# The Institute of Chartered Accountants of India
(Set Up by an Act of Parliament)
Rajkot Branch (WIRC)

**WICASA E-Newsletter June'25**

# Gyan Sanchar

# STUDENTS JOURNAL

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# MANAGING COMMITTEE OF RAJKOT BRANCH OF WICASA FOR THE YEAR 2025-26

CA Vipul Dattani
(Chairman)

CA Hiren Raychura
(Nominated Member)

Mr. Jay Sheth
(Mentor)

Mr. Jenish jajal
(Vice Chairman)

Mr. Pritesh Karia
(Secretary)

Mr. Harpal Golaniya
(Treasurer)

Mr. Anand Nathwani
(Joint Secretary)

Mr. Rishi Radiya
(Joint Treasurer)

Mr. Rajdeep Vyas
(Managing Committee Member)

Mr. Krunalgiri Goswami
(Managing Committee Member)

Mr. Vatsal Chandarana
(Managing Committee Member)

**CA Vipul Dattani**
**(Chairman)**

**Dear Students,**

Warm greetings to all future torchbearers of the CA profession!

The month of June continued the momentum of growth and engagement at **Rajkot Branch of WICASA**, with numerous activities dedicated to enriching students' knowledge, fostering team spirit, and enhancing professional development.

This month, **Rajkot Branch of WICASA** successfully hosted a series of events and initiatives to empower CA students across levels:

1. Adding a dash of adventure, a **Treasure Hunt** was conducted on **1st June 2025**, sharpening problem-solving skills and encouraging strategic thinking.

2. We celebrated **Environment Day** on **5th June 2025**, reminding us of our responsibilities as professionals and individuals toward a greener and more sustainable future.

3. On **7th & 8th June 2025**, students and members enjoyed a thrilling **Box Cricket event**, fostering camaraderie and team bonding in a spirited environment.

4. An insightful **seminar on "Fundamentals of Articleship and Work-life Balance"** was conducted on **14th June 2025**, graced by **CA Paresh Davda** and **CA Durgesh Chavda**, who shared invaluable guidance for navigating the professional journey ahead.

5. A valuable **Industrial Visit to Shaktimaan** took place on 15th **June 2025**, giving students practical exposure to industrial operations and insights into real-world business environments.

6. Students actively participated in a **Yoga Day Celebration** on **21st June 2025** in collaboration with **Rajkot Branch**, promoting physical and mental wellness—a vital aspect of overall growth.

7. On **21st and 22nd June 2025**, a rejuvenating two-day picnic was organized **to Atapi Wonderland, Poicha, and the Statue of Unity** — an experience that beautifully blended fun, team bonding, and a refreshing break from the academic routine.

As always, **Rajkot Branch of WICASA remains committed** to being your partner in this journey of growth, excellence, and professional integrity. Keep striving, keep growing, and take pride in being part of this vibrant CA community.

Wishing you continued success, well-being, and pride in the profession!

**Warm Regards,**
**CA Vipul Dattani**
Chairman, Rajkot Branch of WICASA, ICAI

# Wordsmith ’s Ink & Insight

**Ms.Krishna Lalvani**

**CA Intermediate**

# Why Mutual Funds Continue to Attract Investors

In the dynamic landscape of personal finance and investment, mutual funds have carved a prominent space for themselves. Despite the growing variety of investment instruments—ranging from direct equity and bonds to ETFs and cryptocurrencies— mutual funds continue to remain a preferred choice for millions of investors. Their enduring appeal lies in their ability to offer diversified, professionally managed, and relatively accessible investment options. This article explores the key reasons behind the persistent and growing popularity of mutual funds.

Thanks to the **"Mutual Fund Sahi Hai"** campaign, MFs have gained significant public attention.Contrary to popular belief, MFs aren't just equity products—they span **debt,equity, commodities, and even real estate.**

1. **Professional Fund Management**

One of the primary attractions of mutual funds is that they are managed by experienced and qualified professionals. Fund managers and analysts continuously monitor markets, research securities, and adjust portfolio holdings to optimize returns. For an average investor lacking time or expertise, this professional oversight is invaluable. Fund managers use deep research and market strategies. Risk is actively managed through rebalancing.

**2. Diversification Across Asset Classes**

"Don't put all your eggs in one basket"—mutual funds embody this principle by offering instant diversification.
A single mutual fund might invest in dozens or hundreds of securities across different sectors and geographies, thereby reducing the impact of poor performance by a single asset. Minimizes unsystematic risk Offers exposure to equities, debt, gold, international markets

**3. Affordable Investment Option**

Mutual funds provide access to capital markets even with modest investment amounts. Through Systematic Investment Plans (SIPs), investors can start with as low as ₹100 or ₹500 per month. This democratizes investing and encourages disciplined saving. No need for large capital. SIPs help inculcate financial discipline.

