



# **GURUGRAM BRANCH OF NIRC OF ICAI**

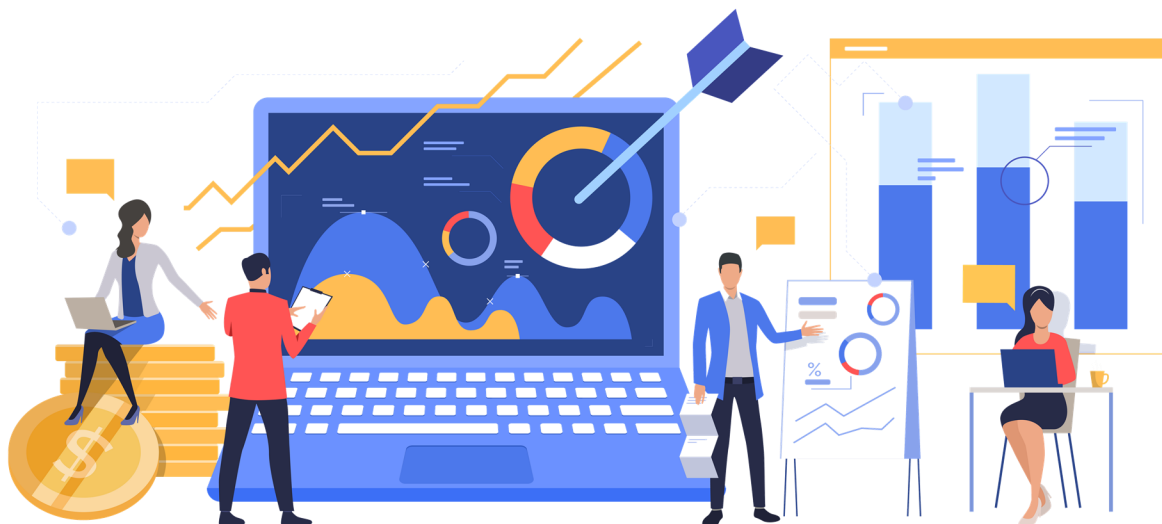
# **E-NEWSLETTER**

**CHARTERED ACCOUNTANTS  
OCTOBER 2022 EDITION**



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**Gurugram Branch of NIRC**  
The Institute of Chartered Accountants of India  
(Setup by an Act of Parliament)



Office: 2A, Pavilion Building, 339/2, Sector-14, Gurugram-122001  
Phone: 0124-4268867 | Email: gurgaon@icai.org | Website: www.icaigurugram.org



**Stay Connected-Get Updated**  
with ICAI Gurugram Branch



Please update your latest details in the form to stay updated for all activities of your branch.

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**Connect to BRANCH**



A platform for Members and Students to Connect & Interact with the Chairman of Gurugram Branch of ICAI



**LIVE ((to))  
STREAMING**

Connect by Facebook Live on  
**1<sup>st</sup> Sunday of Every Month at 11 AM**  
<https://bit.ly/icaignpage>



**Connect and Share to ME**

- **IDEAS** of yours for our Fraternity
- Redressal of your **GRIEVANCE**
- Willingness to be a **VOLUNTEER**
- Share your valuable **SUGGESTIONS**

**"Always available to the Profession"**  
**CA. Mohit Singhal**  
Chairman, Gurugram Branch



Members & Students of Gurugram Branch can take Benefit of the Initiative



# ICAI MOTTO

य एष सुप्तेषु जागर्ति कामं कामं पुरुषो निर्मिमाणः ।  
 तदेव शुक्रं तद् ब्रह्म तदेवामृतमुच्यते ।  
 तस्मिंल्लोकाः श्रिताः सर्वे तदु नात्येति कश्चन । एतद् वै तत् ॥

Ya eṣa supteṣu jāgarti kāmam kāmam puruṣo nirmimāṇah ।  
 Tadeva śukram tad brahma tadevāmṛtamucyate ।  
 Tasminlokāh śritāh sarve tadu nātyeti kaścan । Etad vai tat ॥

That person who is awake in those that sleep, shaping desire after desire, that, indeed, is the pure. That is Brahman that, indeed is called the immortal. In it all the worlds rest and no one ever goes beyond it. This, verily, is that, kamam kamam: desire after desire, really objects of desire. Even dream objects like objects of waking consciousness are due to the Supreme Person. Even dream consciousness is a proof of the existence of the self.

