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Gandhidham Branch (WIRC)

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Chairperson's Communique

Esteemed Professional Colleagues,

A Warm Welcome to 2024 – A Year of Opportunities!

A Happy and a Joyous New Year to all!

As we bid farewell to a month brimming with actionable pursuits and embrace the New Year with high spirits, it is the

perfect time to assess our progress, think back on our achievements and create a plan for the New Year. However, at this moment, let us harken back to the wisdom of **Socrates: "The secret of change is to focus all of your energy, not on fighting the old but on building the new"**.

Shedding some light on the several activities undertaken during the month of December.

Seminars conducted during the month included a Session on **"ChatGPT – Harnessing the AI Potential for Chartered Accountants"** elucidated by CA Darshak Thakker, Further, CA Dinesh Ghalla expounded on a unique topic **"Will & Succession Planning"** while a comprehensive **One Day Seminar on Income Tax** wherein CA Dhinal Shah addressed on "NRI Taxation" and CA Karan Thacker provided insights into "TDS/TCS Provisions." Further, CA Viren Kenia and Mr. Rahul Mehta delved into the intriguing topic of **"Startup as an Avenue for Investment,"** accompanied by a pitch deck presentation by Mr. Nikhil Rajput. The seminar series concluded with CA Rajesh Khandol shedding light on **"Factors to be considered while investing in Equity."** My gratitude extends to these erudite faculties for enriching our members with their profound knowledge.

In addition, a **Career Counselling Programme** organized at Jawahar Navodaya Vidyalaya, Dumra (Kutch) by our counsellor CA Virag Acharya garnered participation from more than 100 students.

Further, an invigorating event, **Indoor Sports and Fun Games** was also organized for the members and the students.

Amidst this plethora of activities, our Branch dutifully **submitted the half-yearly audited accounts** to the Head Office on December 15, 2023. We take this moment to appreciate and acknowledge the efforts of our Branch Auditors for the timely completion.

Furthermore, the Gandhidham WICASA Team organised **CA Students' Talent Search** comprising of Sketching Competition, **ICITSS & AICITSS Batches** for CA Intermediate & CA Final Students.

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It brings me immense pleasure to announce that **Mr. Gajendra Sharma secured the 2nd position** at the Regional Level and is poised to compete at the National Level CA Students' Talent Search.

The month ended with a Visit of the Managing Committee Members to the **Exam Centre at Tolani Commerce College, Adipur** to boost up the record-high 269 students appearing for their CA Foundation exams.

As I conclude, I extend my heartiest greetings on the **75th Republic Day** of our beloved motherland – a day to cherish our republican values. Additionally, I take this moment to wish you all **a joyous Pongal, Makar Sankranti and Lohri**.

May the year 2024 bring in abundant success and contentment in all your endeavors.

With Regards

CA Chandni Tolani

Chairperson – Gandhidham Branch of WIRC of ICAI



Editorial Message

Dear Members,

The year 2024 has begun and all have welcomed the new year with enthusiasm and zeal. If we see from one point of view, the new year is just a change in date just like any other. But just like different things are measured by different units of measurements, our life is measured with time. A new year helps us put a full stop to earlier time and start afresh. New year resolutions are what help us try to do something which we wanted to do but somehow were not able to do. A very important message in the “Mann ki baat” program of our Prime Minister Shri Narendra Modi ji was to take care of health in the New Year 2024. He stressed on the aspect of focusing on mental health as much as we focus on physical health. Being professionals, we have a lot of mental and intellectual work to do. The message of PM is very relevant specially for professionals like us and the editorial team suggests that we should incorporate the suggestion of PM in our new year resolutions.

Having closed almost all compliances of FY 22-23, we all will be looking forward to relaxing a while and then to focus on FY 23-24 and prepare in advance to avoid the problems we faced in FY 22-23. The month of January is special for Gujarat as the Vibrant Gujarat Global Summit is generally held in this month, which is from 10th to 12th January this month. The response has been unprecedented as already almost double the number of delegates have registered in advance for the event. Gujarat’s geographical size is 5.95% of the size of India, however it exports 1/3 of the total exports of India. Gujarat having the largest coastline of 1600 kilometers holds the top position in logistics ranking.

