



NEWSLETTER FEBRUARY 2021

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CA. Kirit N. Kalyani
Chairman - Nagpur Branch of ICAI

February 2021

My Dear Professional Colleagues

First and Foremost

Let me begin my last but not the least message from the esteemed office of the Chairman of Nagpur Branch of WIRC of ICAI with sincere wishes for my dear membership fraternity.

Let me acknowledge that, I am overwhelmed with warmth, love and faith each of you have bestowed on me, not just during my tenure in this responsible position, but also in the entire stint of 8 years in the managing committee of the branch in various positions. The guidance of my seniors & predecessors, support from eminent and expert resource persons, able staff at Branch and with the timely assistance from my colleagues in the committee, enabled me to shoulder the responsibilities as Chairman with due satisfaction, even in the toughest times because of pandemic. It has been a wonderful journey, as the Chairman of Nagpur of ICAI for the year 2020-21.

Strong Belief -

"In the middle of a difficulty lies Opportunity" — Albert Einstein

The Year 2020, posed many challenges. Lockdowns were announced and extended, other unforeseen and unwanted challenges, also were there. But Nagpur Branch, effectively conceived and implemented proactive initiatives for members and students. Credit goes to the firm determination to serve, blessings of Parents, Family Members and friends in profession, like yourselves.

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- CA. Kirit N. Kalyani

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- CA. Roshan Poddar

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- CA. Sunil Paliwal

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From the Desk of Chairman of Nagpur Branch of ICAI....

Memories to Cherish

Some of our wide-ranging initiatives included :

- Continuous programs in the form of virtual webinars and CPE Meets, with best possible resource person from the fraternity.
- Gracing of programs & guidance by maximum possible Past Presidents of ICAI.
- Effectively adding to the pool of resources in the form of many new faculties for CA Students and enabling Branch to ensure best possible guidance to students. The same was appreciated by one and all, especially young members.
- Launch of Mobile App – Nagpur **CA Konnect**, to ensure effective communication, at all times.
- Renovation of Admin Block, at Nagpur Branch.
- Effective contribution to the members and students through Nagpur CA Covid Helpline Group, for ensuring safety and health of members and relatives, in the challenging times of pandemic.
- Conceptualising and implementing, probably for the very first time in the history of ICAI, live cum virtual program being Tax Conclave, in the august presence of WIRC Office Bearers.
- Yoga Day Celebrations in virtual mode, in the august presence of Smt Navneet Rana, Hon. MP, Amaravati
- New CA Felicitation, being mega event after lock down phase, with presence of nearly 200 members including CAs and their family members, in the august presence of Dr. Nitin

Raut, Hon. Power Minister, Maharashtra Government and Guardian Minister.

Unique opportunity to connect with Seniors, Lady Members, Young Members, Members in Industry, who earlier were not able to conveniently attend programs of Branch, because of facility lent by new normal i.e. virtual programs.

Joined hands with ICAI Chapters Abroad, which has been done for the very first time for Nagpur Branch, for sharing details for Professional Opportunities with members. VCMs with Past Chairmen of US Chapter, Chairman of Dubai Chapter and Member of UK Chapter, are worth cherishing for long.

On Forthcoming Front

Nagpur Branch, is planning to organize programs of due relevance, in near future as well.

Change over for the Nagpur Branch Managing Committee, is on cards. I am confident that, the Branch will serve in the best manner possible, as it is doing in the past, since years.

Sincere Wishes

Taking the opportunity, this is to wish that the New Year 2021, should be free free from this unfortunate COVID Phase, fully and finally.

I remain.



Regards

CA Kirit N. Kalyani

Chairman – Nagpur Branch of WIRC of ICAI

16th February, 2021

From the desk of Jt. Editor



CA. Kavita Loya
Former Chairperson,
Nagpur Branch

VALUE ADDITION

Dear Members,

As we entered into the month of February we exhibit many changes right from the changes in season i.e. from winter to spring and enjoy the Basant Ritu.

