Believe in Yourself

NAGPUR BRANCH OF WICASA OF ICAI

MONTHLY E-NEWSLETTER

Speak Up!

SEPTEMBER & OCTOBER 2017

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Message

CA. Saket Bagdia
Chairman, WICASA

Dear Student Friends,

Dr. Rajendra Prasad, the First President of India, said in 1954, "Whether we are men in the professions – Chartered Accountants, Engineers, Lawyers and the like, or, sons of toil destined to work on the fields or in the factories, all of us must realize that the nation's advance ultimately depends on our character and on the sincerity and devotion with which we carry out the tasks allotted to us. The Government and the public are, therefore, alike interested in the maintenance of the independence and integrity of the accountancy profession"

Dwelling on the refined professional excellence and a responsible existence of Independence and integrity which the accountancy fraternity started with in 1949, The Institute of Chartered Accountants of India (ICAI) has grown tremendously in all possible tangents since the last 69 years. Not only that with digitization things have become simpler and faster but also the burden of responsibility has also increased manifold for you who are the future for tomorrow.

I am very happy that we are receiving encouraging responses from students for the coverage in this Nagpur Bulletin. Team Speak up is striving hard to try and provide quality articles of use to students.

Whereas an interesting article on Mutual fund by Vishal Saluja & Jayati Khatri marks the time for students of finance to start investing, the all important decisions decided in 23rd meeting of GSt Council has been nicely complied by Tushar Dhanwani. The amazing corner was perfectly studded by Shraddha Pophlee. I congratulate the efforts of all these students.

The month of September started with a grand Football tournament which turned out to be a huge success. An enterprising Industrial visit to M/s Neco cstings, M/s Vaibhav Plato Packaging Pvt Ltd, M/s R C Plasto Tanks & Pipes Pvt Ltd & M/s Dinshaws Foods Limited taught so many new things to aspiring students.

Under the aegis of guiding light CA Nitin Sarda, an effective Adhyayan – Enlightening minds was organized with student speakers Aarefa Laxmidhar & Pulkit Jhawar on the topic "Ledger scrutiny and vouching". We are extremely thankful to CA Abhay Agrawal, CA Aamrjeet Singh Sandhu & CA Anjali Gorasia for their effective presentation in a full day seminar organized on "Income Tax Representation, Company Audit & ROC Filing".

The students to appear for November IPCC & Final were immensely benefitted from One Day Revisionery Sessions on topics of IPCC & Final by renowned faculties. I am extremely thankful to all the faculties CA Pawan Sarda, CA Sumit Sarda, CA Ayaz Sayani, CA Avanti Jain, CA Ravi taori, Prof Kunal Mandhania & CA Abhishek Bansal from Mumbai for their time and devotion.

The months of September & October were heavily loaded with works of GST, Company & Tax Audits. To give it a cool breeze, many events are planned in months ahead. The most important of them is National CA Students Conference jointly with Goa Branch of WIRC of ICAI in the month of December. A conference of its own kind wherein Nagpur Branch would be jointly hoisting NATCON for the first time outside Nagpur itself gives a proud feeling. I appeal that maximum students should take benefit.

You cannot walk alone to make a path. A path is build when many people walk on the same track. I request contribution in the form of articles, comments, compilations and suggestions from all of you. Together we can and together we will.

Just Believe in Yourself.

Regards
CA Saket Bagdia

Message

Gurbani Kaur Bhasin
Joint Editor, WICASA

Hello friends!

Being a part of WICASA gives me this opportunity to share my views with you all.

It gives me immense pleasure to congratulate and thank everyone who has contributed in our 'Offbeat' column.

July edition of 'Speak Up' presents you with very informative articles on "Amendments by 23rd GST council meet" and "Mutual Funds - What, Where and How?" written by our peers.

The events coordinated in September, such as Essay writing competition, Study Circle Meet on Ledger Scrutiny and the Branch level Football were a grand success. I'm highly obliged to Nagpur Branch of WIRC of ICAI for their perennial support in all our events.

Kudos to the student's fraternity for being so lively and wholeheartedly participating in the event. With the belief and support for us conveyed by you all, we at WICASA would strive to make the upcoming events more knowledgeable and interesting.

'Believe in yourself and you will be unstoppable' ~ with this I look forward to your continuous support and motivation for team WICASA!

