



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SETUP BY AN ACT OF PARLIAMENT)

BHUJ BRANCH OF ICAI (WIRC)

KATIRA COMPLEX, SANSKAR NAGAR RD, SANSKAR NAGAR, BHUJ, GUJARAT 370001

E-NEWSLETTER

INTERNATIONAL YOGGA

DAY

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Chairperson's Communique



Another productive and dynamic month has gone by that overflowed with activities aimed towards professional and personal development of our members.

- During the month of June, the Managing Committee Members conducted CPE Seminar on **Art of Preparation & Representation in Tax Proceedings & Appeals by CA Dipak Rindani.**
- Managing Committee of Bhuj Branch had organised **Yoga Day Celebration at Sarva Mangal Aarogyadham on account of International Yoga Day.**
- Managing Committee of Bhuj Branch had organised **Run for Viksit Bharat at Smriti Van on account of CA Day.**

Further in coming month branch is going to organize Cultural Event on account of CA Day celebration & Box cricket tournament.

I take this occurrence to remark a sense of gratefulness to the faculties for enriching the members with their knowledge and branch Managing Committee for their joint participation.

With Regards,
CA Jagdish Hirani
Chairperson – Bhuj Branch of WIRC of ICAI.

MANAGING COMMITTEE

CA Jagdish Hirani
Chairperson

CA Bharghav Shankarwala
Vice Chairperson & Treasurer

CA Manisha Joshi
Secretary

CA Hardik N. Thakkar
WICASA Chairperson

CA Vijay Thacker
Immediate Past Chairperson

CA Zahir Memon
Past Chairperson

SEBI Circular No.: SEBI/HO/MRD/TPD-1/P/CIR/2024/92 dated 1st July, 2024 True to Label

