



Ahmedabad Branch of WICASA

E-Journal





AHMEDABAD BRANCH OF WICASA

E-NEWSLETTER FOR THE MONTH OF February 2020



OFFICE BEARERS:

Seating (L TO R):

CA. Bishan Shah - Chairman of Ahmedabad WICASA,
CA. Ganesh Nadar– Chairman of Ahmedabad WIRC.

Standing (L TO R):

Mr. Rahul Nuval (MCM of Ahmedabad WICASA)
Mr. Harsh Jain (Secretary of Ahmedabad WICASA)
Mr. Harsh Parikh (MCM of Ahmedabad WICASA)
Mr. Keval Trivedi (Vice-Chairman of Ahmedabad WICASA)
Mr. Karan Panchal (Treasurer of Ahmedabad WICASA)
Mr. Mahendiraza Bhiamani (MCM of Ahmedabad WICASA)

Editorial Board:

Mr. Keval Trivedi (Co-Editor).
Mr. Harsh Jain (Co-Editor).



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Chairman's Message.



Dear CA Students,

Once you complete your student life it is a dream to be a student again! I am fortunate that our Chairman of Ahmedabad Branch of WIRC of ICAI CA Ganesh Nadar along with managing committee had reposed faith in me and given me responsibility to Chair Ahmedabad- WICASA for the year 19-20.

It feels like a dream come true. During the last year I had been able to work closely with CA Students of Ahmedabad. During the same I was able to know their issues and I came to know how we as their mentors can motivate, support and guide them.

As noticed by our state education minister during his visit as chief guest in CA student conference that ours is the only course where in Chartered Accountant members guide and support their students. I feel myself lucky that I have been able to serve my student friends. May be my contribution during the year is lessor compared to what I myself had planned, but it is indeed an eye-opener for me that how much more we can do for our student fraternity. Seeds of hard work, commitment, dedication, discipline, time-management etc. can be implanted in the students' along with study, reading and writing skills. In CA course continuous motivation and support is required as there are chances of attempts, during exams also there are so many distractions for completing the CA goal. How to overcome these distractions is a challenge for the students, at WICASA we can try to say **"I am with you."** CA students are multi-talented and if they get the right direction then I am very sure that with their determination and dedication sky is limit for them. After becoming a CA, these students are going to drive Indian economy in this globalised world. WICASA is the platform where they meet with many students, rankers and are able to cultivate their skills of decision making, leadership, negotiation, public speaking, knowledge dissemination techniques and much more.

I request all the students to join activities of Ahmedabad WICASA.



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During the year 19-20 remarkable activities we did together were :-

CA Students Conference:-

CA students conference was organized on 30th November 2019 & 1st December 2019 inaugurated by Minister of Law and Education of Gujarat - Shri Bhupendra Sinh Chudasma. Also our guest of honour CA Sunil Talati - Ex-president of ICAI and Brig. Vinod Bajiya - Indian Army has given the conference great start to learn, how to be a leader at intellect front and how to plan their work efficiently and in a timely manner. It was a gold mine of knowledge and professional experience with the participation over more than 800 CA students.

Academic Seminars, Knowledge updating talks in New area of Practice:-

Various Academic seminars were conducted during the year on all the topics related to technical subjects. But Seminars on intellectual property by an expert in the domain and RERA by the authority themselves were icing on the cake.

Motivational Talks:-

We had organised a talk with Rankers from Gujarat, as a result, students were able to understand how easy it is to achieve a rank in the examination. Rankers motivated our students and their appreciation gave them to cloud 9 feelings.

Motivational sessions were arranged where **CA Mukesh Rajput- Bhopal Ratna Award Winner** and Talk of **CA Fenil Shah, iconic personality for every CA student.**

Continuous education and self-study:-

Vedanta: study seminars - A special initiative was taken to improve the confidence of students where they're allowed to conduct a seminar of themselves building better presentation skills.



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Festival Celebrations:-

Over and above Republic Day and Independence Day, We celebrated **150th Birth Anniversary of father of nation Mahatma Gandhiji** and invited Brig. Vinod Bajiya - Indian Army addressed the students to showcase efforts of our Army for the nation. Wherein he guided students how to be present them for the desired task at the desired time. How much mental and physical health of youth help India to grow strong.

