



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(SET UP BY AN ACT OF PARLIAMENT)

— PUNE BRANCH OF WICASA OF ICAI —

NEWSLETTER



ISSUE NO. 8

"Your Gateway to the Inspired Minds of
Tomorrow's Chartered Accountants!!"

Where Creativity Meets Commerce

AUGUST 2024

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**"Your Gateway to the Inspired Minds of
Tomorrow's Chartered Accountants!!"**

PUNE BRANCH OF WICASA OF ICAI

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CHAIPERSON'S COMMUNIQUE

**CA. Pranav Apte,
Chairman,
Pune Branch of WICASA of ICAI**



Dear CA Students,

Greetings!!

Wishing Happy Independence Day !!

It gives me immense pleasure to address you through our esteemed CA Students Newsletter. You can achieve all your dreams through dedication, commitment, discipline and by believing yourself.

I take this opportunity to apprise you about a few seminars held during the last month. On the occasion of CA Day, Pune branch of WICASA of ICAI along with Pune branch of WIRC of ICAI organised various events and activities such as Blood Donation camps, Tree plantation, sports competitions like Badminton, Chess, Carrom etc. We conducted CSR Activity of serving Breakfast to the Varkaris. We also conducted Financial Literacy Drive - 'CA DINDI', wherein various slogans were displayed to create awareness regarding financial literacy.

Pune WICASA also have taken various initiatives to conduct seminars such as 'OFFICE CHALE HUM', a half day programme for CA students to provide guidance on how to get prepared for their articleship.

In the month of August, we have planned National Conference for CA Students "आरोहण 2024" on 10th & 11th August 2024 with a tagline "Ascend, Achieve, Advance". The theme signifies to reach newer heights in the CA profession. This conference has always been 'By the Students' and 'For the Students'.

So, I encourage each one of you to actively and enthusiastically participate and contribute in the upcoming National Conference.

I wish all the students the success in academics and all their future endeavours.

Best Wishes,
CA. Pranav Apte
Chairperson, Pune Branch of WICASA

JOINT SECRETARY'S COMMUNIQUE

Mr. Krushna Gholve
Joint Secretary,
Pune Branch of WICASA of ICAI



Dear CA Aspirants,

I hope this message finds you in good health and spirits. As we enter the month of August, a time that brings new opportunities and a renewed focus on progress, I on behalf of the Pune Branch of WICASA of ICAI, extend my best wishes to all of you.

It is with great pleasure that I inform you of the National Conference for CA Students scheduled for 10th and 11th August. The theme of this year conference, "Aarohan: Together, Toward, Tomorrow", captures the essence of our collective journey and vision for the future of the Chartered Accountancy profession.

Together: The theme emphasizes the importance of unity and collaboration. As we continue our professional journey, it is crucial to support one another, fostering a community that encourages knowledge sharing and mutual growth.

Toward: This signifies our shared commitment to progress. As future Chartered Accountants, we must approach our goals with determination, continuously working toward greater expertise and professional excellence.

Tomorrow: The future lies in our hands. The theme underscores our collective responsibility to shape the profession for the next generation, equipping ourselves with the skills, knowledge, and foresight to excel in an ever-evolving business landscape.

The National Conference will feature a distinguished lineup of speakers, providing valuable insights into the evolving landscape of the CA profession, industry trends, and practical guidance for aspiring Chartered Accountants. This conference presents a unique opportunity to engage with thought leaders, expand your professional network, and gain a deeper understanding of the challenges and opportunities that lie ahead.

In addition to the conference, the monthly newsletter will offer a wealth of resources, including study tips, industry updates, and motivational content to help you stay on track with your goals.

I strongly encourage you to make the most of the opportunities presented at the National Conference. Your active participation will not only enhance your academic journey but will also equip you with critical skills and perspectives to help you succeed in the dynamic and competitive world of Chartered Accountancy.

As you progress through the month of August, I encourage you to reflect on your personal and academic goals, reassess your progress, and remain committed to achieving excellence. With focus, dedication, and the right guidance, you are well on your way to realizing your aspirations.

Wishing you all the very best in your studies and professional pursuits. Stay focused, stay driven, and continue working towards your future.