Gurbani Kaur Bhasin

Sonali Raut
Joint Editor, WICASA

Dear Friends,

I am very happy to share this with you all that after a grand success of Regional Conference on GST in the month of July, Nagpur Branch of WIRC & Nagpur Branch of WICASA is jointly hosting Two days CA Students conference with Goa Branch of WIRC & Goa branch of WICASA on 1st & 2nd of December at Goa.

CA Students conference is a platform given by the Board of Studies to all of us to explore many unexplored things and experience many new things.

Further, I would like to thank all writers who have penned down their articles for this edition and all those who have contributed to the 'Amazing Corner'.

Last two months has witnessed immense wok pressure and late office hours due to various deadlines. Inspite all of these, your active participation, enthusiasm was fantastic in all the events organised by WICASA.

I thank you all for your consistent never ending cooperation and participation in all the events.

"Believe in Yourself" and you can perform way beyond your expectations, with this we look forward for same continuous participation at all the levels.

With Profound Regards,
Sonali Raut

You may contact us at wicasa2k17@gmail.com

Student's Article

Mutual Fund

Vishal Saluja
WRO0438664

A mutual fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is invested in capital market instruments such as shares, debentures, and other securities. The income earned through these investments is shared by its unit holders in proportion to the number of units owned by them. Thus, a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

Investments in securities are spread across a wide cross section of industries and sectors and thereby reduce the risk. Asset Management Companies (AMCs) normally come out with a number of schemes with different investment objectives from time to time. A mutual fund is required to be registered with the Securities and Exchange Board of India (SEBI), which regulates securities markets before it can collect funds from the public.

2. History of Mutual Fund :-

Prof K Geert Rouwenhorst in 'The Origins of Mutual Funds', states that the origin of pooled investing concept dates back to the late 1700s in Europe, when "a Dutch merchant and broker invited subscriptions from investors to form a trust to provide an opportunity to diversify for small investors with limited means." The emergence of "investment pooling" in England in the 1800s brought the concept closer to the US shores.

The first modern-day mutual fund, Massachusetts Investors Trust, was created on March 21, 1924. It was the first mutual fund with an open-end capitalization, allowing for the continuous issue and redemption of shares by the investment company. After just one year, the fund grew to $392,000 in assets from $50,000. The fund went public in 1928 and eventually became known as MFS Investment Management.

3. How the Mutual Fund Works? :-

A mutual fund pools money from a bunch of different investors in order to invest in a large group of assets. Some mutual funds focus on a single asset class, such as stocks or bonds, while other invest in a variety.

Unlike the stock market, in which investors purchase shares from one another, mutual funds shares are purchased directly from the fund (or a broker that purchases them directly from the fund). Mutual funds will usually create new shares to be sold to new investors; there is no finite amount as with stocks. Since you purchase shares directly from the mutual fund, they are redeemable, and can be sold back to the fund at any time.

The cost of each share is calculated as the fund's per-share Net Asset Value (NAV); funds may charge additional purchase fees, so ask about these beforehand. When you sell your shares back, the fund will pay you the per-share NAV, minus any redemption fees.

Some mutual funds offer multiple classes of shares, each of which has different fee structures. These classes will all be investing in the same portfolio of securities. You should inquire with each mutual fund as to the exact terms of each class.

4. Factors to be considered before investing into the Mutual Fund:-

Before you invest, understand the fund's investment goals and make sure you are comfortable with the level of risk. Even if two funds are of the same type, their risk and return characteristics may not be identical.

You may also want to speak with a financial advisor to help you decide which types of funds best meet your needs. Diversify by investment style. Portfolio managers may have different investment philosophies or use different styles of investing to meet the investment objectives of a fund. Choosing funds with different investment styles allows you to diversify beyond the type of investment. It can be another way to reduce investment risk.

5. How to make investment in this fund :-

As an investor, you can buy mutual fund 'units', which basically represent your share of holdings in a particular scheme. These units can be purchased or redeemed as needed at the fund's current net asset value (NAV). These NAVs keep fluctuating, according to the fund's holdings. So, each investor participates proportionally in the gain or loss of the fund.

All the mutual funds are registered with SEBI. They function within the provisions of strict regulation created to protect the interests of the investor.

