



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

**The Eastern India Chartered Accountants Students' Association
Of
Eastern India Regional Council**

EICASA e NEWSLETTER

AUGUST

2023



77th INDEPENDENCE DAY



CHANDRAYAAN-3

INDIA HAS MADE HISTORY AS ITS MOON MISSION BECOMES THE FIRST TO LAND IN THE LUNAR SOUTH POLE REGION.



NEERAJ CHOPRA MAKES HISTORY BY WINNING INDIA'S FIRST-EVER GOLD MEDAL AT WORLD ATHLETICS CHAMPIONSHIPS.



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The upcoming lineup of EICASA also mark some glorifying events:

Seminar on Practical Exposure to Statutory Audit will be organised on 16th August 2023 to impart a flavour of statutory audit to the future chartered accountants. We will be listening to the deliberations of CA. Gopal Jain & CA. Roshan Bajaj.

Regional Level Talent Search Debate and Elocution Contest 2023 will be held on 20th August 2023. CA. Vikash Jain, Past Chairman, EIRC, CA. Anup Sanghai & CA. Bharat Baid will be judging the performances of the student-debaters while CA. Arijit Chakraborty will be conducting the Quiz Competition.

Seminar On Unleashing the Depths of New Scheme and Rankers Unplugged will be held on 23rd August 2023 an unprecedented programme organised for the students where we will be having CA. Vandana D. Nagpal, Director BOS (Academic), ICAI discussing the crucial factors of the new syllabus as introduced by the Institute and in the same programme, a slew of Rank Holders will be sharing their experiences on how they graciously made it to become Chartered Accountants.

Industrial Visit to Titagarh Rail Systems Ltd. in Hindmotor is on 29th August 2023 where the students will be having a real time experience in regard to production process in a factory and the related technical knowledge from the industry persons. Moreover, I am happy to announce that this kind of Industrial Visit will be taking place for the first time ever! I am grateful to CA Raj Lakhota who agreed to organise the same.

Guru Tujhe Salam, a cultural event will be organized on 5th September 2023 to celebrate the enlightened eve of Teacher's Day where students will be participating and performing to convey their gratitude and thankfulness to the faculties of EIRC-ICAI who tirelessly teaches the students attending the Information Technology and Orientation courses throughout the year.

Seminar on Social Audit: A 3 Day Refresher course on Social Media to be conducted from 12th to 14th September 2023 headed by CS Avik Gupta, Senior Manager, NSE; CA Vishnu Kumar Tulsyan, Secretary, EIRC and CS Mamta Binani, Past President, ICSI.

All these events were successful only because of the efforts and support of the members of EICASA, Regional Council Members and the official team of EIRC-ICAI. I convey my warm regards to every participant and I am thankful to everyone who contributed to the events to make them a gainful and successful one.

As Browning said Petty Done, Vast Undone, - We can feel that there is many more to be done for our beloved students and it is a continuous process where there should be no ceasefire.

TEAM EICASA and all its imaginations and initiatives are the manifestation and resultant of our basic philosophy of never-say-die attitude which stems from the fact that alone we can walk, together we can win defeating our meaner selves. Hence, do not subdued by the howling of time, rather tame the time and harvest every benefit.

Signing off just to get back to you with more resources for the days to come.

With warm regards,

CA. Sanjib Sanghi,
Chairman, EICASA of EIRC, ICAI (2023-24)
Vice Chairman, EIRC of ICAI (2023-24)

Kolkata

Date: 15th August 2023

MESSAGE FROM DESK, EICASA VICE-CHAIRMAN

Dear Friends,

I hope this E-Newsletter finds you well. As we all know, our term is reaching its final stages, set to conclude on September 15th, 2023.



During the previous month, we achieved several milestones. We kicked things off with the Branch Level - National Talent Search 2023, held on August 10th, 2023, at R. Singhi Hall, Russel Street (ICAI BHAWAN), featuring both debate and quiz competitions.

Following this success, we hosted the Regional Level - National Talent Search 2023 on August 20th, 2023, at the same venue, once again featuring engaging debate and quiz competitions.

Throughout our term, we conducted various enlightening seminars, including "Practical Exposure to Statutory Audit," "Tax Audit," "Rankers Unplugged," and "Unveiling the New Scheme." These events aimed to provide valuable insights and knowledge to our fellow CA students.

A moment of immense pride was when we welcomed over 40 participants from across India to Kolkata for the National Talent Search 2023. This event, featuring a Debate and Quiz Competition at Dhano Dhanya Auditorium on August 27th, was a resounding success. Our heartfelt congratulations go to all the winners and participants.

We also embarked on an enlightening industrial visit to Titagarh Rails (Vande Bharat), gaining insights into railway business operations.

As responsible citizens, we contributed to our environment by planting trees, taking a step towards battling climate change.

None of these accomplishments would have been possible without the incredible teamwork and dedication of my fellow members. I'm deeply thankful for your hard work and mindful contributions to the betterment of CA Students.



The Institute of Chartered Accountants of India

The seamless management of these events is a testament to the dedication and unity of our team. I am truly grateful to lead such a remarkable group of individuals.

Thank you all for your unwavering support and commitment to EICASA.

Warm regards,

Ankit Das

Vice-Chairman, EICASA

+91 62905 75886

Vision 2023: The Future of Accounting

Pioneering a new era in accounting

In the realm of finance & accounting, we find ourselves at the crossroads of a field rooted in tradition and the unprecedented pace of transformation brought about by the modern era. As future finance leaders, you stand poised to lead the charge in this dynamic landscape, navigating the shifts, inventing novel approaches, and shaping the profession for years to come.

The accountant 2.0: Beyond numbers with Zoho Books

Accounting, a discipline once bound by ledgers and calculators, has evolved beyond recognition. The advent of disruptive technologies, such as artificial intelligence, machine learning, and blockchain, has heralded a new dawn for this profession. Zoho Books is at the forefront of these technological shifts, empowering you, the accountants of tomorrow, with an innovative cloud-based solution.

Zoho Books supports you as investigators, analysts, strategic advisors, and technology adopters. You can leverage this platform to use financial data to drive business growth and sustainability. The future accountants' role transcends the traditional boundaries, and thereby, you bridge the gap between finance and management, decoding the numbers, and unveiling the stories they tell.

Accounting and ethics: Navigating the labyrinth with Zoho Books

Ethical considerations have never been more significant. With a global economy that's growing increasingly complex, businesses need professionals who can navigate the maze of regulations and compliance dilemmas. Zoho Books, with its comprehensive compliance framework and emphasis on user integrity, can be your most valuable asset.

Equipping for the future: Skills for modern accountants

This transformation necessitates an enhanced skill set. Familiarity with the latest technology, such as cloud-based platforms, data analytics, and financial management software, is vital. Additionally, soft skills like critical thinking, communication, leadership, and adaptability are as important as your proficiency in accounting principles.

However, while the landscape may be changing rapidly, the bedrock of accounting remains intact: providing accurate, transparent, and timely financial information. We are committed to helping you fulfil this fundamental responsibility more effectively and efficiently. Our platform enhances your ability to deliver on this core mandate without altering it, offering a perfect blend of tradition and innovation.

