



SICASA NEWSLETTER

Chengalpattu District Branch of SIRC of
ICAI



*Pages of yesterday
cannot be revised,
but the pages of today
& tomorrow are blank
and you hold the pen*

**MAKE IT AN
INSPIRING STORY...**

February - 2021 Vol IV/ No. 2

www.chengai_icaai.org

From the Chairman's Desk

At this juncture, I am sure Students who have opted out of November 2020 examination are performing their exams to the best. My hearty wishes and prayers that you all pass with flying colors.

Adding on, Dear students Life in articleship will be challenging, but the strong foundation of discipline, commitment, and integrity during the period, will help you in entire professional life. I wish all the students will sail through successfully.

It is irrelevant whether the pandemic period is taken as long or short, important is the learnings emerging out of the situation. We hope this year will usher a good beginning.

Helen Keller said – “The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of tiny pushes of each honest worker.”

We should consider that the accounting education is not just the process of achieving Chartered Accountancy certificate with professional knowledge, skills, ethical values and beliefs; rather it is a tool to empower us and help us in developing and evolving into a better being.

As part of our continuous learning and skill development activity, our Chengalpattu branch is always ready to provide the maximum possible opportunities to the student and extend our support to you as well.

“The secret of getting started is breaking your complex overwhelming tasks into small manageable tasks, and then starting on the first one”.

Here, I wish to tell that I am eternally grateful for getting the privilege to serve you. I would like to thank all my Council members, Regional Council members, Branch Managing Committee members, and the entire staff of ICAI for their untiring contribution.

Built on strong roots of shared interest and train yourself to work in such environment. Work hard and be happy.

Best wishes.

Stay safe and healthy.



CA K R Sathiyarayanan

Chairman,

SICASA of Chengalpattu District Branch of SIRC of ICAI

FROM CHAIRPERSON'S DESK

My Dear Students,

Greetings.

It was a great pleasure to be in touch with every one of you all along through this e newsletter .

In spite of the pandemic, by the grace of God, we are able to sustain and cope up with the difficult period.

The year 2020 had taught us a great lesson especially managing and living under challenging situations.

With the support of SICASA Team, we had conducted a good number virtual programs which had contributed for your learning even during this pandemic time.

I congratulate and appreciate entire SICASA Team for their efforts to cope up with the difficult time and organize good programs for students. I appreciate all contributors of articles for SICASA e-Newsletter.

I hope the year 2021 would be a great year for everyone

Keep pace with time and honour the commitments in every front.

Comply with the rules and regulations of our Government in our daily routines in this pandemic situation.

Let us all work together and achieve our goals.

Let us all be committed for a quality and ethical profession.

Stay Safe. Do take care.



Jai Hind

With warm wishes,

CA G GEETHA,

CHAIRPERSON,

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI



SICASA TEAM – 2020

CA K R Sathiyarayanan – **Chairman**
CA Madhumitha R– **Chairperson Student’s
Committee**

Members - Student’s Committee:

CA Shiva Chandra Reddy
CA Arumugaraj P
CA Priya A
CA Aanand P

Annapoorani C – **Vice Chairperson**
Rubika CV – **Secretary**
Manju R – **Treasurer**
Haarika kavirala – **Joint Secretary**

Members:

Sathkrithi T T
Subathra R C
Aiyswarrya M
Vaishnavi B S
Lavanya Karumanchi

Editorial Board

EDITOR : CA. K R Sathiyarayanan
MEMBER : CA Madhumitha R
: CA Arumugaraj P
: CA Priya A

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

ARTICLES INVITED FROM STUDENTS:

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

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

Contact Us

For Knowing about all the events conducted by the SICASA-Chengalpattu District Branch (East Tambaram Chennai-59) reach us through:



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SICASA Chengalpattu
District Branch Of SIRC



Chengalpattu District
Branch Of SIRC



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INSIDE



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REVIVAL OF INDIAN ECONOMY POST COVID'19

India's Former President Late Dr. APJ ABDUL KALAM in his *Vision 2020*, said that his vision of India's growth is towards

"Transforming the nation into a developed country, five areas in combination have been identified based on India's core competence, natural resources and talented manpower for integrated action to double the growth rate of GDP and realize the Vision of Developed India"



CH. Aparna
SRO0683203

The progressive vision of the country had become stagnant due to the Pandemic and it's revival is a challenge not only for India but also across the world. India, being a developing economy must improve it's production so as to increase the exports and balance the trade.