Just like a money deposit in a bank account for fixed deposit and in return you a get certificate of FD, similarly you have to deposit the amount of money into this fund through different mufual fund company and inreturn you will get the units of mutual fund where you will get the higher return as compare to FD return.

Student's Article

6. How many types of mutual fund :-

There are 7 common types of mutual funds which are as follows,

i. Money market funds -

These funds invest in short-term fixed income securities such as government bonds, treasury bills, bankers' acceptances, commercial paper and certificates of deposit. They are generally a safer investment, but with a lower potential return then other types of mutual funds.

ii. Fixed income funds -

These funds buy investments that pay a fixed rate of return like government bonds, investment-grade corporate bonds and high-yield corporate bonds. They aim to have money coming into the fund on a regular basis, mostly through interest that the fund earns. High-yield corporate bond funds are generally riskier than funds that hold government and investment-grade bonds.

iii. Equity funds (Stocks) -

These funds invest in stocks. These funds aim to grow faster than money market or fixed income funds, so there is usually a higher risk that you could lose money. You can choose from different types of equity funds including those that specialize in growth stocks (which don't usually pay dividends), income funds (which hold stocks that pay large dividends), value stocks, large-cap stocks, mid-cap stocks, small-cap stocks, or combinations of these.

iv. Balanced funds -

These funds invest in a mix of equities and fixed income securities. They try to balance the aim of achieving higher returns against the risk of losing money. Most of these funds follow a formula to split money among the different types of investments. They tend to have more risk than fixed income funds, but less risk than pure equity funds. Aggressive funds hold more equities and fewer bonds, while conservative funds hold fewer equities relative to bonds.

v. Index funds -

These funds aim to track the performance of a specific index such as the S&P/TSX Composite Index. The value of the mutual fund will go up or down as the index goes up or down. Index funds typically have lower costs than actively managed mutual funds because the portfolio manager doesn't have to do as much research or make as many investment decisions.

- Active & Passive Management as follows

-- Active management means that the portfolio manager buys and sells investments, attempting to outperform the return of the overall market or another identified benchmark.

-- Passive management involves buying a portfolio of securities designed to track the performance of a benchmark index. The fund's holdings are only adjusted if there is an adjustment in the components of the index.

vi. Specialty funds -

These funds focus on specialized mandates such as real estate, commodities or socially responsible investing. For example, a socially responsible fund may invest in companies that support environmental stewardship, human rights and diversity, and may avoid companies involved in alcohol, tobacco, gambling, weapons and the military.

vii. Fund-of-funds -

These funds invest in other funds. Similar to balanced funds, they try to make asset allocation and diversification easier for the investor. The MER for fund-of-funds tend to be higher than stand-alone mutual funds.

7. Four common approaches to investing :-

i. Top-down approach – looks at the big economic picture, and then finds industries or countries that look like they are going to do well. Then invest in specific companies within the chosen industry or country.

ii. Bottom-up approach – focuses on selecting specific companies that are doing well, no matter what the prospects are for their industry or the economy.

iii. A combination of top-down and bottom-up approaches – A portfolio manager managing a global portfolio can decide which countries to favour based on a top-down analysis but build the portfolio of stocks within each country based on a bottom-up analysis.

iv. Technical analysis – attempts to forecast the direction of investment prices by studying past market data.

You can learn about a fund's investment strategy by reading its Fund Facts and simplified prospectus.

Mutual fund companies often build relationships with advisors and encourage them to sell their funds. When you're choosing an advisor, find out if they focus on the funds of a certain company or a specific family of funds

8. Types of Scheme of Mutual Fund :-

A mutual fund scheme can be classified into open-ended scheme or close-ended scheme depending on its maturity period.

Open-ended Fund/ Scheme: An open-ended fund or

Student's Article

scheme is one that is available for subscription and repurchase on a continuous basis. These schemes do not have a fixed maturity period. Investors can conveniently buy and sell units at Net Asset Value (NAV) related prices which are declared on a daily basis. The key feature of open-end schemes is liquidity.

Close-ended Fund/ Scheme: A close-ended fund or scheme has a stipulated maturity period e.g. 5-7 years. The fund is open for subscription only during a specified period at the time of launch of the scheme. Investors can invest in the scheme at the time of the initial public issue and thereafter they can buy or sell the units of the scheme on the stock exchanges where the units are listed. In order to provide an exit route to the investors, some close-ended funds give an option of selling back the units to the mutual fund through periodic repurchase at NAV related prices. SEBI Regulations stipulate that at least one of the two exit routes is provided to the investor i.e. either repurchase facility or through listing on stock exchanges. These mutual funds schemes disclose NAV generally on weekly basis.