Even our esteemed Institute is busy this month in smooth

passing over the baton of leadership from one to another. So I take this opportunity to congratulate our new team at the Center, Region and the Branch.

Friends like every new beginning the beginning of last year 2019-20 was also full of energy enthusiasm but within weeks of the changeover the whole scenario all round the world had changed but the Nagpur team in full josh tried new ideas innovations experiments and served the members whole heartedly. So the power of togetherness transformed good ideas into good times. I strongly feel that this year we transformed ourselves by adding values. Hence I would also like to applaud the team of 2019-20 for their untiring efforts

As I am penning my last message as the joint editor of Nagpur Branch of WIRC OF ICAI Newsletter I would like to discuss to concept of independence and value addition.

In Today's day and age the word Independence has a lot of weightage and widely used term. It is perceived to be the way and means to achieve the ultimate goal of an individual, organization or a country at large.

First and foremost, let us understand the literal meaning of Independence. i.e. :-

- (i) Freedom from control by others or,
- (ii) Freedom from reliance on others.

These two phrases create a very dynamic situation to live by. In this article I would like to analyze this mandatory

virtue of current times, from different perspectives.

From an Individual Perspective :

It is a pursuit of happiness, one believes that self-fulfillment and happiness comes from:-

- (i) The ability to think and express openly and honestly.
- (ii) Right to have a different opinion and
- (iii) Freedom to choose or decide one's own path.

However in my opinion independence will not stay a virtue if carried out to its extreme. So let us enjoy and appreciate the control of family and friends over us and also reliance on our own mentors. Hence we must adjust with and depend on each other in a society for ultimate happiness.

From a Country's Perspective :

Independence stands for sovereignty, which means the right to govern one's nation without interference from other nation.

In Indian Context we celebrate and enjoy our Independence since the midnight of 15th August, 1947.

As we are 73 years away from British Raj, we need to ponder on the second phrase of the definition and ask ourselves are we in true sense free from reliance on the British Raj in terms of :-

- (i) Education system : which was formulated then to create "Rattu Totas" rather than ignited minds.
- (ii) Governance : which in those times were through "English Officers", continues today in the name of "Bureaucratic Babus"
- (iii) Business policies : at the times of East India Company we were exporting cheap raw material and importing value added finished goods. Aren't we till date following the same ?
- (iv) Innovation and Mechanism in Agriculture and Industry : in those times our farmers depended



on a good monsoon for goods crop. Farmers in present day are also facing same plight. Even our industries still import hi-tech machines, aircrafts from other countries – not much has changed.

When we ponder on these issues our inquisitive mind raises doubt on our capabilities and our rich history pre British Raj. As you listen to your Prime Minister's 74th Independence speech it hits you hard and you realize the importance and necessity of his concept of "Atmanirbhar". It does not mean, no trade with other countries. No country in this world can manufacture or produce everything a country wants. On the contrary international trade is an essential norm, what is important is we should not be dependent on one country. There should be import as well as export, balance of trade is important and terms of trade should be favorable to our country. I truly believe these policies of "Atmanirbhar" will help us to be Self Reliant, Self Sufficient and Self Decisive. That is Independence in true sense.

From the prospective of our CA profession :

The main purpose of a practicing chartered accountant is to provide an "Independent Audit Report"

The undercurrent of our professional work is Independent Analysis, Scrutiny and final Opinion on the health of an entity. Society have allowed us to be independent therefore we must acknowledge this and maintain our freedom from control by the monetary authorities. We should appreciate that the whole of financial, commercial and government sector relies on our signature that is placed at end of our Independent Audit Report.

I am proud to say that even in these unprecedented times we, CA Professionals have to a great extent used our creativity and best of our ability to think of non obvious ideas that would be valid and valuable to both our clients and the exchequers. We have provided our services with grit for a sole purpose to serve the client and the Nation at large with independent view and at the same time value addition to the Society.

