



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

MARCH 2022

VOL IV/NO. 3



BRANCH OFFICE ADDRESS..

**Flat No:401, 4th Floor, No.1A, Periyalwar Street,
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Vice Chairperson

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FROM THE SICASA CHAIRPERSON'S DESK

Dear Students,

This is the moment of gratitude. I have been a student a decade ago. As SICASA Chairperson of the Chengalpattu District Branch of ICAI, It gives me immense pleasure to address you in this forum now.



At this juncture, I also place on record, my heartfelt thanks to the Branch Chairman Shri CA K.R. Sathiyarayanan and other Management committee members for reposing faith in me in handing over the mantle of a big responsibility of being the SICASA Chairperson for 2022-23.

CA results have been declared. Best wishes to all the students who have cleared your exams. To the students whose success is slightly delayed, please do not lose hope. You are very very close to the finish line. Make a fresh start. Am sure laurels will follow. Just remembers, mistakes are the stepping stones to success. Do analyse what could have been done better in your exam preparation strategy. Prepare a timeline and stick to it. Read, Revise and make it count every time. Smart work coupled with hard work, strategy are required to cross the finish line.

The Branch is planning to organize various workshops, seminars this year. These would be of immense help to you in your article ship period at office. Practical knowledge and theoretical knowledge would be a sure success and our Branch is committed to help you attain this. There would also be regular coaching classes, fast track classes and mock tests to help you succeed.

Also I would request all students to avail every opportunity that is provided by this Branch to up skill. This forum is a platform that is available to you to build your skill-sets, gain confidence and work towards your better future.

Covid is not behind us. Remember SMS (Sanitizing, Masking and Social Distancing) protocol. Also please take care of your personal well-being. Include lots of greens, fruits in your diet, practice yoga, reduce mobile time, get good sleep. All this supplementary activities will define your roadmap to exams as well.

Health is wealth

I conclude by saying that each one you have Great positive energy , Widen your horizons and achieve great heights. **As Swami Vivekananda Said “ Arise ! Awake! And stop not till your goal is reached !!!!**

I also take this opportunity to thank CA Shivachandra Reddy, immediate past SICASA Chairman of our Branch for all the work done. I would be filling big shoes but I am sure, with your support, it would be a good run.

CA Madhumitha R

SICASA Chairperson

Chennai, 28 th feb 2022



*FROM THE BRANCH CHAIRMAN'S
DESK*

Dear Students,

I am happy to address the Student's fraternity as the newly elected Chairman of Chengalpattu Branch of SIRC of ICAI. Take this opportunity to greet all of you and hope you strive to be outstanding and bring out cent percent of your efforts in your studies.



Our branch had obtained leased land adjacent to Tambaram Sanatorium Railway station. Bhoomi Pooja had been performed by the then President CA Nihar N Jambusaria and Vice President CA. (Dr.) Debashis Mitra of our Institute on 7th February 2022 in a grand manner. Let us hope the building will be ready with in a couple of years

I congratulate all the students those who cleared their Final and IPCC Examination held in December 2021. As the situation becoming normal after the pandemic, let us hope that you all come out with flying colors.

Let all our sincere efforts enable us to meet the future challenges and bring glory to our profession.

Wishing you all the best.

CA K R Sathiyarayanan

Branch Chairman

Chennai, 28 th feb 2022



THANKING LETTER OF IMMEDIATE PAST SICASA CHAIRMAN



My dear students

As you all know, the branch 2019-22 management team term, has come to an end and the new management team has taken over on 21st of Feb 22 at our proposed new premises under the dynamic leadership of CA K R Sathiyarayanan.

It has been a great honor and privilege to lead as a sicasa chairman in the previous year 2021-22 under the leadership of C Kathiresan sir. I am fortunate, every one in the team, the past branch chairman's, Jayasankar sir, Geetha mam, Kathiresan sir & Current Chairman Sathiyarayanan sir, Vice Chairman Sivagurunathan, Secretary Narasimma Raghavan, including our beloved Ex officio RCM sir has given their full support and cooperation in discharging my role as a students chairman. I express my sincere gratitude to all of them.