9. When to buy Mutual Fund ? :-

If there is a bull market it is normally considered a good time to invest in the equity markets, however, caution should be taken to ensure that one does not invest at the peak and lose one's capital.

Unlike popular wisdom, it is actually a good time to invest in the stock markets (via mutual funds) when the markets are down. The worse the markets are, the better returns you are likely to get in the medium to long term.

One should ideally invest via the SIP (systematic investment plan) route, as this ensures that one does not need to time the market. Since the investment takes place each month irrespective of the market condition, one benefits from both an up market as well as a down market.

In times of bull runs, one's portfolio returns will be higher, and in bear markets one will get more units for the same investment - which will later lead to better returns. In a SIPs model investors tend to purchase more units when markets falls and fewer units when the market rises. Hence the average cost per unit declines over a period of time, thus being an effective tool of risk management.

This benefit can be availed only when the investor tries to stick on for a long term basis as market is highly volatile and it is difficult to time the market. Hence, it is advisable to always invest in mutual funds via the SIP route and automate this investment to ensure that it is made correctly each month.

There are other factors as well to keep in mind while buying mutual funds. Before investing in a mutual fund, investors should read the policy document and conditions of the fund carefully, and should conduct research on mutual fund manager's performance track record, the fund house's reputation, the past performance of the fund, corpus size of the fund, etc.

The mutual fund manager's investment skills can be best determined by measuring their performance through a full market cycle of 3 to 5 years.

An investor has to understand one's own appetite towards risk and market fluctuations. A risk-taking investor will be able to invest in a mid-cap or a small-cap fund but at the same time a conservative investor will be more interested in a bond or safer large-cap fund.

One should also compare the performance of the mutual fund its peers and competitors, especially in the areas on returns, costs levied on the investors' (fees), etc. One has to research the specific fund with a full understanding of the fees. The expenses of the mutual fund should be within the industry norm (the lower, the better).

If one is willing to invest for the long term, then equity mutual funds are the right investment decision. As holding the investments for a longer term period will benefit the investors, due to the power of compounding, as well as zero long term capital gains tax for equity instruments.

10. Categories of Mutual Fund :-

A Mutual Fund is a fund which primarily collects money from the public and then invests the same in specified securities on behalf of its investors.

Mutual Funds can broadly be categorised into 2 categories:-

1. Equity Mutual Funds
2. Debt Mutual Funds

Equity Mutual Funds are those mutual funds which invest a major chunk of their investments in Equity Shares whereas Debt Mutual Funds are mutual funds which invest a major chunk of their investment in Debt/ Fixed Income earning instruments.

11. Tax Benefits :-

To encourage the people to invest in mutual funds, the govt offers various tax benefits to people who invest in equity mutual funds.

These benefits have been discussed below in detail.

i. Section 80C of the Income Tax Act, 1961, Tax Benefit of Investing in Equity Mutual Funds -

Equity Mutual Funds are those Mutual Funds wherein a major chunk of the amount is invested in equity market i.e. the stock market. These ELSS Funds purchase the shares either through IPO or through the stock markets.

The amount invested in these mutual funds can be claimed as a Deduction under Section 80C. Although there is no limit for investing in these mutual funds, the maximum amount of deduction that can be claimed under Section 80C for investing in these type of Mutual Funds is Rs. 1,50,000.

This Deduction of Rs. 1,50,000 allowed under Section

Student's Article

80C is the total cumulative deduction which is allowed in any financial year for investments in various specified instruments. The most popular of these instruments under which Deduction under Section 80C can be claimed are:-
PPF Account
Pension Plans
Life Insurance Policy
National Savings Certificate
Tax Saving Fixed Deposit
Repayment of Principal Amount on Home Loan

ii. Lock-in period of Equity Mutual Funds -

The lock-in period of equity mutual funds which are allowed to be claimed as a deduction under Section 80C is 3 years. In other words, these mutual funds cannot be sold before 3 years.

