. Chandrashekhar Chitale Sir, CCM & Other Dignitaries which was attended by more than 400 members. Thanks to the GST & Indirect Tax Committee for hosting such big event at Pune and also to all the participants for such great response.



CA Rajesh Agrawal

Chairman
Pune Branch of WIRC of ICAI

We have organized one of the best event "Workshop on Growing Opportunities for Members" in which newly qualified members learned growing opportunities in different areas of practice from stalwarts in the profession which includes, Statutory Audit, Careers in Banking, Risk Consulting, Taxation (Direct/Indirect / International) and Finance in Industry.

As this year is "Azadi ka Amrit Mahotsav" we had done various activities under the theme "AKAM" and also celebrated the 75th CA Foundation Day by organizing various activities for members & students like CSR, Educational, Sports, Cultural etc.

We had 61st Annual General Meeting of Pune Branch of WIRC of ICAI in July, 2023 which was conducted well.

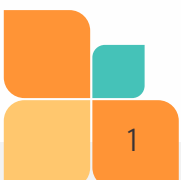
We have organized very first time, 'Series on Growth Opportunities - Above & Beyond' which was one of the kind event for the growth of members.

We also another remarkable event, 'Entrepreneurship Programs to celebrate World Entrepreneurs Day (WED) 2023' under Committee for Members in Entrepreneurship & Public Service (CMEPS), ICAI, under the Topic 'How can Indian Startups aim for global growth and build a business with the global market' at MIT ADT UNIVERSITY, IT Building, 5th floor, Rajbaug Campus, Lonikalbhori, Pune.

During this month considering the due dates of income tax, we have organized many other professional programs for the benefit of members and students.

Do not forget to share your ideas, views and thoughts on any and every matter related to the branch. Assuring you that we shall definitely take cognizance of each and every email, message and verbal communication.

"The goal of mankind is knowledge . . . What man "learns" is really what he discovers by taking the cover off his own soul, which is a mine of infinite knowledge." - Swami Vivekananda





Workshop on Growing Opportunities for Newly Qualified CA's
on 13th Aug,2023





Seminar on National Small Industries Corporation (NSIC)
Schemes for MSME on 26th Aug,2023





