



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

PUNE BRANCH OF WICASA OF ICAI

# NEWSLETTER

ISSUE NO. 9



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



Where Creativity Meets Commerce

# SEPT 2024

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# PUNE BRANCH OF WICASA OF ICAI

## MANAGING COMMITTEE MEMBERS 2024-25



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Chairperson



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**MR. OMKAR PHAPAL**  
Editor Head

# CHAIPERSON'S COMMUNIQUE

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



Dear CA Students,

Greetings!!

Hope this message finds you well.

It gives me immense pleasure to address you through our esteemed CA Students Newsletter.

At the outset, I extend my warm greetings and I am thankful to all the CA students, guests, speakers and branch staff who have participated and contributed in National Conference of CA Students “आरोहण 2024” for making this a grand success. I am also thankful to the present and past leadership of ICAI and also the Managing Committee Members of Pune Branch and Pune WICASA. This conference was organized by the Board of Studies of the Institute of Chartered Accountants of India (ICAI) and hosted by Pune Branch of Western India Regional Council (WIRC) of ICAI along with Pune Branch of Western India Chartered Accountants Students Association (WICASA) of ICAI on 10th and 11th August 2024 at Pune.

This conference was also special as our alma mater; The Institute of Chartered Accountants of India (ICAI) completes its 75 years of trust and enters into 76th year.

Apart from above, few other seminars were also held during the last month.

We conducted session on Mental Health and happiness to create awareness regarding importance of good mental health. Apart from technical session, we are organising workshop of soft skills and personality development and also special session on how to prepare for interviews.

In the upcoming month, we are planning to arrange full day session on Tax Audit under Income Tax Act, 1961, which will be very helpful for upcoming Tax Audit season. We also will be celebrating Teacher's Day.

So, I encourage each one of you to actively and enthusiastically participate and contribute in the activities of Pune WICASA.

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 TREASURER'S COMMUNIQUE

**Ms. Geya Shah,  
Joint Treasurer,  
Pune Branch of WICASA of ICAI**



Dear Students,

The month of September was filled with opportunities for growth, learning, and rejuvenation. As CA students, we are constantly juggling deadlines, studies, and personal development. This month, the Pune Branch of WICASA of ICAI organized impactful sessions to address your professional and personal needs.

Our sessions during this month on Tax Audits provided in-depth insights into the practical aspects of auditing, preparing you to navigate this critical area with confidence. The Teachers' Day Celebration was a heartfelt occasion to express gratitude to our mentors, who shape our journey with their wisdom and guidance. Lastly, the Yoga Therapy Session equipped us with tools to manage stress effectively, reminding us of the importance of physical and mental well-being.

As we step into another month, let us carry forward the lessons learned. Remember, success in this profession demands not just knowledge but also discipline, resilience, and a balanced approach to life. Let's stay committed, continue learning, and support each other in this journey.

Keep striving, and success will undoubtedly follow!

Warm regards,  
Geya Shah  
Joint Treasurer,  
Pune Branch of WICASA of ICAI



## DIVERSIFYING THE INDIAN BUSINESS LANDSCAPE

While the Reliance and Disney+ Hotstar merger is grabbing the headlines, let us dive into the diversification drive led by Indian conglomerates in the past few years and their future ventures to capitalize on the opportunities offered by upcoming businesses

One of India's largest conglomerates, The Tata Group, secured the rights to the 'Indian Premier League' in 2022. Seizing the momentum, the company capitalized on the buzz by introducing its latest venture, Tata Neu—a super app designed to seamlessly integrate various businesses within the Tata Group.

Reports stated that Tata Digital received as much as US\$2 billion in funding from Tata Group for the Tata Neu app and additional investments. This was one of the significant steps taken by the company towards its drive to diversification. The group has also set its eyes on industries like infrastructure, technology, semiconductors, battery manufacturing and is making plans to lead the upcoming ev revolution. The company a robust group of businesses is showcasing efforts to strengthen its business sectors to join the emerging markets.