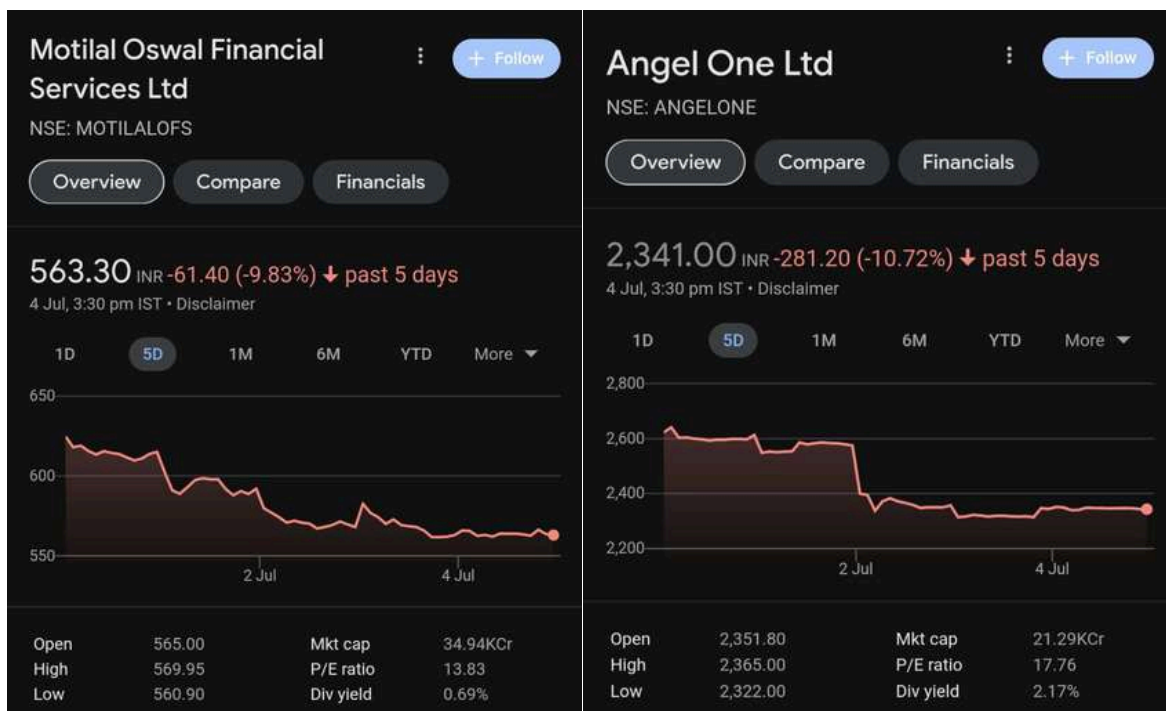
CA Jigar Kshatriya B.Com., ACA

The Securities and Exchange Board of India (SEBI) issued a circular on July 1, 2024, mandating that market infrastructure institutions (MIIs) adopt a "true to label" approach for charges levied on their members. This means that the charges should be uniform and transparent, irrespective of the member's trading volume.



This circular aims to ensure that stockbrokers, depository participants, and clearing members pass on the exact charges they incur from MIIs to their clients. The new regulation is expected to come into effect from October 1, 2024.

We have seen lot of buzz going on this circular since last few days, Nithin Kamath tweeted that they will be ending 0 brokerage for it's clients, shares of broking companies like Angel on crashing 10% intraday, etc.



Let's take it one by one.

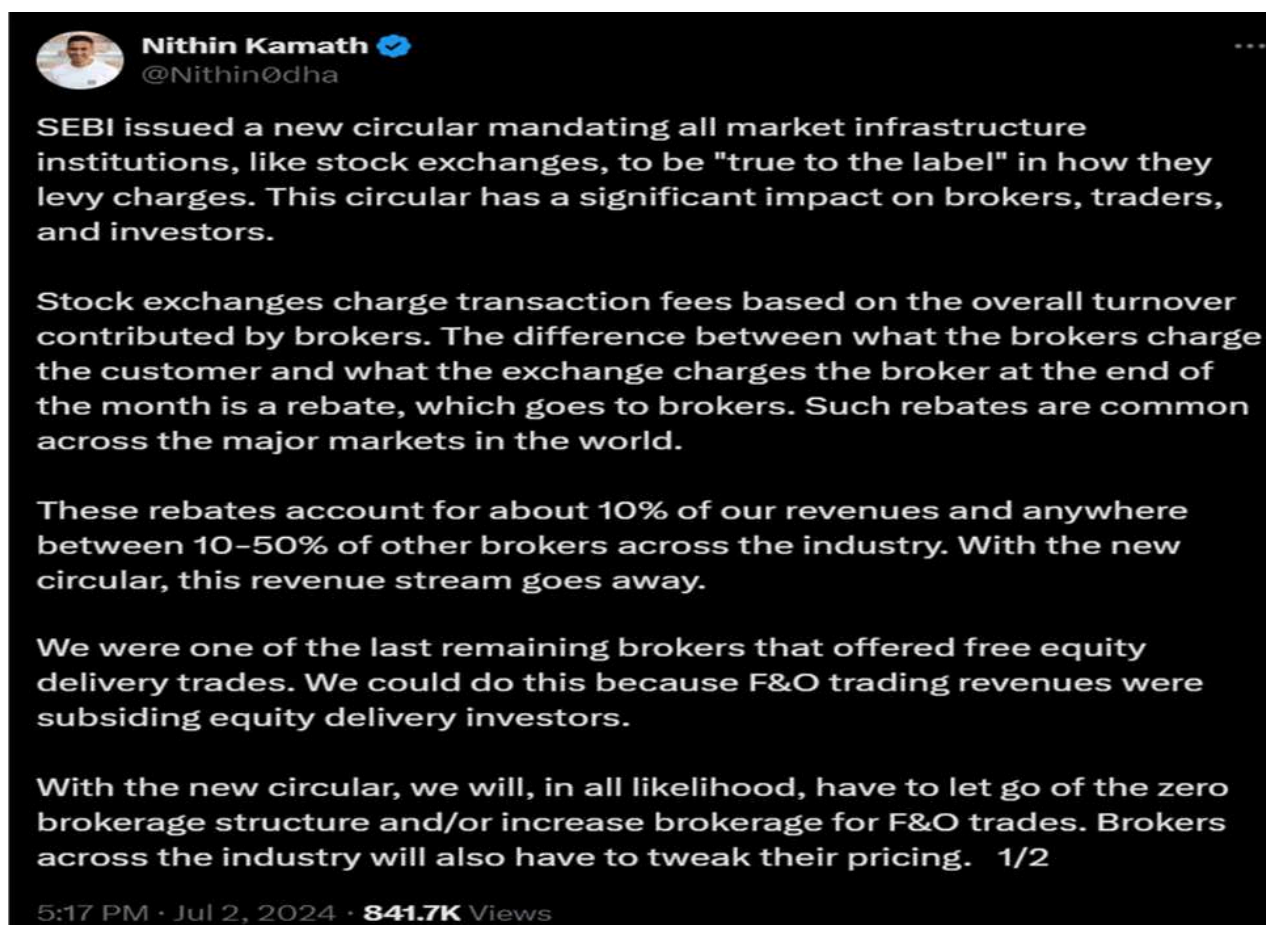
SEBI in its circular has used the term Market Infrastructure Institutions (MIIs). What are MIIs??