The lock in period of 3 years of Equity Mutual Funds is the least when compared with the 5 year lock-in period of other popular tax saving instruments like PPF Account, National Savings Certificate, Tax Saving Fixed Deposit.

iii. Tax Exemption on Dividend paid on Mutual Funds -

The mutual funds regularly pay out dividends to its Investors. The dividend received by the investors from these mutual funds is tax free in the hands of the investors under section 10(35). In other words, no tax is to be paid by the investors on the dividend that is received from such mutual funds.

There is no maximum limit on the amount of exemption that can be claiming tax exemption on Dividend received from Mutual Funds.

iv. Capital Gains Tax on sale of Mutual Funds -

The value of a mutual fund is denoted by its NAV (i.e. Net Assets Value). The NAV keeps changing on a daily basis based on the performance of the mutual fund. A mutual fund is always purchased and sold at its prevailing NAV.

The Gains arising on the sale of a Mutual Fund are of 2 types – Long Term Capital Gains and Short Term Capital Gains. Tax on sale of Mutual Funds held Long Term/Short Term is mentioned below:-

-Tax on Long Term Capital Gains: If the equity mutual fund is held for more than 1 year, the gains arising on the sale of the mutual fund are fully exempted from the levy of any capital gains tax. There is no maximum limit on the amount which can be claimed as an exemption on sale of mutual funds which have been held for more than 1 year.

-Tax on Short Term Capital Gains: If the equity mutual fund is held for less than 1 year, the gains arising on the sale of mutual fund would be levied at a concessional rate of 15%. There is no maximum limit on the amount would be taxed at this concessional rate of 15% under Section 111A.

12. Advantages of Mutual Fund :-

The biggest advantage of investing through a mutual fund is that it gives small investors access to professionally-managed, diversified portfolios of equities, bonds and other securities, which would be quite difficult to create with a small amount of capital.

And other are as follows :-
- Professional portfolio management
- Streamlined and convenient administration
- Risk management through diversification
- Innovative solutions that meet a range of investment objectives and evolving investor needs
- Opportunities for foreign and domestic investment that may not otherwise be directly accessible to investors
- Liquidity, enabling investors to respond to changes in their personal circumstances
- Access to investing for all types of people, including those who prefer to invest small amounts at regular intervals
- Choice of purchase methods and fee structures, including full service, fee-for-service and do-it-yourself
- Accountability and fairness to investors through industry regulation and transparency.

13. Disadvantages of Mutual Fund :-

The main disadvantage to mutual funds is that, because the fund is managed, fees will be incurred no matter how the fund performs. Investors have to pay sales charges, annual fees, and other expenses with no guarantee of results. That said, most any method of investment will incur fees without a guarantee of results.

14. Conclusion :-

Therefore, its clear from above for the small investors its the best way to earn high income through investing their savings into this pool of investmemt basket after considering the abovementioned factors.
Smart Invest Smart Earn.

Student's Article

23rd Meeting of GST Council

Tushar Mahesh Dhanwani
WRO0534073

All these Changes will be made prospectively from 15th November 2017.

Recently, in 23rd GST Council Meeting held in Guwahati, the Council revised rate structures under newly implemented tax reform. Impressive decisions have been taken by the tax officials and state finance ministers to r**educe the tax burden on small business enterprises (SMEs)**. Some of the impressive measures taken by the tax officials in recent meeting are mentioned below:-

Changes in Composition Scheme

- Composition scheme limit to be increased to Rs 1.5 crore.
- 1 % GST rate for manufacturers & traders*.
- Composition tax of 1% on turnover of taxable goods (turnover of exempted goods to be excluded)*.
- Those supplying goods and services (services not exceeding Rs 5 lakhs in total) eligible for compositions scheme*.

Small businesses can enrol under the GST Composition Scheme to pay GST at a flat rate and file simplified quarterly GST returns. In the 23rd GST Council Meeting, various changes have been made to the GST Composition Scheme to make it more taxpayer friendly.

Earlier the tax rates for the composition scheme holders was 1 percent for traders, 2 percent for manufacturing firms now have been reduced by the government to 1 percent for both traders and manufacturing firms. This tax rates will be applied to their annual taxable turnover.

Relief in GSTR compliance

- **GSTR-2 and GSTR-3** filing dates for July 2017 to March 2018 will be worked out later by a Committee of Officers
- Turnover under Rs 1.5 Cr to file **quarterly** GSTR-1
- Turnover above Rs 1.5 Cr to file **monthly** GSTR-1
- All businesses to file **GSTR-3B** by 20th of next month till March 2018.