Financial Management beautifully articulates that it's all about managing our investments and returns within the definite time frame. The return of investment accounts for the prosperity of the firm, company and nation at large. COVID 19 had taught us that the best investment is to invest on their own self in order to maximize their capacity to work which contributes for the upliftment of production and in turn increases the GDP of the country.

Revival of Indian Economy Post Covid19 based on the five areas emphasized by Dr. APJ ABDUL KALAM:

1. India's Core Competence Agriculture and food processing:

Our economy is mixed in nature which comprises of both agriculture and capitalistic. Both of these areas had a massive downfall due to the pandemic effect. Reviving the same now should be focused on how the crop seasons are managed from agriculture point of view and stabilizing the market growth from capitalist point if view. Food processing which has adequate health benefits in it can become the best marketed product in the country of diet enthusiasts.

2. Education and Health Care:

Education always leads to higher learning and contribution towards economy's growth. Health Care has a huge impact on the safety of individuals and also determines the birth and death rate. Due to lockdown education has become mere virtual learning and health care system tirelessly focused on curing the virus infected individuals. Revival of both post Covid'19 education must be practical following the protocols of social distancing and sanitizing, health care services should be focused on vaccinating all the citizens with due care so as to make them more efficient and increasing their immunity power.

3. Information and Communication:

Covid'19 caller tune has driven us intensely and constantly about the importance of being aware of the corona virus and following the norms of the same which could be possible due to information and communication. This will play an important role in spreading awareness and is considered as the best medium

4. **Infrastructure development, which includes reliable and quality electric power, surface transport and infrastructure** for all parts of the country including rural and urban areas under PURA(Provision for Urban amenities to rural development) must be carefully monitored in lines with reliable control mechanisms, safety and security, adequate funding disbursements.FDI's must be encouraged more in order to develop infrastructure developments

5. **Self-reliance in critical technologies** means reducing our dependence on imported systems and develop indigenous innovation ecosystem. Reviving this by innovating new functionalities in technology Post Covid'19 is a challenging task which leads to higher costs. But this can be overlooked by improving our own in-house operations and investing on Research and development which can lead to higher profits contributing to our country's GDP.

Conclusion:

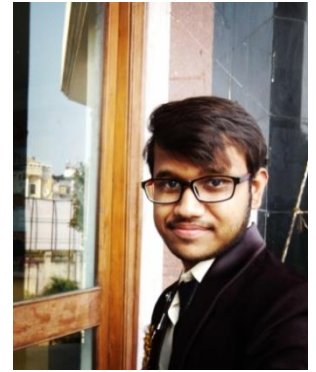
Though COVID-19 and the subsequent lockdown left a trail of economic devastation on most countries, India can potentially build upon three positive aspects- push in the rural economy, stronger federalism and a huge consumption base, *former RBI Governor "Duvvuri Subbarao Rao "* has said. So having such vision on a very positive note we can come over the hurdles and revive the economy in the most happier and peaceful manner, inspite of currency fluctuations, market price instabilities and uneven demand conditions.



Concept of Tax Information Exchange Agreement in India with Tax

Havens and Secrecy Jurisdictions

There is a great and importance of Tax Information Exchange Agreement in India because as per section 90(1) of Income Tax Act, 1961, Government of India i.e. Central Government can enter into Double Taxation Avoidance Agreement with other countries so as to avoid double taxation of income in both the countries.



Pushp kumar sahu
CRO0553317

The basic concept behind DTAA is to ensure that there should not be undue hardship in the hands of tax payers i.e. income earned in one country should not be taxed twice because of source and residence criteria in both countries and most importantly DTAA contains article usually article no. 26 which deals with Exchange of Tax Information which provides for various tax and financial information about the resident persons who have invested or have any significance financial presence in that territory to the other territory.

But what about other countries where there is no provision of income tax for taxing the income i.e. Tax haven Countries and Secrecy Jurisdictions.

