



E-NEWSLETTER of SICASA
Chengalpattu District Branch of SIRC of ICAI

JUNE 2022

VOL VI/NO.6

*“Let’s Nurture the nature so that
we can have a better future”*

*For a better tomorrow,
plant more trees and make
this planet a better place
to live in*

*Happy
World Environment Day
2022*

BRANCH OFFICE ADDRESS:

**Flat No:401, 4th Floor, No.1A, Periyalwar Street,
Sundaram Colony, East Tambaram, Chennai – 600059**



SICASA TEAM (2022-23)

Chairperson

CA Madhumitha R

Vice Chairperson

Shrouthi S

Secretary

Mahatha A

Treasurer

Thilaga C

Members:

Aiyswarrya M

Indhumathi N

Kaviya N

Priyadharshini S

EDITORIAL BOARD

Editor :

CA Madhumitha R

Members:

CA Aanand P

CA Arumugaraj P

CA Bhuvaneshwari R V

CA Lakshminarayan T R

CA Naveen Kumar

CA Priya A

CA Ravichandran S

CA Shivachandra Reddy K

CA Thiruppathi P

STUDENTS DEVELOPMENT

COMMITTEE:

CA Thiruppathi P

CA Deepa Rao

CA Priya A

CA Shivachandra Reddy K

CA Janani V

CA Madhumitha R

CA NarashimmaRaghavan R

CA Ravikumar M

CA Sathiyarayanan K R

CA Sivagurunathan T

CA Sridhar Ganesh

CA Ravichandran S

Note: The views expressed in the articles published are own view of authors and SICASA Chengalpattu District Branch does not endorse or take any responsibility for the views expressed in the articles.



<i>SICASA Chairperson's Communication</i>	- 03
<i>Branch Chairman's Communication</i>	- 04
<i>SICASA Schedule for the month of June 2022</i>	- 05
<i>5 Important Things CA Students Should do after writing CA- Inter Exams</i>	- 06
<i>- CA Hariharan</i>	
<i>Lean Manufacturing</i>	- 08
<i>- Karpagamahalakshmi</i>	
<i>NBFC Incorporation & Complaine</i>	- 12
<i>- Asmitha Mathavan</i>	
<i>Glimpse of May 2022 SICASA Programmes</i>	- 15
<i>Trivia Corner</i>	- 17





***FROM THE SICASA CHAIRPERSON'S
DESK***

Dear Students,

Welcome back again after your exams ,kudos to the amount of dedication and hard work you would have put in preparing for your exams .The stress that a student has to undergo during the preparation and examination days is something significant and deserves special mention.



Now that you would have stayed away from all the social medias for a while during your exams do not overindulge now in social medias , kindly restrict your usage and concentrate on doing something useful for yourself , like learning an art or taking up some form of competitive sport or physical exercise .

I would also be very glad in announcing a series of super interesting initiatives that are ahead of you for the month

1. Special edition newsletter for CA day.
2. Sports activities - Indoor and Outdoor
3. Career counselling
4. Coaching Classes for Foundation/Intermediate and Final Exams
5. Blood Donation camp on CA Day
6. Celebration of National Yoga Day

We have all these activities lined up for you. Participate in all these activities , as summer is still at its peak , kindly take care of your health and be Happy and stress free !!!

CA Madhumitha R
SICASA Chairperson
Chennai, 1st June 2022



***FROM THE BRANCH CHAIRMAN'S
DESK TO STUDENTS***

Dear students,

Exams have been completed and I hope everyone did well.

"Confidence and hard work is the best medicine to kill the disease called failure. It will make you a successful person" - Dr.A.P.J.Abdul Kalam.



Be confident and give maximum in your work and glow brightly.

Our branch conducted seminars during the month of May for practical training and knowledge enhancement. Similarly, programs are being arranged for this month too. Attend them and benefit yourself.

Mega career counseling program about Chartered Accountancy Course will be conducted at various places on behalf of our branch for the upcoming CA students.

International yoga day is celebrated on 21st of this month. Students are requested to participate in this event for your overall development.

June month also gains significance as our branch SICASA day is celebrated on 20th of this month. On this occasion, I request students to work towards making yourselves and the branch proud.

I also urge the students to be a part of our blood donation camp on the event of 75th CA day on July 1st,2022.