This will reduce the humongous pressure from taxpayers by filing only two returns till march 2018. Earlier there was a burden of filing four returns in a month, but now only two returns are to be filed (GSTR-1 & GSTR-3B).

All the mutual funds are registered with SEBI. They function within the provisions of strict regulation created to protect the interests of the investor.

Just like a money deposit in a bank account for fixed deposit and in return you a get certificate of FD, similarly you have to deposit the amount of money into this fund through different mufual fund company and inreturn you will get the units of mutual fund where you will get the higher return as compare to FD return.

Extension of GSTR-1 filing Due Dates

For turnover upto Rs. 1.5 cr:

Period (Quarterly)	Due dates
July- Sept	31st Dec 2017
Oct-Dec	15th Feb 2018
Jan- Mar	30th April 2018

For turnover of more than Rs 1.5 cr:

Period (Quarterly)	Due dates
July to Oct	31st Dec 2017
Nov	10th Jan 2018
Dec	10th Feb 2018
Jan	10th Mar 2018
Feb	10th Apr 2018
March	10th May 2018

Others GSTR filing extensions

Return	Revised Due Date	Old Due Date
GSTR-4 (for Composition Dealers)	24th Dec 2017	15th November 2017
GSTR-5 (for July to October)	11th Dec 2017	Earlier of 20th August 2017 or 7 days from date of registration
GSTR-5A ((for July to October)	15th Dec 2017	20th November 2017
GSTR-6 (for July 2017)	31st Dec 2017	13th August 2017
ITC-04 (for job work) for quarter of Jul-Sep	31st Dec 2017	25th October 2017

Student's Article

Relief for service providers

All service providers with **turnover up to Rs 20 lakhs** exempt from GST registration. Including those who supply inter-state or supply through e-commerce operator, such service providers do not have to register.

Some Special GST Rate Changes-

- GST Rate for manufacturers and traders under composition scheme is 1 % *.
- Reduced from 28% to 18% W.e.f. 15th Nov 2017 – Shampoo, Perfume, tiles, watches
- Reduced from 28% to 12% – Wet grinders, tanks
- Reduced from 18% to 12% – Condensed milk, refined sugar, diabetic food
- Reduced from 12% to 5% – Desiccated coconut, idlidosa batter, coir products
- Reduced from 5% to Nil – Duar meal, khandsari sugar, dried vegetables
- For **Restaurants** within hotels, and room tariff **less** than **Rs. 7,500** the GST rate is **5%. Also, the credit of ITC paid on inward supplies cannot be taken.**
- For **Restaurants** within hotels, and room tariff greater than Rs. 7,500 the GST rate is 18**% and credit of ITC paid on inward supplies can be availed.**
- Outdoor catering continues to be charged at 18% with the availability of ITC on inward suppliers.

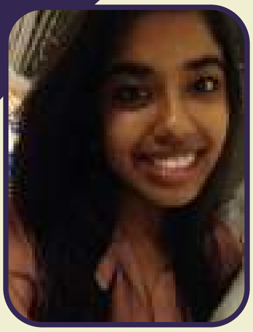
Other taxpayer relief measures

- No GST to be paid on advances received on supply of goods by regular taxpayers.
- **Late Fees reduced** – For delayed filing of NIL tax GSTR-3B, late fee reduced from Rs 200 per day to Rs 20 per day. Other taxpayers need to pay a late fee of Rs. 50 per day of delay in filing GSTR-3B.
- **Late Fee credit** – Late fees for GSTR-3B of July, Aug and Sept waived. Any late fees paid for these months will be credited back to Electronic Cash Ledger under 'Tax' and can be utilized to make GST payments.
- Manual filing for **Advance Ruling** application to be introduced.
- **Export of services to Nepal and Bhutan** are exempt from GST.
- Export of services to Nepal and Bhutan are allowed to claim a refund of input tax credit paid if any*.
- **TRAN-1** can be filed and revised till 31st December 2017. Revision to be done only once*.
- **Timelines for the filing of GSTR-2 and GSTR-3** for July to March 2018 to be worked out by Committee of Officers. However, subsequent month filing of GSTR-1 will not be impacted.
- The tax rates have been reduced by the GST Council on almost 80 percent of the items in the 28 percent slab rate, generally, these are frequently used items.
- In respect of this, only 4 percent of the items are based on **4- digit HSN code** will now be charged 28 percent or higher taxation rates.
- Tax rates on other some other items also have been slashed by the Council from 18 percent to 12 percent and from 12 percent to 5 percent.