Yes, there are many countries and territories which exist in the world where there is no provision of taxation like Bermuda, Bahamas, British Virgin Islands, Cayman Islands, and Argentina etc. In such cases DTAA are of no use as there is no double taxation as income will be taxable only in one country or territory. Also if there is no DTAA, there would be no exchange of Tax Information between the countries which results in tax evasion as person resident in one country can easily park their unaccounted money and wealth in other countries with which India has no DTAA, thereby leading to no exchange of Tax Information. Therefore the concept of TIEA's emerged so that India can easily have an access to sensitive information about their resident persons in other countries.

India has taken proactive steps to combat the menace of illicit funds generated both as a result of tax evasion and corruption. Firstly, the government of India increased the cooperation with other countries by entering into tax treaties i.e. DTAA's and Tax Information Exchange Agreements and secondly laying down anti avoidance regime like section 94A in jurisdictions where there is a lack of effective exchange of information.

Accordingly, India has entered into TIEA's with certain countries like Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Jersey etc. The move is in line with the decision taken in G-20, which took up the issue of Tax Havens and Tax Evasions. In this way concept of TIEA's introduced in India. TIEA's proved to be a boon for Indian Tax Administration by providing sensitive financial information about the residents of India who has accumulated wealth outside India in these countries.

Fundamental Analysis of Stocks

If you are new to Stock Market or causing hefty misfortunes, at that point this article is for you.

The objective of any investor is to earn good profit. There is a typical perception that experienced investors doesn't incur any losses. In any case, the fact is that all investors incur a loss in the stock market. Experienced traders do incur losses, however, earns a overall profit. For instance, if an investor puts resources into 10 different company shares, it is uncertain that the investor will earn profit in all the 10 investments. In order to cut loses in the share market, a very essential approach used by investors is fundamental analysis.

Fundamental Analysis of a stock helps to determine the health and growth prospects of the company. It is the duty of every investor to know about the company before to making any interests in order to avoid losses. Fundamental analysis helps to study factors that can possibly influence the security's value.

Sources required for Fundamental Analysis:

- ✓ Financial Statement of a company (Balance Sheet, P & L, Cash Flow Statement).
- ✓ Announcements of Company.
- ✓ News related to Industry or sector that the company belongs.
- ✓ Possible changes in Laws and Regulation.
- ✓ Quarterly results of the company.
- ✓ Global Economic Events.

How to do Fundamental Analysis:

There are several tools/methods used to analyse the actual worth of the stock. Let's look at a few significant and simple steps to analyse a stock which would help at making a proper investment decision.

- 1) Economy Analysis.
- 2) Industry Analysis.
- 3) Company Analysis.



Dinakaran A

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Step 1: Economic Analysis.

Economic Analysis centres on analysing the present and future growth of the overall economy. The Economy resembles a tide and several industries and companies in them are the boats. When the economy expands, it's a brilliant outline for the organization to grow. At the point when the economy contracts, the vast majority of the companies in them suffer. Indices might be one of the statistical measures of stocks that portrays the economy of a country. There can be factors that can affect the economy such as political events, technological advancement, Concerns over inflation or deflation, natural disasters, new government policies, trade restriction, War, etc. When the Economy is set to contract, at that point an investor has to be conservative in picking up stocks.

Step 2: Industry Analysis:

Industry Analysis helps to understand the competitive elements of the industry. Quite possibly the most popular model that assists with understanding the business is the Competitive Forces model or *Porter's 5 forces model*. Porter's five forces include Threat of New Entrants, Industry Rivalry, Bargaining power of buyers, bargaining power of suppliers and threat of substitutes. Examining each of these forces would provide great knowledge over the industry where the company belongs.

Another important tool that investors use for understanding the industry is the *SWOT analysis*. SWOT (Strength, Weakness, Opportunity and Threat) analysis can be a great way to summarise various industry forces and make an informed decision.

Step 3: Company Analysis:

I) **Compounded Annual Growth Rate (CAGR):** Any investor would be interested in the percentage of return on the capital invested before making any investment. The same can be valued with the help of the CAGR formula. CAGR is the representative figure of growth in terms of return on capital employed with the help of past years growth rate. This figure can give an idea on the return that the share can offer in the future. The formula used to calculate CAGR would be

$$\left(\frac{FV}{PV}\right)^{\frac{1}{n}} - 1 = r$$

• Where **FV** represents Future Value

• **n** represents no. of years

• **PV** represents Present Value

• **r** represents growth rate

If the Growth rate is less, people by large don't invest in shares as the banks pay a decent return as interest on savings.

ii) **Management:** In order to execute a business plan, the organisation needs the best top quality management. Their abilities, strength and weaknesses would be assessed by the investors before investing. Even the best plans can go wrong with bad management. Investors must look into the track records of management and their success rates in the past. If the management has bad track records, then it's better to move on.

iii) **Financial Ratios:** There are several ratios used by investors to interpret the strength and weakness of the company. Here are a few important ratios that shouldn't be ignored before investing.