**Aarya Kulkarni**  
**WRO0781567**

Such diversification can be observed across various industries led by Indian conglomerates. The conglomerates with their resources, consumer understanding, influential network, ongoing research and development along with extensive knowledge are putting up a strong forefront in the upcoming markets.

Wipro, originally established as Western India Vegetable Products Limited, is an Indian multinational company that provides business, consultant and information technology services. Premji, who left engineering at Stanford University after his father's death, delved into consumer products such as soaps, shoes and lightbulbs, as well as hydraulic cylinders, in his early years. It is now India's leading software companies along with TCS and Infosys.

Reliance Industries Limited (RIL) is one of the most prominent conglomerates in India. The company has its businesses and subsidiaries in the industry of Petroleum, Retail and telecommunications. RIL is in plans to enter into the industry of renewable energy, focusing on the production of green hydrogen and renewable energy in Gujarat and Tamil Nadu. The company announced the construction of the Dhirubhai Ambani Green Energy Complex in Jamnagar, covering over 5,000 acres, set to be operational by the later half of 2024.

Another industry currently gaining spotlight in India is the semiconductor industry. The increased consumption of semiconductors and the global shortage present an opportunity for India to enter the semiconductor race. The government is actively promoting efforts in the research and production of semiconductors to ensure the functionality and self-reliance of Indian companies. Giants like the TATA GROUP, Wipro, Infosys, and HCL Technologies, along with technology giants like Samsung, NVIDIA, and Intel, are emphasizing semiconductor manufacturing in India.

India's diversification story also involves a series of mergers and demergers. One of the most prominent banks in India, HDFC Bank Ltd., was merged with its parent company, HDFC Ltd. JIO Financial Services, the financial arm of Reliance Industries Limited, was demerged from its parent company and listed on the Indian stock exchange in August 2023. In June 2013, Satyam Computers was merged with Tech Mahindra, a subsidiary of Mahindra and Mahindra.

Conglomerates may diversify due to the following reasons

:

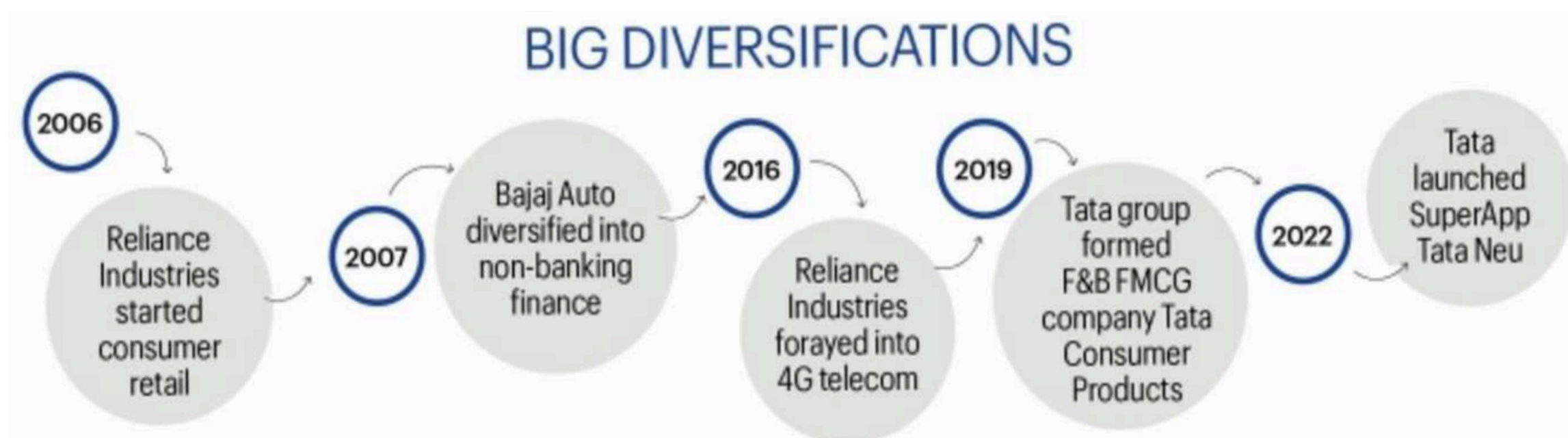
- New opportunities
- Decreasing current risks
- Creation of subsidiaries supporting their legacy businesses
- Handling competition

