



AKOLA BRANCH OF WIRC



NEWSLETTER



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Preface

It is our pleasure to present the latest edition of the ICAI newsletter. This newsletter is designed to keep our members up-to-date on the latest news, developments, and events within the Institute of Chartered Accountants of India.

In this newsletter, you will find a range of articles, news items, and updates from various departments and committees within ICAI. We have endeavored to provide a diverse range of content that will be of interest and relevance to our members, including updates on professional standards, regulatory changes, and the latest trends and best practices in the field of accountancy. We hope that this newsletter will serve as a valuable resource for our members and help them to stay informed and engaged with the activities and initiatives of ICAI. We welcome feedback from our members and would be happy to hear from you if you have any suggestions or ideas for future editions of the newsletter.

Thank you for your continued support and participation in the Institute's activities.

Newsletter Editor



CA Neha Bafna



CA Pranay Bafna

What's Inside?

1. Chairperson Message
2. Secretary Message
3. GSTR-4 Amnesty Scheme 2023: Relief for Returns
4. Debt Funds Taxation Change from 1st April 2023
5. Professional Ethics / Misconduct In Relation To CA In Practice
6. Past Events
7. Media Coverage



TORCH BEARERS



CA. Aniket Talati
President ICAI



CA. Ranjeet Agarwal
Vice President ICAI

AKOLA BRANCH NOMINEE



CA Sourabh Ajmera

MANAGING COMMITTEE AKOLA 2023-2024



CA Seema Baheti
Chairperson



CA PANKAJ LADNIYA
Vice - chairperson



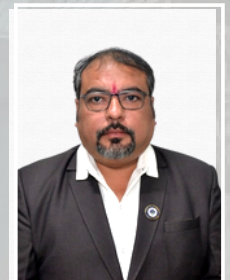
CA SUMIT ALIMCHANDANI
SECRETARY



CA BHUSHAN JAJOO
TREASURER



CA NAVIN KRIPLANI
EXECUTIVE MEMBER



CA HIREN JOGI
IMMEDIATE PAST CHAIRMAN



Success is not final, failure is not fatal: it is the courage to continue that count."

– Winston Churchill



CA SEEMA BAHETI
CHAIRPERSON

Message From Chairperson

Dear Members,

This quote reminds us that success is not the end goal, and that failure is not the end of the road. What truly matters is having the courage and determination to continue despite setbacks and challenges. Keep pushing forward, and remember that each step you take towards your goal is a success in itself.

I am honored to serve as the Chairperson of the Akola Branch of the Western India Regional Council of the Institute of Chartered Accountants of India (ICAI). It is my pleasure to welcome you all to our esteemed branch.

As an organization, we are committed to promoting the highest standards of professional excellence and ethical conduct within the accounting profession. Our branch provides numerous opportunities for our members to enhance their skills and knowledge, network with other professionals, and contribute to the growth and development of the profession.

I strongly believe that together, we can achieve great things. Through collaboration, innovation, and dedication, we can work towards creating a brighter future for the profession and for our members.

I encourage all of you to take advantage of the resources and opportunities that are available to you through our branch. Let us work together to achieve our shared goals and to make a positive impact in our communities.

Thank you for your continued support and commitment to the Akola Branch of WIRC.



"The greatest glory in living lies not in never falling, but in rising every time we fall."



NELSON MANDELA



CA SUMIT ALIMCHANDANI
SECRETARY

Message From Secretary

Dear Members of the Akola Branch of WIRC of ICAI,

I hope this message finds you in good health and high spirits. As the secretary of the Akola Branch of the Western India Regional Council of the Institute of Chartered Accountants of India (ICAI), it is my pleasure to extend a warm welcome to all of you.

The Akola Branch of WIRC has been working tirelessly to uphold the values and ethics of the accountancy profession and to provide high-quality services to our members. We are committed to creating a supportive and inclusive environment where our members can network, learn and grow.

In the coming months, we have several exciting events and programs lined up for our members. These events will provide a platform for our members to learn from experts in the field, share their knowledge and experiences, and interact with other professionals in the industry.

I encourage all of you to actively participate in these events and make the most of the opportunities that are available to you through our branch. If you have any suggestions or feedback, please do not hesitate to reach out to us.

Thank you for your continued support and commitment to the Akola Branch of WIRC.



CA MOHIT KABRA

CBIC'S GSTR-4 AMNESTY SCHEME 2023: RELIEF FOR PENDING RETURNS

The Central Board of Indirect Taxes and Customs (CBIC) has introduced an Amnesty Scheme to provide relief to taxpayers with pending GSTR-4 returns (July 2017 to March 2022).

GST Council Recommends Amnesty Scheme for Pending GSTR-4 Returns

In the 49th GST Council meeting held on February 18, 2023, the council recommended an amnesty scheme for taxpayers with pending GSTR-4 returns. The scheme aims to offer conditional waiver or reduction of late fees to help taxpayers clear their pending returns.