Thanks and Regards,
Krushna Ramchandra Gholve
Joint Secretary
Pune Branch of WICASA of ICAI



DECODING BUDGET 2024: IMPLICATIONS FOR SMALL BUSINESSES IN INDIA

Introduction:

As Chartered Accountants, it's essential to understand the impact of Budget 2024 on small businesses. This article delves into the key provisions and their implications for MSMEs.

Taxation:

- Reduced corporate tax rate (22%) for small companies (turnover < ₹400 cr)
- Increased presumptive taxation threshold (₹2 cr to ₹3 cr)
- Simplified GST compliance and reduced rates for select sectors

Funding and Support:

- ₹10,000 cr allocation for MSMEs and start-ups
- Introduction of a credit guarantee scheme
- Enhanced support for entrepreneurship development programs

Regulatory Ease:

- Streamlined compliance processes
- Reduced regulatory burden for small businesses
- Single-window clearance system introduction.



Pranav Gandhi
CRO0789971

Challenges:

- Increased GST and income tax compliance costs
- Stricter regulations and reporting requirements
- Digitalization and technology adoption imperative

Opportunities:

- Incentives for digital payments and e-commerce
- Export promotion schemes
- Innovation and R&D encouragement

Conclusion:

Budget 2024 presents a mixed bag for small businesses. As CAs, it's crucial to understand these changes to provide effective guidance and support.

Action Points:

- Analyze clients' specific situations and provide tailored advice
- Assist in availing funding and support schemes
- Guide clients through regulatory compliance and digitalization.



INDIAN RUPEE: A JOURNEY THROUGH TIME

Introduction:

The Indian Rupee (INR) stands as a symbol of India's rich cultural heritage, economic resilience, and adaptability. Its journey from ancient times to the present digital age mirrors the evolution of the Indian subcontinent itself.

1. Ancient Origins: The Birth of the Rupee

The origins of the Indian Rupee can be traced back to around the 6th century BCE during the time of the Mahajanapadas—an era marked by significant political and economic developments. The earliest form of currency used in India was the punch-marked coins made of silver, which were a crucial medium of exchange. These coins laid the foundation for India's monetary system and were integral to trade and commerce across the region.

The term "Rupee" is derived from the Sanskrit word "रुप्यकम्" (Rupyakam), meaning a silver coin, highlighting the ancient roots of this currency. These early coins, marked with symbols of local dynasties and guilds, reflected the wealth and stability of the Indian subcontinent.



Pratik K. Kadam
WRO063728

रुप्यकम् धनास्य प्रतिकं यत् प्राचीनं भारतं समृद्ध कृत्वान!

"The Rupee, a symbol of wealth, made ancient India prosperous. This quote emphasizes how the Rupee has long been a representation of India's economic strength and prosperity, even in ancient times.

2. Medieval Period: The Influence of Empires

under the influence of various empires. The Gupta Empire, often referred to as the Golden Age of India, introduced the gold Dinars, which became symbols of the empire's prosperity and stability. The currency of this era featured intricate designs, including depictions of Hindu deities and royal portraits, reflecting the cultural and religious significance of the time.

The Delhi Sultanate and the Mughal Empire further standardized and enhanced the Indian monetary system. Sher Shah Suri, a key figure in the 16th century, introduced the Rupiya, a silver coin that weighed 178 grains, which set the standard for what would become the modern Rupee.

His administration's reforms in currency standardization were pivotal, influencing not only the Mughal Empire but also the British colonial rulers who followed.

"In medieval India, the Rupee, under various empires, became a symbol of economic stability."

3. Colonial Era: The British Influence

The British East India Company played a transformative role in shaping the modern Indian Rupee. By 1835, they had standardized the Rupee across colonial India, making it the official currency. This move was part of the British effort to unify and control the Indian economy, facilitating trade and administration throughout the subcontinent. The introduction of paper money further expanded the Rupee's role in the economy, with the first banknotes issued by the Bank of Hindostan in 1770.

The Rupee remained strong throughout the British Raj, tied to the British Pound Sterling. However, the economic policies of the British also led to the devaluation of the Rupee in the early 20th century, reflecting the broader impact of colonial exploitation on India's economy.

"During the colonial era, the Indian Rupee became a vital tool for economic control and trade."