Such companies may enter the market with following advantages

:

- Access to funds and resources
- Capacity to build infrastructure Technology
- Consumer understanding
- Understanding market dynamics
- Support of existing industries in the portfolio Management

Some of the key diversifications can be seen below:



While some new subsidiaries flourish, some may prove to be futile. Tata Nano, a tiny, rear-engine, pod-shaped vehicle in 2008. However, it failed to compete in the competitive automobile industry. Despite of all the attention it gathered, it failed to resonate with the desire and needs of the consumers in India. Automobile company, Mahindra and Mahindra also announced its shut down in the regions of Africa and Bangladesh. Zomato Ltd. Announced the closure of six of its wholly owned overseas subsidiaries in 2023.

Possible reasons for such failures may include a lack of consumer resonance, hasty decision-making, elevated production, distribution, or supply costs, and various restrictions imposed on a particular industry.

The Indian conglomerates are engaged in a race to discover the next significant market. They seek opportunities that not only promise profits in the foreseeable future but also lay the groundwork for future economic development. In the face of changing market dynamics and rapid fluctuations, these companies aim to invest in industries that offer a stable environment for building a business empire.

Written by:

**Aarya Kulkarni**

**WRO0781567**





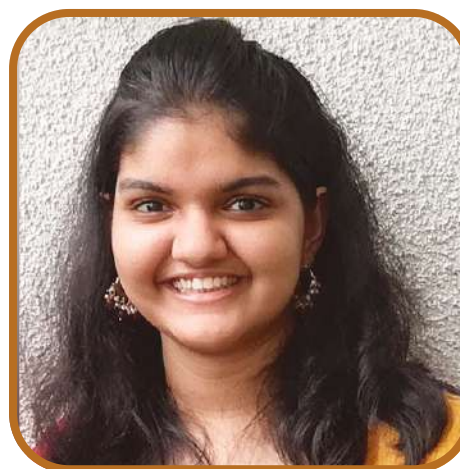
## INDIA AS WORLD'S THIRD LARGEST ECONOMY

The Indian economy has been a witness to numerous changes. Beginning from the Era of industrialization, to the introduction of GST and evolution of online payments.

As per a report by the World Bank, India is one of the fastest growing economies in the world. Post the Covid 19 pandemic, India has observed a stable growth in economy. The rate of inflation has been controlled well. Rupee has gained a stronger position in the global market and the capital markets in India are at an all time high. Last year, India hosted the G20 summit, one of the most prestigious economic assemblies in the world. The G20 summit held various discussions on numerous topics across India emphasizing on India's economic development globally.

The growth across all sectors of infrastructure, Tourism, manufacturing, finance, healthcare & education has multiplied over the years and leading to the foundation of India as the world's third largest economy.

According to a report in the Hindu, India is set to become the world's third largest economy by 2030 with a GDP of \$5 trillion crossing the economies of Japan and Germany. The primary concern for India in order to rise the ranks is unemployment and building a skilled workforce.



**Arya Nitin Joshi**  
**WRO0776311**

The Government of India plans to solve these issues with the assistance of schemes such as Skill India and entities such as National Skill Development Corporation to impart youth with the required skill set for the purpose of growth and employment.

Another significant factor here are the UPI transactions. UPI or unified Payment interface has proved to be a boon for the Indian economy. Since its inception in 2016 after the demonetization, the graph of growth has been rising higher.