The future of accounting: Your role with Zoho Books

Embrace change and adapt to the shifting landscape of your industry. It's crucial to understand and explore the technologies shaping your field. Upholding ethical standards is no less important, especially with robust compliance and security features at your disposal. Above all, remember that learning never stops in this dynamic environment. Continuous updates, learning resources, and dedicated customer support are there to aid your journey.

You are the vision of 2023, the future torch-bearers of accounting.

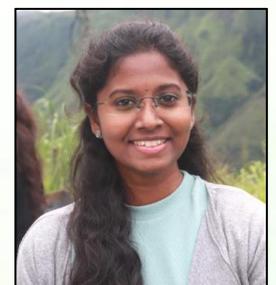
With our comprehensive platform, go forth, equipped with your knowledge and skills, ready to make your mark in this ever-changing field. The future of accounting is in your hands, and Zoho Books is here to assist you every step of the way.

Try the [Zoho Books Student edition](#) to experience the power of cloud accounting first-hand. Use the self-learning cloud accounting platform to practice maintaining books. Create a sample organization, populate transactions, analyse reports, and do a lot more.



Author: Sowmya

Designation: Zoho Books Evangelist



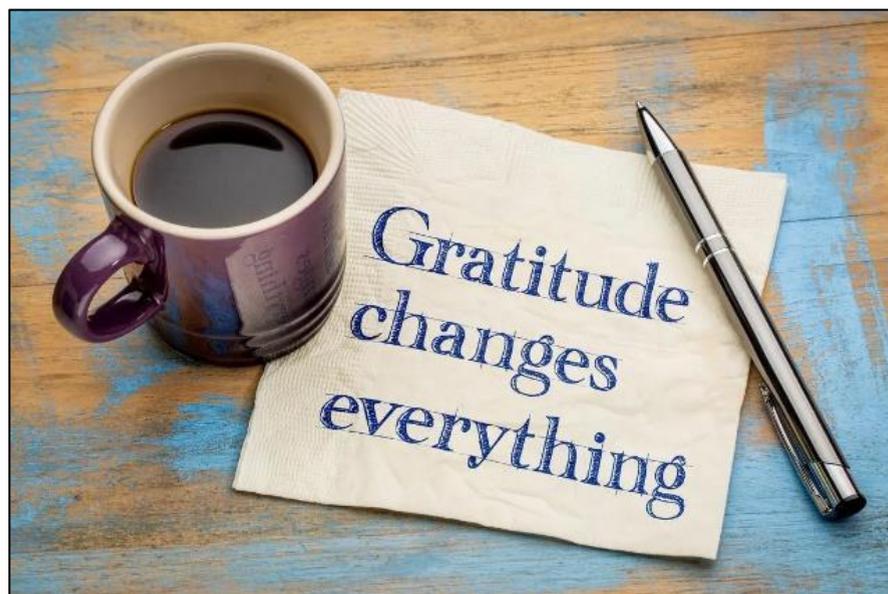
GRATTITUDE:AN UNSUNG HABIT



AJIT SOMANI
CRO0697779

"Gratitude is a currency that we can mint for ourselves, and spend without fear of bankruptcy." - Fred De Witt Van Amburgh
In today's life, most of us complain about the things we don't have, we focus on the things we don't have. Instead of complaining, have you ever thought about thanking for the things you have? Our wants are unlimited, they never fulfill. We always want more and more, never really feeling satisfied. When we get something we want, we start wanting something else, and this cycle keeps repeating. We never stop.

Now, I come to my topic which is Gratitude, what is gratitude? Gratitude is basically expressing your thankfulness. If, I say that there is only two words which are standing between you and your happiness and those two words are "Thank You" then you will probably say that how it is possible? I assure you that once you've read this article, you'll be convinced that what I'm saying is accurate. Having gratitude is more than just expressing your gratitude; it's a mindset and attitude that cultivates appreciation for the kindness and caring of others as well as the possibilities and treasures life has to offer.



Being completely present in the moment is encouraged by gratitude. People learn how to enjoy events and live more completely by identifying and appreciating the little pleasure and gifts in life. In turn, this encourages a higher level of happiness and fulfillment. Even under difficult situations, grateful people prefer to keep a cheerful attitude. They put more emphasis on what they have than what they lack, which enables them to face challenges with more resiliency and initiative.

Gratitude has been associated with better mental health results. It balances out negative feelings and thinking processes, lowering the likelihood of illnesses like depression and anxiety. When we express gratitude we count the blessings instead of problems, which clears the negativity. We don't focus on negative things. When an individual express gratitude for one another's efforts, it promotes a sense of togetherness and common purpose, which lowers tensions and encourages cooperation.

Now, how we can express gratitude and fill our life with positivity? Every morning when you wake up just say it to God or Universe that **“Thank you for another day of life”**. Just start saying thank you for the good things happening in your life. It will shift your attitude from negativity to positivity. Whenever you go to a place and you find a parking place for your vehicle, then say **“Thank You”** Maintain a gratitude Journal. Write 10 things each day in your life for which you feel thankful. You can write that “My health is good, I have good food to eat and many more.” When you continuously practice the gratitude, it will become a habit.

**And believe me that things will get change .
With whispered thanks to wind and sea,
For every moment, cherished and free.
Gratitude's melody, a song so true,
Filling my world with a joyful**

"Turning Career Gaps into Opportunities: Avoid These Common Errors"

**NIKITA
AGARWAL
ERO0231036**

Imagine your job history is like a storybook filled with different chapters. Sometimes, there might be a break between chapters – this is what we call a "career gap." It's a time when you didn't have a regular job. Maybe you took time off to study, travel, take care of family, or for personal reasons. In this article, we'll explore what a career gap is, why it's okay to have one, and how to talk about it when you're looking for a new job.

Imagine you're a dedicated Chartered Accountancy (CA) student who has been diligently working towards your qualification. Along the way, you realize that you need to take a brief career gap to focus on completing a particularly challenging set of exams. During this time, your main priority is to ensure that you excel in your studies and pass the exams with flying colors.

This career gap is like a pause button in your professional journey. It's a temporary break you've intentionally taken to prioritize your education and achieve a significant milestone. While you might not be actively working in a job during this period, you're still investing your time and effort into building your skills and knowledge. This gap showcases your commitment to becoming a successful CA professional.

Just like every story has its unique twists, your career path can have gaps too, and we're here to help you understand and navigate the career gap during interviews:

1. Be Honest and Positive: Begin by acknowledging the career gap honestly, but focus on the positive aspects of how you utilized that time.

Example: "During the past year, I took some time off to address personal matters and invest in my professional growth. This break allowed me to refine my skills and gain a deeper understanding of the industry trends."

2. Explain the Reason: Briefly explain the reason behind the career gap. Whether it was further education, family responsibilities, health reasons, or other circumstances, provide a concise explanation.

Example: "I took a career break to care for a family member who needed my support during a critical time."

3. Showcase Activities During the Gap: Highlight the productive activities you engaged in during the career gap. This could include courses, workshops, volunteering, freelance work, or personal projects that demonstrate your commitment to self-improvement.

Example: "During my break, I enrolled in online courses to enhance my technical skills, and I also volunteered with a local non-profit organization to contribute to my community."

4. Relate Skills to the Role: Explain how the skills you gained or improved during the career gap are relevant to the job you're applying for.

Example: "The courses I completed during my time off have equipped me with advanced data analysis skills, which I believe will be valuable in analyzing market trends for your organization."