1) **Liquidity Ratios:** It measures the company's liquidity position and ability to pay short term obligations. It can be simply calculated by dividing

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2) **Profitability Ratios:** It measures the company's ability to earn profits by showing the financial performance of a company. It can be simply calculated by dividing

$$\frac{\text{PAT OR EBITDA}}{\text{Total Revenue}}$$

3) **Leverage Ratios:** It analysis the overall debt situation of the company. Debt can be compared with Equity or Total Assets to find the leverage of the company. 2:1 is a standard ratio of Equities to Debt that depicts a good position of the company. Highly debted companies would cost a long time to give good returns.

4) **PE Ratio:** Price-To-Earnings ratio helps to understand how much an investor is paying for each rupee of earning. In other words, it helps to understand whether the company is overvalued or undervalued in the market. PE ratio can be determined by dividing the current Market Price of the company by Earning of the company. PE Ratio can also be compared with historical PE of the company, peer company's PE, market PE and industry PE.

There are several other ways to carry out a fundamental analysis of shares. Always one set of analysts believe that the market is headed for a bull market and others bet that the market is headed for a bear market. *Sometimes it becomes impossible to beat the market through fundamental Analysis.* But by doing a fundamental analysis one can stay away from investing in risky companies that can cost you more.

KNOW YOUR DUE DATES

COMPLIANCE UNDER GST

S.NO	DUE DATE	COMPLIANCE REQUIRED
1	28/02/2021	Due date for filing of GSTR 9 for F.Y.2019-20
2	28/02/2021	Due date for filing of GSTR 9C for F.Y.2019-20
3	11/02/2021	Due date for Filing of GSTR1 for the month of January 2021
4	20/02/2021	Tax payers with Turnover more than Rs.5 crores - Due date for filing of GSTR 3B for the month of January 2021
5	22/02/2021	Tax payers with Turnover upto Rs.5 crores - Due date for filing of GSTR 3B for the month of January 2021 - In case of taxpayers in states (A) (Refer below)
6	24/02/2021	Tax payers with Turnover upto Rs.5 crores - Due date for filing of GSTR 3B for the month of January 2021 - In case of taxpayers in states (B) (Refer below)
7	20/02/2021	Registered non - resident taxable person- Due date for filing of GSTR 5 for the month of January 2021
8	13/02/2021	Input service distributor - Due date for filing of GSTR 6 for the month of January 2021
9	10/02/2021	Taxpayers required to deduct TDS under GST - Due date for furnishing of GSTR 7 for the month of January 2021
10	10/02/2021	E-commerce operators required to collect TCS under GST - Due date for filing of GSTR 8 for the month of January 2021

States (A) - *Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep*

States (B) - *Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi*

COMPLIANCE UNDER INCOME TAX ACT

S.NO	DUE DATE	COMPLIANCE REQUIRED
1	15/02/2021	Due date for filing of I TR for all assessees having tax audit requirement for A.Y.2020-21 (including tax payers having international/specified domestic transactions)
2	31/03/2021	Due date for filing of TDS Return for Q1 for F.Y.2020-21
3	31/03/2021	Due date for filing of TDS Return for Q2 for F.Y.2020-21
4	31/05/2021	Due date for filing of TDS Return for Q4 for F.Y.2020-21
5	31/03/2021	Due date for filing of TCS Return for Q1 for F.Y.2020-21
6	31/03/2021	Due date for filing of TCS Return for Q2 for F.Y.2020-21
7	15/05/2021	Due date for filing of TCS Return for Q4 for F.Y.2020-21

COMPLIANCE UNDER LABOUR LAWS

S.NO	DUE DATE	COMPLIANCE REQUIRED
1	15/02/2021	Due date for ESI contribution for the month of January 2021
2	15/02/2021	Due date for PF contribution for the month of January 2021

Glimpses of Colour up Contest