The ease and convenience along with benefits offered by this payment method has been well adapted by the palates of Indians. It is projected that UPI is going to be one of the driving factors of the economy and is estimated to have 2 billion transactions per day by 2030 according to a report by Economic times. Well, this is how Urban India Pays.

Visualizing India as the world's third largest economy creates an image of technologically advanced transport such as hyperloops, underground metros, bullet trains, etc along with infrastructure Development, rise of Indian brands at the global level, strong foreign reserves and rising number of exports.

In today's time, India is in the process of unleashing its potential across all fields. Setting an ambitious goal like this is going to further enhance the quality of life the citizens of India will experience in the future. Therefore, as the citizens it is our responsibility to contribute towards the goal and help India rise higher such that Rupee is the strongest currency in the

Written by:

**Arya Nitin Joshi**

**WRO0776311**



## HOW GST TRANSFORMED INDIA'S TAX LANDSCAPE

*India's evolving tax landscape finds its new rhythm in GST, seamlessly integrating 11 diverse taxes into a single system that mirrors the country's unity and innovation*

### A Decade in the Making-The Road to GST:

The journey to the implementation of the Goods and Services Tax (GST) in India has been nothing short of monumental. The idea of a nationwide GST in India was first proposed by the Kelkar Task Force on Indirect taxes in 2000 to releasing the First Discussion Paper in 2009 to finally implementing on 1st July, 2017. Spanning over ten years, this transformative fiscal reform was paved with meticulous planning and rigorous debate, involving:

- 30+ Sub-Groups and Committees
- 18,000+ Man Hours of Discussion by the GST Council
- 14 Empowered Committee Meetings in 10 Years
- 13 GST Council Meetings in 6 Months
- 175+ Officer Meetings
- Constitution Amendment and 5 Laws approved by collaborative effort



**Diksha Jindal**  
NR00471887

This landmark reform has significantly transformed India's tax system, aiming for a unified, efficient, and transparent indirect tax regime.

At this point, it's important to recognize that GST became a reality largely due to the significant advantages it offered. Though the list is huge, here's a look at how GST has transformed India, particularly in shifting parts of the informal economy into the formal economy:

- **Streamlined Tax Compliance and Increased Transparency:** GST has created a more transparent and accountable tax system, which encourages businesses to formalize their operation. In GST, transactions are recorded and reported electronically on a real time basis making the tax evasion system leak-proof.

The mandatory digital e-invoicing and e-way bill system backed with fast-tag database, the information is available on the go with the department to not only track the transactions but also trace back its complete sequence and history making it harder for businesses to evade taxes.

- **Cross-Verification Mechanism:** GST's framework includes robust cross-verification mechanisms, such as matching invoices between buyers and sellers, which helps in identifying discrepancies and potential tax evasion. This level of scrutiny makes it harder for businesses to remain under the radar.
- **Regulatory Pressure:** The enforcement under GST compliance has increased regulatory pressure on businesses. Regular audits, inspections, and penalties for non-compliance further discourage businesses from operating informally.
- **Economic Integration:** By reducing tax barriers between states and promoting interstate trade, GST has integrated the economy, making it more difficult for businesses to remain informal when operating across different regions.
- **Reduced corruption due to electronic filings:** The GST regime has significantly reduced the need for bribes in obtaining GST registration. This is due to the shift to an electronic communication system through a common portal (GSTN), which minimizes direct interactions with tax authorities and thereby reduces opportunities for corruption.
- **Boost to the Formal Economy:** By integrating various tax structures into one, GST has encouraged many businesses to formalize their operations. The simplified tax regime and reduced compliance burden and have motivated small and medium-sized enterprises (SMEs) to register under GST, expanding the formal economy and increasing tax compliance.
- **Startups and scaleups able to grow faster:** Under the GST regime, startups and scaleups are experiencing increased comfort and confidence, leading to higher rates of GST registration and improved compliance. This enhanced regulatory environment fosters business growth by simplifying tax processes and reducing barriers to entry. The streamlined tax structure not only makes it easier for new and expanding businesses to comply with tax regulations but also encourages more enterprises to formalize their operations. As a result, these businesses contribute more significantly to tax revenue while benefiting from a more predictable and efficient tax system. This positive cycle supports their growth trajectory and strengthens the overall economic landscape.
- **Online Litigation:** Online litigation in the context of GST (Goods and Services Tax) involves the use of digital platforms and tools to handle legal disputes related to GST issues. It leads to reduced need for physical documentation, transportation, and accommodation can lower the overall costs associated with litigation. It also facilitates better record-keeping and tracking of case progress.
- **Foreign investment:** Prior to GST, complex tax litigation and regulatory issues under the Income Tax Act had fostered a negative perception among foreign investors, leading many to reconsider their investments in India. However, GST's implementation has revitalized confidence in India's tax regime.