The international kite festival held by the Gujarat Tourism also attracts tourists from all over the world. The kite festival which started in Ahmedabad now is being celebrated in various cities. The festival celebrated at Rann of Kutch and Mandvi Beach comes handy for us to visit and enjoy. Apart from the kite festival, we will be celebrating our 75th Republic Day this month. This year the Government of India has launched an initiative called “Janbhagidari” so that the public of India can be involved more in the upcoming Republic Day Celebrations 2024. The theme this year will be “Developed India” and “India - Mother of Democracy”. The event will be attended by the president of France also.

We will be having the flag hoisting ceremony at Gandhidham Branch on the Republic Day.

Having so much to look forward to, the editorial team wishes you a very happy and healthy new year ahead and also invites all members to join on the above occasion.

Editorial Board of Gandhidham Branch of WIRC of ICAI



Articles

2023: A Year of Twists and Turns for the Indian Economy

- CA Hency Shah



As we enter to 2024, it's time to rewind and reflect on the events that shaped the Indian economy in 2023. This year was a rollercoaster ride, marked by both triumphs and tribulations. From the elation of a record-breaking GDP growth to the sting of rising inflation, let's take a flashback of that impacted the economic landscape:

- **Glimmering Growth:** The year kicked off with a bang, with India's GDP estimated to grow at a staggering 8.2% in the financial year 2022-23. This robust growth was fuelled by a strong rebound from the pandemic, increased government spending on infrastructure, and a thriving manufacturing sector.
- **Fuelling the Fire:** However, the celebratory mood was soon dampened by the rising tide of inflation. The Russia-Ukraine war sent shockwaves through the global oil market, pushing up crude oil prices by over 50% at its peak. This translated to higher fuel costs in India, impacting transportation, manufacturing, and ultimately, consumer spending. Inflation, the bogeyman of every economy, reared its ugly head, reaching a five-year high of 7.79% in April. This eroded consumer purchasing power and put pressure on household budgets.
- **Rupee's Rollercoaster Ride:** The Indian rupee faced the brunt of global headwinds, depreciating by over 10% against the US dollar in the first half of the year. This was mainly due to rising interest rates in the US and the strengthening of the dollar. The rupee's depreciation made imports expensive and put pressure on India's foreign exchange reserves.
- **Policy Tweaks:** To combat inflation and stabilize the rupee, the Reserve Bank of India (RBI) embarked on a series of policy measures. It raised interest rates four times in the year, bringing the repo rate to 5.4%. These measures, while necessary, slowed down economic growth and impacted sectors like real estate and construction.
- **Exports on the Rise:** Despite the challenges, India's exports continued to shine in 2023. Driven by factors like the Production Linked Incentive (PLI) scheme and a focus on diversification, merchandise exports grew by over 20% in the first half of the year. This surge in exports helped narrow the trade deficit and provided much-needed support to the rupee.
- **Startup Ecosystem Soars:** The Indian startup ecosystem continued its meteoric rise in 2023 with over 44 unicorns emerging in 2023. With over 100 unicorns now gracing the landscape, India cemented its position as the third-largest startup ecosystem globally. Startup raising a record-breaking \$26 billion in funding. Edtech, fintech, and healthcare startups were among the major beneficiaries, showcasing India's potential in the innovation space.
- **Agriculture's Uncertain Path:** While the overall economy performed well, the agricultural sector faced its share of challenges. Unseasonal rains and input cost increases impacted crop yields and farmer incomes. The government's efforts to provide minimum support prices and promote crop diversification offered some relief, but the sector remains vulnerable to climatic uncertainties.
- **Tourism's Tentative Revival:** The battered tourism industry showed signs of recovery in 2023. Domestic tourism witnessed a strong rebound, with many Indians opting for staycations and



local travel. However, the return of international tourists remained sluggish due to travel restrictions and concerns about the global economic slowdown.

- **Crypto Conundrum:** The year also saw increased scrutiny of the cryptocurrency market in India. The government imposed a 30% tax on crypto gains and introduced a 1% TDS on crypto transactions, signalling its intent to regulate the nascent industry. This move created uncertainty among investors and dampened the market's enthusiasm.
- **Green Shoots of Recovery:** Despite the challenges, the Indian economy showed signs of resilience. The International Monetary Fund (IMF) projected India's GDP growth to be at 7.4% in 2023, the highest among major economies. Goods and Services Tax (GST) collections reached an all-time high of ₹ 1.68 lakh crore in November, indicating a pick-up in economic activity.
- **Infrastructure Push:** The government continued to prioritize infrastructure development, investing heavily in roads, railways, and renewable energy projects. This not only created jobs and boosted economic activity but also laid the foundation for long-term growth.
- **Digital Drive:** The government's push towards digitalization gained momentum, with initiatives like the Digital India program and Aadhaar-based authentication streamlining processes and boosting transparency. The rise of e-commerce and online payments further fuelled the digital economy.
- **Cautious Outlook:** As we enter 2024, the Indian economy is expected to grow at a steady pace of around 6.5%. The Indian economy faces both opportunities and challenges. The global slowdown, geopolitical tensions, and rising interest rates remain concerns. However, India's strong domestic demand, robust startup ecosystem, and government's focus on infrastructure and digitalization offer a ray of hope. The year ahead will be crucial in determining the trajectory of the Indian economy, with its performance holding implications not just for India but for the global economy as well.