CBIC Issues Notification to Implement Amnesty Scheme

The CBIC has issued the Notification 2/2023, to bring the amnesty scheme into effect. The notification outlines the benefits and conditions for availing the scheme.

This Notification amends earlier Notification 73/2017 and inserts a new proviso to waive late fees payable in excess of Rs 500/- under Section 47 of the CGST Act by a registered taxpayers for failure to furnish the return in Form GSTR-4 for the period July 2017 to March 2022 by the due date. Further, such late fee is fully waived where the total amount of central tax payable in the Form GSTR-4 is NIL. To avail the amnesty, the taxpayer has to file all the pending returns in Form GSTR-4 during the period from April 1, 2023, to June 30, 2023.

Who is Eligible for the Amnesty Scheme?

Any taxpayer with pending GSTR-4 returns for any period between July 2017 and March 2022 can avail the benefits of the amnesty scheme.

Maximum Penalty under the Amnesty Scheme



The maximum penalty under the amnesty scheme varies depending on the taxpayer's situation:

A) For taxpayers with zero tax payable: NIL

B) For other taxpayers: Maximum penalty will be Rs 500/- per return (Rs 250/- CGST + Rs 250/- SGST).

Conditions to Avail the Amnesty Scheme

To benefit from the amnesty scheme, taxpayers must file their pending GSTR-4 returns between April 1, 2023, and June 30, 2023.

In conclusion, the CBIC's GSTR-4 Amnesty Scheme aims to provide relief to taxpayers by reducing penalties for pending returns. By taking advantage of this scheme, taxpayers can clear their backlog and avoid significant penalties.



CA KRISHNAKUMAR MOHTA

Debt Funds Taxation Change from 1st April 2023 (FY2023-24)

Any gain on a mutual fund with less than 35% exposure to domestic equity will be considered short-term capital gain, irrespective of your holding period.

This new tax rule has been introduced as an amendment to the Finance Bill, 2023. This rule will be applicable from 1st April 2023. The idea behind this seems to be to bring parity in all fixed-income products i.e. debt mutual funds should be taxed similarly to fixed deposits.

Up to 31st March 2023, the gains in Debt Funds held for less than 3 years (or 36 months) were treated as Short Term Capital Gains (STCG) and taxed as per the investor's income tax slab rate. The Long-Term Capital Gains (LTCG) were on investments held for more than 3 years (or 36 months) and taxed at 20% with indexation

Let's consider an example.

You invest Rs 1 lac today in a debt mutual fund.

After 4 years, this amount grows to Rs 1.4 lacs. A total gain of Rs 40,000. Since the holding period is greater than 3 years, this gain is long term capital gain and will get indexation benefit.

Let's say the Cost of Inflation index (CII) in the year of purchase (FY2023) is 331 and in FY2027 is 380.

Your indexed cost of purchase will be = $380/331 * 1 \text{ lac} = \text{Rs } 1.14 \text{ lacs}$

Long term capital gain (taxable) = Sale price – Indexed cost of purchase = Rs 1.4 lacs – Rs 1.14 lacs = Rs 26,000

On this LTCG of 26,000, you pay 20% tax. 20% of 26,000 = **Rs 5,200**

As per the new rule, there shall be no concept of Long term capital gains for debt funds.

Hence, any gain irrespective of the holding period shall be considered and taxed as short-term capital gain.

In the above example, the gain of Rs 40,000 will be considered short-term capital gain. And if you are in 30% tax bracket, you will have to $30\% * 40,000 = \text{Rs } 13,333$ as tax.



It does not affect existing debt mutual fund investments. Your existing debt mutual fund investments or those debt MF investments made on or before March 31, 2023 will still be eligible for indexation. For such investments, short term capital gains (holding period up to 3 years) will be taxed at your marginal tax rate (tax slab). Long-term capital gains (holding period > 3 years) will be taxed at 20% after indexation.

The Collateral Damage

This new tax rule just does not affect the debt mutual funds. It affects all the mutual funds with less than 35% in equity. And not just any equity. It must be domestic equities.

Thus, a few categories apart from debt funds that will be impacted are as follows.

1. Gold mutual funds and ETFs
2. International equity FoFs
3. Conservative hybrid debt fund category where at least 75-90% of investments must be in debt instruments. If you have 75-90% in debt instruments, you cannot have 35% in equity.

Earlier, there were two kinds of mutual funds for tax-classification purposes. With less than 65% equity exposure. AND with 65% and above equity exposure.

Now there are three.