4. Post-Independence: The Rupee in Modern India

After India gained independence in 1947, the Rupee became a symbol of the nation's sovereignty and economic independence. One of the first major changes was the introduction of the decimal system in 1957, where the Rupee was divided into 100 paise. This reform was part of a broader effort to modernize India's economy and make it more efficient.

In 1996, the Reserve Bank of India (RBI) introduced the Mahatma Gandhi series of banknotes, which became iconic not only for their design but also for their advanced security features. These notes symbolized India's values and aspirations, featuring the image of Mahatma Gandhi, the father of the nation, who led the country to independence.

"After independence, the Rupee became a symbol of economic freedom for independent India."

5. Digital Era: The Future of the Indian Rupee

As the world moves further into the digital age, the Indian Rupee is also undergoing a transformation. The 21st century has seen the rise of digital payments, online banking, and fintech innovations that have revolutionized how money is used in India. Initiatives like the Unified Payments Interface (UPI) have made digital transactions more accessible, supporting the government's push towards a cashless economy.

In 2021, the Reserve Bank of India announced plans to introduce the Digital Rupee, a Central Bank Digital Currency (CBDC). This digital currency represents a significant step forward in India's financial landscape, aiming to combine the benefits of digital transactions with the stability of the traditional Rupee.

"In the digital age, the Indian Rupee is shaping the future with new technologies."

The Enduring Legacy of the Rupee

The journey of the Indian Rupee is a reflection of India's enduring spirit, adaptability, and growth. From its origins in ancient silver coins to its role in the global digital economy, the Rupee has been a constant presence in India's history. It has witnessed the rise and fall of empires, the struggles for independence, and the challenges of globalization—all while evolving to meet the needs of a changing world.

As India continues to emerge as a global economic powerhouse, the Rupee will undoubtedly remain a central symbol of its heritage, resilience, and aspiration for a prosperous future.

रुप्यकं केवलं मुद्रा नास्ति | अपि तु भारतस्य अभ्युदयस्य प्रतीकं अस्ती |

"The Rupee is not just a currency, but a symbol of India's progress."

Written by:

Pratik K. Kadam

WRO063728



THE EVOLUTION OF TAXATION IN INDIA: FROM ANCIENT TIMES TO GST

Before talking about the evolution of taxation systems over the years, let us first understand what tax is. It is defined as a mandatory financial charge, or some other type of levy imposed upon a taxpayer by a governmental organization in order to fund government spending and various public expenditures. Over the decades, there has been a significant change in the practice of charging income tax. Let us look into the history of income tax from the ancient times itself.

Origin of taxes in India can be traced back to the ancient text of “Manusmriti” and “Arthashastra.” The philosophies in Kautilya’s arthashastra deals with the system of taxes in a very planned and elaborate manner. According to Kautilya, the power of a government depends on the strength of its treasury. Kautilya’s philosophy of ‘kosh mulo dand’ can be found on the logo of the Income tax department. The first king in India known for establishing a formal tax system was Chandragupta Maurya. His administration is mentioned in detail in Arthashastra written by Kautilya also known as the chief advisor to Chandragupta Maurya.

According to the history of taxes by the income tax department, taxes in these ancient times were collected @1/6 of the produce or 17% from land revenue, from traders (artists and artisans) @1/5th of their income or 20% and also in the form of octroi, customs and general sales tax.

Coming to the medieval era, Jagidari system was introduced. Under this system, land was allocated to jagidars, and they were made responsible for the collection of taxes from the allocated land.

Moreover, the Delhi sultans followed various ways to augment revenues. the chief ones being:



Akansha Singh
WR00750978

- Khiraj (land revenue): This was the major source, constituting a fifth of the taxpayer's total produce/ income. though it was raised to half under Alauddin khilji and Muhammed bin tughlak. The tax was imposed only on non-Muslims, though children, women and monks were exempted.
- Octroi: levied on commercial goods, with an additional import tax of 2.5% -10% on items sourced from other kingdoms.
- Zakat: a small tax imposed on Muslims.