Indoor and Outdoor sports events were organised half-yearly to make students more focused on physical strength and exercises as well.

Many youth festivals were arranged like Navratri celebration, IGNITE - A platform for students to showcase their talent in various areas of dancing, singing, Open mic, poetry, stand up comedy.

Visits to know beyond :

Environmental Visit was conducted to know the importance of nature. Importance to preserve nature and our role in saving the mother earth. It is very much important to live with nature and to **say no to the plastic.**

ISRO, Ahmedabad was visited by more than 250 students and they gave their messages by creating the poster for our scientist post-Chandrayaan experiment to express their gratitude and proud towards scientists working at ISRO.

Indian Army Camp at Gandhinagar made our student learn about the planning, discipline and untiring efforts by our army for the safety and security of the nation.

Industrial Visit to more than 12 manufacturing factories in one day of Prasad Group made students think on inventory management, budgetary controls and promising role of a CA in the organisations.



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Presence on social media:

On **Instagram**, we are having more than 3000 followers. As a result, we are the most popular student fraternity on Instagram. We have used social media to educate students and make them aware of CA students activities. On Facebook, we are having a community of 5000 followers.

Lastly Miles to go before you sleep.....There is a lot more to do...so many things in my mind and **we can, we willpositions are temporary but institutions are permanent..**on that basis whole managing committee of WICASA did their work as a TEAM. I will always cherish this golden year of my life and I will always be there for my CA Student friends - **“I am with you.”**

I find that while trying to inspire you all, it ends up inspiring me! The reason of my happiness is happy faces of you. Thank you and Best Wishes.

CA Bishan R. Shah

Chairman,

Ahmedabad Branch of WICASA.



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From Committee's Ink:



Dear Friends,

First of all it gives me immense pleasure to inform you all that Ahmedabad Branch of WICASA have been awarded with 2nd Best Branch of Students' Association at National Level as well as at Regional level.

I Am thankful to CA. Bishan shah sir, CA. Ganesh Nadar sir, CA. Fenil shah sir and entire team of Ahmedabad Branch, also Co-ordinators, Volunteers for their support to the Team Ahmedabad WICASA whenever needed.

I also request students to take the part in the articles competition where Best Article will be awarded with the certificate. With this I would like to conclude and extend my gratitude for your boundlessness support to the Ahmedabad Team of WICASA.

**Best Regards,
Keval N. Trivedi,
Vice-Chairman & Co-editor,
Ahmedabad Branch of WICASA of ICAI.**

Change is taking place so fast that if we want to survive and succeed then we have to change with change or before change but if we don't change then change will change us. Changes in form of amendments are such now a days that it requires not only to learn new things but also to unlearn and relearn old things.

We would like to express our gratitude to my friends who have worked extensively in contributing their write-ups.

Also with this I am happy to share that Ahmedabad Branch of WICASA has received 2nd Best Student's Association not only at regional level but at National level As well.



I am thankful to each and every student who helped us whenever we needed them.