Market Infrastructure Institutions (MIIs) are financial entities that facilitate and support the operation of financial markets. For example, Stock exchanges, Clearing corporations, Depositories, etc.

What was happening till date was Brokers were charging customer at the highest slab rate and what they were paying to the exchanges were far lesser due to huge turnover discount.

Discount Brokerage houses like Zerodha were minting money based on this business model. Now SEBI has clarified that whatever is being charged to customer is to be fully paid to NSE BSE. No Discount on Turnover to the brokers.

Will the Discount brokers shut down?? Only time will tell but what is certain is that 0 brokerage era is coming to an end soon. Let's see what Nithin Kamath of zerodha tweeted after reading this SEBI circular:



What will be the impact of this circular let's see:

Potential Consequences for Brokers:

- Reduced Incentive for High-Volume Trading: Brokers may lose motivation to push high volume trades as they won't benefit from economies of scale under the new structure.

- Brokerage Fee Revisions: Brokers might revise their fee structures on higher side to maintain profitability, potentially impacting investors who previously enjoyed zero or low brokerage charges.

Potential Consequences for Investors:

- Increased Brokerage Costs: Investors who trade frequently or in large volumes might see a rise in their brokerage fees.

Let's check data & charts:

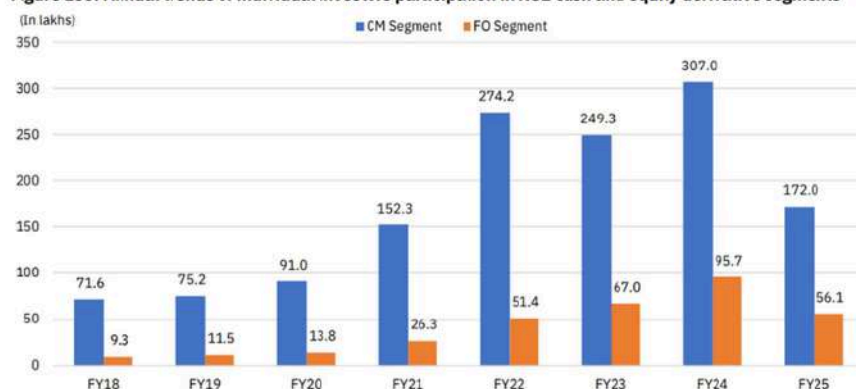
Increase in options trading turnover

Table 64: Total turnover across segments in the last seven years (FY19 to FY25TD)