We have been the "Watch Dog" of the economy for 71 years post of independence. Even today we pledge to serve our country for years to come with Aatmavishwas, Atmanirbhar and Atmasamman.

Amendments Pertaining to TDS/TCS as per Finance Bill 2021



CA. Himanshu Chordia,
Nagpur

Section 194P- TDS on Specified Senior Citizen.

Effective from 01st April 2021

(1) Notwithstanding anything contained in the provisions of Chapter XVII-B, in case of a **specified senior citizen**, the **specified bank** shall, after

giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such specified senior citizen for the relevant assessment year and deduct income-tax on such total income on the basis of the rates in force.

(2) The **provisions of section 139 shall not apply** to a specified senior citizen for the assessment year relevant to the previous year in which the tax has been deducted under subsection (1).

Explanation.— For the purposes of this section,—

- (a) **“specified bank”** means a banking company as the Central Government may, by notification in Official Gazette, specify;
- (b) **“specified senior citizen”** means an individual, being a resident in India—
 - (i) who is of the age of **seventy-five years or more** at any time during the previous year;
 - (ii) who is having **income** of the nature of **pension** and **no other income except** the income of the nature of **interest received**

or receivable from any account maintained by such individual in the **same specified bank** in which he is receiving his pension income; and

- (iii) has furnished a declaration to the specified bank containing such particulars, in such form and verified in such manner, as may be prescribed.'.

Insights:

No Changes in Income tax Salary Slab for old and new regime. No Change in deductions from salary other than Pensioners. Pensioners having age 75 years or more having only Pension Income and Interest Income from same Specified Bank & no other Income is not required to file Income tax return.

It is mandatory for Bank to report that Pensioners details under Sec 194P after obtaining due declaration from Pensioners.

Tax Computation will be done after considering Interest income of Pensioners.

Sec 194Q-TDS on purchase of Goods

Effective from 1st July 2021

Any person, being a **buyer** who is responsible for paying **any sum to any resident** (hereafter in this section referred to as the seller) for **purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year**, shall, at the time of **credit** of such sum to the account



of the seller or at the time of **payment** thereof by **any mode**, whichever is **earlier**, **deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax**.

Explanation.—For the purposes of this sub-section, “**buyer**” means a person whose total sales, gross receipts or **turnover** from the business carried on by him **exceed ten crore rupees** during the financial year **immediately preceding the financial year** in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

- (2) Where any sum referred to in sub-section (1) is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.
- (3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.
- (4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income tax authorities and the person liable to deduct tax.
- (5) The provisions of this section shall not apply to a transaction on which—

- (a) tax is deductible under any of the provisions of this Act; and
- (b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

Insights:

Buyer needs to deduct TDS @ 0.1% on purchases of goods amount exceeding Rs.50 lacs, subject to turnover of buyer exceeding Rs.10 Crores in previous Financial year.

Invoices on which TDS is deducted or TCS is collected (**except below exception**), TDS u/s 194Q not to be deducted.

Invoice on which TCS is collected by Seller u/s 206C(1H), TDS needs to be deducted by the Buyer.

Sec 206AA-Higher Rate of TDS Effective from 01st July 2021.

In section 206AA of the Income-tax Act, in sub-section (1), after the provision, the following proviso shall be inserted with effect from the 1st day of July, 2021, namely:— ‘Provided further that where the **tax is required to be deducted under section 194Q**, the provisions of clause (iii) shall apply as if for the words “**twenty per cent.**”, the words “**five per cent.**” had been substituted.’

Insights:

Maximum rate of TDS u/s 194Q-TDS on purchase of Goods is 5% instead of 20% in case of PANNOTAVBL cases.



Sec 206AB-TDS on Specified Person

Effective from 01st July 2021

(1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIIB, **other than sections 192, 192A, 194B, 194BB, 194LBC or 194N** on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a **specified person**, the **tax shall be deducted at the higher of the following rates**, namely:—

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of five per cent.