**Warm Regards,
Harsh B. Jain,
Secretary & Co-editor,
Ahmedabad Branch of WICASA of ICAI.**



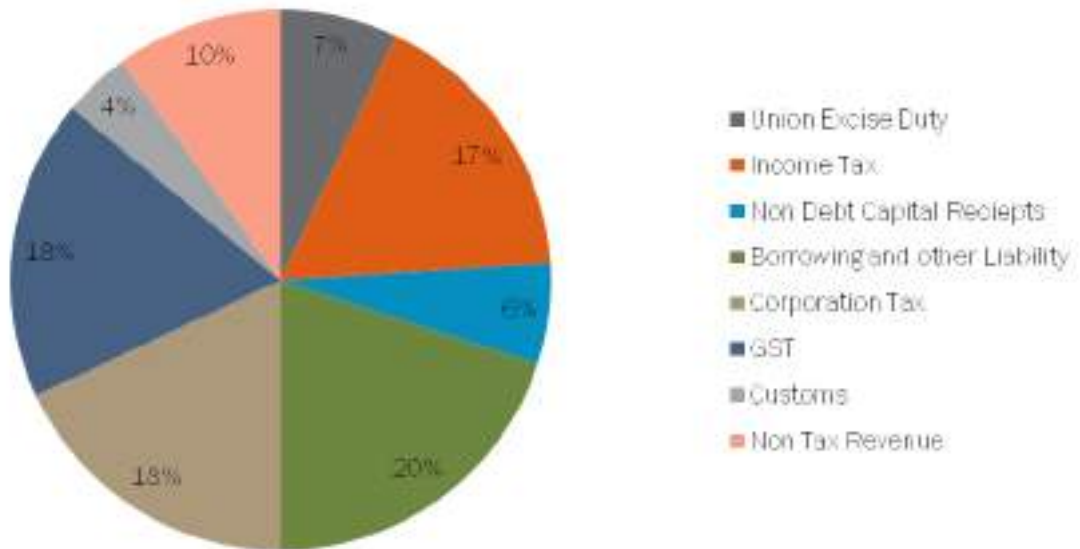
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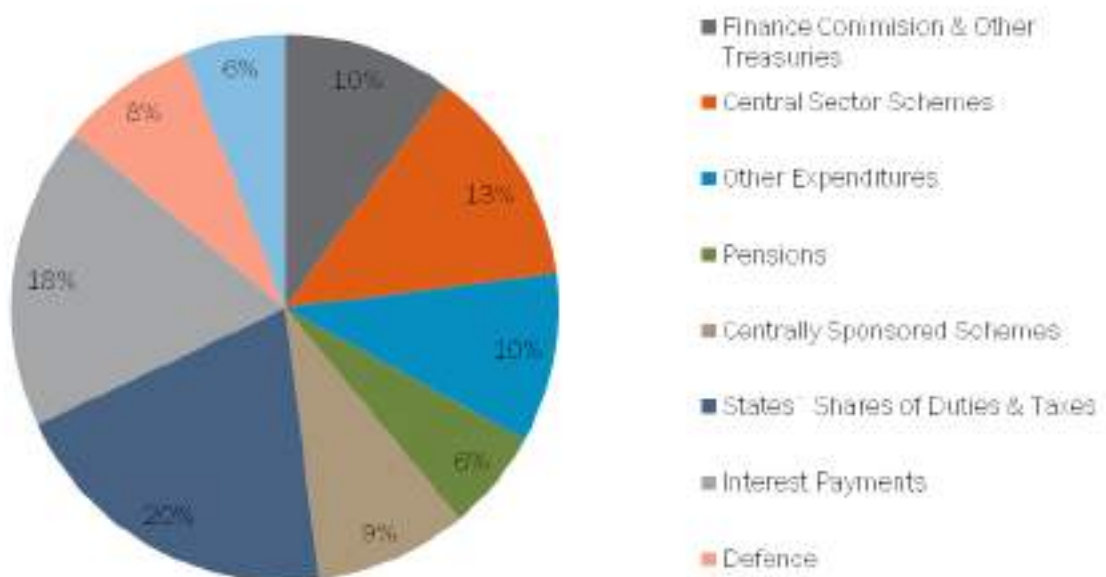
From Students' Desk

ANALYSIS OF FINANCE BILL 2020

Rs. Comes From



Rs. Goesto





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From Students' Desk

New Tax Rates as Per New Regime:

Income	Old Regime	New Regime
upto rs 2.5 lakhs	NIL	NIL
2.5-5 lakhs	5%	5%
5-7.5 lakhs	20%	10%
7.5-10 lakhs	20%	15%
10-12.5 lakhs	30%	20%
12.5-15 lakhs	30%	25%
15 lakhs & above	30%	30%

Note- If GTI < 5,00,000/- No Tax is required to be paid by the tax payer as rebate of R.S.-12,500 is available u/s 87A

Example

Gross Total Income	15,00,000
Tax(under Old regime)	2,73,000
Tax(under New regime)	1,95,000
Tax Savings	78,000

However It maybe noted that no deductions or exemptions can be claimed when the assessee opts for new regime