Segment (Rs crore)	FY 19	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	79,49,004	89,98,811	1,53,97,908	1,65,66,237	1,33,05,073	2,01,03,439	45,88,137
Equity Futures	2,17,15,925	2,15,52,041	2,71,46,011	2,94,68,316	2,85,92,989	3,29,64,084	81,23,061
Stock Futures	1,61,47,011	1,48,74,729	1,80,98,365	2,10,38,938	1,90,72,304	2,55,46,967	66,23,345
Index Futures	55,68,914	66,77,312	90,47,646	84,29,378	95,20,685	74,17,117	14,99,716
Equity Options (Premium)	8,54,110	13,07,932	32,08,778	68,81,160	1,18,88,256	1,51,97,594	27,11,946
Stock Options (Premium)	2,00,010	2,28,353	5,79,352	10,38,830	9,32,701	13,78,031	3,42,556
Index Options (Premium)	6,54,100	10,79,578	26,29,426	58,42,330	1,09,55,556	1,38,19,564	23,69,390
Currency derivatives							
Currency Futures	46,54,927	48,43,160	57,17,820	70,56,916	1,01,15,658	72,01,742	3,22,589
Currency Options (Premium)	14,616	13,202	14,764	24,994	47,540	30,405	361
Interest rate derivatives	2,45,407	3,40,818	97,391	26,357	26,296	29,571	4,011
Commodity derivatives							
Commodity Futures	3,426	6,362	5,484	2,273	14	5,429	24
Commodity Options (Premium)	3	-	284	131	112	523	393

Source: NSE EPR. FY25TD is as of May'24.

Figure 250: Annual trends of individual investors participation in NSE cash and equity derivative segments



Source: NSE EPR

Note: 1. Individual investors include individual domestic investors, NRIs, solo proprietorship firms and HUFs.
2. The chart above gives the count of investors who traded at least once during the year.
3. FY25 data is as of May'24.

As we can see, options trading turnover has increased significantly in recent years, and so have the regulatory concerns associated with it. SEBI has recently set up a working group to study and address the concerns about the steep increase in retail participation in options trading.

Few words for The Prestigious CA Profession on CA Day

CA Prachi M. Dhirai (B.Com., ACA)

Recently we celebrated 75th CA day. We are a community of around 4 Lakh members. One surprising common fact about all of us is that when we were 5 -6 year old and we were asked by our teacher in the school about our dream career, I believe no one of us had a dream to become a Chartered Accountant (Exceptions may be there), which proves that even dreaming about becoming a CA requires a level of Maturity. We all have some story, emotion, logic or any reason behind joining this Profession. And after starting the journey as a CA student we get so many reasons to continue, complete and work for this Profession .I am very sure that every person reading this has his / her own story to Share .Here I am going to Share one incidence which became a reason for my motivation to continue my Student Journey.



In Nov 18 Attempt I met with failure in any exam for the first time in my life. I had scored 199 in Aggregate and if we see subject wise it was 2 exemptions, pass in 3rd one but EISSM had compelled me to extend my CA Inter Student Journey for another 6 months.

While Appearing for 2nd time in May 19 for the EISSM subject I had developed a mountain of self-doubt of whether I will be able to clear that again or not with a lava of regret for choosing this course. But somehow I continued with my study and finally came across the Exam Day.

As I am from Mandvi, to reach the exam centre I had to depart from Mandvi at least 3/3.5 hours earlier than the exam time. I missed my Bus and then decided to travel by private means of transport which is popularly known as "Toofan"(Somehow my state of mind matched with the vehicle name on that day). I had ICAI student journal which consisted short summary in the form of chart for all chapters. It was almost 12.30 and only 1.5 hours were left for the exam and I was about to reach Bhuj. I closed my book along with my eyes and tried to relax my mind by deep breathing.

Suddenly one Co-Passenger asked me "Are you a CA student?" .He got an idea by the cover page of Student Journal. I replied him affirmatively. He was with his wife and Children. They had come to visit Kachchh from some gulf country. Then he informed his wife by telling "Look, She is a CA Student, you know Indian CAs are very intelligent and talented. They work almost 24x7 and they are the true backbone of Indian Economy. Not only Professionals, but CA students are also very hardworking and skilled". I was overwhelmed by such kind of acknowledgement for this Profession. Then I informed them that I was going for Exam, so they wished me for my Success. .