5. Emphasize Readiness: Communicate your enthusiasm and readiness to return to the workforce. Discuss how you've overcome any challenges and how you're eager to contribute to a new team.

Example: "I am excited to re-enter the workforce, and my time off has given me fresh perspectives and renewed energy to take on new challenges."



6. Focus on Your Accomplishments: Highlight any achievements or milestones you accomplished during the career gap. This could be certifications earned, projects completed, or even personal growth.

Example: "I successfully completed a certification in project management, which allowed me to refine my organizational skills and implement effective strategies in managing tasks."

7. Addressing Skills Gap: If the career gap has created a skill gap, explain your plan to bridge it. Express your willingness to undergo training or self-study to catch up.

Example: "While my career break allowed me to focus on family responsibilities, I'm committed to upskilling and have already enrolled in an intensive training program to update my technical proficiency."

8. Focus on Your Value: Highlight your achievements and successes prior to the gap to remind the interviewer of your capabilities. Transition the conversation towards what you can bring to the company.

Example: "Before my career gap, I successfully managed a team and led a project that increased efficiency by 20%. I'm confident that my experience and dedication make me a strong fit for this role."

Remember, interviewers appreciate honesty and the ability to turn challenges into opportunities. By addressing career gaps confidently and proactively, you'll showcase your adaptability and determination to succeed, making a positive impression during the interview. While career gaps are common and often understandable, there are certain mistakes you should avoid to effectively address and explain them to potential employers. Here are some career gap mistakes to avoid.

1. Not Addressing the Gap: Failing to acknowledge or explain the career gap in your resume or during interviews. Example: You have a two-year gap in your work history, but you don't provide any information about it in your resume or cover letter. During an interview, the employer asks about the gap, and you stumble to come up with an explanation.

2. Oversharing Personal Details: Sharing too much personal information about the reason for the career gap. Example: During an interview, you go into excessive detail about a divorce or a family issue that led to your break, making the conversation uncomfortable for the interviewer.

3. Being Dishonest: Providing false information to cover up the career gap. Example: You claim to have been working as a freelancer during a one-year gap, creating a fake portfolio and references or Falsifying employment dates or creating a fake job credibility to fill the gap can lead to severe consequences if discovered. The truth eventually comes out during background checks, damaging your reputation.

4. Using Generic Reasons: Using vague or overly generic reasons for the career gap. Example: In your resume, you mention a one-year gap without any explanation, simply stating "personal reasons." This leaves the employer wondering what those reasons might be.

5. Blaming Others: Blaming previous employers or circumstances for the career gap. Example: During an interview, you blame your previous boss for creating a toxic work environment that led to your resignation. This not only reflects poorly on you but also raises concerns about your ability to handle workplace challenges.



6. Not Staying Updated: Failing to keep up with industry trends, technologies, or skills during the career gap. Example: You take a two-year break from your field and don't invest time in updating your skills. When you decide to re-enter the job market, you realize that your knowledge is outdated, making it difficult to compete with other candidates.

7. Lack of Confidence: Apologizing excessively or lacking confidence while discussing the career gap. Example: During an interview, you repeatedly apologize for the gap and downplay your skills and accomplishments. This undermines your credibility and makes the employer question your self-assurance.

8. Not Networking: Neglecting to maintain professional contacts and networks during the career gap. Example: You disconnect from your industry contacts during your break. When you decide to re-enter the job market, you struggle to find references and recommendations from professionals who are familiar with your recent work.

9. Undervaluing Volunteer Work or Side Projects: Overlooking relevant volunteer work, freelance projects, or side ventures undertaken during the gap. Example: You spent a year volunteering for a nonprofit organization, managing their social media and events. However, you don't mention this experience because it wasn't a paid position, missing an opportunity to showcase your skills.

10. Not Demonstrating Growth: Failing to demonstrate personal and professional growth during the career gap. Example: You took a break to care for a sick family member. Instead of highlighting how this experience enhanced your communication, empathy, and time management skills, you present it as an obligation that hindered your career.

In conclusion, navigating career gaps requires a thoughtful and strategic approach to ensure that they don't hinder your professional journey. By avoiding common mistakes such as ignoring the gap, being vague, lying, or isolating yourself, you can maintain your credibility and increase your chances of successfully bridging the gap. Emphasizing transferable skills gained during the break, continuously enhancing your skills, and staying connected with your industry are vital steps to demonstrate your commitment to growth and adaptation. Remember, a career gap is not a roadblock; it's an opportunity to showcase your resilience, resourcefulness, and determination to excel, making you a more well-rounded and valuable candidate in the eyes of potential employers.



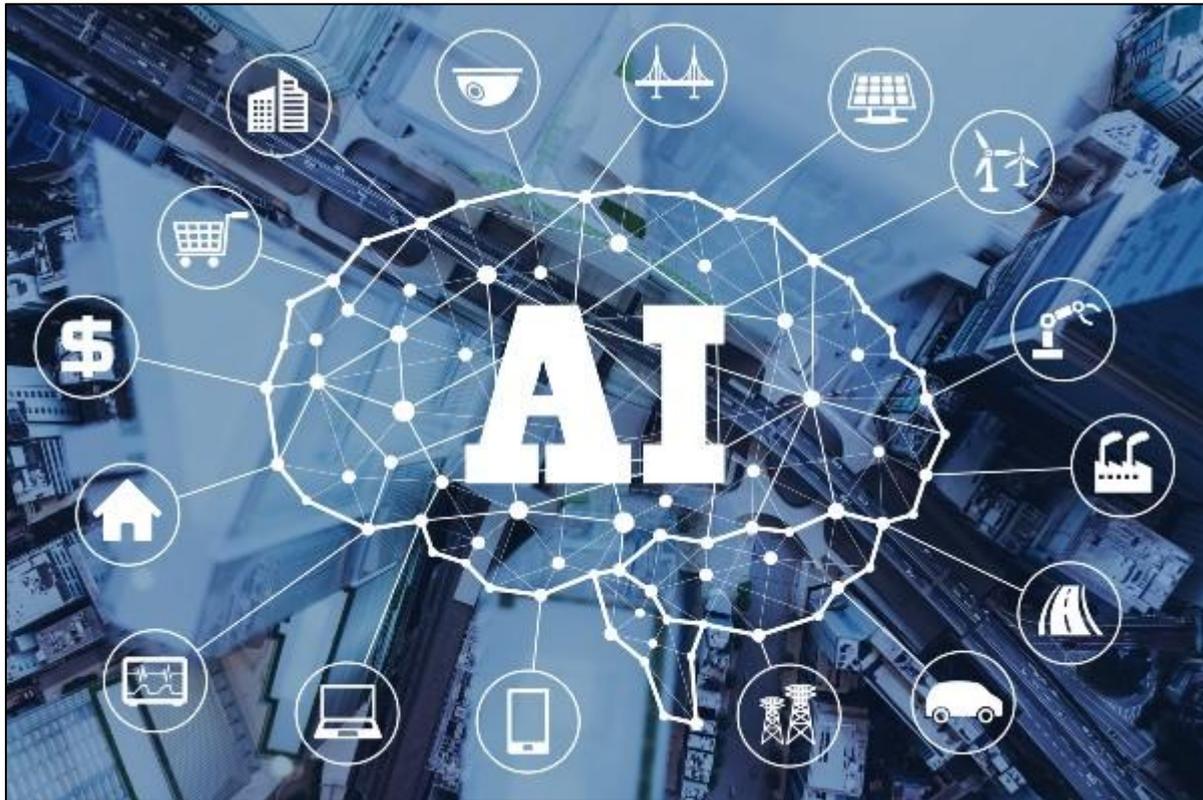
Sagar Maity
ERO0194393

The Role of Chartered Accountants in the Era of Artificial Intelligence

With the rise of artificial intelligence (AI) and machine learning, the role of chartered accountants is changing. I will try to explore the impact of AI on accounting, the emerging role of chartered accountants, and the skills needed to succeed in this new era. Chartered accountants are expert financial professionals who are trained in auditing, accounting, and Taxation. They are responsible for maintaining accurate financial records and ensuring companies comply with laws and regulations. But before that we need to understand what is Artificial Intelligence?