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S. No	Particulars	Tax in Old Regime	Tax in New Regime	Diff.
Situation(A)				
1	A person having total Income of Rs. 10 lakh	1,12,500	75,000	37,500
2	After Deduction of 1,50,000 u/s 80C	82,500	75,000	7,500
3	After Mediclaim of 25,000 u/s 80D	77,500	75,000	2,500
4	Std. Deduction of 50,000 in-case Assessee has Income from Salary	67,500	75,000	(7,500)
5	After Deduction u/s 24(b) in-case of Self occupied Property	27,500	75,000	(47,500)
Situation(B)				
1	A person having total Income of Rs. 12.5 lakh	1,87,500	1,25,000	62,500
2	After Deduction of 1,50,000 u/s 80C	1,42,500	1,25,000	17,500
3	After Mediclaim of 25,000 u/s 80D	1,35,000	1,25,000	10,000
4	Std. Deduction of 50,000 in-case Assessee has Income from Salary	1,20,000	1,25,000	(5,000)
5	After Deduction u/s 24(b) in-case of Self occupied Property	77,500	1,25,000	(47,500)



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A New Section **115 BAC** is being Introduced whereby an Individual and HUF can opt to pay tax as per the new rates in case it forgoes all exemptions and deductions

- Deduction u/s 80C of PF, LIP etc
- Standard Deduction
- LTC
- House Rent Allowance u/s 10(13A)
- Minor Income exemption u/s 10(32)
- Interest deduction u/s 24(b)
- Exemption of Family Pension
- Other Deductions available under the act

The option to be exercised while filing return in case one does not have business income
For others options required while filing return for A.Y. 2021-22

And once exercised it will be irreversible.

Residential Status

For the purpose of determining residential status the number of days in India will be **120 Days** as against erstwhile **182 Days**.

This shows that Government is becoming more Tax oriented as more number of People will become residents during the previous year declaring their global Income as taxable.

Dividend Distribution Tax

Dividend Distribution Tax abolished w.e.f 1.4.2020 Dividend Income will now be taxed as Normal Income in the hands of Shareholder.

No Deduction of expenditure against dividend Income will be allowed except Interest which shall not exceed 20% of Dividend Income.

Others

Cooperative Societies are given an option to be taxed at 22% plus 10% surcharge plus 4% cess without claiming any deductions or availing any exemptions as compare to current tax rate of 30% with surcharge and cess.



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TDS&TCS

- TCS at the rate of **0.1%** will be applicable on sale of goods if total sales to one person is more than RS 50 lakhs by a person having turnover of more than RS 10 crore.
- TCS on foreign remittance under Liberalized Remittance Scheme exceeding Rs. 7.00 lakh at the rate of **5%**. Also on overseas tour package.
- Insertion of new section **194-O** TDS on e-commerce payment to e-commerce participant at the rate of **1%**
- Amendment under Section **194-J** Where TDS on Fees for Technical Services reduced to **2%**

Others:

- Cooperative Societies are given an option to be taxed at 22% plus 10% surcharge plus 4% cess without claiming any deductions or availing any exemptions as compare to current tax rate of 30% with surcharge and cess.
- PAN will be instantly allotted on the basis of Aadhar without any requirement for filling up a detailed application form

Article by: Vedant Kshatriya
SRN:WRO0663254



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From Students' Desk

ANALYSIS OF FINANCE BILL 2020

Budget 2020 came during the crucial time of economic slowdown when unemployment is at a record high and inflation is also on the rise. As such, a lot of stimuli were expected from this budget and it was thought that the government will make this a “spending” budget to give the necessary boost to the economy. The government did focus on areas like infrastructure and making this budget “investment” friendly and “agriculture-oriented”. However the government's focus on So called “Aam Admi” is questionable.