## 4. Liquidity and Transparency

Unlike real estate or fixed deposits, most mutual funds offer high liquidity. Investors can redeem units on any business day and receive money directly in their bank accounts within a couple of days. Moreover, mutual funds are regulated by SEBI, which ensures transparency in operations. Daily NAV (Net Asset Value) updates . Portfolio disclosures and performance reports.

## 5. Tax Efficiency

Mutual funds offer tax advantages through instruments like Equity Linked Savings Schemes (ELSS), which qualify for deductions under Section 80C of the Income Tax Act in India. Additionally, long-term capital gains (LTCG) on equity funds are taxed at concessional rates compared to traditional investment instruments. ELSS funds offer dual benefits: returns + tax savings. Indexation benefits in debt funds (if held long-term).

## 6. Goal-Based Investment Solutions

Mutual funds are increasingly being marketed and structured around financial goals,retirement, children’s education, wealth creation, or even short-term goals like travel. Fund houses provide tools and advisory services to align investment strategies with life objectives. Hybrid funds cater to medium-risk appetites. Liquid funds serve short-term needs with better returns than savings accounts.

## 7. Ease of Access and Digital Adoption

The rise of fintech platforms has made investing in mutual funds seamless and paperless. From KYC to investing and tracking performance, everything can be done via mobile apps and online portals. This convenience, especially for millennials and Gen Z, has significantly boosted mutual fund participation. Online platforms and UPI integration. Real-time tracking and automated SIPs.

## 8. Regulatory Oversight and Investor Protection

The mutual fund industry in India is regulated by SEBI (Securities and Exchange Board of India), which ensures investor interests are protected through strict compliance norms. Misleading advertising, mis-selling, and unfair practices are penalized, enhancing investor trust. Regular audits and portfolio disclosures. Investor grievance redressal mechanisms.

## Conclusion:

The attractiveness of mutual funds lies in their flexibility, adaptability, and inclusiveness. Whether one is a risk-averse retiree looking for stable returns or a young professional targeting aggressive growth, there is a mutual fund scheme tailored for them. Their ability to combine simplicity with sophistication, and accessibility with performance, ensures that mutual funds will continue to be a cornerstone in the portfolios of retail and institutional investors alike.

**As Warren Buffett aptly said:**

"By periodically investing in an index fund, the know-nothing investor can actually outperform most investment professionals."

➢ Mutual funds, when chosen wisely and held with patience, have the potential to build long-term wealth and meet life's most important financial goals.


Ms. Khushbu Bharvani

CA intermediate


# Mastering your money

Take control of your finances and build the life you deserve. Managing money is not just about numbers-it’s about mindset, habits and smart choices. Whether you’re just starting your financial journey or looking to improve your financial health, mastering your money is the foundation of financial freedom.

- **Start with your money mindset :-**

Your beliefs about money shape your financial behaviour. Do you see money as a constant struggle, or as a tool for freedom? A scarcity mindset can lead to fear-based decisions, while an abundance mindset encourages growth and opportunity. Shifting your mindset is the first step to becoming confident with money.

- **Budgeting:- tell your money where to go**

A budget is not a restriction – it is a plan. By tracking where your money goes each month, you stay in control. The 50/30/20 rule (50% needs,30% wants,20% savings/investments) is a popular starting point. Alternatively, zero- based budgeting gives every rupee a purpose. Apps like walnut, money manager, or excel sheets can make this easy.

- **Save first ,not last:-**

Pay yourself first. Set aside money for savings before you start spending. Build an emergency fund with at least 3-6 months of expenses to protect yourself from sudden financial shocks. Then, save for specific goals –like travel, gadgets, education, or buying a home.

- **Invest to grow your wealth:-**

Saving keeps your money safe, but investing helps it grow. Start small with sips (systematic investment plans) in mutual funds or explore stock market basics. The earlier you begin, the more time compound interest has to work its magic. Even Rs.500 per month can make a big difference over time.

- **Controls debt before it controls you**

Not all debt is bad. Loans for education or housing can be productive, but credit card debt and unnecessary EMIs can drag you down. Use the snowball method (paying smallest debts first)or the avalanche method (highest interest first) to get out of debt faster. Avoid taking new loans until existing ones are cleared.

- **Plan for your life goals:-**

Financial planning is not just for the rich – it is for everyone. List your short- term (1-3years)and long-term(5-10+years)goals. This could include starting a business, buying property, or retirement. Insurance is also essential: term insurance for protection and health insurance to cover medical costs.

- **Use technology to your advantage:-**

There are many apps to help you manage finances-track expenses, set saving targets, and invest smartly. Automating your savings and investments ensures consistency, even when you are busy. Technology reduces human error and makes money management more efficient.