This small incidence was answer to all my self-doubt and regret. I found that CA is one of those limited professions which will provide me such Respect and Recognition, not only in India but Globally. May- November Cycle from which I was going through was just a small contribution to become the member of this Prestigious Community. I cleared the exam with good marks in that attempt. After that also I went through many rise and falls and finally became the member of this wonderful Professional Community.

On my first CA day as Member I wish all the members who work day and night for wealth creation of our Nation and all the Aspirants who dream to be part of this Profession a very Happy CA day.

ECONOMICS OF POVERTY AND INEQUALITY

Anjani Jagrutkumar Anjaria
Student, CA Inter

(This Essay was awarded the First Rank at the Branch Level Essay Contest under Student Talent Search, May, 2024 held at the Branch Premise. The adjudicators were, CA Deep Koradia, CA Jekil Shah and CA Mayur Patel)

"Economics" is understood as study of the uses of scarce resources. "Poverty" is understood as a condition or state where people lack basic financial resources, which are essential for minimum standard of living. They are unable to meet their basic needs. And "Economic Inequality" can be understood as a situation of unequal distribution of resources- opportunities, assets and money.



The understanding of all these three terms identifies the factor "RESOURCES" commonly present in them.

Basically, there are four economic resources: Land, Labour, Capital and Entrepreneurship. In economics, "Land" is understood as all natural resources. "Labour" refers to human efforts, both physical and mental. "Capital" refers to all man-made assets and money used in production. "Entrepreneurship" is understood as the ability to manage all the resources and to create a business.

Nowadays, we come across many newspapers and news channels talking about poverty and inequality with reference to "economic development". Hunger, poor health and education, discrimination, dissatisfaction are some of the adverse effects of poverty and inequality which sometimes lead towards crime and unethical works. All these effects are hurdles for development.

From earliest times, the identification, usage, prevalence, dominance and resultant effects created by all the four economic resources varied from time to time.

If we link the predominance and dominance of particular economic resources, we can arrive at some stages of development.

In the first stage, only labour was predominant. People used to work with their physical and mental efforts. Poverty and inequality were present at their initial stage. Overall, the state of development was slow.

In the second stage, land now joins labour. People having physical and mental efforts, now started using natural resources. The development speed up. As settlement began, the concept of accumulation was introduced. However, the possession was land was not equal. "Unequal distribution" started as those who had land were at advantage.

In the third stage, social evolution took place. Fire and wheel came into the story. People began to settle at a fixed place. Now, trade started. Apart from fulfilling their own requirements, people developed an idea to work for others and get something in exchange. In this way, the concept of "Entrepreneurship" was introduced. Those who mastered it, cornered more resources.

In the fourth stage, trade and manufacturing performed jointly and resulted in excess resources. Those excess resources gave birth to capital. Alongside, "Industrial Revolution" took place. Capital together with entrepreneurship earned disproportionately huge returns.

In each successive stages, rich began to get richer and this continued forever. In this situation, the economic resource in the form of labour suffered the most. Capital cornered land and enterprise, leaving labour in the most pitiable situation. Land became crony of capital. Labour lost its bargaining power.

The focus was on economic development. Capital and enterprise were best suitable for faster economic development. The labour was exploited in the process of economic development with the help of capital and enterprise.

In the quest of equitable distribution, the economic resources capital and enterprise were now seen as "villains". The effort was made to control them, but that upset the growth rhythm. Slow growth could not keep pace with the aspirations of poor.

The vicious circle of capitalism, socialism and communism is going on ever since. Political unrests are the by-products!

Is there any solution? Poverty and inequality are inter-connected. Inequality causes poverty and poverty augments inequality.

The only solution is to make resources available to poor. What could that resource be?

One approach is to transfer capital to them. This approach can be tried in the form of subsidies and money transfer. However, this will not be a prudent way, because it does not involve value addition.

The other way is to make them acquire enterprise by imparting education and skills to them. However, this approach may give results in longer run.