Artificial intelligence (AI) is an interdisciplinary field of computer science that focuses on building smart machines capable of performing tasks that typically require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages and helps in making complex tasks simpler. There is already widescale impact of Artificial intelligence on our society. AI has already had a profound impact on many areas of our lives, including healthcare, transportation, and education. It has the potential to transform industries and drive economic growth. But specifically, we need to analyse the rightful impact of Artificial Intelligence in Accounting and Auditing. Artificial Intelligence will make impact in **Data Management**-AI can help Chartered Accountants manage the vast amounts of data that they deal with every day by automating data entry, data analysis, and record-keeping tasks. **Financial Analysis**-AI-powered tools can provide more accurate financial analysis, reducing the risk of errors and making it easier for Chartered Accountants to identify potential issues. **Automation**-AI technology can automate routine accounting tasks such as invoicing and bookkeeping, freeing up time for Chartered accountants to focus on more complex issues. So, what is the potential role of Chartered Accountants? Chartered accountants are uniquely positioned to leverage AI technology to enhance their services, improve business outcomes and provide more value to their clients. Chartered accountants need to keep up with the latest AI technology, tools, and trends to remain competitive in the market. The role of chartered accountants is shifting from traditional accounting practices to a more strategic, consultative, and advisory role.

Despite Chartered Accountants having knowledge in field of Accounting, Reporting, Taxation & Auditing, what else skills are required excel in the era of Artificial Intelligence? Well, I analyse three possible skills for Chartered Accountants to succeed in the era of Artificial Intelligence: -



Technical Skills- Chartered accountants must have a good understanding of AI technology, data analysis and visualization tools, programming languages, and machine learning algorithms. **Communication Skills-** Chartered accountants must be able to communicate complex financial information to clients and stakeholders in a clear and concise manner. **Business Acumen-** Chartered accountants must have a solid understanding of business operations, financial strategy, and risk management. With the emergence of Artificial Intelligence what new opportunities will emerge for Chartered Accountants? The rise of Artificial Intelligence technology is creating new opportunities for chartered accountants, from **data analytics to financial consulting**. With AI, chartered accountants can drive business growth and improve decision-making for their clients. AI-powered tools can help chartered accountants work more efficiently and provide better financial analysis, leading to **improved decision-making and greater business success**.

Conclusion and Future Outlook- The era of AI presents both challenges and opportunities for chartered accountants. To succeed in this rapidly changing field, chartered accountants must be adaptable, innovative, and willing to learn new skills. With the right training and skills, they can remain at the forefront of financial innovation and continue to provide valuable services to clients.

COOPERATIVE SOCIETIES

There operates the Principle of Mutuality

SHAUNAK CHHAYA
WRONO0602856

While performing our office work, we have to deal with matters like - Review of Accounts, Auditing, Direct taxation, Indirect taxation, Project Financing, Certification etc of Different entities like Individual, Proprietor, Partnership firm, LLP, Company, HUF, Co-operative Society, AOP etc. In view of that, it becomes very important to understand functionality etc of each of such entities so that we can perform our duty diligently and accurately.

In this Article we will understand one of such entities, i.e. –Co operative Society.

MEANING:

When people with common objective or common purpose come together and form their organization, that entity is known as Co-operative society. Its regulatory authority is state wise Registrar of Co-operative Societies and under them for each district, there are District Registrars, Co-operative society.

REGISTRATION:

For setting up a co-operative society, the group of people with common objectives as mentioned above, has to approach “District co-operative Sangh” office and obtain a Leaflet containing model Bye Laws and then hold a general meeting for adopting those Bye Laws with or without modification and form a Co-operative Society. That Leaflet along with application and proof of Deposits in Bank Account of minimum share contribution, has to be submitted to the office of Hon. District Registrar (“D/R” for short). The office of District registrar will examine the Bye Laws with or without modification and arrange hearing- if required and then grant the Registration Certificate. As subscribed to the application, each person has to purchase the shares. The liability of each member is limited to the shares held by them. The group has to appoint from amongst themselves, a Board of Director who will manage the day to day affairs of the Society. Regular Accounts of the society have to be maintained. The District registrar will arrange Annual Audit as stipulated in the Co-operative Societies Act.

AUDIT :

As provided in the Act, the District Register shall arrange annual audit of all the Societies under his jurisdiction. However considering the number of units and workload involved, the office of District Registrar prepares a panel of auditors to whom he will entrust the audit. The said panel is formed out of retired officers of the co-operative department and Chartered Accountant firms practicing in the Area. The panel is for 3 years.



Upon getting Audit allotment letter, the auditor has to inform the society and conduct audit, submit report within the specific time schedule. The process of Audit will include over and above routine audit steps, verification of Members' Register, Members' ledger, Loan Ledgers, Subsidiary ledgers, Share register, Dead stock Register, Minutes book of meeting of B.O.D. and that of share holders', Dividend register, loan documents, House Documents, KYC, file containing compliances submitted to previous Audit. For preparing audit report there are prescribed forms. The First is Known as Hisab, Tapasani, Yadi, Part 1. This is a general questionnaire which is applicable to each kind of Society. Next is Hisab, Tapasni, Yadi Part 2. This is a form separately designed as per objects of different Societies. Over and above the two Questionnaires mentioned above, two descriptive reports are also to be given. First is "Samanya Shero Part-1". That report contains general summary of the society. Second is "Samanya Shero Part 2". Auditor has to incorporate audit qualifications and audit observations and instructions in that. That part 2 is required to be complied by the auditee and Compliance report needs to be approved by the auditor. The Auditor is also supposed to fill up a questionnaire for giving marks and then yearly Audit grade to each Society out of A, B, C, D. Along with the report, different "returns" prepared by the Society are also to be verified, certified and attached.

The overall co-operative set up is like this. First of all in each segment like Housing, finance, Sugar, Fisheries, Jute, Salt etc. a primary level Co-operative Society is formed (Primary Agriculture Societies are known as PACs) Then in a given District all primary Societies come to gather and form their District Union.(Sangh). State level Co-operative- in each segment- is made up by membership of such District level Unions. There are national level Co-operatives also. The examples of state level Co-operatives are GSMMF (Gujarat co-operative Milk Marketing federation) GROWFED (Growers' Federation) .National level Co-operative examples are IFFCO (Indian Farmers Fertilizer Co-operative).KRIBHCO (Krishak Bharti Co-operative Limited) Similarly the AMUL (Anand Milk Union Limited.) is well known in India for Milk/Dairy Industry.