The encouragement from our branch members more particularly our senior member "Bhisma Pitamaha" of our branch was really incredible. My Pranams to him, who always finds the ways and means to wish/ bless every one, for their well being and for his positive thinking in any given situation.

The technical team, editorial team placed very crucial role in guiding our students and in releasing the 'E'- newsletter on time. I am thankful to each one of them for their unstinted support.

My sincere appreciation to previous SICASA team and the current team and their leaders Ms Annapoorani & Ms Shrouthi. My sincere thanks to all those students who contributed articles to the news letter and the readers.

I am very happy to handover the SICASA team to the current SICASA Chairperson, Ms Madumitha, who is young, dynamic and who had a wide exposure in students related activities. Now time has come to move forward with much more vigor, since the challenges of pandemic and its ripple effects has come down drastically, which affected us very badly for last two years. I am sure and confident the current SICASA Chairperson will take students activities of our branch to the next level. I would request each one of you to extend the same support and cooperation to her which you have provided to me.

Wishing the SICASA team & the students all the best !

Shivachandra Reddy K
Past SICASA Chairman
Chennai, 28 th feb 2022



SICASA Schedule for the month of March 2022

DATE	DAY	PROGRAM
5/3/2022	Saturday	Virtual Workshop - Filing of ROC Annual Return
9/3/2022	Wednesday	Study Circle Meeting - Advance Tax and Its Implications Under Income Tax Act
11/3/2022	Friday	Educational Tour
18/03/2022	Friday	Industrial Visit
26/03/2022	Saturday	Virtual Seminar - Bank Audit
27/03/2022	Sunday	Outdoor Sports



IND AS 19 Employee Benefits

Objective:

- I. To prescribe accounting treatment and disclosure requirement for Employee benefits.
- II. This Standards requires an entity to recognize:
 - A liability for services received from an employee to be paid in future; and
 - An expense for consumption of economic benefits raised from the service provided by an employee in exchange for employee benefits.



Sripriya .P
SRO0605060

Scope:

This Standards Shall applied by an employer in accounting for all employees benefits other than IND AS 102, Share based Payments.

Employee Benefits:

All form of consideration given by an entity for the service provided or for termination of employment.

Indicators to determine "Who is Employee?"

A person shall be considered as an Employee if the decision about the below factors are determined by another person (Employer)

- ❖ Direction & Control
- ❖ Delegation of work
- ❖ Location
- ❖ Contract of Service



Short Term Employee Benefits	Post-Employment Benefit	Other Long Term Employment Benefits	Termination Benefits
Employee Benefits expected to be settled wholly within 12 months after reporting period.	Employee Benefits payable after or at the time of retirement (Other than termination benefits and Short term Employee Benefits)	Employee benefits other than Post employee benefits, Short term employee benefits and termination benefits.	Employee Benefits provided for termination of Employee.
Eg., Salary & Wages, Perquisites , Paid leaves (short-term)	Gratuity, PF	Leave encashment, Sabbatical leave	VRS Compensation

Accounting Treatment for Employment Benefits:

Short Term Employment Benefits:

Other than compensated absences:

- ❖ As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- ❖ As an expense, unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset (see, for example, Ind AS 2, Inventories, and Ind AS 16, Property, Plant and Equipment)



Compensated Absences Accounting:

Accumulating Paid Absences

Vesting - Recognise expense and liability that entity expect to pay for unused entitlement

Non Vesting - Recognise a liability and provision to the extent of **probability** that employee expect to avail the unused entitlement.

Non Accumulating Paid Absences

Recognise expenses and liability only when the absences occur

Post-Employment Benefit Plans: Meaning:

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Classification:

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods

Defined benefit plans are post-employment benefit plans other than defined contribution plans