Financial lessons from kite flying

CA Mukund Jethanand Lakhwani

Kite flying is not just a fun and beautiful activity, it also teaches us valuable financial lessons. The first lesson we can learn is the importance of patience and determination. When flying a kite, we can't expect it to fly high and steady right away. It takes time and effort, sometimes even facing obstacles such as wind or trees. Similarly, in managing our finances, we need to be patient and determined. We might not see immediate results or have to face unexpected challenges, but with perseverance, we can achieve our financial goals.

Another lesson from kite flying is the importance of understanding and working with external factors. When flying a kite, we need to consider the direction and strength of the wind, as well as the weight and length of the string. These factors can greatly affect the success of our kite flying experience. Similarly, in managing our finances, we need to understand external factors such as the economy, market trends, and interest rates. By being aware of these factors and making informed decisions, we can make our financial journey smoother and more successful.

One of the most crucial lessons from kite flying is the importance of balance. A kite needs to be balanced in order to fly properly. If it's too heavy on one side, it will tilt and fall. In the same way, we need to balance our income and expenses in order to maintain a stable financial situation. Overspending or not saving enough can lead to financial instability and difficulties. By finding a balance between our income and expenses, we can ensure a healthier and more secure financial future.

Kite flying also teaches us the value of risk-taking and innovation. When flying a kite, we often have to take risks and try new techniques or maneuvers in order to keep it flying high. Similarly, in our financial life, taking calculated risks and being open to new ideas and opportunities can lead to greater financial success. Playing it safe all the time may prevent us from reaching our full potential. Just like a kite needs innovation and risk-taking to soar, our finances also need a certain level of risk and creativity to grow.

Lastly, kite flying teaches us the importance of letting go. There are times when our kite may get tangled or stuck in a tree, and we have to let go of the string and watch it fly away. This can be a tough and disappointing moment, but it also teaches us to let go of things that are not serving us well. In terms of finances, this can mean letting go of bad spending habits, unnecessary expenses, or even toxic investments. By learning to let go, we can make space for better financial decisions and opportunities.

In conclusion, kite flying may seem like a simple and innocent activity, but it holds valuable lessons that can be applied to our financial lives. By being patient and determined, understanding external factors, finding balance, taking risks and being innovative, and knowing when to let go, we can become more financially savvy and successful. So the next time you fly a kite, remember these lessons and apply them to your finances.



Unlocking Tranquility: Safeguarding Your Future with the Power of Insurance.

- CA Hency Shah

In an unpredictable world, where uncertainties and risks are an inherent part of life, insurance plays a pivotal role in providing individuals and families with a sense of security and peace of mind. Beyond just being a safety net, insurance offers a wide array of benefits that extend well into the realm of financial security.