No one ever goes beyond it: of Eckhart: 'On reaching God all progress ends'.

Source: Kathopanishad





## Study Group Membership for Gurugram Branch is open for FY 2022-23

Particulars	Fee Per member	GST @ 18%	Total Amount
For Individual Member	Rs. 5500/-	Rs. 990/-	Rs. 6490/-
For five or more declared members from any organization	Rs. 5000/-	Rs. 900-	Rs. 5900/-

### Fee Structure:-

A. For Individual Member:- Rs 5500 plus Rs. 990(18% GST)= Rs. 6490/-

B. For five or more declared members from any organization i.e. names of the Members to be declared at the time of payment of fee- Rs.5000 plus Rs.900 (18% GST)= Rs. 5900/- per member

### Payment Option:

1. **Offline Mode** - Please fill up the form ([Click Here](#)) and send the cheque to branch along duly filled form.

2. **NEFT/RTGS Mode** : RTGS/NEFT at below bank and share the details of payment along duly filled form at gurgaoncai1@gmail.com

### Bank Account Details:-

A/C Name : Gurgaon Branch of NIRC of ICAI

A/C Number : 910010026661826 | IFSC Code : UTIB0000056

(Kindly mention your name and Membership Number in the remarks while making the payment)

3. **Payumoney** - Please follow the link and make the payment.

For Individual Member : <https://pmny.in/LIsJxjb5Qz4P>

For Five Member : <https://pmny.in/EIPOkfzu4vCH>

*Note:- GST details (in membership form) need to be shared at the time of making the payment. An invoice once issued will not be altered.*

### Disclaimer:

Request you to please send a mail at gurgaoncai1@gmail.com along with invoice/GST details (in membership form) within 3 days of making the payment to receive a copy of GST Invoice with your details.



**CA Mohit Singhal**  
Gurugram Branch of NIRC of ICAI



**Dear Professional Colleagues,**

Warm greetings.

I pray for well-being of you and your family with the trust that trust this message will find you and your family safe and healthy. I believe your constructive suggestions enable this newsletter to plays an important role to improve the communication with members and students.

Everything begins in the heart and mind. Every great achievement began in the mind of one person. History says that the one who has faith and have practiced controlling their mind and senses attain divine knowledge. Through such knowledge, they quickly attain everlasting supreme peace.

On 2nd October on the occasion of birth anniversary of Mahatma Gandhi in the support of Sarva Shiksha Abhiyan your branch is going to distribute basic kit of study material to underprivileged children.

We always strive to make our newsletters more than just newsletters by keeping informative and using them to share knowledge among fraternity. We are always open to any ideas that will help us to improve our efforts to serve the members and students at large. I, along with my entire team express heartfelt gratitude for the love, support and guidance you have been pouring on us.



# New Pension Scheme

CA. Surbhi Maheshwari



## National Pension Scheme - Saving for the retirement

National Pension Scheme is a pension cum investment plan that provides old age protection and social security at the time of retirement. Let's talk about it in detail.

### New Pension Scheme vs Old Pension Scheme

There are 3 main components to the Indian Pension System namely Civil Servants Pension, Pension programs run by EPFO and pension for unorganised sector called National Social Assistance Program (NSAP). The civil servants pension is divided into 2 parts - OPS (Old Pension Scheme) and NPS (New Pension Scheme/ National Pension System)

Employees working in a government organisation and joined before 1st Jan 2004 receives pension as per OPS. Government introduced NPS for government employees w.e.f 1st January 2004 (except armed forces). W.e.f 1st May 2009, NPS scheme was launched for all the citizens of India.