National Conference on "GST"
on 6th August 2023





Series on Growth Opportunities - Above & Beyond
on 26 th to 30 th August 2023



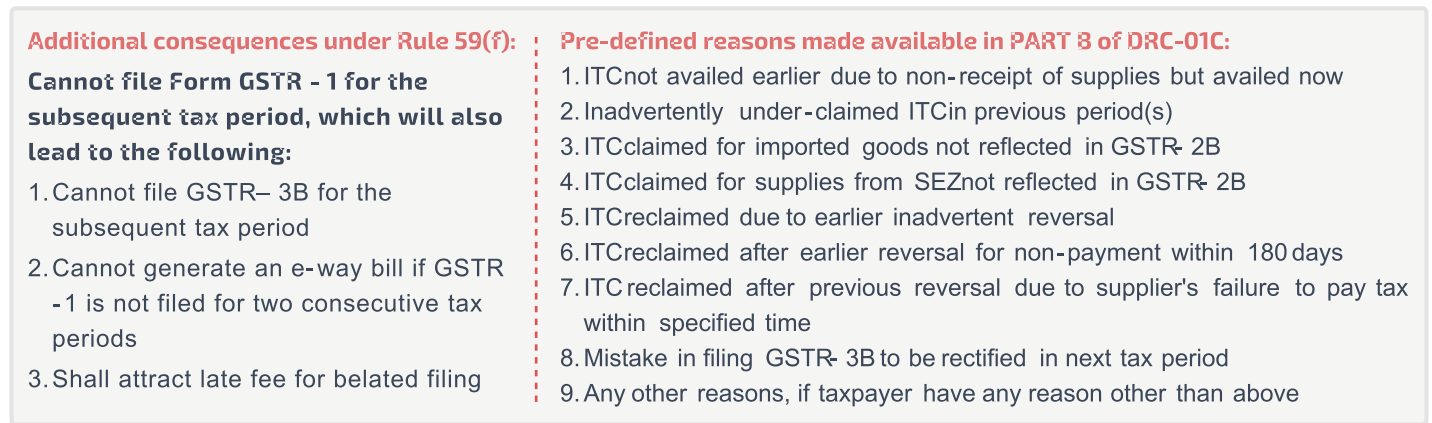
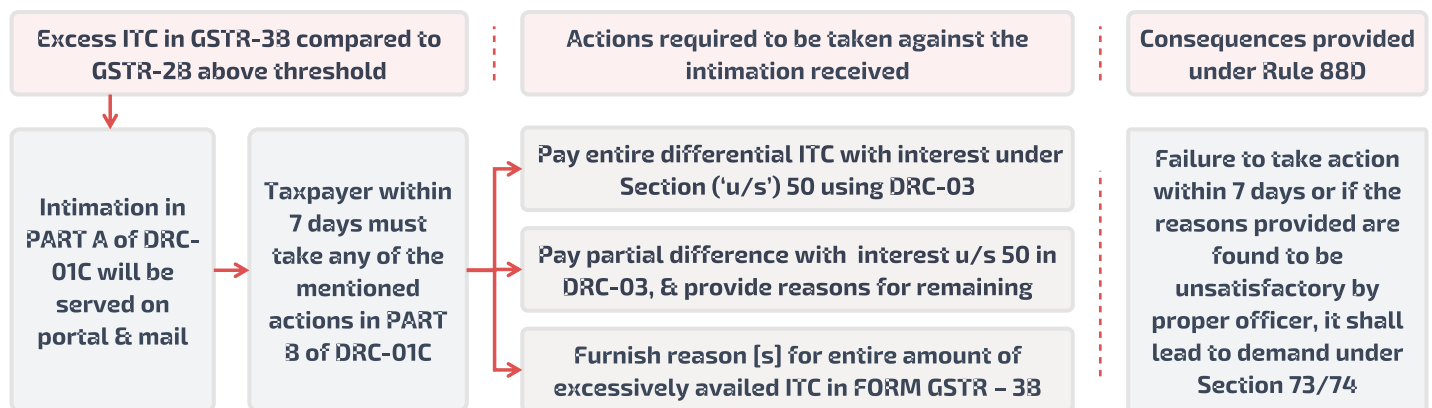


UNDERSTANDING RULE 88D - IMMEDIATE MEASURES FOR 2B VS 3B MISMATCHES



BACKGROUND:

- With the intention to reduce **ITC mis-matches & misuse of ITC facility**, the GST Council in its 50th meeting had recommended to introduce a mechanism for system -based intimation to the taxpayers in respect of excess availment of ITC in Form GSTR-3B vis a vis that made available in Form GSTR2B above certain threshold, along with a procedure of auto -compliance on the part of the taxpayers to explain the reasons for the said difference or take remedial actions in respect of such difference.
- In this regard, the CBIC, has issued **Notification No. 38/2023** – Central Tax, dated 04 August 2023 to notify **Rule 88D** to CGST Rules, 2017. In this regard, we have tried to explain the Rule 88D in **SHORT, SIMPLE & EASY TO UNDERSTAND MANNER**.



A knowledge-sharing initiative to explain various GST concepts, changes etc., in a manner

and

VIEWES ARE STRICTLY PERSONAL.

FOR INFORMATIONAL PURPOSE ONLY

05 AUGUST 2023
ONE SLIDER NO. 20





CA. Mohit Dhand

Article 1: Current Scenario of the Indian Pharmaceutical Industry

1. The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India is the largest provider of generic drugs globally, known for its affordable vaccines and medications.

The Indian Pharmaceutical industry is ranked 3rd in pharmaceutical production by volume and 14th by value after evolving into a thriving industry growing at a CAGR of 9.43% in the past nine years.

India enjoys an important position in the global pharmaceuticals sector.