For further details log on to-

www.gst.gov.in

Student's Article



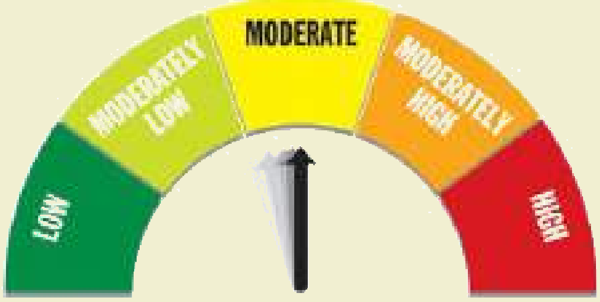
Mutual Funds

Jayati Jagdish Khatri
WRO0561424

"Mutual fund Investments are subject to market risks. Read all scheme related documents carefully." That being said, mutual funds are still considered to be rather safe. They represent a strata of diversified investments, which you can bank upon.

First things first, A mutual fund is a professionally-managed investment scheme, usually run by an asset management company(AMC) that brings together a group of people and invests their money in stocks, bonds and other securities. General public with an investible surplus, usually invests in mutual fund schemes if they have little to none knowledge about the stock and money market. These schemes are carefully designed by keeping in mind the risk profile of the investor. An AMC offers a diversified, professionally managed portfolio to potential investors, so that they don't have to take time off of their busy schedules to learn about the do's and don'ts of parking their money profitably. It is basically appointing a mediator for investing your money into the market without having to do anything.

An investment in mutual funds is arguably safer than directly investing in traditional stocks, bonds and money market securities. This is so because the monies are invested in different industries with different risk factors, hence balancing the overall risk of the fund. The industries include infrastructure, pharmaceuticals, banking, power and what not. This is known as diversification. Risk is considerably reduced through this process, but if you're playing in the market, directly or indirectly, a reasonable level of risk always persists. Because of this, the Securities and Exchange Board of India(SEBI) has made it mandatory for all mutual fund schemes to display the 'Riskometer', which is a visual representation of the level of risk involved in the particular scheme.



A Riskometer that Displays the Risk Involved in a Mutual Fund

The answer to the question, 'Where to invest?' depends upon the investor's appetite for risk. It is a fairly well known fact that investing in debt securities is relatively less risky than parking your money in equity, but they yield lower returns.

There are 5 broad categories of mutual funds based on the investor's investment objective, these are:-

- Equity Funds
- Debt and money market funds
- Balanced funds
- Equity linked saving scheme
- Thematic funds

These can be categorized as open-ended, closed-ended or interval funds on the basis of their maturity period.

So if your only objective is to earn high returns, no matter the risk, Equity fund is the one for you. If risk plays an important part in your investment objective, Debt or Balanced funds can be a good option. Equity linked saving scheme is a tax saver. If you invest in it, you can claim a deduction of the amount invested under the Income Tax Act, 1961. Thematic funds cater to the needs of investing in a particular industry.

The professional fund manager keeps your objective in mind and curates a scheme suitable for you. Hence for you, it's no work, and all returns.

When a person invests in any mutual fund, s/he is allotted units at the prevailing Net Asset Value(NAV).NAV of all the schemes are quoted daily, at the closing rates. The investor has to bear an exit load if s/he sells the units before the specified period.

Knowing your investment objective, will aid to selecting the perfect scheme for you. Once the scheme is selected, the next question is, how to invest in it. Big players, with high loss bearing capacities and huge amounts of money, can invest a lump sum amount in one go. But the general public should preferably go for a systematic approach of investing small amounts, at regular intervals, over a period of time. This is known as the Systematic Investment Plan or SIP. SIPs help to build wealth gradually without hurting your overall financial commitments. This approach has gained popularity recently and is very beneficial to investors.