- **Peace of Mind:** Insurance acts as a shield against the uncertainties of life. Whether it's health, property, or life insurance, knowing that you are financially protected in the face of unexpected events provides a profound sense of peace of mind. This mental security allows individuals to focus on their daily lives without the constant worry of potential financial setbacks.
- **Financial Protection against Risks:** One of the primary functions of insurance is to mitigate financial risks. Life is replete with unforeseen events such as accidents, illnesses, or natural disasters. Insurance policies are designed to provide financial coverage during these challenging times, ensuring that individuals and families can navigate crises without facing catastrophic financial consequences.
- **Health Insurance for Well-being:** Health insurance goes beyond covering medical expenses; it promotes overall well-being. Regular health check-ups, preventive care, and timely medical interventions become accessible through insurance policies. This not only safeguards physical health but also contributes to long-term financial stability by preventing the escalation of health-related costs.
- **Asset Protection with Property Insurance:** Property insurance safeguards one's valuable assets, including homes and belongings, against unexpected events like fires, floods, or theft. This protection is crucial for maintaining financial stability, especially when a significant portion of one's wealth is tied to real estate and personal property.
- **Income Protection through Disability Insurance:** Disability insurance ensures that individuals who are unable to work due to injury or illness still receive a portion of their income. This vital form of insurance acts as a safety net, preventing a complete loss of earnings and helping maintain financial stability during challenging times.
- **Retirement Planning with Life Insurance:** Life insurance serves as a crucial component of retirement planning. It provides financial support to dependents in the event of the policyholder's demise, ensuring that loved ones are not burdened financially. Additionally, certain life insurance policies offer cash value accumulation, serving as a valuable asset for retirement savings.
- **Business Continuity through Commercial Insurance:** For businesses, insurance is indispensable. Commercial insurance protects against a myriad of risks, including property damage, liability claims, and business interruption. This ensures that even in the face of unforeseen events, businesses can continue operations without facing insurmountable financial challenges.

From the tranquility of peace of mind to the robust foundation of financial security, insurance serves as a multifaceted tool that empowers individuals and businesses alike. Embracing various insurance policies is not just a prudent financial decision but a pathway to resilience in the face of life's uncertainties. As individuals and societies continue to evolve, the role of insurance remains indispensable in fostering stability, well-being, and a secure financial future.



Law Updates

Compiled by – CA Nikita Tejwani

Indirect Taxes

1. **Advisory Date extension for reporting opening balance for ITC reversal dt 29/12/2023:** Taxpayers can declare the opening balance for ITC reversal until January 31, 2024, with three post-declaration amendment opportunities. Amendments can be made until February 29, 2024.
2. **The Ministry of Finance, through Notification No. 56/2023-Central Tax, has revised GST notice issuance timelines for FY 2018-19 and 2019-20.** For 2018-19, show cause notices can be issued until January 31, 2024, and related recovery orders until April 30, 2024. For 2019-20, show cause notices are extended until May 31, 2024, and related orders until August 31, 2024.

Direct Taxes

1. CBDT notifies ITR 1 and ITR 4 for Assessment Year (AY) 2024-25 / Financial Year (FY) 2023-24 vide Notification No. 105/2023-Income Tax Dated: 22nd December, 2023.
2. The Central Board of Direct Taxes, Ministry of Finance, has issued Notification No. 106/2023, amending income tax provisions related to clause (23FE) of section 10. It designates Ravenna Investments Holding B.V as the eligible pension fund for Indian investments, imposing conditions like timely filing, compliance certificates.
3. The Central Board of Direct Taxes, Ministry of Finance, has issued Notification No. 106/2023, amending income tax provisions related to clause (23FE) of section 10. It designates Ravenna Investments Holding B.V as the eligible pension fund for Indian investments, imposing conditions like timely filing, compliance certificates.

Others

The Ministry of Law and Justice has introduced the Provisional Collection of Taxes Act, 2023, through Notification No. 50 of 2023. This legislation, effective from December 28, 2023, empowers the Central Government to enact Bills with immediate effects for a limited period, particularly concerning customs or excise duties. The Act outlines the declaration mechanism, force of law, duration, refunds, and the repeal of the earlier Provisional Collection of Taxes Act, 1931.

Glimpses of December Events



**Seminar on “ChatGPT- Harnessing the AI Potential for Chartered Accountants & Brief Insights into Microsoft Copilot” on December 02, 2023
(Speaker – CA Darshak Thakkar, Rajkot)**



Career Counselling Session held on December 03, 2023 conducted by CA Virag Acharya.



Glimpse of Indoor Sports and Fun Games conducted at KDBA on December 03, 2023



**Seminar on “Will and Succession Planning” on December 09, 2023
(Speaker – CA Dinesh Ghalla, Mumbai)**



Glimpse of CA Student Talent Search Competition conducted on December 10, 2023



**One Day Seminar on Income Tax held on December 16, 2023
(Speaker – CA Dhinal Shah, Mumbai; CA Karan Thacker, Gandhidham)**



**Seminar on “Startup as an Avenue for Investment” on December 18, 2023
(Speaker – CA Viren Kenia, Mr. Rahul Mehta and Mr. Nikhil Rajput)**



**Seminar on “Fundamentals to be considered while Investing in Equity” on December 23, 2023
(Speaker –CA Rajesh Khandol, Bhuj)**

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