2. India has the most pharmaceutical manufacturing facilities that comply with the US Food and Drug Administration (USFDA) and has 500 API (Active Pharmaceutical Ingredient) producers, making up around 8% of the worldwide API market. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. Indian pharmaceutical firms supply over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome). India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

3. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to US\$ 130 billion by 2030. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and expecting to reach US\$ 150 billion by 2025.

4. India is the 12th largest exporter of medical goods in the world. India exports drugs to more than 200 countries, with the US being the key market. Generic drugs account for 20% of the global export volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US\$ 24.60 billion in FY22 and US\$ 24.44 billion in Fy21.



5. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value.

The Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India launched the Jan Aushadhi Scheme in November 2008. Till May 2014, only 80 'Jan Aushadhi Stores' were in operation in selected States. The Government revamped the 'Jan Aushadhi Scheme' in September 2015 as 'Pradhan Mantri Jan Aushadhi Yojana' (PMJAY). It was again renamed as Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) to give further impetus to the scheme. Till 31st January 2022, 8675 PMBJP Kendras are functional across the country. The government has kept the target to open 10500 PMBJP in the country by 2025, but there are chances that the number will be more than the target.

In the financial year 2020-21, the sale of Rs. 665.83 Crore was made, which led to savings of about Rs. 4000 Crore to the citizens compared to the branded medicines. In the financial year 2021-22 (till 31.01.2022), PMBI has made sales of Rs. 751.42 Crore, leading to approximately Rs. 4500 Crore savings for the citizens.

Online pharmacies are becoming domestic bulk buyers from pharmaceutical industries. The revenue of the online retail sector stood at INR 38.15 Bn in 2020 and is likely to reach 317.87 Bn in 2026. Online Pharmacy offers a 10-20 % discount over offline or retail pharmacies. Online players cut out many costs — real estate, inventory, employee salaries, utilities, intermediaries, etc.

REFERENCE:

lbef.org

Sr. No.	Company Name	Net Sales
		(Rs.cr)
1	Sun Pharma	15,585.98
2	Dr Reddy's Labs	14,405.20
3	Cipla	13,091.79
4	Lupin	11,771.67
5	Aurobindo Pharm	11,287.14
6	Divis Labs	8,879.82
7	Alkem Labs	8,829.81
8	Glenmark	8,141.58
9	Zydus Life	7,981.90
10	Torrent Pharma	6,742.32
11	Ipca Labs	5,399.36
12	Alembic Pharma	5,035.41
13	Abbott India	4,919.27
14	Laurus Labs	4,707.04
15	Gland	4,400.71
16	Granules India	3,238.44
17	GlaxoSmithKline	3,217.51
18	Ajanta Pharma	3,140.64
19	Piramal Pharma	3,094.95
20	Sanofi India	2,956.60

Top 20 Listed Companies in India in terms of Net Sales
(for the year ended 31st March 2022)



Sr. No	Company Name	Market Cap
		(Rs.cr)
1	Sun Pharma	2,47,263.47
2	Divis Labs	88,931.97
3	Cipla	86,041.04
4	Dr Reddy's Labs	71,790.01
5	Torrent Pharma	52,464.12
6	Abbott India	47,127.87
7	Zydus Life	44,536.98
8	Alkem Lab	36,099.06
9	Lupin	34,361.71
10	Aurobindo Pharm	25,497.12
11	Gland	23,940.19
12	GlaxoSmithKline	22,154.92
13	Ipca Labs	22,092.56
14	Pfizer	19,327.96
15	Laurus Labs	19,232.53
16	JB Chemicals	15,124.20
17	Ajanta Pharma	15,083.53
18	Piramal Pharma	14,009.56
19	Sanofi India	13,037.64
20	Suven Pharma	12,632.79

Top 20 Listed Companies in India in terms of Market Cap
(for the year ended 31st March 2022)



CA. Smruti Sabnis

Disclosure of Foreign Assets in Income Tax Return by Indian Resident

As we have seen in recent years advancements in technology and the ease of access to global financial markets have led to an increase in the trend of investments in foreign assets. However, these investments in foreign assets by Indian residents come with a set of compliances mandated by the Income Tax Act, 1961.