CA K R Sathiyarayanan

Branch Chairman

Chennai, 1st June 2022



SICASA Schedule for the month of June 2022

<i>DATE</i>	<i>DAY</i>	<i>PROGRAMME</i>
11.06.2022	<i>Saturday</i>	Valuations (Introduction and Insights into methods of Valuations) - CA Sandeep Kothari
18.06.2022	<i>Saturday</i>	Indoor Games
19.06.2022	<i>Sunday</i>	Outdoor Games
25.06.2022	<i>Saturday</i>	AAS and how to approach Auditing paper - CA Rekha Pillai



5 IMPORTANT THINGS CA STUDENTS SHOULD DO AFTER WRITING CA-INTER EXAMS

1. After appearing for the exams, complete all ICAI formalities (ITT/Orientation, articles assessment tests etc) before results. Never sit idle!!!



CA K HARIHARAN

2. Instead of worrying about the results, start preparing for final and also join pre-articleship as this would help in getting added experience and also in getting leave/adequate time to prepare for Final exams. To clear final in the first attempt, prepare a study plan starting with either self- preparation or classes.

3. Final students are eligible to appear for the exams after completion of 2 and half years (30 months) of articleship. It is advisable to split the 30 months equally and reserve the last 6 months for revision. Now, you have 24 months for joining classes or for self-preparation. Split these 24 months into 4 parts of 6 months. This gives you more than sufficient time to complete all the 8 subjects. Students often face difficulties in choosing which subject to join first. In the first 6 months, it is advisable to join Financial Reporting and Strategic Cost Management & Performance Management as these subjects do not have frequent amendments.

The next six months, enrol for Strategic Financial Management and Advanced auditing papers.

During the remaining months, start preparing for Law, Direct and Indirect taxation so that, you will be familiar with the latest laws that are applicable for exams.

4. During the course of articleship you have to prepare/study parallelly Accounting standards, IND AS, IFRS, Standards on Auditing, Company Law since these are relevant for practice as well as for exams.

5. Spend minimum 15 to 20 minutes away from your mobile phones. Sit alone, think and plan your future. Analyse the areas you need to improve and the areas you are strong at be it Company law, Costing, Tax, Accounting standards etc., Identify your potential and focus on improving your skills to be successful in exams & your profession.

These are the 5 things to do after exams for a successful start to your journey as a Chartered Accountant.

**WINNERS NEVER QUIT
&
QUITTERS NEVER WIN**

**Best wishes,
CA K Hariharan FCA**





LEAN MANUFACTURING

It is an organized method for **WASTE** minimization without sacrificing productivity.

Characteristics of Lean Manufacturing

- ❖ Zero Waiting Time
- ❖ Zero Inventory
- ❖ Pull Processing
- ❖ Continuous flow of Production
- ❖ Findings ways to reduce process time



Karpagamahalakshmi
SRO0700863

5 Lean Principles:



Various techniques for Lean Manufacturing:

1. Kaizen Costing

"Kaizen" is Japanese word known as Continuous Improvement. Continuous Improvement is continuous examination and improvement of existing process.

Kaizen Costing Principles



2. 5S

- It is the workplace organization method
- It explains how a workplace to be managed efficiently and effectively to identify and store the items used and sustain new orders

5S Phases -





3. Six Sigma

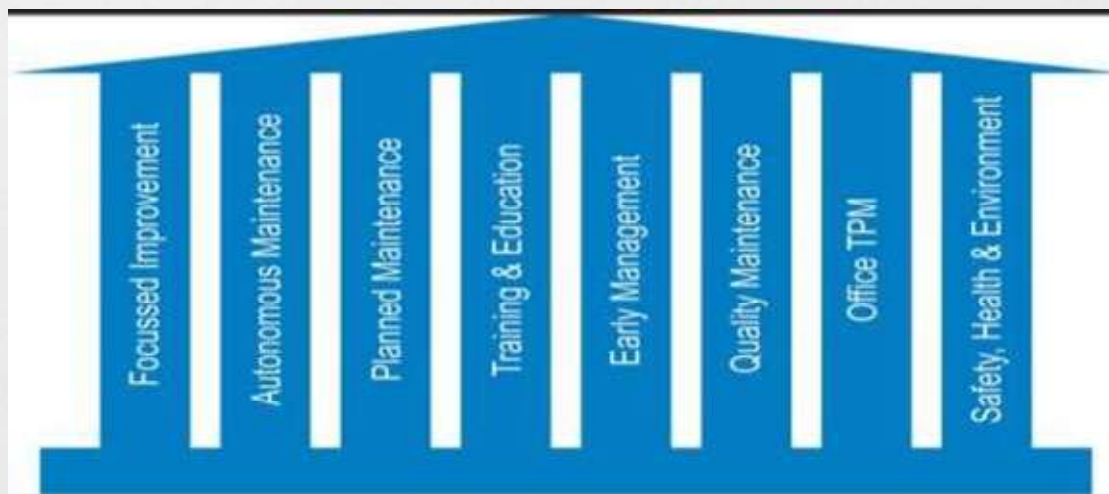
- It is quality improvement techniques whose objective is to eliminate defects in any aspect that affects Customer Satisfaction.
- There are two methodologies available for implementing Six Sigma
 - DMAIC
 - ❖ This method is used to improve the **existing** business process
 - DMADV
 - ❖ This method is used to develop a new products at a Six Sigma quality level.