Exposure to Domestic Stocks	Less than 35%	35%-65%	65% and above
Short Term Holding Period	Everything is short term. No concept of long term capital gains	Upto 3 years	Upto 12 months
Long Term Holding Period		More than 3 years	More than 12 months
Short Term Capital Gains Tax	Marginal Tax Rate	Marginal Tax Rate	15%
Long Term Capital Gains Tax	Not applicable. All gain are taxed as STCG	20% after indexation	10%
Fund Categories	Debt Mutual Funds/ETFs/FOFs Conservative Hybrid Funds Gold Mutual Funds/ETFs/FoFs Foreign Equity Funds/ETFs/FoFs	Balanced Hybrid Funds	Equity Funds Arbitrage Funds Balanced Advantage Funds Aggressive Hybrid Funds



Who does this affect the most?

Clearly, if you are in higher income tax brackets. 20%-40% marginal tax rate.

Who is not affected?

If you are in 0-10% income tax bracket, you are not affected as much. Even after indexation benefit, your net tax liability would be somewhere in that range only. Hence, you should be fine.

If you are making investments in debt funds only for the short term (< 3 years), then the new tax rule does not impact you. Short term capital gains in debt funds are taxed at marginal income tax rate. And will be taxed at marginal tax rate even after April 1.

MF redemptions work on FIFO (A new folio or a new scheme)

Debt investments you made before March 31, 2023, are precious since these are eligible for indexation benefit. However, MF redemptions work on FIFO (first-in, first-out) basis.

Let's say if you are investing in HDFC Liquid fund.

When you redeem from this fund, the oldest units will be sold first. But you don't want to sell the older units since those are eligible for indexation benefit.

You want to sell the newer units (bought after April 1, 2023). How do you do that?

1. Invest in a different scheme (ICICI Liquid instead of HDFC Liquid). Sell first from ICICI Liquid if the need comes OR
2. Continue to invest in HDFC Liquid but in a new folio. If you need money, sell the units from the new folio first.

Who stands to Gain?

Debt MFs played an important role in building the bond market. The success of the Bharat bond fund was a good example. However, on the bright side, now the direct investment in bonds should increase substantially.

The change in tax rule takes away the biggest advantage of debt funds over bank fixed deposits. This move is expected to give a big boost to bank fixed deposits.

Within mutual funds, some schemes are likely to win inflow. E.g., balanced advantage funds, balanced hybrid funds, arbitrage funds, equity savings schemes etc.



The worrying part is the potential rise in the investor's risk profile as conservative investors will now be forced to try to out more riskier investments to receive the same post-tax return. While it is too early to say how it will impact the demand for debt funds, the Asset Management Companies will soon look at changing the mandates of a few of their debt funds to increase equity exposure via the arbitrage route to make them eligible once again for old debt fund indexation taxation.

It will be interesting to see how the market evolves!



CA PURVA LODHA PAREKH

PROFESSIONAL ETHICS / MISCONDUCT IN RELATION TO CA IN PRACTICE

DEFINITIONS :-

> **Professional ethics** encompass the personal, organizational, and corporate standards of behavior expected by an Individual.

The term **professionalism originally** applied to three learned professions: Divinity, Law, and Medicine. The term professionalism was also used for the military profession around this same time.

> Professionals and those working in acknowledged professions exercise specialist knowledge and skill. How the use of this knowledge should be governed when providing a service to the public can be considered a moral issue and is termed professional ethics. Examples of professionals are CA, Lawyer, Actuary, CS etc.

> Professionals are capable of making judgments, applying their skills, and reaching informed decisions in situations that the general public cannot because they have not attained the necessary knowledge and skills.\

The members of the institute have to compulsorily follow the following principles of ethics.

FUNDAMENTAL PRINCIPLES :-

> **Integrity:** – A professional accountant should be straightforward and honest in all professional and business relationships.

> **Objectivity:** – A professional accountant should not allow bias conflict of interest or undue influence of others to override professional judgments.



> **Professional Competence And Due Care :-**

A Chartered Accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service.

A professional accountant should act diligently and in accordance with applicable technical and

professional standards while providing professional services.

> **Confidentiality:** – A Chartered Accountant should respect the confidentiality of information acquired as a result of professional and employment relationships and should not disclose any such information to third parties without proper and specific authority unless there is legal or professional right or duty to disclose.

> Professional behaviour: – A professional accountant should comply with relevant laws and regulations and should avoid any action that discredits the profession.

CHARACTERISTICS OF PROFESSIONALISM:-

> Service to others.

> Assessment of client needs.

> Theoretical body of knowledge obtained through extended pre- service education.

> Standards for entry, practice, and ethical conduct Professional association to maintain standards.

> Continuing education and lifelong learning.