- **Build wealth through habits:-**

It is not what you do once in a while but what you do consistently that builds wealth. Simple habits like reviewing your finances weekly, limiting impulse spending, and investing monthly can transform your financial future. Avoide lifestyle inflation – don't increase your spending just because your income grows.

- **Create multiple streams of income:-**

Relying on one income source is risky. Start gigs like freelancing, affiliate marketing, renting out assets, or selling digital products. The internet has opened up countless opportunities to earn extra income and reach financial goals faster.

**Be your CEO of your money:**

No one cares more about your money than you do. It’s time to take charge. Set clear goals, make a plan, stick to budget, invest regularly, and review your progress. You don’t need to be rich to build wealth-you need discipline, knowledge, and action.

**Your money should work for you, not the other way around. Start today, and your future self will thank you.**


**Mr. Vishal S. Hinduja**

**CA Final**

## FROM ENTRY TO EXIT:

### Navigating the tax Landscape of Debt Oriented Mutual Funds

### Introduction:

Hello CA Aspirants, I am Vishal S. Hinduja. In recent years, mutual funds have become a popular investment choice among Indian investors, offering flexibility, professional management, and tax efficiency. Among these, Debt Oriented Mutual Funds have attracted conservative investors due to their lower risk profile compared to equity funds.

There is lots of confusion regarding the taxation on redemption or switch out from Debt oriented mutual fund i.e. at what rate such fund are taxable, how to define that fund was short term & long term, is there any specific benefit under capital gain taxation in term of rate of taxation, and a lot more question.

Understanding how these changes affect short-term and long-term capital gains, indexation benefits, and holding period classifications is crucial not just for investors, but also for finance professionals, wealth advisors, and tax consultants. This article aims to demystify the tax treatment of debt oriented mutual funds under the Income Tax Act, 1961, offering clarity on the current rules, transitional provisions, and practical implications. Let us discussed each and every aspect regarding Debt oriented mutual fund.

## What does Debt Oriented Mutual Fund mean?

First of all we need to understand which kind of funds called Debt oriented mutual fund also known as Non-equity oriented mutual fund define as a mutual fund scheme where less than 65% of the total proceeds are invested in equity shares of domestic companies.

This 65% threshold must be:

- Invested in domestic equity shares, and
- Maintained on an average quarterly basis.

Therefore, if **≥ 65%** equity = **Equity-Oriented Fund,** If **< 65%** equity = **Debt-Oriented (Non-Equity) Fund**

Majority type of Debt oriented mutual fund is Liquid fund, Ultra short duration fund, Short duration fund, Corporate bond fund, Dynamic bond fund, Gilt fund, Credit risk fund, Banking & PSU Fund, etc. These are all **debt-oriented schemes** unless they cross the 65% equity threshold.

## Relation between STT and Debt Oriented Mutual Funds.

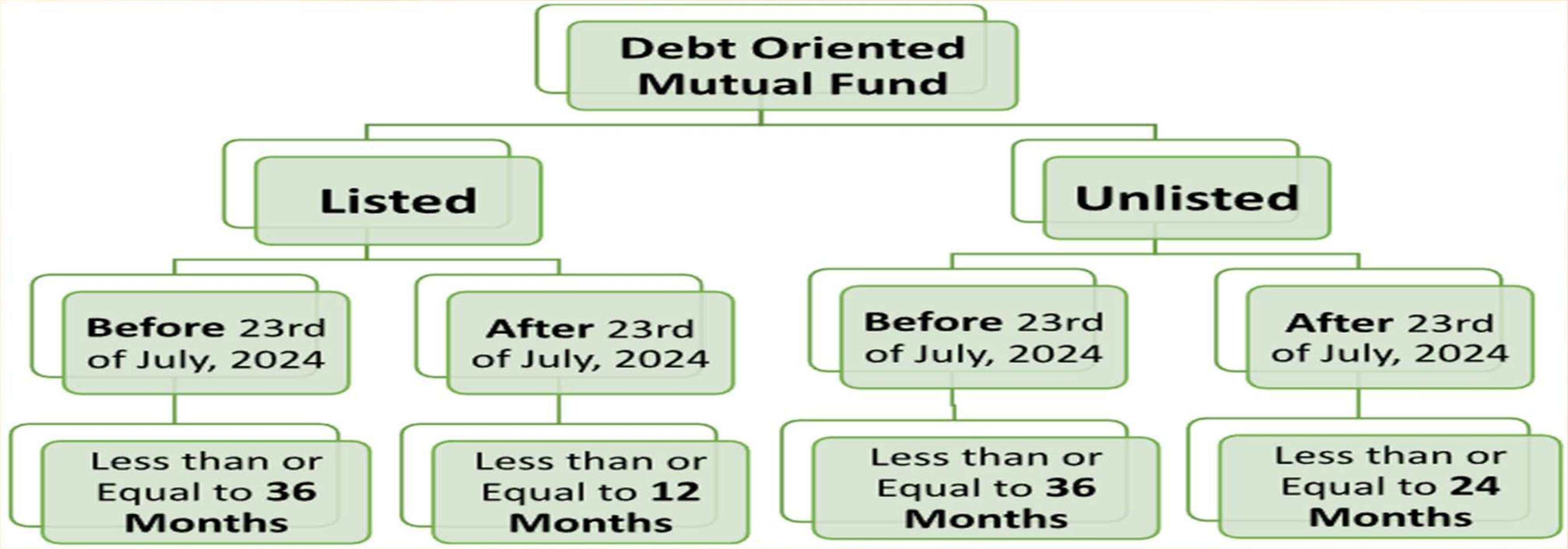
First of all we need to understand that what does STT means, in simple term **STT (Security Transaction Tax)** is a direct tax levied by the Government of India on the purchase and sale of securities such as stocks, bonds, and mutual funds which are listed on recognised stock exchanges like the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