Accounting treatment

Defined Benefit Plan	Defined Contribution Plan												
<p>Amount to be recognized in statement of profit or loss as Employee benefit expenses :</p> <p>Net interest</p> <p>Interest on opening DBO XXX</p> <p>Expected Return on Plan Assets XXX</p> <p>Current Service Cost XXX</p> <p>Past Service Cost XXX</p> <p>(Gain)/Loss on Curtailment <u>XXX</u></p> <p>Total <u>XXX</u></p> <p>Amount to be recognized to Other Comprehensive Income :</p> <p>Actuarial (gain) / loss XXX</p> <p>Change in Return on Plan Asset (Due to Change in Actuarial Assumption) XXX</p> <p>Change in effects of Asset Ceiling XXX</p> <p>Total XXX</p> <p>Amount to be recognized in Balance Sheet as a liability :</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 35%; text-align: center;">Current year</td> <td style="width: 35%; text-align: center;">Previous year</td> </tr> <tr> <td>Closing DBO</td> <td style="text-align: center;">XXX</td> <td style="text-align: center;">XXX</td> </tr> <tr> <td>Closing Plan Asset</td> <td style="text-align: center;"><u>XXX</u></td> <td style="text-align: center;"><u>XXX</u></td> </tr> <tr> <td>Total</td> <td style="text-align: center;"><u>XXX</u></td> <td style="text-align: center;"><u>XXX</u></td> </tr> </table>		Current year	Previous year	Closing DBO	XXX	XXX	Closing Plan Asset	<u>XXX</u>	<u>XXX</u>	Total	<u>XXX</u>	<u>XXX</u>	<ul style="list-style-type: none"> If a contribution is payable wholly within 12 months after reporting period, recognize expenses and liability, after deducting any contribution on undiscounted basis. If contribution is not payable wholly within 12 months after reporting period, recognize expense and liability after deducting contribution on discounted basis.
	Current year	Previous year											
Closing DBO	XXX	XXX											
Closing Plan Asset	<u>XXX</u>	<u>XXX</u>											
Total	<u>XXX</u>	<u>XXX</u>											



Other long term employee benefits

An entity shall recognize the net total of the following amounts in profit or loss

- Service Cost
- Net interest on net defined benefit liability/(assets)
- Remeasurement of the net defined benefit liability/(assets)

Termination Benefits

If the termination benefits are expected to be settled wholly before 12 months after the end of reporting period, an entity shall apply the requirements for short-term employee benefits.

If the termination benefits are not expected to be settled wholly before 12 months after end of the reporting period, the entity shall apply the requirement for other long term employee benefits.

Thanks & regards
Sripriya





APR of a Manufacturing SEZ

Introduction

APR refers to an Annual performance reports. Where the SEZ unit has to prepare a report showing SEZ unit post commencement of production and submit the same to the Development Commissioner who shall place the same before the Approval Committee for consideration. The preparation of Annual Performance Report (APR) has to be done independently by each SEZ unit located in SEZ area.



Nivetha S
SRO0545599

Due date of filing / submission of the APR

The APR has to be filed to the particular SEZ Additional development commissioner within 90 days from the end of the Financial Year in which commercial production of the unit has been initiated and every year thereafter. i.e. It has to be filled within 30th Jun. And the APR must be duly certified by a Chartered Accountant. The form for the same is, Form-I (format enclosed as Annexure – A). The form has been prescribed by the Rules issued under the SEZ Act.

Basis of Details to be provided:

Details of inflow

- ❖ FOB value of Exports made during the year (inclusive of Deemed exports and SEZ sales).
- ❖ 5 years Cumulative FOB value of Exports.
- ❖ Country wise value of Exports

Details of outflow:

- ❖ CIF value of raw materials ,consumables capital goods , spares imported during the years
- ❖ Cumulative value of raw materials ,consumables capital goods, spares imported during the years
- ❖ Value of imported capital goods, spares received/transferred to other units in SEZ/EOU/EHTP/STP during the year.
- ❖ Proportionate amortized value of imported capital goods taken for NFE calculations as per rule of special economic Zone rules,2006 – It has to proportionate at the rate of 10% on value of imported capital goods

Others Details

- ❖ Authorised and paid capital of unit.
- ❖ No of employment
- ❖ Details of investments in Zone in cumulative value such as Building , Plant and machineries.



Purpose of APR

The basic purpose of the APR is to identify the annual performance of the SEZ unit using the net foreign exchange earnings in a specified period by the SEZ unit.