4. Total Productive Maintenance (TPM)

It is a system of maintaining and improving the integrity of production and quality systems

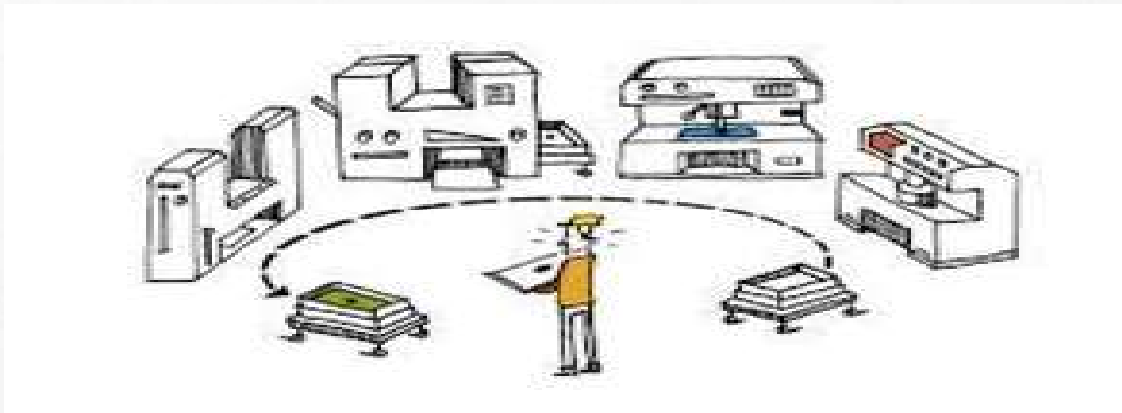
8 Pillars of TPM





5. Cellular Manufacturing

- It is also known as one piece flow production systems
- The goal of cellular manufacturing is to move as quickly as possible, make a wide variety of similar products, while making as little waste as possible.
- U Shaped design is given to those cells because this allows the supervisor to move less and have the ability to watch over the entire process



6. Just In Time

A just-in-time (JIT) inventory system is a management strategy that aligns raw-material orders from suppliers directly with production schedules. JIT System is a Pull system, which responds to demand in contrast to push system, in which stock act as a buffer between different elements of the system such as purchasing, production and sales.

Thanks & regards,
Karpagamahalakshmi



NBFC INCORPORATION & COMPLIANCE

Overview:

A Non-Banking Finance Company (NBFC) is a company registered Under Companies Act, 2013 with Certificate of Registration from Reserve Bank of India. Its activities are similar to a bank except that it cannot accept demand deposits, cannot issue cheques on itself and its deposits are uninsured. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in instalment by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).



Asmitha Mathavan
SRO0621397

Categories of Non-Banking Financial Company (NBFC)

NBFC's are mainly categorised into deposit-taking NBFC's and non-deposit taking NBFC's. Deposit-taking NBFC's and non-deposit taking NBFC's are further classified based on their size. Within this broad categorization, there are again many types of NBFC's like Asset Finance Company, Investment Company, Loan Company, Infrastructure Finance Company, Systemically Important Core Investment Company, Infrastructure Debt Fund, Micro Finance Institution and Factors.