Positives in the economy listed by the FM in the budget:

1. The FM mentioned that Inflation has been well contained in India averaging around 4.5% during 2014-2019 with a robust growth rate of 7.4% over the period. However, the FM failed to mention the recently fallen GDP growth rate at 5%.
2. Central Government's debt has reduced to 48.7% of GDP as of March, 2019 from 52.2% of GDP earlier in March, 2014 with India being the 5th largest economy of the world
3. Insolvency and Bankruptcy Code, 2016 has helped in recovering the economy from the NPA crisis and banks have been cleaned up and re-capitalized.
4. GST has helped in increasing the efficiency of the logistics sector as the turnaround time of trucks decreases by 20% due to less documentation requirements.
5. In the last 2 years, 60 lakh new taxpayers have come into existence due to GST with 40 crore returns filed and 800 crore invoices uploaded.
6. 271 million people have been raised above poverty over the period of 2006-2016 while FDI being elevated to \$284 Billion during 2014-2019 from the US \$190 Billion during 2009-14.



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I) The FM explained the budget tied across 3 themes so lets get through the same way.

Aspirational India-Agriculture

Fund Allocation: INR 2.83 lakh crores (1.6 to agri and allied activities and 1.2 to irrigation and rural development)

The FM proposed liberalizing the agricultural sector and providing integrated solutions with the allied activities as well. However, the issue is that Agriculture is a state subject and the steps taken by the union government may not be readily accepted by the state governments bringing out no impact at all. An ideal suggestion would be to move Agriculture from state list to union list to get integrated benefits.

Good Initiatives proposed:

1. KISAN Rail- A Cold Supply chain
2. NABARD's refinance scheme has been expanded to 15 lakh crore in FY21.
3. NABARD to map and geo-tag warehouses.
4. Negotiable Warehousing receipts will now be integrated with e-NAM to get loan against stored goods.

Questionable Proposals:

FM stated of overcoming unemployment issues in coastal areas by hiring just 3000 Sagar Mitras . She also stated that 500 Fish Farmer Producer Organizations will be set up. Earlier set up Farmer Producer Organizations are not profitable. How will Fish Farmer Producer Organizations change the scenario is difficult to understand.

Also, the government's target of doubling farmer's income has been stated without any math behind it. Where will the expenditure be made? How will the revenue be earned to meet that expenditure?



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II) Gifts For Business:

The government's main focus is to make India "Business Friendly" and the government did make some announcements in that direction. Also, the government did bring a new tax scheme for the consumers but the conditions with which it comes will not make many taxpayers happy! Overall, the government has brought in a "not so growth-stimulating" budget.

Have a look at the provisions to understand what the biz world got!

1. *DDT abolished; dividend to be taxed in the hands of the recipient*

Proposed to tax the dividend in the hands of shareholders/unit holders based on their applicable income tax slab rate. This might lead to companies giving more dividends which is expected to increase the purchasing power of consumers in turn.

2. *Rationalization of provisions for startups*

The benefit of three-consecutive-year profit exemption for a startup can now be availed within a period of 10 years beginning from the year in which it is incorporated (v/s seven years earlier). The turnover limit for eligible startups has increased from existing INR250m to INR1.0b.

3. *Deferment of ESOPs taxability in case of start-up employees*

This is a welcome relief in case of ESOPs granted by start-ups wherein five-year deferment on tax liability will be provided from the date of allotment of shares. However, in the interim period, if an employee sells shares/exits the organization, the same will be taxable in the year of sale/exit.

4. *Industry and Commerce*

- FM proposed setting up an Investment Clearance Cell to offer end to end support to Investors which is a good initiative but the performance actually depends on its implementation.
- Electronic manufacturing units will be promoted to attract investment, a new scheme will be launched for mobile manufacturing.
- The Unified Government Procurement system is to be boosted as the government will make it mandatory to buy services from this platform!



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- In total, 27300 Crore has been allocated for the development of Industry and Commerce which in my opinion is not enough to bolster the growth we need!
- MSME will now need to get their accounts audited more than 5 Crore. Earlier it was 1 crore
- IT Act will be amended to allow faceless appeals in addition to assessment which is a good initiative.