STT is primarily applies to **equity** instruments i.e. Equity shares, Equity oriented mutual funds, and many more equity related instrument. STT is **not applicable** to Debt oriented mutual funds invest primarily in bonds, government securities, money market instruments, etc., which are not classified as equity instruments. Hence, transactions involving debt oriented mutual funds (buy/sell/redemption) do not attract STT.

## How to define the debt oriented fund was short or long term?

Duration of short term & long term are different for Debt oriented mutual fund in compare to other units as per Income Tax Act, 1961. There is twist regarding this as there is drastic changes in time limit of define duration for Short term & long term calculation in Finance Act 2024 (2). Before 23rd of July 2024 any debt oriented fund hold for **less than 36 months** is treated as Short term and other is known as Long term, but on and after 23rd of July 2024 we need to divide in two type i.e. Listed fund & Un-listed fund. For listed debt oriented mutual fund, **less than 12 months** is treated as Short term and other is known as Long term, but for Un-listed debt oriented mutual fund, **less than 24 months** is treated as Short term and other is known as Long term.

A **Short term** debt-oriented mutual fund can be easily defined based on the chart below,



The Debt Oriented mutual fund which is not Short term as per above define time duration is treated as **Long term** Debt Oriented mutual fund.

**Now we came on to the main and very important point to talk i.e. <u>How Debt Oriented Mutual Fund does taxed under the Income Tax Act, 1961?</u>**

The Taxation on Debt Oriented mutual funds are very different from Capital gain taxation on equity share or equity oriented mutual fund, and lot of person are confused here reason is that different software used by many more tax consultant, provide different manner or ways of taxation of debt oriented mutual funds.

We here clear all the confusion and try to get the right and simple way of taxation of Debt oriented mutual funds step wise understanding,

- **<u>Taxation on sale or redemption of Short Term Debt oriented mutual fund :</u>**

It is very simple and clear that Short term capital gain (loss) arise from sale or redemption of Debt oriented mutual fund is taxable at "**Slab Rate"** of such person's {Person define as per section 2(31) of Income Tax Act, 1961} other general income like Profit and Gain of Business & Profession head, Other Sources Income head, Computed Income from House Property head.

- **Taxation on sale or redemption of Long Term Debt oriented mutual fund :**

In this case of Long term capital gain (loss), there was major change by Finance Act, 2023 (w.e.f. 1st of April, 2023). Before this change i.e. if we invest in Debt Oriented mutual funds **before 1st of April, 2023** the long term capital gain (loss) arise from sale or redemption of such mutual funds was taxable at the rate of **20%*** with Indexation **OR** **10%*** without Indexation under section 112(1) of Income Tax Act, 1961. **{***From Finance Act, 2024 (2) **(w.e.f. 23rd of July, 2024)** this rate will be **12.5%**, and at the same time government removing the benefit of 2nd proviso of section 48 that means there will be **No Indexation** benefit to taxpayers from this effective date**}.**

Now the **Section 50AA** (Inserted by Finance Act, 2023) of Income Tax Act, 1961 come to the light that laid down debt oriented mutual fund in which we invest **on or after 1st of April, 2023** is always treated as Short Term Capital Gain (Loss) irrespective of Duration of fund, so due to this change here such funds is taxable at "**Slab Rate**" of such person. Here is very thin line of difference, that difference is this funds treated as Long Term Debt Oriented Mutual Fund, but the Gain (Loss) arise from such fund is treated as Short Term Capital Gain (Loss) for the tax purpose only.