By 13th century, the most famous pre-modern South Indian state, the chola empire was in severe agrarian crisis, with widespread poverty and people selling themselves into slavery due to unpaid taxes. Despite efforts to reduce taxes and limit land acquisitions by the wealthy, these measures often came too late. Moreover, similar struggles were faced by the Mughal Empire, which also dealt with unfair taxation, peasant oppression, and powerful landowners weakening the state.

In 18th century, the mughal power declined and the East India Company began taking control. Under the East India Company, the traditional taxation system was drastically altered. The British imposed heavy land taxes without offering any concessions, often forcing farmers to abandon their land. The Company profited by collecting taxes, purchasing produce with that tax money, and selling it abroad, leading to widespread exploitation and hardship for Indian farmers. In 1858, after the revolt of 1857, the control was transferred from the east India company to the British crown. In 1860, James Wilson introduced the first budget of India. He divided income into four schedules, each of which was taxed as:

- Income from landed property
- Income from professions and trade
- Income from securities, annuities, and dividend.
- Income from salaries and pensions

On agriculture income, 2% tax was imposed on income between Rs. 200 and Rs. 499, and 4% on incomes above this. They also taxed various economic activities, requiring businessmen to obtain a government license and were forced to pay taxes on matchboxes, tobacco, and even salt. Indian traders had to use Council Bills for payments, purchased in London, leading to additional taxes on currency exchange. This system ensured that significant profits from Indian trade ultimately benefited Britain. Additionally, heavy taxes on cash crops like indigo and opium were introduced initially to recover from the 1857 revolt but became a major revenue source for the British.

Between 1860 and 1886, the British government revised tax laws every three years and alternated between licence tax and income tax depending on the financial requirement of the empire

Due to the low collection of taxes under license tax system, it was abolished in 1886, and Income tax became the base structure of taxation in India. In 1886 the government, reintroduced the income tax act. Under this act, income was divided into four categories and were taxed separately:

- Salaries, pensions, or gratuities
- Net profits of companies
- Interest on the securities of the government of India
- And Other sources of income

During 1916 to 1922 tax bases were constantly widened to recover the financial losses sustained by the British empire during World War 1. As predicted in manusmriti and Arthashastra tax avoidance became out of control in India due to excessive taxes and complicated tax laws. The income tax act 1922 sought to create a tax administration and a tax appellate authority with an aim to reduce tax avoidance and became one of the most comprehensive tax laws of that time. changes made in the act were as follows:

- Fixing of tax rates every year by a special finance act at the time of the annual budget
- Provision of ex parte assessment
- TDS made compulsory for private employees.
- Re-opening of assessment allowed.

This act was substantially updated in 1939 to meet the financial losses sustained by the British empire during World War 2. however, this time around things were not that simple, India had already begun its march to the civil disobedience movement. Increased tax avoidance, civil disobedience and its own financial crises made India a financial burden to the British administration and in 1947 India became an independent nation. The income tax act 1922 was amended post-independence and replaced in 1961 with our very own income tax act.

After independence, broadly India went through four stages of economy: agriculture economy, industrialization or liberalization, globalization, and digital economy. Each of them brought new tax issues with it and tax laws over time became more complicated. India till today faces issues of tax avoidance, civil disobedience, and huge public deficits. In today's times, the taxation system has become much more systemized, and the government is constantly trying to make it less complicated for citizens. Currently, the Income Tax Act follows two tax regimes: the default and the old tax regime, each having its own unique benefits. Taxpayers have the flexibility to choose between the old and new regimes based on what works best for their financial situation. With the introduction of GST in 2017, the government has tried to address various loopholes in the taxation system.

The Goods and Services Tax replaces the Value Added Tax (VAT) system, which had several significant issues, including Cascading Effect (Tax on Tax), Multiple Tax Rates, Limited Input Tax Credit and Complex Compliance Procedures. With the help of GST, the government aimed to create a more streamlined, uniform, and efficient taxation system, eliminating many of these problems. 17 taxes including central taxes and state taxes were subsumed under GST.

To conclude, India has been constantly amending its taxation laws, and with the recent news that Finance Minister Nirmala Sitharaman is expected to introduce a new income tax law within the next six months, it will be exciting to see what changes are made. This ongoing effort reflects the government's commitment to creating a more efficient and taxpayer-friendly system, adapting to the evolving needs of the economy and its citizens.