Economists are caught up in the maze of "top-down" approach and "bottom-down" approach to solve the riddle of poverty and inequality. "Top-down" approach is understood as wealth creation at top level, which in turn will spread over the lower levels. However, in this method, the fruits may fail to reach at the bottom level.

According to "bottom-down" approach, wealth creation is done at and resources are provided at the bottom level, which will go upwards.

Moreover, technology is registering itself as "fifth resource". It has already taken place of labour by making it dispensable. Even it has created threat to entrepreneurship. Technology together with capital can take the place of enterprise. So, the option of imparting education and skills to poor will also be compromised.

Economics is "SOCIAL SCIENCE". The answer of one of the most basic questions that it faces is to be found in co-ordination with society. To find the solution, is not in the capacity of economics alone, social intervention is a must. Politics being an integral part on the social fabric. Politics should also contribute its share in the process of finding a solution of the problem of poverty and inequality.

GST Updates – Notifications, Circulars, Order, Instructions, RoDs, Press Releases for the Month of June 2024

-CA Deep Koradia B.Com., FCA, DISA(ICAI)

Sr No	Notification No	Category	Date	Description	Keyword / Reference/ Comment	Link
1	207/2024	Circular - CGST	26-06-24	Reduction of Government Litigation – fixing monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court	Monetary limit of 20L for GSTAT, 1CR for HC, 2CR for SC has been prescribed with exceptions.	Click here
2	208/2024	Circular - CGST	26-06-24	Clarifications on various issues pertaining to special procedure for the manufacturers of the specified commodities.	Clarification for Make and model Number, Electricity Consumption, and other procedural thing for Tobacco Manufacturers.	Click Here
3	209/2024	Circular - CGST	26-06-24	Clarification on the provisions of clause (ca) of Section 10(1) of the Integrated Goods and Service Tax Act, 2017 relating to place of supply.	Clarification in Circular : Incase of Bill to Ship to Model, Supply to URP by Ecommerce Operator of the Goods, Billed to "X" State, Shipped to "Y" State, the PoS Would be "Y" State.	Click Here

4	210/2024	Circular - CGST	26-06-24	Clarification on valuation of supply of import of services by a related person where recipient is eligible to full input tax credit.	Clarified that Incase of Import of Service from Related person, where full ITC is eligible, the Transaction value will be the value of supply and in case No Invoice is issued, NIL Value shall be considered.	Click here
5	211/2024	Circular - CGST	26-06-24	Clarification on time limit under Section 16(4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons.	Clarified that, ITC is eligible in the year of issuance of Self Invoice - Incase of RCM payment made even after the due date as per 16(4) - incase of Supplies received from Unregistered person.	Click Here
6	212/2024	Circular - CGST	26-06-24	Clarification on mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers.	Clarified that, When Post sale discount is given & Section 34 compliant CN is given duly reversing proportionate GST, a CA Certificate (Above 5L) / Vendor Certificate (below 5L) confirming reversal of such ITC mentioned in CN, is required as evidence for section 15(3)(b)(ii)	Click Here

7	213/2024	Circular - CGST	26-06-24	Seeking clarity on taxability of reimbursement of securities/shares as SOP/ESPP/RSU provided by a company to its employees.	ESOP by Foreign Holding company given to the employee of Domestic Subsidiary Company is not taxable Due to it's securities, being out of the definition of GOODS or SERVICES both.	Click here
8	214/2024	Circular - CGST	26-06-24	Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value.	Life Insurance Business's valuation as per Rule 32(4), which excludes some of the portion of the value of supply. Such exclusion is not exempted supply, so Reversal of Rule 42 / 43 wont be required.	Click Here
9	215/2024	Circular - CGST	26-06-24	Clarification on taxability of wreck and salvage values in motor insurance claims.	- When Insurance companies have insured the Motor vehicle with clause that the Insurance Reimbursement will be done after deducting Salvage Value, Then such wreckage will remain part of the insured person, No GST on sale of such wreckage, even If insurance company sources the customer for such wreckage. (CONT.)	Click Here