Conclusion for this discussion related to tax treatment is that, Short term Debt Oriented mutual fund **AND** Long term Debt Oriented mutual fund (which was acquired or investment made on or after 1st of April, 2023) is Taxable at **"Slab Rate"** and Long term Debt Oriented mutual fund (which was acquired or investment made before 1st of April, 2023) is Taxable at 20%* with Indexation OR 10%* without Indexation (Consider changes in FA 2024 (2) dated 23rd of July, 2024)

| Particulars | Rate of Tax |
|---|---|
| **Short Term Debt Oriented MF :** | Slab Rate |
| | |
| **Long Term Debt Oriented MF :**<br><br> | **If Invest before $1^{st}$ of April, 2023 :**<br>20%* with Indexation **OR**<br>10%* without Indexation<br>{*Consider changes made by FA 2024 (2) dated $23^{rd}$ or July, 2024}<br>**If Invest on or after $1^{st}$ of April, 2023 :**<br>Slab Rate |

# Conclusion:

The taxation regime for debt oriented mutual funds has seen a pivotal shift, especially with the withdrawal of indexation benefits and the uniform treatment of capital gains as short term for certain funds. These changes aim to bring parity across investment products but also significantly impact the post-tax returns for investors.

For retail and HNI investors, this highlights the increasing importance of tax planning alongside investment decisions. As debt funds move from being a tax-efficient option to a more neutral one, clarity on tax implications, holding periods, and investment goals becomes vital.

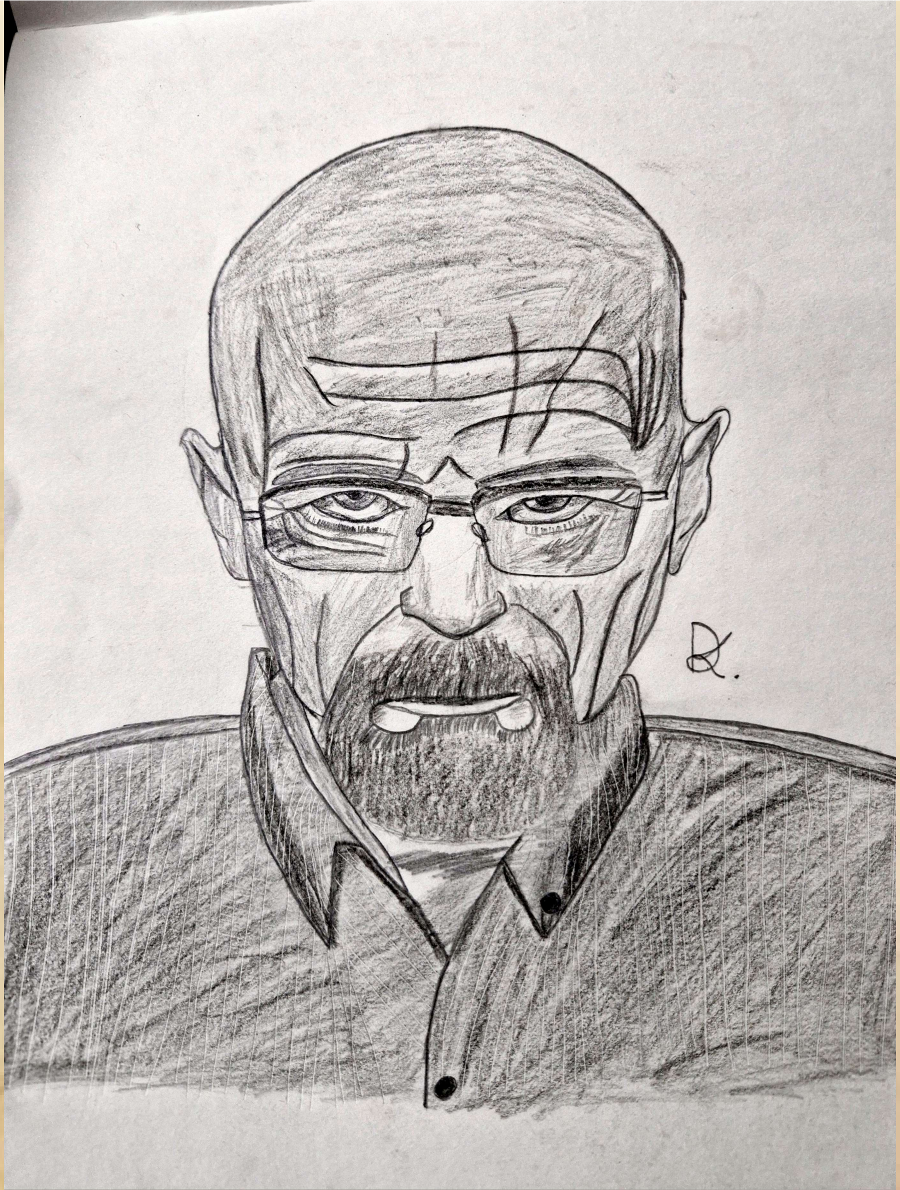
Ultimately, the focus should now shift toward aligning investment choices not just with risk appetite, but also with tax efficiency and long term financial strategy. As finance professionals, staying updated with evolving tax laws ensures we provide informed guidance to clients in an ever-dynamic financial landscape.