(2) If the provisions of **section 206AA is applicable** to a specified person, in addition to the provision of this section, the tax shall be deducted at **higher of the two rates provided in this section and in section 206AA**.

(3) For the purposes of this section “**specified person**” means a person **who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted**, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; **and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years**.

Provided that the specified person shall not include

a non-resident who does not have a permanent establishment in India.

Explanation- For the purposes of this sub-section, the expression “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.’.

Insights:

Vendor/Customer where TDS needs to be deducted has not filed Income tax return of both last two years and TDS/TCS deducted from specified bank in both last two years exceeded Rs.50000/-, then TDS at the rate of 5% or twice the rate specified, whichever is higher needs to be deducted.

If PAN is not available than rate of TDS is 20%.

Sec 206AB is applicable to all sections except TDS on Salary, TDS on cash withdrawal, TDS on lottery and Horse Races

Sec 206CCA-TCS on Specified Person

Effective from 1st July 2021

(1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, **the tax shall be collected at the higher of the following two rates**, namely:—

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at the rate of five per cent.

(2) If the provisions of section 206CC is applicable to



a specified person, in addition to the provisions of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC.

- (3) For the purposes of this section “specified person” means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years.

Provided that the specified person shall not include a non-resident who does not have a permanent

establishment in India.

Explanation-For the purposes of this sub-section, the expression “permanent establishment” includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.'

Insights:

Vendor/Customer where TCS needs to be collected has not filed Income tax return of both last two years and TDS/TCS deducted from specified bank in both last two years exceeded Rs.50000/-, then TCS at the rate of 5% or twice the rate specified whichever is higher needs to be deducted.

If PAN is not available than rate of TCS is 20%.

Sincere Appeal to the Members of Nagpur Branch of the Institute of Chartered Accountants of India to Strengthen the Corpus of The Chartered Accountants Benevolent Fund (CABF)

I appeal all stakeholders of our profession to come forward and actively support and contribute for the cause of membership of accountancy profession, i.e. Chartered Accountants Benevolent Fund (CABF), which is an initiative of ICAI to provide financial assistance to our members-in-distress for sustenance that JUNE JUNE bring back smiles on the faces of more needy families from our professional fraternity.

Contributions to CABF are exempted under Section 80(G) of the Income-tax Act, 1961.

“A ROBUST BUSINESS MODEL” –WHAT IT IS AND HOW TO DEVELOP ONE!



CA Shikha Khandelwal (Daga),
Nagpur

Do you travel often, as a backpacker? Before you get on to unknown roads, it's always good to carry a roadmap.

The same example works while you start a business as well. Without a clearly defined goal, it's quite ridiculous to venture on. To reach to the specific goal, you need a robust

business strategy.

Every business requires a plan. Whether you're a fledgling start-up or an established conglomerate, a clear and concise outline of your business's goals, operation strategies, future progress and potential problems is an important and necessary tool. Not only does the business plan represent a valuable insight into your company's approach to growth, but it also acts as a contingency plan in the event of an emergency.

A good business strategy, provides a clear roadmap, consisting of a set of guiding principles or rules, that defines the actions people in the business should take (and not take) and the things they should prioritize (and not prioritize) to achieve desired goals.'

What should you include in a business plan?

There are a number of elements that contribute towards a comprehensive business plan, and all of them should be addressed when this document is being drawn up. The plan should provide an overview of your business's aims for entering and operat-

ing in your desired industry/market; it should also provide extensive insights into the following:

Fact Finding- You might be familiar with SWOT Analysis, aren't you? It's one among the tool, defined as Strength, Weakness, Opportunities and Threats, to analyze your current situation. The first step to creating a robust strategy is also to get to know, the business in all respects, from all perspectives.

Vision and Mission- For an effective business strategy, you need to figure out a proper vision and the mission to reach the objective. Where do you want your business to reach in 10 years? 5 years? 1 year? What are the organizational principles and values? And how do you plan to reach there?

Background of the business owner/proprietor-An overview of why you're seeking investment in this business, why you want to start the company.