Incorporation of NBFC:

A company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

- a) It should be a company registered under Section 3 of the companies Act, 1956.
- b) It should have a minimum net owned fund of ₹ 2 crores. The seed capital should be obtained from the legitimate sources and shall be commensurate with the Net Worth declaration and certification of all the shareholders.
- c) Directors, being the face of the Company, shall be individuals of higher integrity and knowledge. It is expected that 1/3rd of the Directors must hold a 10year experience in financial background and should be a full time Director.
- d) A detailed business plan in the form of a road-map for next 5 years.
- e) The CIBIL Score of the company and its directors must be good.
- f) If any foreign investment is anticipated, FEMA compliance needs to be adhered.
- g) Thereafter, the applicant needs to visit the official RBI portal, i.e., <https://cosmos.rbi.org.in/COSMOS/rbilogin.do> for filing the application for online NBFC Registration;
- h) Now, download the filled NBFC Application Form from the portal and submit it online;



- i) After submitting it online, the applicant needs to note down the Application Reference Number (ARN) issued by the Apex Bank to check and track the status of the application form. Further, it is always advised to keep a hardcopy of the e-form indicating ARN as well;
- j) The applicant requires to submit all the documents required and a hardcopy of the application form to the regional branch of the Apex Bank;
- k) After proper checking and verification, the authorities will grant NBFC License to the company.

Guidelines an NBFC Needs to Follow

Once the Company gets a valid license it has to adhere to the following guidelines:

- ❖ They cannot receive deposits that are payable on demand.
- ❖ The public Deposits which the company can take should be for a minimum time period of 12 months and a maximum time period of 60 months.
- ❖ The interest charged by the Company cannot be more than the ceiling prescribed by the Reserve Bank of India from time to time.
- ❖ The repayment of any amount so taken by the Company will not be guaranteed by the Reserve Bank of India.
- ❖ All the information about the company as well as any change in the composition of the Company has to be furnished to the Reserve Bank of India.
- ❖ The deposits taken by the Public will be unsecured.
- ❖ The Company has to submit its audited balance sheet every year.
- ❖ **A statutory return on the deposits taken** by the company has to be furnished in the form **NBS - 1** every year.
- ❖ **A Quarterly Return on the liquid assets** of the company has to be furnished.
- ❖ A certificate from the auditors had to be taken stating that the company is in a position to pay back all the deposits or money taken from the Public.
- ❖ A half-yearly Asset Liability Management (ALM) return has to be given by the company which has a Public Deposit of Rs. 20 Crore and above or has assets worth Rs. 100 Crore and above.
- ❖ **The credit rating has to be taken every 6 months** and submitted to the RBI.
- ❖ A minimum level of 15% of the Public Deposits has to be maintained by the Company in Liquid Assets.

If the NBFC defaults in the payment of any amount taken, the consumer can go to the National Company Law Tribunal or the Consumer Forum to file a suit against the Company.

Punishment for Non-compliance of RBI Regulation

In India, the RBI has the power to impose a penalty on an NBFC for violating the provisions of RBI Act. These penalties include:



- If a company carries out its operations without obtaining NBFC License, the RBI (Reserve Bank of India) can impose a fine of not less than Rs 1 Lakh, which can go up to Rs 5 Lakh or twice the amount involved in such violation, whichever is more;
- If a company carries out its operation without obtaining NBFC License, the directors of the company are punishable with imprisonment up to one year;
- If the company in default continues to work, the RBI may impose a fine up to Rs 25000 per day after the first day of such default;
- In case of any other contravention, the RBI can impose a fine up to Rs 5000 on the company;
- If an NBFC is not complying with the orders of the NCLT (National Company Law Tribunal), it is punishable with a maximum imprisonment of 3 years and a fine of up to Rs 50 per day till the time such non-compliance continues;
- If an auditor fails to abide by any direction or guideline given by the Reserve Bank of India, they would be punishable with a fine up to Rs 5000.