Net Foreign Exchange Earnings:

The Net Foreign Exchange Earnings (“NFE”) earned by a SEZ unit has to be computed using the following formula

$$\text{Net foreign Exchange earnings} = \text{Inflow of foreign exchange (A)} - \text{Outflow of Foreign exchange(B)}$$

Purview of monitoring

The units which would fall within the purview of monitoring (by the Approval Committee) are as follows:

Incase a unit has not completed 5 years from the date of commencement of production, it will be monitored for the completed years; in case of old units more than 5 years will be undertaken only for such years which fall in the subsequent block of 5 years.

Penal provisions

As stated above, if the negative performance continues till the end of 5th year, the Development Commissioner shall initiate penal action under the provisions of Foreign Trade (Development and Regulation) Act, 1992 and the rules made there under. Any SEZ unit, while undertaking the Bond-Cum-Legal Undertaking undertakes that in case of any default in filing the APR within the prescribed time limit or in case of wrong submission, the permission granted for the prescribed operations may be withdrawn and / or the permission for further imports and sales in the Domestic Tariff Area (“DTA”) may be stopped.

Form-I (Annexure–A)..

ANNUAL PERFORMANCE REPORT FOR UNITS (See rule 22)

PERIOD OF REPORTING: ANNUAL (APRIL- MARCH)

Period: **20XX-XX**

1. Name of the Unit:

2. Item of manufacture/service activity:

3. EXPORTS (INFLOW)

(Rs. in Lakhs)

a) FOB value of exports for the
Year (indicate items of exports)



- b) Cumulative value of exports for the five year period.
- c) Countries of exports

4. IMPORTS (OUTFLOW)

(Rs. in Lakhs)

A.Raw materials & other inputs utilized.

- (a) Opening balance of imported raw materials, consumables, components, packing materials etc.,
- (b) CIF value of raw materials, consumables, components, packing materials etc. imported during the year
- (c) Cumulative value of raw materials, consumables, components, packing materials etc.
- (d) Value of imported raw materials, consumables, components, packing materials etc. or finished goods /services received from other units in SEZs/EOUs/ EHTPs/STPs during the year
- (e) Total (c + d)
- (f) Value of imported raw materials, consumables, components, packing materials etc. or finished goods/services transferred to other units in SEZs/EOUs/EHTP/STP during the year
- (g) Closing balance of imported raw materials, consumables components, packing materials etc.
- (h) Value of imported raw materials, consumables, components, packing materials etc. actually consumed during the year
{ (e) – [f + g]

B.Capital goods

- (i) Year-wise CIF value of capital goods Imports & spares till end of the year under report.
- (ii) Value of imported Capital goods, and spares received from other units in SEZ/EOU/EHTP/STP during the year
- (iii) Total (i) + (ii)



- (iv) Value of imported Capital goods, and spares transferred to other units in SEZ/EOU/EHTP/STP during the year
 - (v) Total value of imported capital goods and spares during the year. (iii) – (iv)
 - (vi) Proportionate amortized value of imported capital goods taken for NFE calculations as per rule ----- of Special Economic Zone Rules, 2006
5. Other outflow of Foreign Exchange
Royalty, technical know-how fee, repatriation of Dividend/Profits, Payment of Sales Commission, Interest on overseas borrowings, etc.)during the year.
 6. Total outflow [4.A.(h) + 4.B.(vi) + 5]
 7. Net Foreign Exchange Earning for the year [3(a) – 6
 8. Net Foreign Exchange Earning position at the end of previous year.
 9. Cumulative Net Foreign Exchange Earnings for the five year period [7 + 8]
Note: For details of calculation of NFE, please refer to rule -----

Part - II

I. DTA SALES

Value (Rs. in lakhs)

- (a) Sale of finished goods/services
- (b) Sales of rejects
- (c) Sale of by product
- (d) Sale of Waste/Scrap/Remnant
- (e) Total



2. Capital structure of the enterprise

A. i) Authorised capital

ii) Paid up capital

B. Overseas investments: -

FDI

NRI

a) Approved

b) Actual Inflow during the year

c) Cumulative actual investment for 5 years

3. Employment:

4. Investment in the Zone: (Rs. In lakhs)

(a) Building

(b) Plant and Machinery

(i) Indigenous

(ii) Import CIF value

(iii) Total (i) + (ii)