Written by:

Akanksha Singh

WRO 0750978



IMPACT OF BUDGET 2024 ON SMALL BUSINESSES IN INDIA

Introduction:

Union Budget 2024 was announced by Ms. Nirmala Sitharaman, India's Finance Minister, on July 23, 2024. For a variety of reasons, including the creation of jobs, encouraging natural farming, developing MSME, developing rural infrastructure, and empowering women, the government concentrated on a many of economic areas. There were lot of mixed reactions received from people across different sectors of an economy. Now let's discuss how the Union Budget would affect India's small Businesses.

1. Self Financing Guarantee Fund:

Smt Sitharaman said, this budget provides special attention to MSMEs and manufacturing, particularly labour-intensive manufacturing. A separately constituted self-financing guarantee fund will provide, to each applicant, guarantee cover up to ₹100 crore, while the loan amount may be larger. Small-business owners would undoubtedly benefit from this in meeting their funding needs.

2. Mudra Loans:

The limit of Mudra loans will be enhanced to ₹ 20 lakh from the current ₹ 10 lakh for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category. A change in the borrowing ceiling will encourage young entrepreneurs to take on greater risk and develop their companies to new heights. The proposed reform certainly intends to motivate young individuals to think about careers in business.

3. PM SVANIDHI Scheme:

According to study of National Association of Street Vendors of India, street vendors contribute about 7% of GDP. Building on the success of PM SVANidhi Scheme in transforming the lives of street vendors, Government envisions a scheme to support each year, over the next five years, the development of 100 weekly 'haats' or street food hubs in select cities. The scheme will cooperate to grow their businesses and will encourage self-employment in country.



Jyoti Khandagale
WRO0710894

4. PM Surya Ghar Muft Bijli Yojana: The finance minister said, in line with the announcement in the interim budget, PM Surya Ghar Muft Bijli Yojana has been launched to install rooftop solar plants to enable 1 crore households obtain free electricity up to 300 units every month. The scheme has generated remarkable response with more than 1.28 crore registrations and 14 lakh applications.

This scheme indirectly proves as incentive for solar plant manufacturing business and small businesses associated with the same sector, generating more employment and space for growth.

5. Pradhan Mantri Gram Sadak Yojana (PMGSY): The finance minister announced that Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations which have become eligible in view of their population increase.

In order to connect producers and consumers, the vast road and rail networks facilitate the flow of commodities and services throughout the nation. Effective transportation networks shorten travel times, cut expenses, and boost company competitiveness, all of which promote economic growth.

This scheme indirectly proves as incentive for infrastructure business and small businesses associated with the same sector, generating more employment and space for growth.

6. Conclusion: Small businesses play a crucial economic role in creating job opportunities, fostering innovation and promoting local economic growth. According to data from the Ministry of Micro, Small, and Medium Enterprises, small businesses in India employ about 120 million people, about 40% of the country's workforce.

They act as a source of new talent and ideas for large businesses and helps in vibrant and diverse economy. Hopefully the given budget and prescribed schemes will help small sector to grow more and achieve new heights.

Written by:

Jyoti Khandagale

WRO0710894



PLATFORM FOR CA STUDENTS TO SHOWCASE THEIR ARTWORK

CREATIVE COMMERCE
CORNER

SKETCHES. POETRY. PAINTINGS.

AUGUST
2024



Geya Shah
WRO0734583



Sakshi Khandve
WRO0800428



**Dhruv Bansal
NR00530312**

"TAX TALE OF INDIA"

In the land where rivers blessed the soil,
Kings once ruled with subjects' toil.
From grain to gold, the levies rose,
A kingdom's strength in what they chose.

The Mauryas called for farmers' share,
Ashoka's hand both just and fair.
With Bali came the ancient call,
To give the state a portion small.

The Gupta age with trade did shine,
Tax on goods and crafts refined.
From artisans to markets wide,
The wealth of India's ancient pride.

Then came the sultans, Mughals too,
Who taxed the land and empire grew.
Zamindars and their dues would ring,
A portion claimed for every king.

The British dawn, with foreign reign,
Brought taxes harsh, a nation strained.
From salt to cloth, the burden spread,
Till freedom's call was boldly said.