A Co-operative society after formation -if obtains Banking license from RBI, It becomes a Co-operative Bank. As per the recent circular of RBI ,now onwards ,the arrangement of Audit of Co-operative Banks also will be made by the RBI in consultation with state Registrar of Co-operative from the penal maintained.



TAXATION

According to trade or business undertaken by a particular society, the income tax deductions are available. In some cases, some basic deduction is there and rest of the income is taxable while in some cases , whole of the income is deductible. Income tax audit is to be got done as per the provisions applicable for other business. However, if a co-operative society opts for taxation as per the new Tax regime pronounced in the Finance Act 2020, the deductions will not be available. In the same way, based on exempt and taxable turnover, the GST liability is to be worked out.

As the involvement of one member becomes helpful to the other member and vice e versa, it is said that co-operative societies function in the mutual benefit environment.

ONLINE GAMING INDUSTRY, CASINO BETS AND HORSE RACING UNDER GST

INTRODUCTION:

Shristi Jain
CRO0637324

Recently, 50th GST Council Meeting which was headed by the finance minister Smt. Nirmala Sitharaman was held on 11th July, 2023, which gave a major setback to the industry engaged in online gaming, casino bets and horse racing as it has announced to levy GST @ 28% on online games, race horses and casino bets. This article aims to provide an insight about the taxability of all the three activities i.e. online games, casino bets and horse racing under GST Law & covers topic like taxability of online gaming, race horsing, gambling and betting under the GST Law, how they were taxed before the proposed amendment as introduced in the 50th GST Council Meeting, amendment introduced in the 50th GST Council Meeting, its purpose and impact on the industry.

AMENDMENT PROPSOED IN THE 50th GST COUNCIL MEETING

It was decided in the 50th GST Council Meeting that a **uniform rate of 28%** will be charged on the face value of chips purchased in the case of casinos, on the full value of the bets placed with bookmaker/ totalizator in the case of Horse racing & on the full value of the bets placed in case of Online Gaming.

Let us start decoding the said proposed amendment as introduced by the Council Members. Firstly, let us understand their treatment in the GST Law before the proposed amendment.

TREATMENT OF ONLINE GAMES, CASINO BETS AND HORSE RACING IN EARLIER SCENARIO

Before we jump to draw conclusions about the proposed amendment and its impact on the relevant industry, let us discuss their treatment in earlier GST Law and how the same will be amended once the proposed amendment is finalized through issuance of a proper circular / notification.

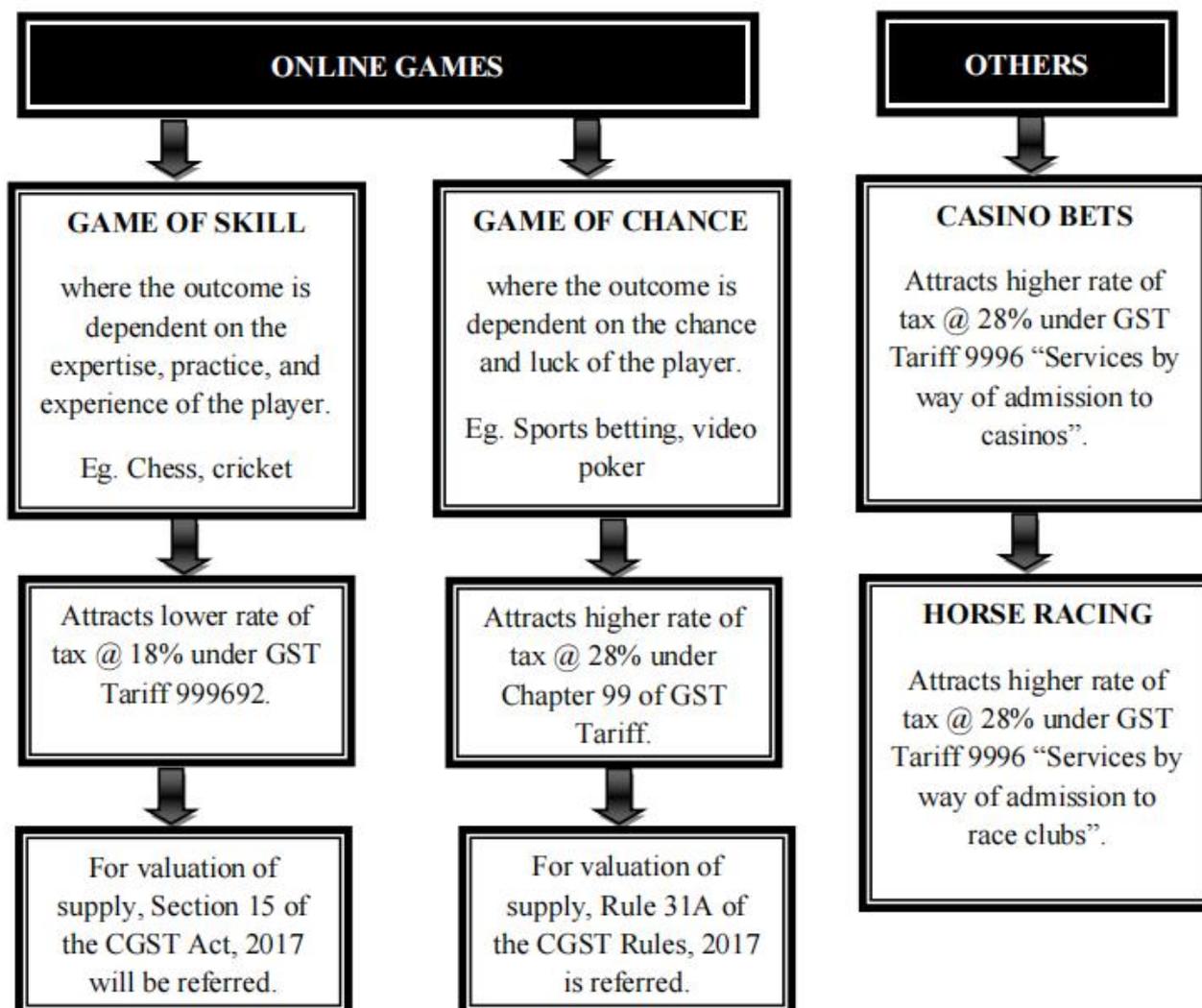
If we talk about casino bets and horse racing, the same were covered under Actionable claims and were taxed accordingly. But the question arises that Actionable claims were kept out of the scope of the GST Law by treating the same as neither supply of goods nor supply of services as per Schedule III.

To answer that - **clause 6 of Schedule III** says, “Actionable claims, other than lottery, betting and gambling are neither supply of goods nor supply of services.”

That means any activity where there is involvement of betting and gambling are taxed under the GST Law.

In the earlier GST Law, **there was a distinction between games of skill like chess, carrom, cricket and game of chance like sports betting, video poker as tax treatment for both the categories was different.**

Activities which involved skill were taxed at a lower rate of GST as compared to the activities where there was involvement of chance and for activities where there was involvement of both (skill & chance) like card games, the test of predominancy was applied, meaning that if skill dominates the chance, then that game will be treated as game of skill and accordingly will be taxed at a lower rate & vice-versa.