Under the new scheme, a subscriber can

invest a part of their salary/income periodically and regularly during the tenure of working life and claim tax deduction on the same within the cap defined. The amount contributed into the NPS account earns interest which is market driven. This is in contrast to the old scheme in which the amount of pension was defined and fixed.

### Who regulates NPS in India?

Pension Fund Regulatory and Development Authority of India ([pfrda.org.in](http://pfrda.org.in)) regulate NPS through NPS trust (NPST). It's a relatively newly established body of India with its Act passed in September 2013 as an autonomous body.

NPS Trust is responsible for the pension matters of India. It is the registered owner of all assets under NPS. The Trust has appointed 8 fund managers (ICICI Prudential Pension Fund, LIC Pension Fund, Kotak Mahindra Pension Fund, Reliance Capital Pension Fund, SBI Pension Fund, UTI Retirement Solutions Pension Fund, HDFC Pension Management Company and Aditya Birla Sun Life Pension Management Limited) with whom the subscriber opens NPS account (Tier 1 and Tier 2). These fund manag-





ers invest money in the market, generate returns and are accountable to NPS Trust.

### NPS account

PFRDA has appointed NSDL as a Central Recordkeeping Agency (CRA) for all subscribers under NPS. A person investing in NPS mandatorily needs to open an NPS account (can be opened online also at <https://enps.nsdl.com>) with the fund managers and is provided with PRAN (Permanent Retirement Account Number). PRAN is a unique 12 digit identification number associated with every account. A subscriber cannot open more than one NPS account. However, can open one account in NPS and another in Atal Pension Yojana. Also, NPS account cannot be opened jointly i.e. it needs to be opened in individual capacity.

2 types of account can be opened - Tier 1 and

Tier 2. Tier 1 account gets opened as and when investment is made in NPS. It's an account where all the savings are reflected and basis which tax benefits can be claimed. However, this account brings along restrictions on withdrawal.

Tier 2 account is a rather flexible account with no restrictions on withdrawal and no limitation on investment. As per the Finance Bill 2019, a subscriber can claim deduction u/s 80C on its Tier 2 account after a lock in period of 3 years (Refer "Finance Bill 2019" extract below). This account cannot be opened unless subscriber has Tier 1 account. It should be noted that while Tier 1 account can be opened by both residents and NRI, Tier 2 account can only be opened by resident.

15 **23.** In section 80C of the Income-tax Act, in sub-section (2), after clause (xxiv), the following clause shall be inserted with effect from the 1st day of April, 2020, namely:—

Amendment of section 80C.

'(xxv) being an employee of the Central Government, as a contribution to a specified account of the pension scheme referred to in section 80CCD—

(a) for a fixed period of not less than three years; and

20 (b) which is in accordance with the scheme as may be notified by the Central Government in the Official Gazette for the purposes of this clause.

*Explanation.*—For the purposes of this clause, "specified account" means an additional account referred to in sub-section (3) of section 20 of the Pension Fund Regulatory and Development Authority Act, 2013. '

113.







## Why to invest in NPS?

Voluntary as subscriber can amend the amount to be contributed every year and at any given point of time.

Flexible as subscriber can choose their own investment options (Active choice / Auto choice)

Market linked returns.

Professionally managed by experienced fund managers and regulated by an autonomous body.

Portable as NPS account can be managed from anywhere in the country and doesn't need to be reopened again.

### Limitations of NPS

Returns earned are not distributed as dividends/bonus/interest. They are accumulated to the corpus.

Restrictions on withdrawals.

### NPS deduction under Income-tax Act, 1961

NPS has attained the title of limited EEE i.e. Exempt-Exempt-Exempt. This means while the investment made is tax free, the return earned and withdrawal (upto 60% of the corpus) is also tax free. However, pension re-

ceived as per the annuity plan is taxable as per the tax slabs. Investment in NPS can be made by individuals (Resident and NRI) between the age of 18 to 65 years.