The government's efforts to simplify GST have enhanced the overall perception of India's taxation system globally. This positive shift is reflected in various economic indicators: the economy is growing faster, foreign direct investment (FDI) is increasing, the stock market is performing well, and secondary and tertiary sectors are contributing more to the GDP.

**All India Drive against fake registrations:** The motive to initiate special drive to detect suspicious/fake GSTINs and to conduct requisite verification and further remedial action to weed out these fake billers from the GST eco-system and to safeguard Government revenue. Currently, second special All-India Drive against fake registrations is initiated from 16th August 2024 to 15th October 2024.

Certainly, no reform is without its flaws, and GST is no exception. The implementation of GST has faced various disadvantages, some of which are inherent to the concept itself, some due to the structural design, and many arising from the way it has been executed, which could have been largely mitigated. Some of the flaws being:

- Increased tax compliance
- GST Portal issues
- Increased Litigation
- Multiple assessing authorities assessing same issues.

In conclusion, the implementation of GST marks a transformative chapter in India's tax landscape, reflecting the nation's commitment to modernizing and streamlining its fiscal systems. By consolidating a myriad of taxes into a unified framework, GST has not only enhanced transparency and compliance but also stimulated economic integration and growth. The shift from an informal to a formal economy, coupled with improved mechanisms for tax collection and legal dispute resolution, underscores the reform's potential to foster a more robust and dynamic economic environment. While challenges such as increased compliance costs, technical issues with the GST portal, and the complexity of litigation remain, the overall benefits of GST are evident in the burgeoning economic indicators and improved investor confidence. As India continues to refine and adapt its GST regime, the focus will be on addressing these challenges and leveraging the reform's strengths to further drive economic progress and inclusivity.

Written by:

**Diksha Jindal**

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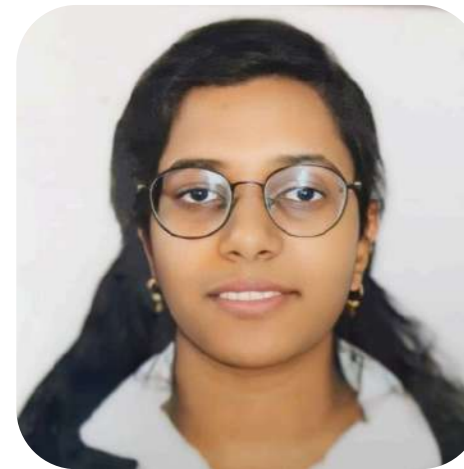
## "IS TAX KILLING INDIA?"

In recent years, the terms “middle-income” and “middle class” have often been used interchangeably, but they actually refer to two different things. In India, the middle-income group is defined as households with an annual income between INR 7.5 lakhs and INR 15 lakhs, while the middle class is defined as households with an annual income between INR 6 lakhs and INR 18 lakhs.

Individual taxpayers are paying more in taxes than corporates after taxes for companies were lowered in 2019. Experts say it is untenable in the long term that middle-income country like India is funded by personal tax.