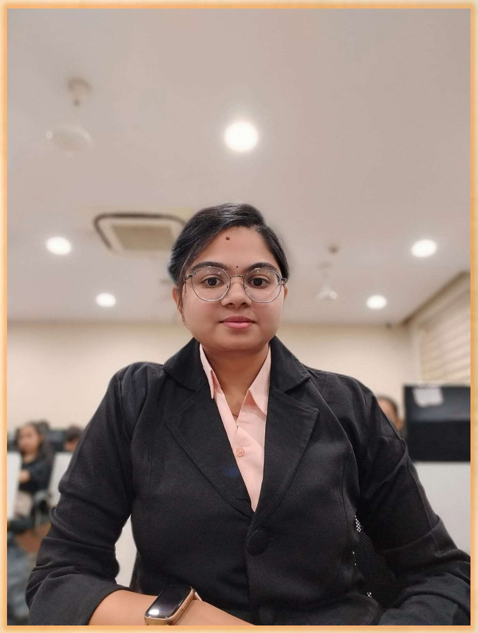
I hope this article find you helpful and get easy access to understanding for debt oriented mutual funds. I am thankful to you for your time and effort in reading this article. I also use sources like CBDT, Budgets published by Finance department, etc. for provide more clear and accurate understanding. Our ultimate goal through this E-Newsletter of ICAI is to understand different topics from different Point of views of Future CA like us. Thank You!