And in this land, reborn anew,
A modern tax began to brew.
Income taxed and wealth assessed,
To build the nation, do its best.

Then GST, the final stage,
A unified tax in a digital age.
From goods to services, all aligned,
A single levy redefined.

From ancient kings to modern day,
India's tax has paved the way.
A story rich, both old and new,
Of giving back, as nations do.



Ishika Amol Patil
WRO0730923

"TAX TALE OF INDIA"

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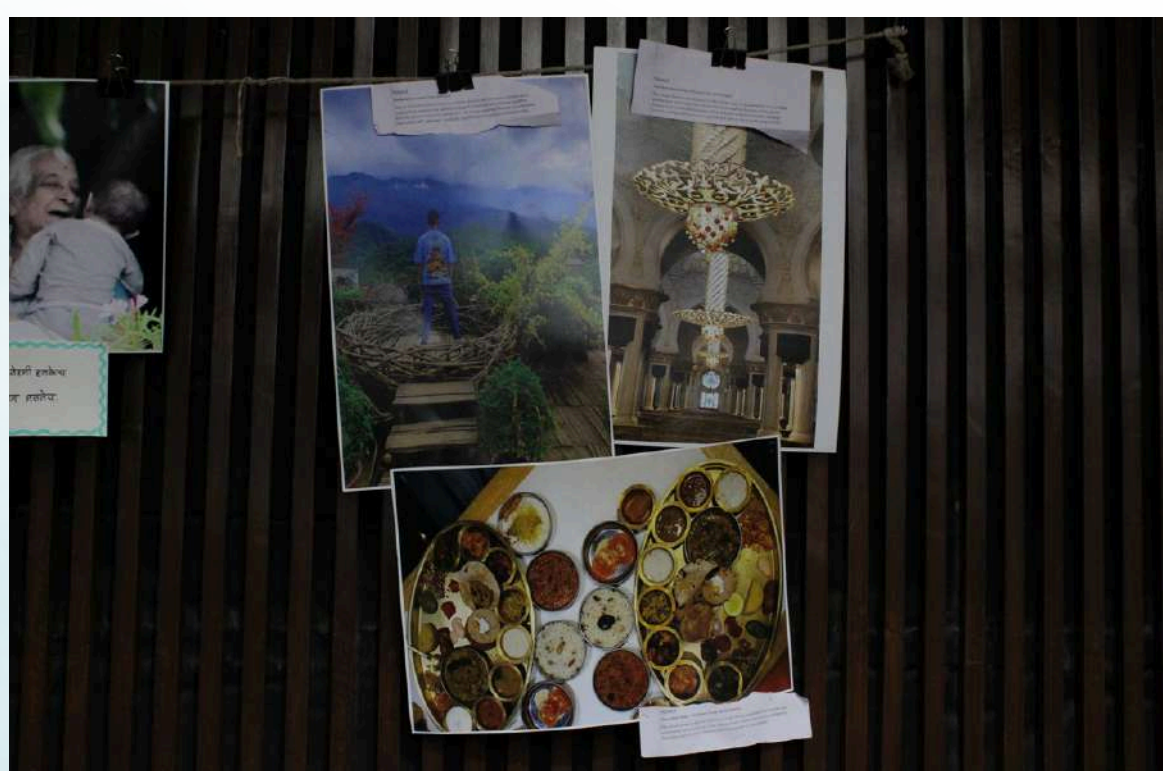


Ishika Amol Patil
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GLIMPSE OF PAST EVENTS



CA RUN FOR VIKASIT BHARAT ON THE OCCASION OF CA DAY!



PHOTOGRAPHY & RANGOLI COMPETITION



CA FOUNDATION DAY CELEBRATION!!

GLIMPSE OF PAST EVENTS



TREE PLANTATION



CA DINDI : FINANCIAL LITERACY DRIVE FROM SWARGATE TO HADAPSAR!!



FOOD DISTRIBUTION TO VARKARIS IN PALKHI

EDUCATION IS THE MANIFESTATION OF PERFECTION ALREADY IN.

- SWAMI VIVEKANANDA

SHARE YOUR ARTICLES AND ARTWORKS ON
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Newsletter

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