The goods and services you will be trading-This section should detail what your business will be dealing in, a description of the goods or services you will provide, as well as any different varieties or types.

Competitor analysis-Analysis of the strengths and weaknesses of any businesses competing with you for a share of your target market, as well as an outline of who your competitors are, what they provide, what their price point is.

Your marketing strategy-Provide an overview of your planned marketing strategy, including a specific breakdown of exactly what the strategy entails, why you've chosen this method and how much it's going to cost.

The logistics of your business operation-One of the most important aspects of the plan, the logistics of



your business operation should account for the production, delivery and payment methods and terms of your operation.

SOME OTHER ELEMENTS ARE-

Detailed costs and pricing breakdown-BEP.

Market research.

Financial forecasts, including a 5-Year Financial Plan Projection and Cash Flows .

Contingency measures or a back-up plan.

“Google” is one of the most impeccable example of business model. It offers a wide range of free tools from analytical reports to document sharing and storing. The main objective is to attract bloggers, website owners and businesses, small and medium. Without people to read ads, Google could not attract so many advertisers. The more readers, the more advertisers. The more Google knows about

the audience, the better they can target ads. The better they target ads, the more they can charge for ad space.

In this economic slowdown in the developed world is forcing companies to modify their business models or create new ones. In addition, the rise of new technology-based and low-cost rivals is threatening incumbents, reshaping industries, and redistributing profits. Indeed, the ways by which companies create and capture value through their business models is undergoing a radical transformation worldwide.

And hence once you have your roadmap, you can plan your journey well. Planning and prioritizing your requirements with regards to your objectives makes the backbone of a robust strategy. Remember your objectives need to be **SMART. Means Specific, Measurable, Achievable, Realistic and Time-related!**



Gist of Past Events of Nagpur Branch of ICAI (January 2021)

1	11/01/2021 to 12/01/2021	WICASA	CA Students' Conference Organised by Students Skill Enrichment Board, ICAI and hosted by Nagpur Branch of ICAI & Nagpur Branch of WICASA	<p>Special Session –I CA. Jay Chhaira, Chairman, Students Skills Enrichment Board, ICAI CA Pramod Kumar Boob, Vice Chairman, Students Skills Enrichment Board, ICAI</p> <p>Motivational Session-I Pujya Vivekjivan Swamiji, Ahmedabad,</p> <p>Special Session –II Dr. Ashok Bagul, Senior Police Inspector, Cyber Crime Police Station Nagpur</p> <p>Special Session-III Charanjot Singh Nanda, CCM CA. Rajesh Sharma, CCM</p> <p>Motivational Session –II Shri Amit Delori, Chief Scientific officer – L "Oreal Paris, UK</p> <p>Valedictory session: Smt. Kalpana Pande , Former Mayor of Nagpur Cit</p>	ICAI Bhawan, Nagpur	231	
2	26/01/2021	Republic Day Celebration	<p>Republic Day Celebration</p> <p>Indoor Sports</p> <p>1.Table Tennis</p> <p>2.Badminton</p> <p>3.Chess</p> <p>4. Carrom</p>	<p>Chief Guest: CA. Girish Vazalwar Past Chairman</p> <p>Co-ordinator: CA. Saket Bagdia</p>	D.N.C. College Nagpur	30	
3	28/01/2021	Lecture Meet	Lecture Meet on GST	<p>Speaker: CA. Preetam Batra, Nagpur</p> <p>Co-ordinator: CA. Akshay Gulhane</p>	ICAI Bhawan, Nagpur	61	2 Hrs.

Visual Ride of the Webinars & VCM's Organised by Nagpur Branch of ICAI @ January 2021



Republic Day Celebration



**CA Students' Conference
Organised by Students Skill Enrichment Board, ICAI and
hosted by Nagpur Branch of ICAI &
Nagpur Branch of WICASA**

The Views expressed in the News Letter are those of the Individual contributors and not necessarily those of the Nagpur Branch of WIRC of ICAI.
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