# Pixel on paper

Mr. Dhruvil Kakadiya

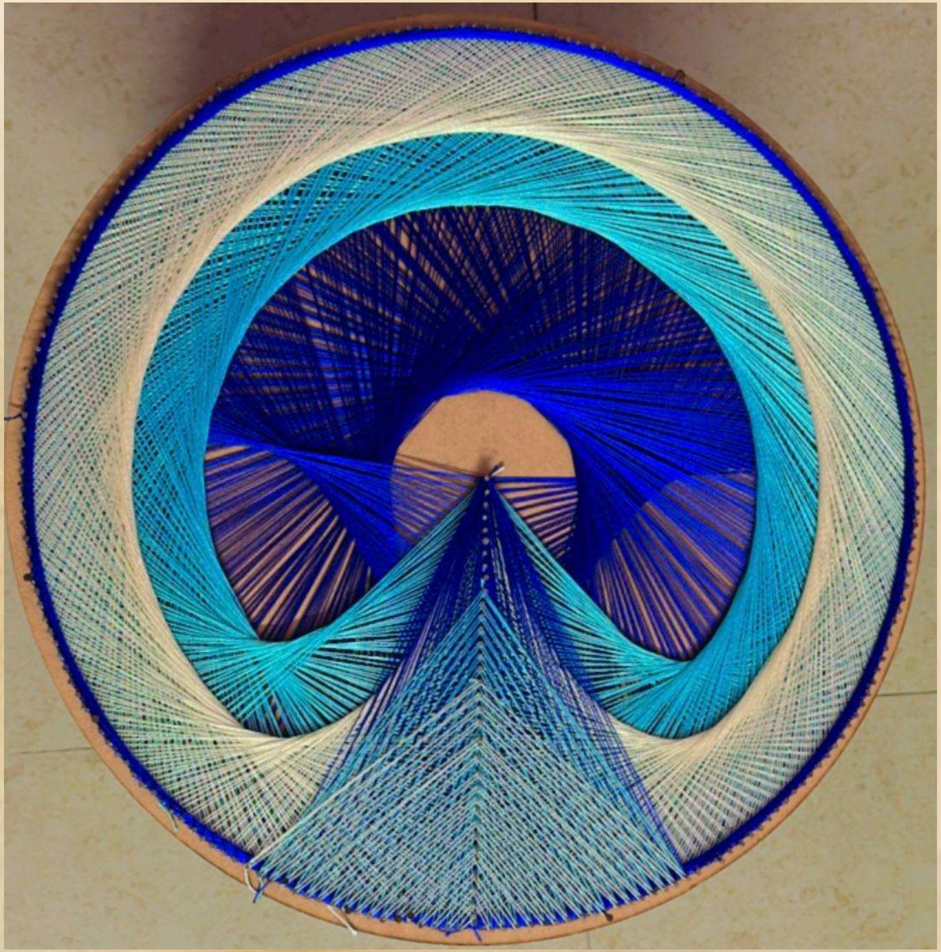
CA FINAL





**Ms. Divya Chaudhari**

**CA Final**

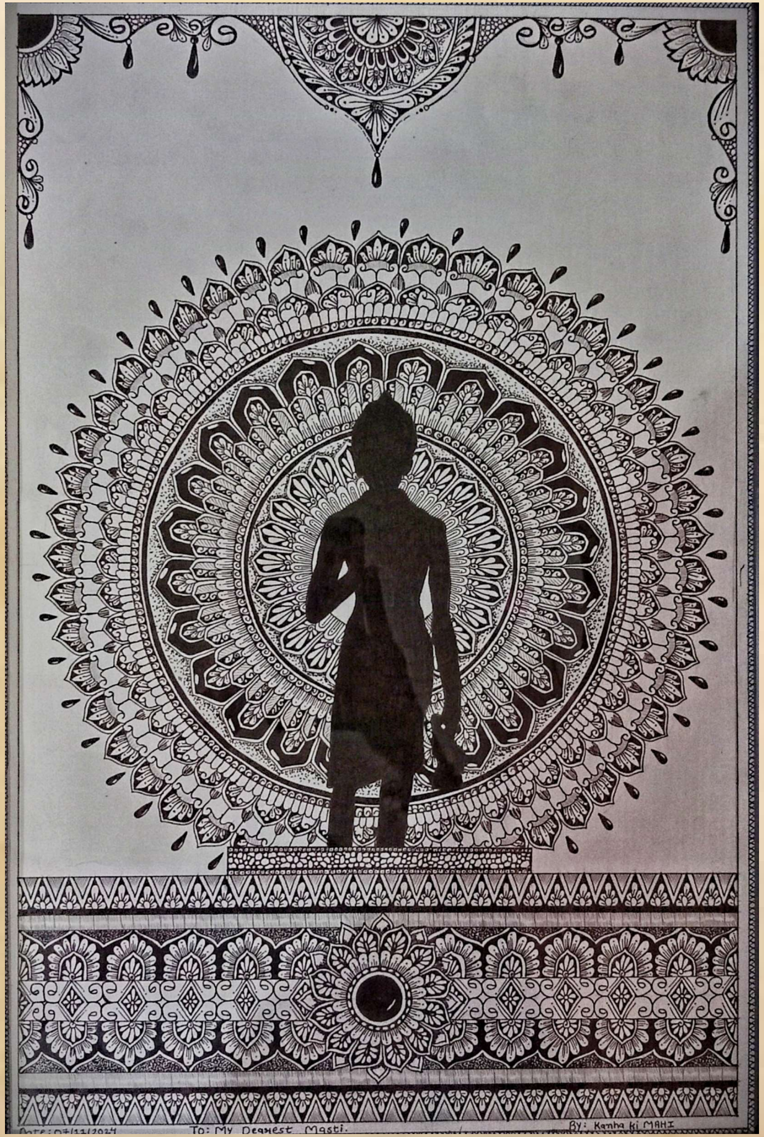


Ms. ASMA SHAIKH

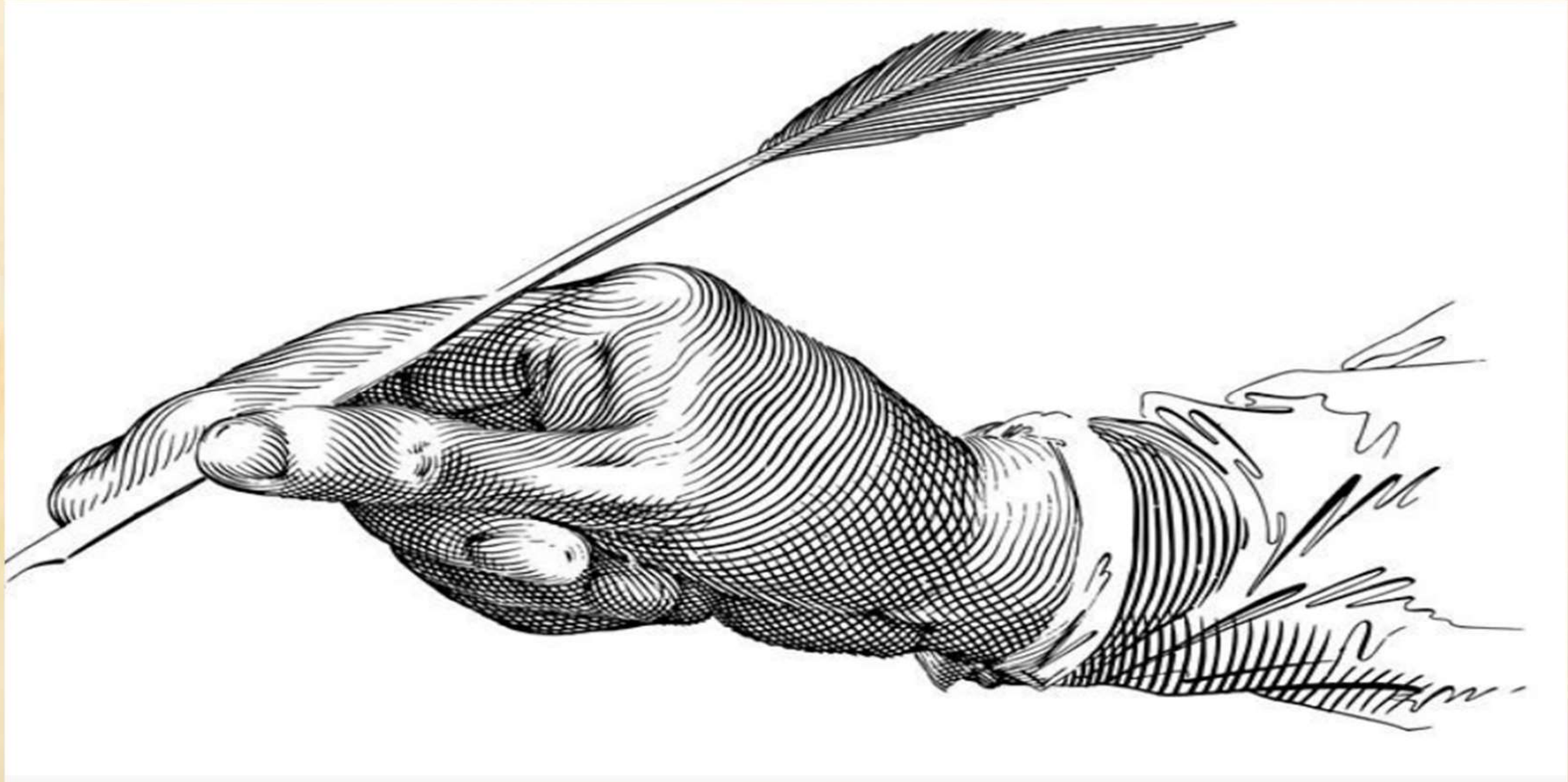
CA INTERMEDIATE

**Mahi Chauhan**

**CA INTERMEDIATE**



# Rhythm
# &
# RYMS



**Ms. Radha Dattani**

**CA Intermediate**

Finally she started finding herself more,

In the life’s chaos and in dark nights finally she started loving herself more,

With courage in her eyes and faith in her soul finally she started believing herself more,

In a world full of people finally she started finding herself more and more.

# Recap of June Month





Save Earth
Save Life...


THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA


THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
Save Earth
Save Life...
BEST WISHES FROM
RAJKOT BRANCH OF WIRC OF ICAI
& RAJKOT BRANCH OF WICASA
BEST WISHES FROM
EcoLogic


INDIA


THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
Seminar on
Life Beyond Ledgers
&
Basic of Articleship
CA Paresh Davda
CA Durgesh Chavda
14TH JUNE 2025
TIME :
VENUE :
ORGANIZED BY :
MR. RISHI RADIYA


THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
Life Beyond Ledgers