VALUATION OF SUPPLY & TAX TREATMENT -

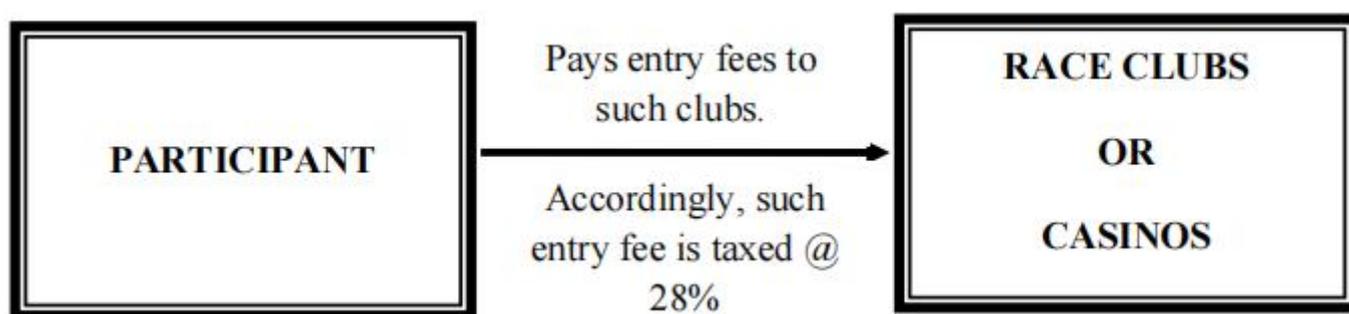
“Actionable claim in the form of chance to win in betting, gambling, or horse racing in race club are covered under Chapter 99 of GST Tariff & is taxable at the rate of 28%” and “Gambling and betting services including similar online services are taxable @ 18% under the GST Tariff 999692” which means betting and other online games where there is involvement of skill is taxed at a lower rate of 18%

After analyzing the rate of tax, the question arises what will be the amount on which such rate of tax will be levied?

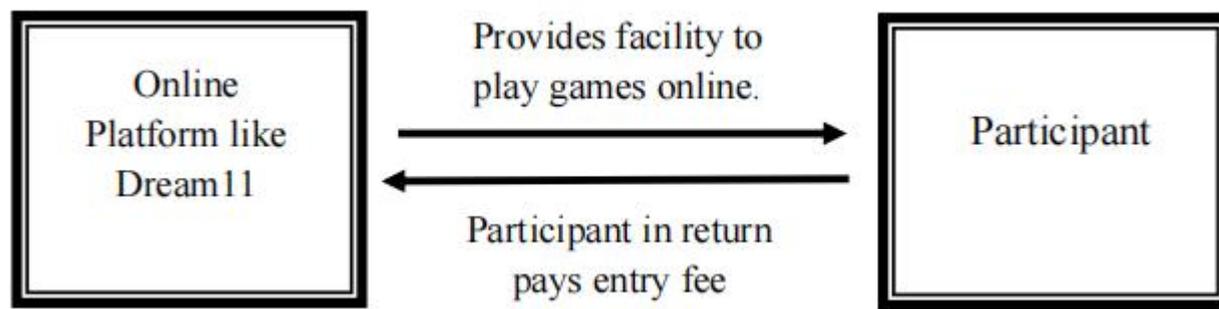
So as per **Rule 31A of the CGST Rules, 2017** – “The value of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club shall be **100% of the face value of the bet or the amount paid into the totalisator.**”

Thus, where there is a game of chance, casino bets and race horsing, the value of supply is clearly provided u/r 31A of the CGST Rules, 2017 as elucidated above but where there is involvement of skill no specific provision has been provided.

However, in case of casino bets and horse racing, only entry fees to such clubs are taxed @ 28% as per the GST Tariff as elucidated above.



In the case of **skill games** like chess played through an online platform, the service provider who provides the facility to play games online, charge a certain amount of fee from the participants in form entry fees. The same can be depicted as follows:



So, GST at the rate of 18% should be charged on the amount of entry fees collected from the participants as this will be considered as the consideration charged by the supplier of services for providing services in form of making available the online platform for the participants to play.

EFFECT OF PROPOSED AMENDMENT –

The proposed amendment aims at taxing all these activities uniformly @ 28% on the full value, thereby mitigating the distinction between game of skill and game of chance as it was present earlier. The said activities will be taxed in the following manner –

- I. Online games irrespective of game of skill and game of chance will be taxed at 28% and this rate of 28% shall be levied on the entire amount i.e. entry fees + amount placed on bets.
- II. Casino bets or casino chips will be taxed at 28% on the whole amount i.e. entry fees paid for admission to such casino clubs + amount paid for casino bets or for purchase of casino chips (which earlier was not taxable)
- III. Race horsing will be taxed at 28% on the whole amount i.e. entry fees paid for admission to such race clubs + amount paid to the totalizator (which earlier was not taxable)

Moreover, it may amend certain provisions of GST Law as on date in the following manner –

- **Amendment to Schedule III** – One more item should be added to the exception list of Clause 6 of the said Schedule i.e. Online Gaming, thus, the said Schedule will read as follows: “Actionable claims other than lottery, betting, gambling and online games shall be neither supply of goods nor supply of services.”

The same has also been confirmed by the GST Council in its 51st GST Council Meeting held on 02nd August, 2023. The 51st GST Council Meeting recommended to amend Schedule III of the CGST Act, 2017 to provide clarity regarding taxation of all the three activities.

- **GST Tariff for casino & horse racing** – As on date, only services by way of admission to race clubs and casinos are covered under the GST Tariff 9996. Now, a separate entry should be inserted for services provided by way of betting on casino and horse racing.
- **GST Tariff for online games** – As on date, online games were taxed under GST Tariff 999692 by way of similar online services. Now, either a separate entry should be inserted for taxability of entire value of online games, or the said entry should be amended to that extent and should be moved to the Schedule of 28%.
- **Rule 31A of the CGST Rules, 2017** – As on date, the said rule covers valuation of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club. Now, either a new rule should be inserted for valuation of online games, or the said rule should be amended to include online games in its scope.

For valuation of supply of online gaming and bets placed in casinos, the 51st GST Council Meeting recommended that the valuation must be done based on the amount paid or payable to or deposited with the supplier by or on behalf of the player and not on the value of individual bets placed.

That means, once the player pays a specific amount either for online gaming or casino to the supplier, the same shall be liable to GST and any further amount placed in the bets out of the amount won in earlier bets shall not be subjected to GST.

Here, the council aims to provide a little relief to the players by not taxing all the individual bets placed in the aforementioned categories.

- The 51st GST Council Meeting also recommends to insert a provision in IGST Act, 2017 for taxation of supply of online gaming provided by a person outside India to a person in India. It aims to provide a simplified registration process for such suppliers in India and fixation of liability to pay tax in India.

PART 1 –

Only the entry fee was leviable to GST as discussed in the above paras. Accordingly, GST @ 28% will be charged on ₹ 200 = ₹ 200 * 28% = ₹ 56

PART 2 –

The entire value i.e. entry fees and amount placed on bets will be taxed @ 28%. Therefore, GST liability = (₹ 200 + ₹ 1,000 + ₹ 1,000) * 28% = ₹ 616

IMPACT OF THE PROPOSED AMENDMENT –

After the announcement of this decision of the GST Council on 11th July, 2023, the shares of some of the online gaming companies like Nazara Technologies, Delta Corp, Zensar Technologies and OnMobile Global plunged 1-20 per cent.