					- In case Insurance Contract is to reimburse full IDV Insurance value, then wreckage will be of Insurance company, GST will be required to be charged on that.	
10	216/2024	Circular - CGST	26-06-24	Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving Warranty/ Extended Warranty, in furtherance to Circular No. 195/07/2023-GST dated 17.07.2023.	- Any parts OR the whole Goods as such replaced in warranty without consideration, No GST liability, ITC is eligible to Manufacturer - Extended Warranty given by other than OEM, its supply of Service.	Click Here
11	217/2024	Circular - CGST	26-06-24	Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement.	- Motor Insurance Companies Can take ITC in case of repairs of Vehicles under insurance, in both the methods of payment, Cash less or Reimbursement - If reimbursement done partially, then ITC is available to that extent - Invoice should be in the name of Insurance Company.	Click Here

12	218/2024	Circular - CGST	26-06-24	Clarification regarding taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person.	<ul style="list-style-type: none"> - When Loan provided by Overseas affiliate to Indian Company, Interest Charged Is exempted - When No other processing fee/ administrative charges/ service fee/ has been charged, No GST is required as per Schedule I on deeming fiction - However when such fees has been charged, GST will be applicable as Import of Services. 	Click Here
13	219/2024	Circular - CGST	26-06-24	Clarification on availability of input tax credit on ducts and manholes used in network of optical fiber cables (OFCs) in terms of section 17(5) of the CGST Act, 2017	ITC of Ducts and manholes used in Optical Fibre network by telecommunication companies are eligible ITC3	Click Here
14	220/2024	Circular - CGST	26-06-24	Clarification on place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors	- Custodial Services are not part of services supplied to "Account holders", hence POS will be location of recipient of FPI, as per 13(2).	Click Here

15	221/2024	Circular - CGST	26-06-24	Time of supply on Annuity Payments under HAM Projects	Incase of HAM Projects of Road, It's continious supply of Service, and if Invoice issued within time then it's Time of supply, else Provision of Service or Payment WIE is TOS. Also, Interest component is also part of the supply valuation	Click Here
16	222/2024	Circular - CGST	26-06-24	Time of supply in respect of supply of allotment of Spectrum to Telecom companies in cases where an option is given to the Telecom Companies for payment of licence fee and Spectrum usage charges in instalments in addition to an option of upfront payment.	<ul style="list-style-type: none"> - Incase the Telecom Companies opts to pay the spectrum charges in instalments, then such instalments are continious supply of service, and accrodingly Time of supply will apply. - Incase Full upfront payment is done, the said date is ToS - The same logic will also apply to other any natural resources allocated by govt over a period of time 	Click Here

DUE DATES CALENDAR

DATE	COMPLIANCE
1st July 2024	Filing of LLP BEN-2 and Form No. 4D
7th July 2024	TDS Payment for June 2024
10th July 2024	Professional Tax (PT) on Salaries for June 2024
11th July 2024	GSTR 1 (Monthly) for June 2024
13th July 2024	GSTR-1 (Apr-Jun 2024) for QRMP
15th July 2024	TCS Return in Form 27EQ for Apr-Jun 202
15th July 2024	Provident Fund (PF) & ESI Returns and Payment for June 2024
18th July 2024	CMP 08 for Apr to June 2024(Composition)
20th July 2024	GSTR 3B for June 2024(Monthly)
22nd July 2024	GSTR 3B (Apr-Jun 2024) for South India
24th July 2024	GSTR 3B (Apr-Jun 2024) for North India
30th July 2024	Issue of TCS Certificates in Form 27D for April to June 2024
30th July 2024	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for June 2024
31st July 2024	Income Tax Returns for Individuals, Non Corporates who are not-liable to Tax Audit for FY 2023-24
31st July 2024	TDS Return in Form 24Q,26Q,27Q for April to June 2024

PHOTO GALLERY OF BRANCH EVENTS

CPE Seminar



YOGA DAY CELEBRATION



RUN FOR VIKSIT BHARAT