&
Basic of Articleship
14TH JUNE 2025
MR. RISHI RADIYA


THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
MR. RISHI RADIYA
JOINT TREASURER RAJKOT BRANCH OF WICASA
THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
CA. PARESH DAVDA
FACULTY


SHAKTIMAN
MAKING AGRICULTURE MORE ECONOMICAL
WELCOME YOU ALL


SHAKTIMAN
MAKING AGRICULTURE MORE ECONOMICAL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(Set up by an Act of Parliament)
CELEBRATING
INTERNATIONAL


ICAI Rajkot


NAYARA
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
RAJKOT WICASA PRESENTS FOR STUDENTS
2 DAYS PICNIC
TRISAGA 2025 – AATAPI WONDRELAND TO STATUE OF UNITY
AATAPI WONDERLAND
NILKANTH DHAM, POICHA
STATUE OF UNITY


TOURIST


THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
2 DAYS PICNIC


NAYARA
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RAJKOT WICASA PRESENTS FOR STUDENTS
2 DAYS PICNIC
TRISAGA 2025 – AATAPI WONDRELAND TO STATUE OF UNITY
AATAPI WONDERLAND
NILKANTH DHAM, POICHA
STATUE OF UNITY


## Thank you to all our amazing contributors!

Your efforts are truly appreciated.
For those whose contributions haven't been published yet — don't worry, they're in the queue and will be featured soon! Stay tuned!