One crucial compliance requirement is the 'Disclosure of Foreign Assets and Income' in the income tax return, failure to which results in penalties and legal repercussions. In recent days, the Income Tax Department has been verifying this disclosure from various sources. Non-disclosure of such investments/assets may invite notice from Income Tax Department and hence, it is advisable to give proper disclosure of Foreign Assets in Income Tax Return.

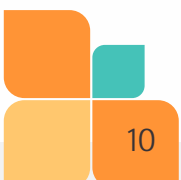
1) Which Foreign Assets to be disclosed?

The following investments in foreign assets are required to be disclosed:

- ? Any asset held outside India (Shares, Debentures, Life Insurances, Annuity Contract, Immovable Property or any other capital asset),
- ? Financial or beneficial interest in any overseas entity (Partner in an overseas LLP or firm, a beneficiary of a foreign private trust),
- ? Signing authority in any account located outside India (Trading, Depository, Bank or Custodian Account);
- ? Income from any source outside India (Dividend, interest, or capital gain).

2) Disclosure in Income Tax Return:

The Income tax return contains a 'Schedule Foreign Assets' for declaration of such foreign assets or accounts or income earned thereon. Indian Residents need to report details of any Foreign Assets and Income held during the period as per calendar year E.g.- "Say while submitting the ITR for the Financial Year 2022-23, the details of assets and income from January 1, 2022, to December 31, 2022, are to be reported in Schedule FA."





3) Consequence of Non-reporting of Foreign Assets:

If taxpayer fails to furnish any information or furnishes inaccurate particulars in relation to foreign assets or income, in income tax return, may attract a penalty of Rs.10,00,000/- under The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 and, in fit cases, may also lead to prosecution proceedings. Rathi Rathi and Co., Chartered Accountants 2 | Page (However, if the value of such asset is Rs.5,00,000/- or less, penalty clause would not be applicable)

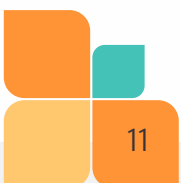
4) Action Point for now:

We know that you have already filed Income Tax Return for FY 2022-23, but in case above disclosure is advertently missed in Income Tax Return due to lack of awareness, we can still disclose such Foreign Assets by filing revised return till 31 December 2023. Kindly let us know so that appropriate disclosure/compliance can be made to avoid any penal consequences.

Written by:

CA Smruti Sabnis

Rathi Rathi and Co





Pune Branch of WIRC of ICAI

Plot No. 08, Parshwanath Nagar, CST No. 333,
Sr. No. 573, Munjeri, Opp. Kale Hospital,
Near Mahavir Electronics, Bibwewadi, Pune 411037
Tel : (020) 24212251 / 52 Email : admin@puneicai.org

Advertisement Tariff for Pune Branch Newsletter WEF November 2015	
Back Page (19 X 15) Color	16,500/-
Inner Page of Front / Back Page (A4) Color	16,000/-
Full Page (A4) Color	15,000/-
Half Page	8,000/-
Quarter Page	4,500/-
Discount : 3 to 6 Insertions	: 10 %
7 to 12 Insertions	: 15 %
Additional GST	: 18 %

www.puneicai.org

Disclaimer: The ICAI and the Pune Branch of WIRC of ICAI is not in any way responsible for the result of any action taken on the basis of advertisement published in the newsletter. The members, however, may bear in mind the provision of the Code of Ethics while responding to the advertisements. The views and opinion expressed or implied in the Newsletter are those of the authors / contributors and do not necessarily reflect of Pune branch. Unsolicited matters are sent at the owners risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, Whether in part or in whole without the consent of Pune branch. Members are requested to kindly send material of professional interest to editor@puneicai.org the same may be published in the newsletter subject availability of space and editorial editing.