5. Other Information:

1	External commercial borrowing External commercial borrowing pending at the end of last year (a) Less than three years Amount in \$ (b) More than three years -do-	
2	Cases pending for foreign exchange realization, if any. Date export Name of importer Address Amount	

Thanks
Nivetha S



GLIMPSE OF BHOOMI POOJA OF PROPOSED NEW BRANCH PREMISES & INSTALLATION OF THE MANAGING COMMITTEE FOR THE YEAR 2022-23



Bhoomi pooja of New branch Premises





Glimpse of planting tree by our honorable president of ICAI on the occasion of bhoomi pooja

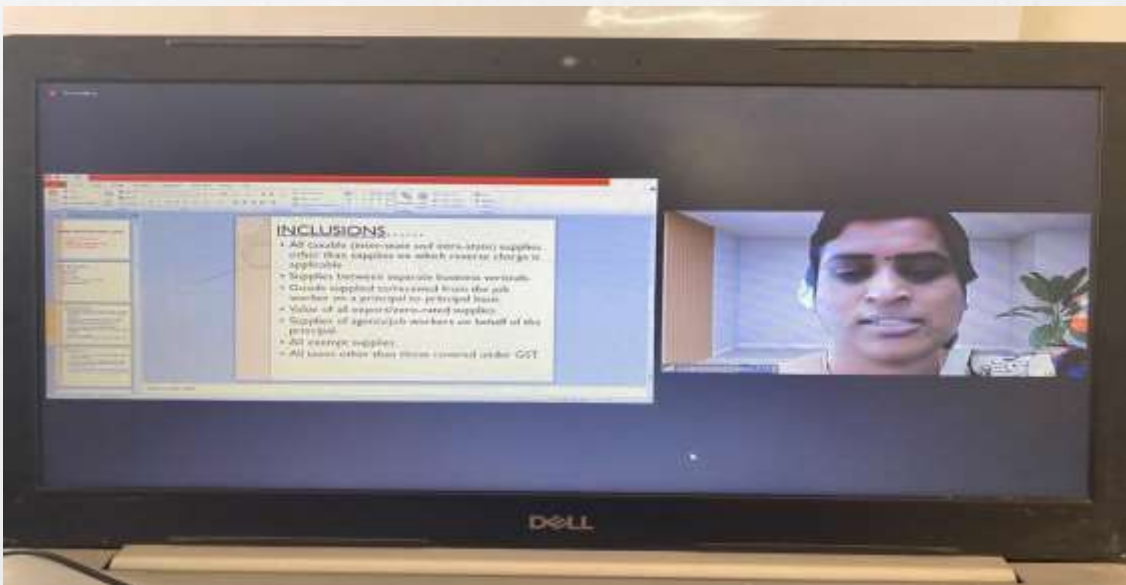


Oath taking of Managing committee 2022-23



SICASA Team 2021-22





Workshop on GSTR 9 & 9C by CA R.V Bhuvaneswari

*****Best wishes to all the students who have cleared your exams. Photos of those students are invited for publishing in E-News letter. Students can mail there photos with Name ,SRO Number , Place, Examination & Group of Examination cleared to our email id kpmsicasa@gmail.com***



TRIVIA Corner

- i. Which constitutional amendment is done to pass the GST bill?
- ii. What is the due date of filing /submission of APR to SEZ additional development commissioner?
- iii. Which Assets have definite physical share or identity and existence?
- iv. Auditing Assurance Standards -8 deals with what ?
- v. Which ratio measures the number of times the receivables are rotated in a year in terms of sales?

Previous Month Answer

- i. Which was the first state in India to pass the GST bill?
Assam
- ii. A written document in support of transaction is called- ? -
Voucher
- iii. What is the name of all India tax passed by parliament in 2017? - GST
- iv. Which is not a sub field of accounting? –Book Keeping
- v. Vouching of the balances of all incomes and expenses account is known as vouching of ? – Impersonal ledger



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

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