The tax dilemma: Corporate tax collection in 2020-21 were lower than income tax revenue at a time profits of listed companies rose to 2.6% of GDP, the highest since 2014-15

The middle class, the tax-paying population of India, which forms 31% of India’s population stares at the face of the government every time the budget day approaches, it is that neglected segment that pays both income tax for earning, and GST for spending. It is this 2% of the entire population of India that is contributing massively to the country’s infrastructure growth and welfare policies.



**Sakshi Sipolya**  
**CR00689853**

Tax on income, which is paid by 2% of India's population, is more than corporate tax. This isn't tenable in the long term, The government reduced corporate tax in 2019, incurring a loss of Rs 1.44 lakh crore a year. The Economic Survey data shows that between FY 2020 to FY 2023, corporate profits have quadrupled. Which again shows that the corporate sector is performing, but paying less taxes due to tax cuts.

### **How The Middle Class Is The Beast Of Burden?**

When it comes to taxing the expenditure of the middle class, the Goods and Services Tax (GST) plays a key role. There's respite for corporates, but not for individuals. Salaried individuals get no refund on GST paid, but corporates get input tax credit. While individuals are taxed on income, corporates are taxed on profits after deducting expenses from income.

While corporates got tax incentives in the 2019-20 Budget, individual taxpayers last saw a change in 2012-13. That's over a decade ago. It is also the people who pay the most taxes that have no social security and pension support.

Individuals are paying more tax than companies, and the middleclass is bearing the weight of heavy taxation while Rs. 2 lakh crore has been put in "pockets of billionaires" due to slashing of corporate taxes, Income tax collection stood at Rs. 3.61 lakh crores and gross corporate tax collections were Rs 2.65 crores. from April 1 to July 1, 2024. As we head towards the budget on July 23rd, data has released that gross personal income tax collections amounted to Rs. 3.16 lakh crores during April 1-July 2024 while gross corporate tax collections were Rs 2.65 lakh crores. This reconfirms and re-establishes the point we have been making for quite some time that individuals are paying more tax than companies.

During former prime minister Manmohan Singh's tenure, personal income tax was 21 percent, while corporate tax on companies has fallen from 35 percent to 26 percent. When Dr. Manmohan Singh left office, personal income tax was 21% of total tax collections, while corporate tax was 35%. Today, the share of corporate taxes out of total tax collection has dropped sharply to its lowest level in a decade, at just 26%. Meanwhile, the share of personal income tax in total tax collection has shot up to 28%.

Corporate tax rates were slashed on 20 Sept 2019 in the hope that it would trigger a private investment boom. But that has not happened. Instead, private investment has collapsed, from a peak of 35% of GDP under Dr. Manmohan Singh, to below 29% during 2014-24.

### **Why not get more corporate to pay tax?**

As of October 2022, there were around 15 lakh private companies in India. Around 10.7 lakh companies filed income tax returns for Assessment Year 2023-24, with 5.1 lakh filing zero-tax returns and only 5.6 lakh paid taxes. Only 5% of companies pay 97% of the total corporate taxes. Among them, the top 150-odd companies pay 40% of the taxes. The question before the government is how to increase tax collections from corporates. Also, how do you leave more money in the hands of individuals so that it boosts consumption.

Written by:

**Sakshi Sipolya**

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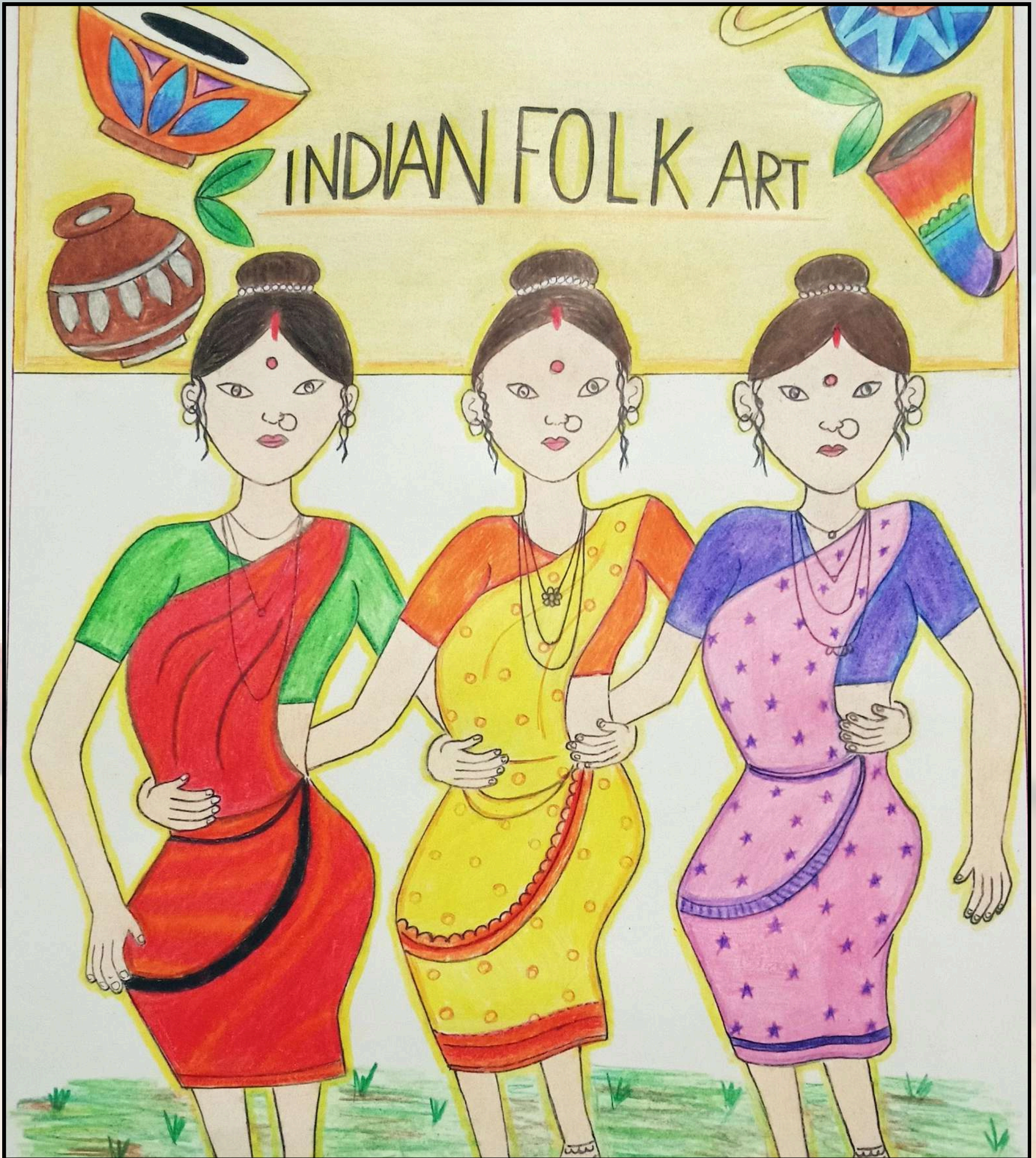
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**WR00784269**



**Kirti Singh**  
**WRO0697670**

# GLIMPSE OF PAST EVENTS



**HOW TO PREPARE FOR PHYSICAL INTERVIEWS FOR CA STUDENTS**

**24.08.2024**

*(Session Speaker - CA Shivam Palam)*

# GLIMPSE OF PAST EVENTS

CA STUDENTS NATIONAL CONFERENCE AT PUNE  
ON 11TH & 12TH AUGUST 2024



# EDUCATION IS THE MANIFESTATION OF PERFECTION ALREADY IN.

- SWAMI VIVEKANANDA

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