Salaried individuals - upto 10% of (Basic + DA) salary in the previous year

Self employed - upto 20% of gross total income of previous year

Section under which deduction can be claimed :  
-

Salaried individuals can claim deduction under section

Employee can claim deduction on his own contribution u/s 80CCD(1) within the ceiling limit of INR 1.5 lakhs u/s 80C

80CCD (1B) allows the subscriber to claim additional INR 50,000 apart from the one already claimed for in section above.

80CCD(2) allows employee to claim deduction on the amount contributed by the employer towards NPS. This rebate is over and above 80C.

Self employed can claim deduction under section 80CCD(1) within the overall ceiling of Rs. 1.5 lakhs under Sec 80 CCE (which defines aggregate amount of deductions u/s 80C,





80CCC, 80CCD(1)). Additional deduction of INR 50,000 is available u/s 80CCD(1B).

#### Rules on withdrawal

When a subscriber has attained the age of 60, he/she becomes authorised to withdraw 60% of the corpus and the balance 40% needs to be invested in annuity plan to be released on a monthly/quarterly/annual basis to the subscriber. However, if the accumulated corpus is less than or equal to INR 2 lakhs then 100% withdrawal is allowed. A subscriber can defer the withdrawal till the age of 70 years.

Early withdrawal/exit from NPS attracts certain conditions. Subscriber can exit from NPS before 60 years of age provided he is allowed to withdraw only 20% of the corpus created till that date and the remaining 80% needs to be mandatorily invested in annuity plan. 20% of the corpus withdrawn is tax free. If the corpus is less than INR 1 lakhs, 100% withdrawal is allowed. However, it should be noted that one can exit NPS only after completing 10 years.

In another scenario, if the subscriber wants to withdraw certain balance for a specific purpose as listed, then maximum cap allowed

is 25% at a point of time from his contribution plus returns. Please note that the subscriber cannot withdraw amount from the contribution made by the employer. This withdrawal is allowed for a maximum of 3 times till the age of 60. These withdrawals are tax free.

In case of death of the subscriber, entire accumulated corpus is paid to the legal heir.

#### Conclusion

While investing in NPS helps you in claiming tax benefits. It also inculcates a habit of saving for the retirement and making you "AATAMNIRBHAR". However, it is advised to invest in NPS after evaluating benefits from other deductions available u/s 80C.





## Gurugram Branch Managing Committee for the Session 2022-23

SNo.	Designation	Name	Mobile	Email ID
1	Chairman	CA. Mohit Singhal	9555379714	fcasmc@gmail.com
2	Vice-Chairman	CA. Amit Gupta	9654346350	amitmbaca@gmail.com
3	Secretary	CA. Jitender	9911656371	cajitender9@gmail.com
4	Treasurer	CA. Pooja Aggarwal	9810559631	poojaaggarwal8@gmail.com
5	NICASA Chairman	CA. Vipin Agrawal	9599336633	cavipinagrawal@gmail.com
6	Chairman of Members in Industry	CA. Amit Kithania	9716013030	caamitkithania@yahoo.co.in
7	Executive Member	CA. Amit Mittal	9873515068	amit.mittal@gkcindia.com
8	Executive Member	CA. Himmat Yadav	9999929513	cayadavhimmat@gmail.com
9	Executive Member	CA. Nishant Kumar	9560753535	nishant@srjnindia.com
10	Ex-Officio Member	CA. Naveen Garg Chairman, NIRC	9911283111	nvn_garg@yahoo.com
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12	Ex-Officio Member	CA. Sandeep Agarwal	7903121471	sandeep.agarwal@felixadvisory.com
13	Ex-Officio Member	CA. Sangam Agarwal	9818911609	ashcompanyca@gmail.com
14	Ex-Officio Member	CA. Vijay Kr. Gupta	9871174091	vkguptaca@gmail.com

**Feedback & Suggestions:** Gurugram Branch will be happy to receive the feedback from you regarding the seminars/workshops and other activities organized by branch. You may please send feedback at Gurugram Branch of NIRC of ICAI requests the members & students to come forward & share the articles (Professional & other) to be published in the upcoming newsletter. The submissions may be sent to **fcasmc@gmail.com** with the subject line (Article Newsletter).

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