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YUKTHI

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PR Head 's Message

Dear colleagues,

"CHANGE IS THE ONLY THING WHICH IS NOT GOING TO BE CHANGED"

For me the biggest change happened in this year "SICASA KOZHIKODE". It is really privileged for me to be a member in this new committee.This is the first time I got an opportunity to represent the CA Community.

These 8 months taught me somany lessons which had never experienced in the past 20 years. 2 years back I am an audience in the events like satsang ,evolve etc. but now we are organizing these events.

It is my pleasure to have a bunch of talented people with me. Thank you for your immense support and presence in each steps.

All the best for the upcoming NOV 2022 exam results, I wish all of you should get what you deserve.

May your upcoming days will be happiest than this year..

HAPPY NEW YEAR..

Dileena C V
SRO 0678362
PR Head,
SICASA Kozhikode

Quote of the Month

Life is all about two music systems
One that plays around you
Second, that plays within you
You just need to manage the volume of both!!

- Dhruvi C Shah
SRO0768313

ITR - Income Tax Return

- Ashir Samshi
ERO026025

1. Why Income Tax?

Every citizen in India needs to pay the tax to government on their income, as per the Rules and Regulations of Income Tax Act, 1961. Be whoever you are, an individual or an association, firm, local authority, LLP, or even a Hindu undivided family. Your income for every financial year is taxed according to the Income Tax Laws. That is why filing the Income Tax return on an annual basis is important. To do so, you can choose to file an income tax return either online or offline that suits you best. So, let's move forward to know more about the income tax return and the benefits one can get from it.

2. What is Income Tax Return?

ITR or Income Tax Return is the form that a person submits to the Income-tax department of India to file information about his or her income and the amount of taxes payable in that particular year. The filed information must apply for a specific financial year between 1st April to 31st March of the following year. Your income can be of many sources, for example, salary, sale of house or property, dividend or capital gains, profit in business, and the interest received, among others. However, if you have paid extra taxes during the year, then the income tax department refunds your money as soon as possible.

3. What makes filing ITR compulsory?

Income tax rules depict that if you cross the limit of earning, that is, try to get exempted from being taxed by the government, you must file the tax return as per the tax slabs appointed for you each year.

INCOME TAX SLABS & RATES FOR FINANCIAL YEAR 2022-2023		
Income Slabs (Rs)	**Tax Rates (New Regime)**	**Tax Rates (Old Regime)**
Upto Rs 2,50,000/-	Nil	Nil
2,50,001/- to 5,00,000/-	5%	5%
5,00,001/- to 7,50,000/-	10%	20%
7,50,001/- to 10,00,000/-	15%	20%
10,00,001/- to 12,50,000/-	20%	30%
12,50,001/- to 15,00,000/-	25%	30%
15,00,001/- to 20,00,000/-	30%	30%
20,00,000/- to 30,00,000/-	30%	30%

CBDT has **mandated** the filing of **Income Tax Return** in the following cases, even your income does not exceeds **Basic Exemption Limit**:

- **Deposited** more than **1 crore** in one or more Current Accounts; Or
- Incurred expenses more than 2 Lakhs for **foreign travel;** Or
- **Turnover** of business **exceeds 60 lakhs** in a F.Y; Or
- Incurred expenses exceeding **1 Lakh** towards consumption of **electricity**; Or
- Gross **profession receipts** exceeds **10 lakhs** in a F.Y; Or
- **TDS & TCS** of a person is or exceeds **25,000**/- in a F.Y; Or
- Aggregate **deposit** in one or more SB account is **50 lakhs or more** in a F.Y.

- You may be thinking to yourself, "Why should I be concerned about filing my taxes? After all, I don't owe anyone anything. " Well, let me tell you, there are many benefits as well as consequences of filing/not filing an income tax return that can have a huge impact on your life. Here are few of them!

1. **Acts as a crucial document for loans (Bank Finance)**

   An individual must provide Income tax return for the previous 3 years while applying for house/car loan or medical treatment.

2. **Always acts as a legal document**

   The income tax return can have immense legal value. As it is recorded with the government, it acts as legal proof in two ways: identity proof and income proof.

3. **Carry Forward of Losses**

   You cannot carry forward any losses to next financial year if not filed Income tax return.

4. **Claim Of Refund Of Taxes**

   You cannot claim refund of TDS in case you have not filed your Income tax return.

5. **Easy Visa Processing**

   The tax return filing ensures in smooth processing of VISA applications, as you may be asked to provide ITR of last couple of years when you apply for visa. Keep your ITR documents handy for hassle-free visa processing.

6. **Penalties**

   The tax authority levy heavy penalties on individuals who do not file Income tax return. Here they are –

   * You would be required to pay a penalty of Rs 5000 if you submit a return after the due date. However, if the total income of the person does not exceed Rs 5 Lakhs, the fees payable shall not exceed Rs 1000
   * From April of an AY till July, you must pay interest at a monthly rate of 1% on the unpaid tax payable if the amount owing is Rs 10,000 or more. The monthly interest rate will climb to 2% between August and March of the AY.
   * If you don't submit your return before the end of an AY, you'll be subject to steep penalties and interest until you do.
   * You must pay an additional 25% of the total amount if the return is filed within 12 months of the end of the AY.