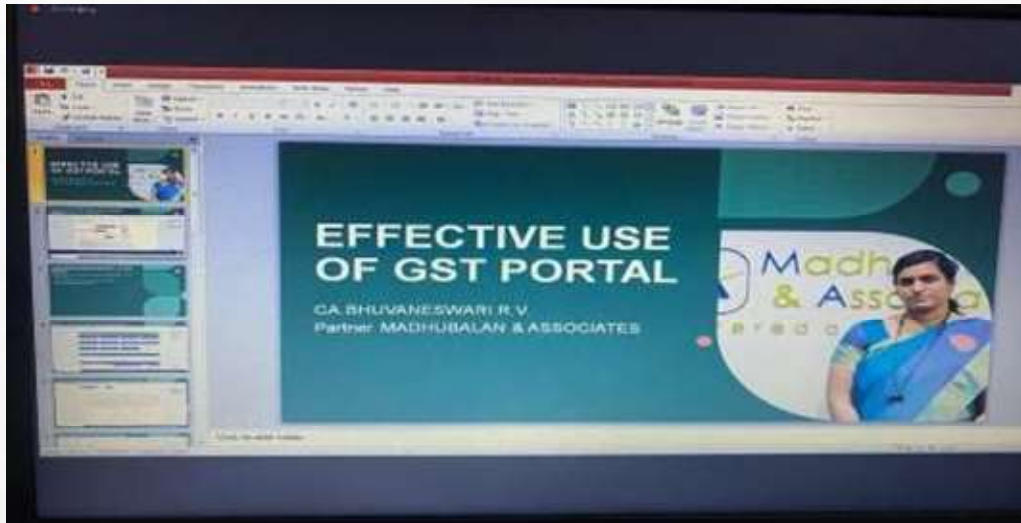
Thanks & Regards
Asmitha Mathavan





Glimpse of May 2022 SICASA Programmes

“PRACTICAL TRAINING & KNOWLEDGE ENHANCEMENT”



Effective use of GST Portal - CA Bhuvaneshwari R.V

Section	Nature of transaction	Threshold Limit (Rs)	TDS Rate
192	Payment of salary	Basic exemption limit of employee	Normal Slab Rates
193A	Premature withdrawal from EPF	50,000	10%
194	Payment of any dividend	5,000	10%
194A	Interest from other than interest from securities (from deposits with banks/post office/co-operative society)	Senior Citizens- 50,000 Others- 40,000	10%
194B	Interest from other than interest on securities u/s 193 and interest from banks/post office/co-operative society. For e.g., interest from friends and relatives.	5,000	10%

Effective use of TDS Portal - CA Ramakrishnan



Inviting Articles and Art works for CA Day July 01st 2022


Chengalpattu District Branch of SIRC of ICAI
(Formerly known as Kanchipuram District Branch of SIRC of ICAI)

Are you Creative? **Is your CA journey interesting?**

IF YES, DON'T FORGET TO MAIL YOUR ARTICLES AND WORKS FOR CA DAY- JULY 01ST 2022. SEND US BEFORE 20TH JUNE 2022

For Members

1. Articles on "My CA Journey" with Happy, Interesting and Fascinating Moments.
2. Your Creative works during CA journey :- Drawings, Poems, Crafts Works.

For Students

1. Articles on "My CA Journey".
2. Articles on Your Inspirations and Motivations .

Contact us!
Ph:-7550009811
Kpmsicasa@gmail.com

 Flat No.401,4th Floor,No.1A,
Periyalwar street
Sundaram Colony, East Tambaram,
Chennai-600059



TRIVIA Corner

- i. Periodical audit is also known as ?
- ii. Which is a tariff or tax imposed on goods when transported across international borders ?
- iii. What is SA 530 ?
- iv. Indian GST model has how many basic rate structure ?
- v. Which geographical region has economic laws different from a country's typical economic laws ?

Previous Month Answer

- i. What is the maximum tenure for which a company can accept or renew deposit from its members and public?
-36 Months
- ii. What is SA 230? - Audit Documentation
- iii. What is the analysis used to compare current data with prior period balance? - Trend Analysis
- iv. Reporting on fraud is made by auditor to central government in statement in what form? - ADT 4
- v. Once Dividend declared, should be paid within how many days? - 30 Days



SICASA of Chengalpattu District Branch of SIRC of ICAI

Contribution From Our CA ASPIRANTS:

Articles are invited from students for publishing in e-newsletter. The articles shall be either on the specific subject or a general article.

For all the artistic minds, you may highlight your artistic skills by sending your art to us. It could be drawing, poem, photographs and all the art work which is unusual in your way!

Students can mail their work with Name, SRO Number, Mobile Number, Residential Address, Office Address & Photo to our E-Mail mentioned below

Follow Us on



chengai_icaei.org



SICASA Chengalpattu
District Branch Of SIRC



Chengalpattu District
Branch Of SIRC



kpmsicasa@gmail.com



[chengai_sicasa](https://www.instagram.com/chengai_sicasa)



7550009811