Timing also plays a crucial role in investment. If the market is rather volatile, debt fund is the best option. However, if the market is at it's peak, balanced funds are preferable. This is because the market will soon start declining and so, having a pure equity fund will not be favorable. You can go for an equity fund when the market has already entered the correction mode i.e the market has begun the upward trend. The rules for investing, in respect of timing, are same for stocks as well as mutual funds. However, fund managers help the investors in designing a proper investment plan.

Another important aspect is the duration. If you wish to invest for a short term, liquid funds i.e money market funds, are your go-to. A variety of options can be explored when investing for medium or long term.

A mutual fund investment gives a good post-tax return and can yield an IRR up to 15%.It ensures safety only if all the factors of investing are taken into consideration. So to reap maximum benefit, an informed decision has to be made. As they say, an informed decision, is a right one.

Investing in a mutual fund is hands down the best way through which people with less knowledge of the market can gain from it. It's a 20th century phenomenon, and is developing day by day. The future belongs to those who plan for it in advance, and mutual funds are the way to do it. Investing, is definitely the way up.

Amazing Corner

The princes of words
Entered the palace of numbers ...
The lover of phrases
Was in the cage of equations...
The silly mind was busy
In the timeless scens ...
And the brain was forced
To manage targets n peeks ..
In the chaos of ratios
The rythms were buried ...
Looking at her own phase
She was now worried ...
She dropped her greed
And went to her dreams ...
How the face will smile
When the soul screams ...
She left the huge palace
The open sky was her own ...
She smiled after a long
As words were won ...

Shraddha S Pophlee
WRO0540392

Not to Miss in Nagpur

GANESH MANDIR TEKDI

The most iconic temple of Nagpur Ganesh Mandir tekdi.

Though a lot of Nagpurkars believe that the temple is one of the oldest around, that is in fact a big myth. Though the idol of the lord Ganesha is very old, the temple dates back to the recent 1970s. Major construction work was undertaken in the following years and it got its current form in 1984 after generous donations from all corners of the society to build the temple.

The idol at Ganesh Mandir Tekdi is known as the Swayambhu – and there's a wonderful reason behind the same. It is said that when the Sitaburdi hill was being broken down by dynamite blasts to build the railway station, this idol was found in the ground after one such explosion at the site. Swayambhu means 'something made/formed on its own'

Did you know that it is called 'tekdi' because of its location? Since you need to walk up a hill to approach the temple and since tekdi means hill in Marathi, thus the temple derives its present name. A favourite and especially populated part of Nagpur during the Ganeshotsav, the temple has also been known for being frequented by famous cricketers like Sachin Tendulkar before playing a crucial cricket match on the Nagpur pitch!

So, Nagpur – it's time to pay a visit to this amazing landmark and pay your respects to this wonderful form of Lord Ganesha, who appeared right from the heart of the Sitaburdi hill to always look over our Orange City.

Glimpses of Past Events

Football Tournament

CA Umang Agrawal,
Vice Chairman, Nagpur Branch of ICAI

Winning Team

Industrial Visit to NECO Castings, Dinshaws, RC Plasto Tanks, Vaibhav Plasto

Glimpses of Past Events

Study Circle Meet – 'Adhyayan- Enlightening Minds' on Ledger Scrutiny & Vouching

Guiding Light - CA Nitin Sarda

Student Speaker
Aarefa Laxmidhar

Student Speaker
Pulkit Jhawar, Scretary,
Nagpur Branch of WICASA

Glimpses of Past Events

One Day Revisionary for IPCC & Final Students for November,2017 Examinations.

CA Sumit Sarda
Financial Reporting for CA Final

CA Pawan Sarda
Direct Taxation for IPCC Students

Prof. Kunal Mandhania
Business Law for IPCC Students

CA Ayaz Sayani
Financial Reporting (Ind AS) for CA Final Students

CA Avanti Jain
Indirect Taxation fro IPCC Students

CA Abhishek Bansal
Amendments in Corporate &
Allied Law and Advanced Auditing & Assurance

CA Ravi Taori
Auditing & Assurance for IPCC Students.

Glimpses of Past Events

Full Day Seminar – Income Tax Representation, Company Audit and ROC Filing

Speakers Alongside Chief Guest – CA Abhijit Kelkar, RCM WIRC

CA Amarjeet Singh Sandhu
covering Company Audit Procedure

CA Abhay Agrawal
explained Mock Assessment Proceedings

CS Anjali Gorsia
covered Filing of Annual ROC Forms

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