So, by now, you must have had a pretty good idea why filing the income tax return is essential. Not only does it help you but also your nation. The tax you pay, the government uses it to build proper infrastructure and also improve the other facilities of the nation, like hospitals, educational institutions, etc.

Therefore, the more you file the return, the more good the government does to you.

KNOWLEDGE SECTION

SECTION 50 – CAPITAL GAIN ON SALE OF DEPRECIABLE ASSETS

If the person sells a capital asset that forms part of the block of assets on which depreciation has been allowed as per the provisions of the Income Tax Act, the income from such sales is a capital gain.

The calculation of capital gain or loss arising on the sale of depreciable assets can be divided into two categories:

- Where some assets are sold from the blocks of assets.
- Where all assets of the block are transferred. And the block of assets ceases to exist.

I. Calculation of capital gain where part of the block of assets is transferred:

Ω Situation I

1. When net sale consideration on such asset's sale is reduced from the written down value (opening WDV + cost of assets acquired if any) of the block of the assets.
2. And the written down value of the block of the asset becomes Nil (Note: The written down value can be Nil but not negative).
3. Then the income from such transfer of capital asset shall be considered to be a short-term capital gain.

Computation of short-term capital gain:

	Particulars	Amount
	Sale consideration	xxx
Less :	Opening written down value of the block	xxx
Less :	Actual cost of any asset acquired during the financial year	xxx
	Short-term capital gain	**xxx**

Ω Situation II

1. When net sale consideration on such asset's sale is reduced from the written down value (opening WDV + cost of assets acquired if any) of the block of the assets.
2. And the written down value of the block of asset is not Nil.
3. There is no capital gain on transfer of assets.
4. Hence, normal depreciation will be allowed.

II. Calculation of capital gain where all the assets of the block are transferred:

Ω Situation III

1. If the whole of the block of asset is sold and the sale consideration is less than the written down value (opening WDV + cost of assets acquired if any) of the block of assets.
2. Then there is short-term capital loss on sale of block of asset.
3. And no depreciation shall be allowed from such block of assets.

Computation of short-term capital loss:

	Particulars	Amount
	Opening written down value of the block	xxx
Add :	Actual cost of the asset acquired	xxx
Less :	Sale consideration	xxx
	Short-term capital loss	**xxx**

Ω Situation IV

1. If whole of the block of assets is sold and the sale consideration is more than the written down value (opening WDV + cost of assets acquired if any) of the block of assets.
2. Then income from such sale of block of asset is short-term capital gain.

Computation of short-term capital gain:

	Particulars	Amount
	Sale consideration	xxx
Less :	Opening written down value of the block	xxx
Less :	Actual cost of the asset acquired	xxx
	Short-term capital gain	**xxx**

SUPERMOM

- LAKSHMI PRIYA N RAO
SRO0682295

One who bears the sweetest name
One who shares the lightest heart
One who cares my lowest sceams
One who sheds when I come apart.

Your warmth I felt since in womb
Your advice I heed at my time
Your hands I caught brought me up
Your spirit I learnt kept me straight.

The first face I see in the morn
Make me wake with a smile
The only reason I go to school
Even on lazy monday morn.

The Chauffeur who dropped me
The Chef who cooked for me
The Singer who made my day
The walking miracle I have seen

She keeps the home tidy
She plans my homework
She feeds my cats on time
She cause wonders with two hands.

She tells me stories, horrific
She kills the monster, terrific
She comes for my rescue
She, the best of Reconteurs.

The pillars of my home
The nurse of our family,
The best friend of her child
The heart of her husband.

Beyond the words of land
There is selfless love twirled
Beyond the wonders of sand
There is your sacred knot knurled.

Put in words, the sign of sacrifice
Like the pelican who stab to death
To get the tot thrive up nice
After which sets down the breath.

You always choose me the best
Without a think of the next
You're the one who ever let me up
You're the one who never let me down.

My victorious grades in the class
The rewarding athlete, my brother
The prosperous growth of my father
The woman behind a successful home.

You are a multi-tasker queen
You are my favourite magician
The unrecognised superwoman
There is no one born to replace you.

Mother is a Superwoman!

- Nafiya Haris
SRO0595792

In the midst of chaos, hustles nd bustles,
To bring my little self to a world of life,
There she laid with a mouthful of prayers,
Enduring arduous pain that ruptured her muscles.

I Rushed out of womb with a new born tag,
Grabbing adoration from the eyes around!
There she laid with unending gratitude,
For she was blessed with a tiny life in hand.

Sleepless nights, baby cries, Lack of selfcare
Moving on with me was never a cake walk.
Switching to motherhood, in a flick of second,
She cleared out hurdles with a perfect knock.

Everytime I fell, she never lend a hand,
Instead she taught to get up on my own;
Everytime I win, she wasn't overwhelmed,
Instead she carved me to taste more wins.

Slipped in a time where I was hopeless,
Thought my life would go upside down,
Little did i know I was wrong to the core,
Being the superwoman she lifted me up.

Daily chores pursued without a pause,
None realised that she does the magic!
Home, for me, is peace, comfort and joy,
Verily by virtue of smiling mom at the door.