Shares of Delta Corp was trading at ₹ 241.95 per share on 10th July, 2023 and after the announcement of 28% of GST on online gaming, the shares of the same were trading at ₹ 189.50 per share on 12th July, 2023.

Thus, the adverse impact of the decision can be seen clearly in the fall of the share price of these online gaming companies.

SOME UNRESOLVED QUESTIONS –

i) Will this amendment be introduced from a prospective date or retrospective date? In the case of retrospective date, it will lead to many litigations in the future.

ii) Will this decision of the Government shift the users to illegal betting platforms?

iii) Is the Government trying to regularize / legalize such industries by levying a uniform tax rate of 28% or bringing them under the cover of GST?

iv) Will this decision adversely impact the potential FDI in this industry?

Will all sorts of online games including educational ones be taxable under GST?

Accounting for Taxes on Income



**Soumya
Bhattacharya
ERO0266825**

AS 22 – “Accounting for Taxes on Income” is an accounting standard which provides guidance to business entities regarding Deferred Tax Assets or Deferred Tax Liabilities which arises from the differences in Profits calculated as per the Books of Accounts and the Income Tax Act, 1961. This Standard includes figuring out the cost or savings associated with income taxes for a certain accounting period and disclosing that amount in the financial statements.

Differences in profits as per Books of Accounts and profits as per Income Tax may either be **Temporary Differences or Permanent Differences**. Temporary Differences are those differences which originate in one period but hold the capacity of reversal in subsequent periods. For example, expenses under Sec 43B of the Income Tax Act, 1961 are allowed in the year in which they are actually paid and not on accrual basis, which is a potential source of Timing difference.

Permanent Differences are those differences which originate in one period but cannot be reversed in subsequent periods. For example, expenses of the nature defined under Sec 40A(3) of the Income Tax Act, 1961 give rise to situations of Permanent Difference.



As per Para 15, Deferred Tax Assets should be recognised and carried forward only if Accounting Profit is less than Taxable Profit, to the extent that there is a **“reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised”**.

Unabsorbed Depreciation and Carry forward of losses are timing differences capable of saving tax in future years. As per Para 17, Deferred Tax Assets on these items can only be recognised when there is **“Virtual Certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised”**. The proof must be present at the reporting date in a tangible form to be considered compelling, such as a successful binding export order.

However, there is no such specific criteria to be ascertained for the recognition of Deferred Tax Liabilities.

This follows the concept of Prudence which states to provide for all anticipated losses but not to recognise anticipated gains.

As per AS 22, **Current Taxes** are to be measured using the **applicable tax rates** and tax laws while **Deferred Taxes** are to be measured using the **tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date**. It has been further clarified that though Deferred Taxes relates to taxes to be paid or benefits to be accrued from in subsequent years, their values in Current Financial Statements need not be discounted to their present values.

If an organisation has both deferred tax assets and liabilities, they should be offset if:

- The enterprise has a legally enforceable right to set off assets against liabilities representing current tax; and
- The deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws

Ind AS 12- “Income Taxes” provides a more comprehensive view of the said issue. AS 22 primarily follows the Income/ Profit and Loss Approach while Ind AS 12 counsels the Balance Sheet Approach.

While AS 22 provides for Virtual Certainty with Convincing Evidence in case of Unabsorbed Depreciation and Carry forward of losses, Ind AS 12 provides that Deferred Tax Assets would be recognised on such items to the extent it is probable that future taxable profit will be available.

Ind AS 12 provides for recognition of Deferred Tax on unrealised intra-group profits at buyer’s rate, while AS 22 does not provide any guidance for the same.

Importance of Articleship in CA course.



**Yashvi
Ramchandran
WRO0748719**

IMAGINE:

You are a Chartered Accountant, you have directly qualified as a CA with a dummy Articleship and on the first day of your work you are given statements of financial statements along with a team of 5 members to conduct the audit, you are the engagement partner, you have 2 years experienced article with you who shall definitely outperform you, because the practical world is completely different, it's like comparing apples to oranges,

You might face several difficulties like:-

Lack of Practical Accounting Knowledge such as bookkeeping, financial statement preparation and analysis.



Lack of experience in planning, conducting, and reporting on audits, making it difficult to provide accurate audit services.

A CA with dummy articleship may not have dealt with real tax compliance issues or tax planning strategies. This could lead to errors in tax returns and ineffective tax planning for clients.

Difficulty in analyzing financial data as it requires practical experience in understanding different industries and businesses.

Experienced CAs develop skills in detecting financial irregularities and potential fraud. Without the necessary practical exposure, the CA may not be adept at identifying fraudulent activities.

Lack of necessary interpersonal skills to maintain Client Relationships.
Not familiar with popular accounting software, hindering their ability to efficiently handle clients' financial data.

Assessing financial risks and providing risk management advice requires practical experience in identifying and mitigating risks. The CA may struggle to offer valuable risk-related guidance.

Overall, the lack of technical expertise resulting from DUMMY articleship can severely hinder a Chartered Accountant's ability to perform their duties competently.

Now that we have seen the side effects of not doing the articleship we know that how important it is to gain the practical knowledge that articleship gives to all the CA Aspirants.

We all shall take this opportunity, try to learn new things with an optimistic mindset to excel our growth as a Chartered Accountant.

As it is rightly said, **“ARTICLESHIP IS THE GOLDEN PERIOD IN THE LIFE OF A CA STUDENT”** - it can make you or break you, use it wisely!