5. Infrastructure

- NIP will be launched which is a portal for keeping a record of all infrastructure projects of the government, currently with a worth of INR 103 lakh crore.
- National skill development Agency to focus on infra-related courses as the construction industry is expected to bring in more jobs.
- There will be accelerated development of highways.
- Overall 1.7 Lakh crore has been allocated for Transport and Infrastructure. Indian economy sure needs more!
- One good initiative by the government is its newly found focus on AI and Machine learning. Data Center Parks have been proposed across India to link 100,000 panchayats. 8000 Crore INR has been allocated to Quantum Technologies itself which is commendable!

III) Taxation is a problem in mathematics and national economics.

1. New Income Tax Scheme

- In the 2020 budget the government has announced an optional new income tax scheme (lower income tax rates) for individuals / HUF. *The flip side is that under the new tax system people who opt for lower tax rates will not be able to claim most of the exemptions and deductions. If a person has business income, he/she can not revert to the old tax regime once the new tax scheme is selected.* However, an individual without business income will have the option to go back to the old regime.



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- The new option may not be really beneficial for a large section of taxpayers. Anybody earning Rs 15 lakhs or more would save Rs 75,000 in income tax under the new IT rates. At 30% marginal tax rate, this is equivalent to tax saving on deduction of Rs 250,000. Thus in simple terms, if the deduction amount you have to forego is higher than Rs 250,000, then the new tax regime will not make sense.
- Now let us see what all exemptions gets disallowed if you opt for lower tax rates: i)LTA: 60,000 ii)Standard Deduction: 40,000 iii)Interest on HL: 200,000 iv)80C Investments: 150,000 v)80D Medical Insurance: 50,000 vi)80TTA Savings Account interest: 10,000 vii)Income of Minor child: 1,500 viii)The above itself Totals to Rs 511,500

- Impact Analysis of new tax structure:

Further HRA and Donation under Section 80G is also not allowed. HRA exemption itself can be substantial amount. The maximum incremental gain on migrating to the new tax structure would be only INR15,000 p.a. (assuming the taxpayer continues to avail benefits from investments under 80C (INR150K) and 80D (Mediclinam) under existing regime). However, to avail these incremental benefits, the taxpayer would need to forego host of deductions (e.g. HRA, interest on housing loan, LTA, exemptions for SEZ units, standard deduction, deduction for entertainment allowance, professional tax, donations and various other deductions under chapter VIA). Net in net, it seems to be a no brainer.

2. *Extension Of Time Limit For Interest On Affordable Housing*

Scheme: The loan interest deduction (INR150k) taken for the purchase of an affordable residential property has been extended to FY20-21 for another year. Consequently, interest on loans received up to 31st Mar'21 is eligible for deduction under section 80EEA of the Income Tax Act. The said deduction is intended to encourage first-time buyers to invest in property in residential homes.



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3.No Dispute but Trust Scheme – ‘Vivad Se Vishwas’ Scheme

A taxpayer would be required to pay only the amount of the taxes in question and receive a full waiver of interest and penalty if he/she pays by Mar'20 31st. Those that take advantage of this scheme after Mar'20 31st will have to pay some extra amount. The scheme remains open until Jun'20 30th. Taxpayers in whose cases appeal at any stage are pending can benefit from this scheme. Hence, good schemes have been proposed for the consumer but nothing to increase monetary benefit and help out the consumer in slowing down the economy with rising inflation!

4.NIRVIK-Niryat Rin Vikas Yojana

Under the scheme, also called the Export Credit Insurance Scheme (ECIS), *the insurance guaranteed could cover up to 90 per cent of the principal and interest and include both pre- and post-shipment credit. The Export Credit Guarantee Corporation currently provides credit guarantee of up to 60 % loss.*

The ministry has also proposed to subsidize the premium under the scheme that has to be paid by exporters of certain key sectors. The government has also announced an electronic-refund model for quick and automatic disbursement of input tax credit refunds for exporters, set to go live by the end of the month.

The government has gone protective when it comes to Imports. Custom duties on around 50 products including electrical appliances, footwear, furniture etc. have been increased which will further hike inflation!

Hence, the exporter will find it easy to get credit but the imports are going to be costly.

Article by: Jeet Tejashbhai Shah

Student Registration no. WRO0555745



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Photos Gallery:



● Stay updated for upcoming events @ahmedabadwicasa on Instagram and on website as well.