WHY TO IMPLEMENT PROFESSIONALISM:-

Most professionals have internally enforced codes of practice that members of the profession must follow to prevent exploitation of the client and to preserve the integrity of the profession. This is not only for the benefit of the client but also for the benefit of those belonging to that profession. Disciplinary codes allow the profession to define a standard of conduct and ensure that individual practitioners meet this standard, by disciplining them from the professional body if they do not practice accordingly. This allows those professionals who act with a conscience to practice in the knowledge that they will not be undermined commercially by those who have fewer ethical qualms.



PROFESSIONAL MISCONDUCT IN RELATION TO CHARTERED ACCOUNTANT IN PRACTICE :-

CLAUSE DETAILS REMARKS

1. A CA in practice is deemed to be guilty of professional misconduct if he :-

- Allows any person to practice in his name as a chartered accountant
- Unless such person is also a chartered accountant in practice and is in partnership with, or employed by himself.

This clause ensures work of accountant carried out by Professionally competent person who is a Chartered Accountant.

2. A CA in practice is deemed to be guilty of professional misconduct if he :-

- Pays or allows or agrees to pay or allow directly or indirectly any share commission or brokerage in fees or profits of his professional business to any person other than

- 1) A member of ICAI
- 2) Partner or Retired partner
- 3) Legal representative of deceased partner
- 4) Member of any other professional bodies
- 5) With such other persons having prescribed qualifications

This clause ensures practicing CA professionals shall obtain any work because of his own competence and not through any references or commission.

PROFESSIONAL MISCONDUCT IN RELATION TO MEMBERS GENERALLY:-

CLAUSE DETAILS

1 CA is deemed to be guilty of professional misconduct if he:-

- NOT being a fellow of the institute, but acts as a fellow of the institute.

2 A CA is deemed to be guilty of professional misconduct if he :-

- Does not supply the information called for, or
- Does not comply with the requirements asked for by The Institute, Council or any of its committees, director(discipline), board of discipline, disciplinary committee,



quality review board or the appellate authority.

3 A CA is deemed to be guilty of professional misconduct if he :-

- While inviting professional work from another chartered accountant or while responding to tenders or inquiries or while advertising through a write up or anything as provided for in clause 6 **Gives information knowing it to be false.**

Ethics is not definable in exact terms. It has to be exercised with consciousness, it includes the professional's thinking and feelings too.



Past Events



17 March 2023

Akola Branch of ICAI organizes full-day workshop on Bank Branch Audit by CA Dipen Shah, CA Rohit Porwal and CA Ashish Badge



17 March 2023

Launch of Newsletter by of MANJUSHA JOSHI MADAM (SBI Regional Manager)



Akola Branch of WIRC of ICAI
Organises
Aadhar update and enrollment center
At ICAI Bhawan, Akola
23rd March to 25th March
Timing: 11:00 AM to 05: 00 PM

As we all are aware that **31st March 2023** is the last date for linking Aadhar-PAN. Failing which **penalty of Rs. 10000** will be imposed. And in most of the cases, the pendency is because of incorrect data in Aadhar, which is required to be updated.

☎ For Help - 8379968972

Regards,
CA SEEMA BAHETI CHAIRPERSON CA SUMIT ALIMCHANDANI SECRETARY



23 March 2023 to 25 March 2023

Aadhar Update and Enrollment Center Inauguration



25 March, 2023

Series Local for the vocal on Agri Advances and IRAC norms for Agri Advances by CA Gaurishankar Mantri and Making March Meaningful -Seminar on Closing books Income Tax Perspective by CA Kapil Hirani and Closing books GST Perspective by CA Mahendra Jain.



25 March 2023

JAL SEWA initiative by ICAI

The inauguration was done by past chairman CA Ramesh Baheti



2nd April, 2023

JITO AKOLA **JITO YOUTH** **JITO NAGPUR**

Route Map

Post Office

BSNL Office

Civil Lines Square

Ahimsa Marg

Ahimsa Marg

RLT College Road

Civil Lines Square

START

END

Jawahar Nagar Chowk

Reporting Time :- 5:45 AM **CONTACT**
Warm Up :- 5:50 - 6:00 AM Nitin - 8793336533
Ahimsa Run :- 06:00 AM Mayur - 9405666664



2 APRIL

Ahimsa Run - Members from CA Fraternity joined the Marathon

Dear valued readers,

We would like to express our sincere gratitude for your continued support and interest in our newsletter. It is because of your encouragement and feedback that we strive to deliver informative and engaging content on a regular basis.

As we move forward, we are always looking for ways to improve and expand our coverage of various topics. To that end, we would like to invite you to contribute articles to our newsletter. We welcome your perspectives and insights on a wide range of subjects, from technology and business to lifestyle and culture.

If you have an article that you would like to submit, please do not hesitate to reach out to us. We would be delighted to consider your piece for publication in our upcoming issues.

Thank you once again for your support, and we look forward to hearing from you soon.


Best regards,

CA Pranay Bafna and the Newsletter Team.

*Thank
You*



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