The Institute of Chartered Accountants of India

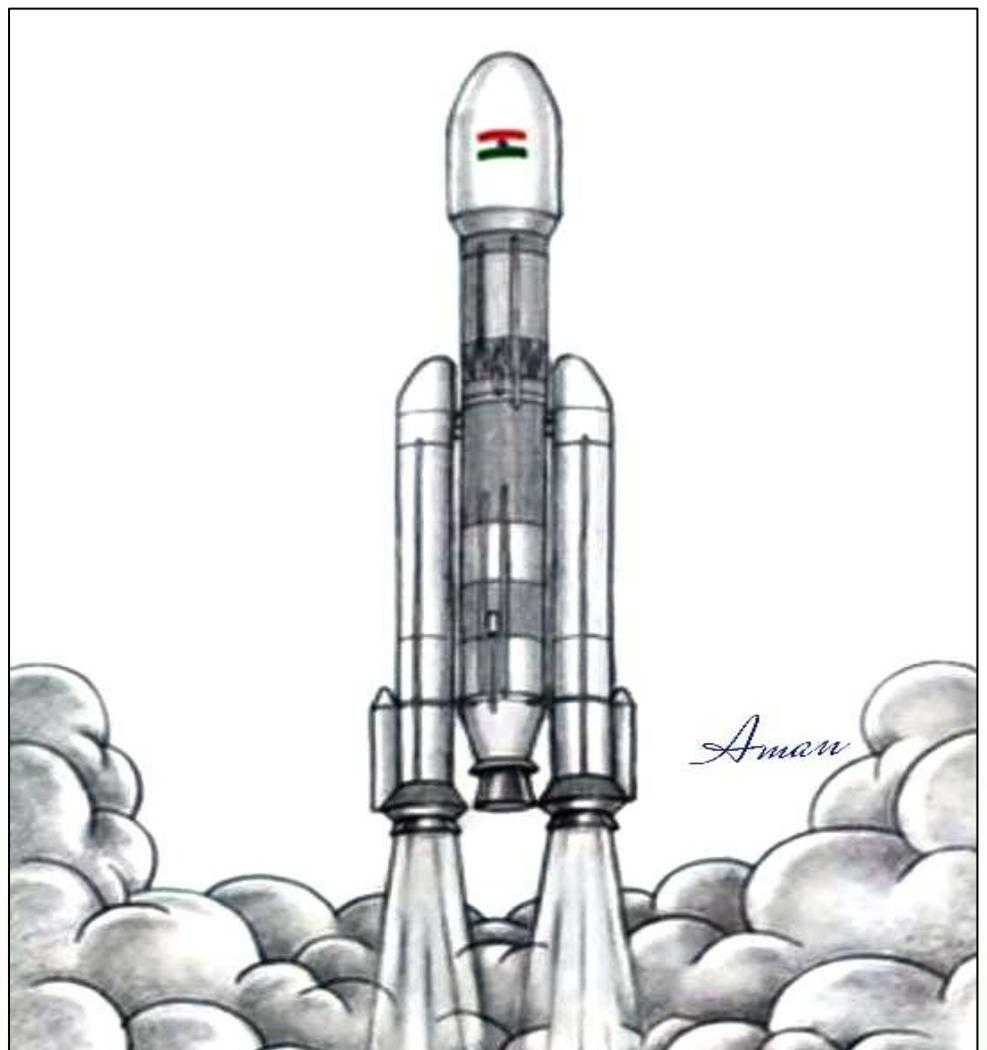
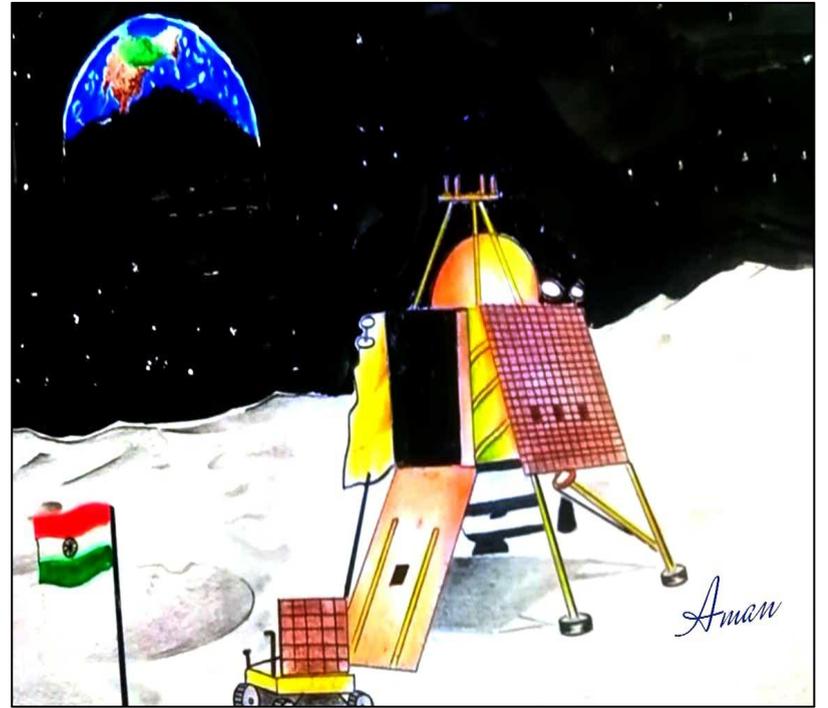
ART GALLERY



Harshada Lahu Malvankar
WRO0645038



Aman Singh
CRO0701623



Osheen Goyal
CRO0705269





POET'S CORNER



**RITESH KUMAR
BHAGAT
ERO0255700**

नींद और मंजिल

जब भी आपको रात में नींद नहीं आये,
तब आप किसी से कुछ मत कहिये ।
कि हमें नींद क्यों नहीं आ रही ?

इसके वजाय आप ऐसा कीजिये ।

अपने आँखों को बंद कीजिये,
एक जोर की लम्बी और गहरी सांस लें ।
और अपने आप को आराम महसूस करें ॥

फिर आप सोचिये

आप पहले क्या थे?
आप अभी कहाँ हैं?
और आप बाद में क्या करना चाहते हैं ?

आपको आपकी मंजिल नज़र आएँगी।
अगर आपको पहले से बेहतर महसूस हो रहा हो,
तो मुस्कुराइए और मन को शांत रखिये ।

परन्तु घमंड न पालिये ॥

और पहले से अगर कुछ बड़ा करने की जरूरत हो,
तो आपको संभावनाओं को ढूँढनी है।
ना कि असंभावनाओं को ॥

और जैसे ही संभावनाएं नज़र आई,
आपको बहुत ही ज्यादा आराम मिलेगा।
और फिर आप गहरी नींद में सो पाएंगे ॥

और सुबह आप अपने मंजिल को तैयार रहेंगे,
गलतियों को सुधारने को तैयार रहेंगे।
खुद को एक बेहतर इंसान बना पाएंगे ॥

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TREASURER, EIRC
NOMINATED MEMBER, EICASA



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SIMRAN THAKUR
MCM, EICASA

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(Special Invitee)



CHANDAN KUMAR
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RADHIKA DIDWANIA
(Special Invitee)



HARSH RAJ
(Special Invitee)

ANNOUNCEMENTS

- Technical Guide on Audit of Non-Banking Financial Companies (Revised 2023 Edition) - (06-09-2023)
- Closure of Delhi office premises from 08.09.2023 to 10.09.2023 - (06-09-2023)
- Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961 (Revised 2023) - (04-09-2023)
- Extension of Last Date for Online Empanelment of Members to act as Observers for November/December 2023 Examinations up to 10th September 2023. - (25-08-2023)
- Exemption(s) from appearing in paper(s) or Group of Chartered Accountancy Examinations under the New Scheme of Education and Training w.e.f. May 2024 Examination - (24-08-2023)
- Amendment to the "Clarification Regarding Authority Attached to Documents Issued by the Institute" and Consequential Amendment to the "Preface to the Standards on Quality Control, Auditing, Review, Other Assurance and Related Services" - (19-08-2023)
- Re-schedulement of Foundation Course Examinations, December 2023 - (17-08-2023)
- Relaxation to Old Course Students to commence 3 years of Practical Training - (i) who have passed one of the groups of Intermediate Examination under Old Scheme.(ii) who have registered / provisionally registered in Intermediate through Direct Entry Route under Old Scheme. (iii) who have converted from Intermediate (Foundation/CPT Route) to Intermediate (Direct Entry Scheme) for appearing in November 2023 Examination. - (13-08-2023)

GLIMPSES OF EVENTS



Half day seminar on Unleashing the depths of New Scheme and Rankers unplugged

GLIMPSES OF EVENTS



Practical Guide To Tax Audit- Clause by Clause -24 August 2023

GLIMPSES OF EVENTS



**GRAND FINALE OF NATIONAL LEVEL CA. STUDENTS' TALENT SEARCH, 2023
QUIZ CONTEST & DEBATE COMPETITIONS - 27th AUGUST 2023 (Sunday)
Venue: Dhano Dhanya Auditorium, Alipore, Kolkata**

GLIMPSES OF EVENTS



Industrial visit to Titagarh Railway System Limited 29th AUGUST 2023

SOCIAL MEDIA HANDLES



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